Arrowhead Earns $10 Million Option Exercise Fee

May 18, 2021

PASADENA, Calif.--(BUSINESS WIRE)--May 18, 2021-- Arrowhead Pharmaceuticals Inc. (NASDAQ: ARWR) today announced that Janssen Pharmaceuticals, Inc., (Janssen) part of the Janssen Pharmaceutical Companies of Johnson & Johnson, has delivered written notice of its intent to exercise its option right for ARO-JNJ1. Receipt of the option notice earns Arrowhead a $10 million option exercise fee and grants Janssen all rights, including licenses, and obligations to develop and commercialize ARO-JNJ1, an investigational RNAi therapeutic candidate which utilizes Arrowhead's proprietary Targeted RNAi Molecule (TRiM ™) platform.

Chris Anzalone, Ph.D., president and chief executive officer at Arrowhead, said: "The collaboration with Janssen, which was executed in 2018, for ARO-HBV against chronic hepatitis B infection, and potentially three additional programs, has been highly productive and collaborative. We are thrilled that Janssen has decided to exercise its option on ARO-JNJ1 and move forward with clinical studies. We look forward to continued collaboration and progress as Janssen advances these potentially important new medicines."

Arrowhead entered into a license and collaboration agreement, and into a research collaboration and option agreement, with Janssen in October 2018. Arrowhead is eligible for additional payments when future milestones are met and is also eligible for royalties on commercial sales of ARO-JNJ1.

About Arrowhead Pharmaceuticals

Arrowhead Pharmaceuticals develops medicines that treat intractable diseases by silencing the genes that cause them. Using a broad portfolio of RNA chemistries and efficient modes of delivery, Arrowhead therapies trigger the RNA interference mechanism to induce rapid, deep, and durable knockdown of target genes. RNA interference, or RNAi, is a mechanism present in living cells that inhibits the expression of a specific gene, thereby affecting the production of a specific protein. Arrowhead's RNAi-based therapeutics leverage this natural pathway of gene silencing.

For more information, please visit www.arrowheadpharma.com, or follow us on Twitter @ArrowheadPharma. To be added to the Company's email list and receive news directly, please visit http://ir.arrowheadpharma.com/email-alerts.

Safe Harbor Statement under the Private Securities Litigation Reform Act:

This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Any statements contained in this release except for historical information may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "plan," "project," "could," "estimate," or "continue" are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, trends in our businesses, or other characterizations of future events or circumstances are forward-looking statements. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of numerous factors and uncertainties, including the continuing impact of the COVID-19 pandemic, the safety and efficacy of our product candidates, the duration and impact of regulatory delays in our clinical programs, our ability to finance our operations, the likelihood and timing of the receipt of future milestone and licensing fees, the future success of our scientific studies, our ability to successfully develop and commercialize drug candidates, the timing for starting and completing clinical trials, rapid technological change in our markets, the enforcement of our intellectual property rights, and the other risks and uncertainties described in our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and other documents filed with the Securities and Exchange Commission from time to time. We assume no obligation to update or revise forward-looking statements to reflect new events or circumstances.

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