Arrowhead Pharmaceuticals Announces $500 Million Strategic Financing Facility with Sixth Street

August 8, 2024

- Balance sheet strengthened with long-term, non-dilutive capital
- $400 million funded at close with the potential to draw an additional $100 million
- Immediately enhances Arrowhead's ability to advance plozasiran towards a 2025 launch
- Expands possibilities to fund innovation and growth across Arrowhead's robust and diverse pipeline of RNAi therapeutics

PASADENA, Calif.--(BUSINESS WIRE)--Aug. 8, 2024-- Arrowhead Pharmaceuticals, Inc. (NASDAQ: ARWR) today announced that it has entered into a strategic financing agreement with Sixth Street for significant, long-term, non-dilutive capital to fund innovation and growth opportunities across Arrowhead's robust and diverse pipeline of RNAi therapeutics. The $500 million senior secured credit facility includes $400 million funded at close with an additional $100 million available at Arrowhead's option, subject to mutual agreement between Sixth Street and Arrowhead, during the seven-year term of the agreement.

"This deal and its favorable structure and economics allow us to confidently build our commercial capabilities to support our first commercial launch in 2025, provided we receive regulatory approval for plozasiran in familial chylomicronemia syndrome. This transaction is non-dilutive and has an attractive repayment structure, which largely aligns outflows with future inflows, allowing us to keep more cash in the business at a critical time of growth. In addition, because of the flexible repayment mechanics during the seven-year term, it has important risk sharing features. Not only does the facility allow us to support plozasiran as we move toward a commercial launch, it also expands our ability to fund growth and innovation across our pipeline," said Christopher Anzalone, Ph.D., President and CEO at Arrowhead.

Jeff Pootoolal, Partner at Sixth Street and Michael Reslinski, Managing Director added, "Arrowhead Pharmaceuticals has an impressive platform technology, attractive pipeline assets with promising commercial opportunities, and multiple partnerships maturing toward commercialization. We are pleased to utilize our firm's scale, expertise and flexibility to help Arrowhead meet its strategic objectives through this innovative financing solution, and we hope to continue strengthening our relationship with the company as it rapidly becomes one of the most exciting emerging commercial-stage biopharmaceutical companies."

The credit facility matures on August 7, 2031, and bears interest at an annual rate of 15%. The credit facility does not provide for scheduled amortization payments during the term, and all principal will be due on the Maturity Date. Arrowhead will have the right to prepay loans under the credit facility at any time. The company is required to partially repay loans under the credit facility with a portion of the proceeds from certain transactions, such as the future collection of upfront payments, milestones, and royalties from partnerships and collaborations, and commercial revenue by Arrowhead. All obligations will be secured on a first-priority basis, subject to certain exceptions, by security interests in substantially all assets of the company.

TD Cowen acted as financial advisor and Gibson, Dunn & Crutcher LLP served as legal advisor to Arrowhead. Proskauer Rose LLP and Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, PC acted as legal advisors to Sixth Street.

About Sixth Street

Sixth Street is a global investment firm with over $75 billion in assets under management and committed capital. Sixth Street uses its long-term flexible capital, data-enabled capabilities, and One Team culture to develop themes and offer solutions to companies across all stages of growth. Sixth Street Healthcare and Life Sciences finances the development and commercialization of innovative therapeutics and invests in healthcare technology companies across all stages of growth. Investments in the sector include Arsenal Biosciences, Biohaven, Blueprint Medicines, Caris Life Sciences, Chroma Medicine, ConcertAI, Datavant, Immunogen, Ironwood, and Mammoth Biosciences, among many others. Founded in 2009, Sixth Street has more than 600 team members including over 250 investment professionals operating around the world. For more information, visit www.sixthstreet.com, or follow Sixth Street on LinkedIn.

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 X (formerly Twitter) at @ArrowheadPharma or on LinkedIn. 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," "hope," "intend," "plan," "project," "could," "estimate," "continue," "target," "forecast" or "continue" or the negative of these words or other variations thereof or comparable terminology are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, trends in our business, expectations for our product pipeline or product candidates, including anticipated regulatory submissions and clinical program results, prospects or benefits of our collaborations with other companies, or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements include, but are not limited to, statements about the initiation, timing, progress and results of our preclinical studies and clinical trials, and our research and development programs; our expectations regarding the potential benefits of the partnership, licensing and/or collaboration arrangements and other strategic arrangements and transactions we have entered into or may enter into in the future; our beliefs and expectations regarding milestone, royalty or other payments that could be due to or from third parties under existing agreements; and our estimates regarding future revenues, research and development expenses, capital requirements and payments to third parties. 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 impact of the ongoing COVID-19 pandemic on our business, the safety and efficacy of our product candidates, decisions of regulatory authorities and the timing thereof, 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.

Source: Arrowhead Pharmaceuticals, Inc.

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Source: Arrowhead Pharmaceuticals, Inc.