Arrowhead Pharmaceuticals Issues Statement on the Status of its Ongoing Agreement with Sarepta Therapeutics

July 23, 2025

PASADENA, Calif.--(BUSINESS WIRE)--Jul. 23, 2025-- Arrowhead Pharmaceuticals, Inc. (NASDAQ: ARWR) today issued a statement to address questions about the status of its ongoing Exclusive License and Collaboration Agreement with Sarepta Therapeutics. Arrowhead continues to conduct clinical and non-clinical studies as stipulated in the agreement, and it expects Sarepta to continue to meet its required financial obligations. Sarepta has provided no indication of any intention to fail to fulfill any of its obligations, however if that occurs there are clear termination provisions that would cause assets and associated intellectual property to be returned to Arrowhead. Arrowhead believes its strong balance sheet and multiple opportunities for additional near- and mid-term business development would be sufficient to support existing and future advancement of these potentially impactful therapies through clinical and preclinical development. Below is an overview of the agreement.

Upon closing of the agreement in February 2025, Arrowhead received a $500 million upfront payment and $325 million through the purchase by Sarepta of Arrowhead common stock priced at $27.25 per share. Arrowhead will also receive $250 million to be paid in annual installments of $50 million over 5 years, with the first $50 million payment due in February 2026. Arrowhead is eligible to receive $300 million in near-term payments associated with the continued enrollment of certain cohorts of a Phase 1/2 study of ARO-DM1. Arrowhead believes it is on track to earn the first $100 million soon and the remaining $200 million by the end of the year. Arrowhead is also eligible to receive a further $10 billion in potential milestones and tiered royalties on commercial sales up to low double digits. Included in the agreement were four clinical-stage drug candidates, three pre-clinical programs, and up to six additional targets outside Arrowhead's pipeline.

Sarepta has recently experienced setbacks in products and programs unrelated to those licensed from Arrowhead. These setbacks led Sarepta to conduct a strategic restructuring plan that included cost cutting measures and a pipeline review that prioritizes the funding, development, and commercialization of programs licensed from Arrowhead. Sarepta has clearly stated that it believes this represents the future of their company and has taken measures to ensure they meet their financial obligations.

Should Sarepta fail to make either the $100 million or $200 million near-term payment associated with enrollment of ARO-DM1 cohorts, Arrowhead would have the right to terminate the agreement with respect to ARO-DM1, and the program and all associated intellectual property would revert back to Arrowhead. Similarly, should Sarepta fail to make any development or commercial milestone payment, Arrowhead would have the right to terminate the agreement with respect to the asset for which the payment was owed, and the program and all associated intellectual property would revert back to Arrowhead. If Sarepta fails to make any of the annual $50 million payments, Arrowhead would have the right to terminate the entire agreement and all of Arrowhead's intellectual property rights that have been licensed to Sarepta under all of the programs would revert to Arrowhead. In such cases, Arrowhead would have no obligation to return any consideration Sarepta had already paid.

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, LinkedIn, Facebook, and Instagram. 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.

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