



March 23, 2017

Arrowhead Pharmaceuticals Adopts Stockholder Rights Agreement

PASADENA, Calif.--(BUSINESS WIRE)-- Arrowhead Pharmaceuticals Inc. (NASDAQ: ARWR) today announced that on March 21, 2017 it entered into a stockholder rights agreement in accordance with an authorization and declaration from its board of directors of a dividend distribution of one preferred share purchase right on each outstanding share of the company's common stock. The rights agreement is intended to ensure that all of the company's stockholders receive fair and equal treatment and realize the long-term value of their investment in the company in the event of any proposed takeover of the company and to guard against abusive tactics to gain control of the company without paying all stockholders a premium for that control. The rights plan was not adopted in response to any specific attempt to acquire the company.

The rights will be exercisable only if a person or group acquires 15% or more of the company's outstanding common stock. Each right will entitle stockholders to buy one one-thousandth of a share of a new series of junior participating preferred stock at an exercise price of \$20. If a person or group acquires 15% of the company's outstanding common stock, each right will entitle its holder (other than such person or members of such group) to purchase for \$20, a number of company common shares having a market value of twice such price.

In addition, at any time after a person or group acquires 15% of the company's outstanding common stock (unless such person or group acquires 50% or more), the company's board of directors may exchange one share of the company's common stock for each outstanding right (other than rights owned by such person or group, which would have become void).

Prior to the distribution by the company of the rights to the company's stockholders, which will take place ten business days after acquisition by a person or group of beneficial ownership of 15% of the company's common stock, the rights are redeemable for one cent per right at the option of the board of directors.

The dividend distribution was made on March 22, 2017, payable to stockholders on that date and is not taxable to stockholders. The rights will expire on March 21, 2018, unless the rights are earlier redeemed or exchanged.

A copy of the stockholder rights plan will be contained in a Form 8-K to be filed with the Securities and Exchange Commission.

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](https://twitter.com/ArrowheadPharma). To be added to the Company's email list and receive news directly, please visit <http://ir.arrowheadpharma.com/alerts.cfm>.

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. 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 various factors and uncertainties, including 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 future success of our scientific studies, our ability to successfully develop drug candidates, the timing for starting and completing clinical trials, rapid technological change in our markets, and the enforcement of our intellectual property rights. Our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q discuss some of the important risk factors that may affect our business, results of operations and financial condition. 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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