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Arena Pharmaceuticals Announces Formation of Beacon Discovery

SAN DIEGO, Sept. 1, 2016 /PRNewswire/ -- Arena Pharmaceuticals, Inc. (NASDAQ: ARNA) today announced the formation of Beacon Discovery Inc. ("Beacon"), an independent, privately-held drug discovery incubator.

Beacon will focus on identifying and advancing molecules targeting G-Protein Coupled Receptors (GPCRs) from concept to clinic leveraging the strengths and capabilities developed over close to two decades at Arena. Beacon plans to engage global pharmaceutical partners to facilitate discovery and early stage development.

Arena will have certain rights to compounds developed by Beacon and will collaborate with Beacon in support of Arena's proprietary pipeline programs as well as the Boehringer Ingelheim International GmbH collaboration. Additionally, Arena will be entitled to certain rights to potential cash flows generated by Beacon in the future.

"The formation of Beacon underscores both our commitment to transitioning Arena from a historically research-oriented organization to a high-performing clinical development organization and our commitment to maximizing the value of our assets," said Amit Munshi, CEO of Arena. "We believe that Beacon has the potential to unlock the value of Arena's historical research platform for the long term benefit of patients and shareholders."

Dominic P. Behan, Ph.D., D.Sc., Arena's co-founder, will serve as Beacon's Chief Executive Officer and transition from being Arena's Chief Scientific Officer and a member of its Board of Directors to become the Chairman of Arena's Scientific Advisory Board and a consultant.

"I am grateful for the work that Dominic has delivered in his time at Arena. As one of the co-founders of Arena, Dominic has significantly contributed to Arena's success and we are pleased that he will continue to participate as Chairman of the Scientific Advisory Board," said Dr. Tina Nova, Chairman of Arena's Board of Directors. "Dominic's knowledge of the clinical programs at Arena will be important as we continue to evolve our business focus."

"I believe the core clinical assets at Arena have the potential to be first or best in class and look forward to supporting the Arena team in optimizing the value of these clinical programs as Chair of the Scientific Advisory Board," said Dr. Behan. "At the same time, I am very pleased to have the opportunity to launch Beacon and continue to build on Arena's historical research platform."

About Arena Pharmaceuticals

We are a biopharmaceutical company focused on developing novel, small molecule drugs across a range of therapeutic areas. We have three primary proprietary clinical programs: etrasimod (APD334) in Phase 2 evaluation for ulcerative colitis, APD371 entering Phase 2 evaluation for the treatment of pain associated with Crohn's disease, and ralinepag (APD811) in Phase 2 evaluation for pulmonary arterial hypertension (PAH). Additionally, we have collaborations with the following pharmaceutical companies: Eisai Co., Ltd. and Eisai Inc. (commercial stage), Axovant Sciences Ltd. (Phase 2 candidate), and Boehringer Ingelheim International GmbH (preclinical candidate).

Our US operations are located in San Diego, California. Our primary clinical operations are located in Zug, Switzerland, and our commercial manufacturing for BELVIQ is located in Zofingen, Switzerland.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements include statements about the focus and plans of Beacon; the potential cash flows generated by Beacon; the potential to unlock the value of and build on Arena's research platform; the significance of Dr. Behan's appointment as the Chairman of the Scientific Advisory Board and his expected participation and contribution; Arena's transition from a discovery research company to a clinically focused company; Arena's core clinical assets and their potential, including in delivering value; and Arena's focus. For such statements, Arena claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from Arena's expectations. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, the following: having adequate funds and other resources and their effective use; enrollment in the Phase 2 clinical trials is competitive and challenging, and their progress, completion and results are uncertain; recruiting and retaining effective management and other key employees; risks related to commercializing drugs, including regulatory, product supply,

marketing and use; the focus, efforts and decisions of collaborators; the entry into, modification or termination of collaborative arrangements, and risks related to relying on such arrangements; the timing and receipt of payments from others; the risk that Arena's revenues are based in part on estimates, judgment and accounting policies, and incorrect estimates or disagreement regarding estimates or accounting policies may result in changes to Arena's guidance or previously reported results; the timing and outcome of regulatory review is uncertain, and lorcaserin may not receive any additional marketing approvals; regulatory decisions in one territory may impact other regulatory decisions and Arena's business prospects; reimbursement and pricing decisions; the timing, success and cost of Arena's research and development; results of clinical trials and other studies are subject to different interpretations and may not be predictive of future results; clinical trials and other studies may not proceed at the time or in the manner expected or at all; unexpected or unfavorable new data; nonclinical and clinical data is voluminous and detailed, and regulatory agencies may interpret or weigh the importance of data differently and reach different conclusions than Arena or others, request additional information, have additional recommendations or change their guidance or requirements before or after approval; data and other information related to any of Arena's research and development may not meet regulatory requirements or otherwise be sufficient for (or Arena or a collaborator may not pursue) further research and development, regulatory review or approval or continued marketing; intellectual property rights; and satisfactory resolution of litigation or other disagreements. Additional factors that could cause actual results to differ materially from those stated or implied by Arena's forward-looking statements are disclosed in Arena's filings with the Securities and Exchange Commission. These forward-looking statements represent Arena's judgment as of the time of this release. Arena disclaims any intent or obligation to update these forward-looking statements, other than as may be required under applicable law.

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