



Arena Pharmaceuticals and Outpost Medicine Enter into Licensing Agreement for Undisclosed Novel Compound

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- Arena's non-core, proprietary, preclinical compound provides strategic fit with Outpost Medicine's expertise in developing products for genitourinary disorders

SAN DIEGO and INDIANAPOLIS, May 1, 2018 /PRNewswire/ -- [Arena Pharmaceuticals, Inc.](#) (NASDAQ: ARNA), a biopharmaceutical company focused on developing novel, small molecule drugs across multiple therapeutic areas, and [Outpost Medicine](#), a biopharmaceutical company focused on the development of new treatments of urologic and gastrointestinal disorders, today announced that they have entered into a licensing agreement to advance an undisclosed, preclinical compound with potential utility in treating genitourinary disorders. This compound, targeting an undisclosed G protein-coupled receptor (GPCR), was internally discovered by Arena.

"As we continue to focus on our potentially best-in-class pipeline, it is important that we seek opportunities to further develop and enhance the value of promising assets that do not fit into Arena's core therapeutic areas," said Amit D. Munshi, President and Chief Executive Officer of Arena. "This partnership allows us to leverage Outpost's scientific and disease specific expertise, with the goal of bringing this novel therapy to patients and is representative of the caliber of Arena's legacy discovery platform."

"This novel agent from Arena's historical GPCR platform is the perfect fit to expand our pipeline of potentially breakthrough urologic treatments. We are thrilled to partner with Arena on this innovative program and advance our goal of developing and commercializing medicines that truly advance patient care and quality of life," said Scott Byrd, President and Chief Executive Officer of Outpost.

Under the terms of the agreement, Arena has granted Outpost exclusive, worldwide rights to develop and commercialize the compound. In return, Arena will receive an upfront fee comprised of cash and equity totaling \$3.0 million and is eligible to receive approximately \$100 million in development and commercial milestone payments and up to low double-digit tiered royalties on annual net sales of the compound.

About Outpost Medicine

[Outpost Medicine](#) is a biopharmaceutical company focused on the development of novel therapeutics for the treatment of urologic and gastrointestinal disorders. Located in Indianapolis and London, Outpost is a private company launched in 2016 and has raised \$64 million in Series A venture capital financing from Frazier Healthcare Partners, Adams Street Partners, Novo Holdings A/S, Vivo Capital and Takeda Ventures. For more information, visit Outpost's website at www.outpostmedicine.com.

About Arena Pharmaceuticals

[Arena Pharmaceuticals](#) is focused on developing novel, small molecule drugs with optimized receptor pharmacology and pharmacokinetics designed to deliver broad clinical utility across several therapeutic areas. Arena's proprietary pipeline includes potentially first- or best-in-class programs. The most advanced investigational clinical programs are [ralinepag](#) (APD811), which will be commencing a Phase 3 program for pulmonary arterial hypertension (PAH), and [etrasimod](#) (APD334), which will be commencing a Phase 3 program for ulcerative colitis (UC) and which has potential utility for a broad range of immune and inflammatory conditions. Arena is also evaluating [APD371](#) in Phase 2 for the treatment of pain associated with Crohn's disease. In addition, Arena has collaborations with the following pharmaceutical companies: Everest Medicines Limited (ralinepag and etrasimod in Greater China and select Asian countries), Axovant Sciences GmbH (nelotanserin - Phase 2), Boehringer Ingelheim International GmbH (undisclosed target - preclinical), and Eisai Co., Ltd. and Eisai Inc. (BELVIQ® - marketed product).

Forward-Looking Statements

Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements may be accompanied by words such as "will," "potential," "look forward to," "intended for," "potentially," "focused on," "designed to," or words of similar meaning, or by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements include, without limitation, statements about Arena's license agreement with Outpost, including its focus and potential payments to Arena, Outpost's expertise and goals, the potential of Arena's legacy platform, and Arena's programs (including their first- or best-in-class potential and expected clinical development), focus and other collaborations. 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: risks relating to working with collaborators, including Arena will have limited control over the development and, if applicable, commercialization of the licensed compound, and the potential for disagreements; clinical programs may not proceed at the time or in the manner expected or at all; enrolling patients in our ongoing and intended clinical trials is competitive and challenging; results of clinical trials and other studies are subject to different interpretations and may not be predictive of future results; the timing and outcome of research, development and regulatory review is uncertain; topline data may not accurately reflect the complete results of a particular study or trial; nonclinical and clinical data are 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; risks related to unexpected or unfavorable new data; and risks related to developing and commercializing drugs. 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 (SEC), including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2017. 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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