



Arena Pharmaceuticals Reports Inducement Grants Under Nasdaq Listing Rule 5635(c)(4)

August 18, 2021

PARK CITY, Utah--(BUSINESS WIRE)--Aug. 18, 2021-- [Arena Pharmaceuticals, Inc.](#) (Nasdaq: ARNA) today announced that the Compensation Committee of its Board of Directors granted inducement stock options, inducement performance restricted stock units ("PRSUs"), and inducement restricted stock units ("RSUs") to new employees. The inducement stock options, PRSUs, and RSUs each have a grant date and vesting commencement date (if applicable) of August 15, 2021, and were granted as inducements material to the new employees entering employment with Arena in accordance with Nasdaq Listing Rule 5635(c)(4). These grants included:

- options to purchase an aggregate of 90,000 shares of Arena's common stock to Doug Manion, Executive Vice President, Head of Research and Development, approved by the Compensation Committee on August 10, 2021;
- PRSUs to Mr. Manion at an amount of up to 15,200 shares, approved by the Compensation Committee on August 10, 2021;
- RSUs to Mr. Manion at an amount of 15,000 shares, approved by the Compensation Committee on August 10, 2021;
- options to purchase an aggregate of 18,815 shares of Arena's common stock to 14 new employees, approved by the Compensation Committee on August 10, 2021; and
- 9,930 RSUs to 14 new employees, approved by the Compensation Committee on August 10, 2021.

The inducement stock options are non-qualified stock options, have a seven-year term, have an exercise price of \$48.12 per share, the closing price of Arena's common stock on the last trading day preceding the grant date, and vest over four years, with 25% of the shares vesting on the one-year anniversary of the vesting commencement date and the remaining 75% of the shares vesting in substantially equal monthly installments over the following 36 months, subject to the new employee's continued service with Arena through the applicable vesting dates. The PRSUs represent a contingent right to receive a number of shares of Arena's common stock equal to up to 100% of the number of target PRSUs granted, which shares shall vest, if at all, upon the closing price of Arena's common stock reaching certain thresholds during the performance period beginning on the grant date and ending on March 14, 2024, and satisfaction of a continuing service requirement. The inducement RSUs vest over four years, with 25% of the shares vesting on the first designated quarterly vesting date on or following the one-year anniversary of the vesting commencement date and the remaining 75% of the shares vesting in 12 substantially equal quarterly installments occurring on the following 12 quarterly vesting dates, subject to the new employee's continued service with Arena through the applicable vesting dates. The inducement stock options and inducement RSUs are subject to the terms and conditions of Arena's Amended and Restated 2021 Long-Term Incentive Plan.

About Arena Pharmaceuticals

[ARENA Pharmaceuticals](#) is a team with a singular purpose – deliver important medicines to patients.

In a rapidly changing global market, we work with a sense of urgency every day to understand the needs of all our stakeholders, identify bold, sometimes disruptive, ideas to get medicines to patients, and relentlessly execute until it's done.

ARENA - *Care More. Act Differently.*

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 Arena's purpose, work, understanding, ideas, and execution. 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 those 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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