UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-38042

ARROWHEAD PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**46-0408024**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

177 E. Colorado Blvd, Suite 700
Pasadena, California 91105
(626) 304-3400
(Address and telephone number of principal executive offices)

Former name, former address, and former fiscal year, if changed since last report: N/A

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	**ARWR**	**The Nasdaq Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of July 30, 2026 was 141,254,467.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Arrowhead Pharmaceuticals, Inc.
Consolidated Balance Sheets
(in thousands, except per share amounts)

	June 30, 2026 (unaudited)	September 30, 2025
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	$ 19,685	$ 88,706
Cash at variable interest entity	35,074	137,842
Accounts receivable	8,556	6,824
Available-for-sale securities, at fair value	1,547,201	692,818
Prepaid expenses	25,373	10,933
Other current assets	35,522	13,516
Total current assets	1,671,411	950,639
Property, plant and equipment, net	373,301	382,515
Intangible assets, net	5,586	6,861
Right-of-use assets	55,667	43,891
Other assets	6,048	1,389
Total Assets	**$ 2,112,013**	**$ 1,385,295**
LIABILITIES, NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	27,776	$ 17,674
Accrued expenses	86,174	90,419
Accrued payroll and benefits	23,455	26,895
Lease liabilities	5,322	7,289
Deferred revenue	94,596	2,399
Credit facility	40,000	40,000
Other liabilities	6,023	10,811
Total current liabilities	283,346	195,487
Long-term liabilities:		
Lease liabilities, net of current portion	114,298	104,112
Deferred revenue, net of current portion	31,743	—
Liability related to the sale of future royalties	392,512	367,397
Credit facility, net of current portion	141,366	214,883
Convertible Notes, Net	682,707	—
Total long-term liabilities	1,362,626	686,392
Commitments and contingencies (Note 7)		
Noncontrolling interest and stockholders' equity:		
Common stock, $0.001 par value: Authorized 290,000 shares; 143,796 shares issued and 141,135 outstanding as of June 30, 2026 and 138,363 shares issued and 135,702 outstanding as of September 30, 2025	237	231
Additional paid-in capital	2,443,074	2,139,725
Accumulated other comprehensive (loss) income	(1,234)	6,443
Accumulated deficit	(1,923,355)	(1,627,154)
Treasury stock; at cost; 2,661 shares of common stock at June 30, 2026 and September 30, 2025	(53,193)	(53,193)
Stockholders' equity	465,529	466,052
Noncontrolling interest	512	37,364
Total noncontrolling interest and stockholders' equity	466,041	503,416
Total Liabilities, Noncontrolling Interest and Stockholders' Equity	**$ 2,112,013**	**$ 1,385,295**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Arrowhead Pharmaceuticals, Inc.
Consolidated Statements of Operations and Comprehensive (Loss) Income
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenue	**$ 75,253**	**$ 27,767**	**$ 413,023**	**$ 572,976**
Operating expenses:				
Research and development	198,223	162,368	548,679	432,472
Selling, general and administrative	47,123	30,949	134,888	86,264
Total operating expenses	**245,346**	**193,317**	**683,567**	**518,736**
Operating (loss) income	(170,093)	(165,550)	(270,544)	54,240
Other income (expense):				
Interest income	16,935	11,019	43,496	28,236
Interest expense	(24,562)	(24,382)	(70,913)	(67,667)
Loss on equity method investment	(2,470)	—	(9,190)	—
Gain on VIE's sale of IPR&D assets	—	—	19,000	—
Other, net	1,285	(176)	(52)	603
Total other (expense) income	**(8,812)**	**(13,539)**	**(17,659)**	**(38,828)**
(Loss) income before income tax expense (benefit) and noncontrolling interest	**(178,905)**	**(179,089)**	**(288,203)**	**15,412**
Income tax expense (benefit)	11	(437)	46	1,419
Net (loss) income including noncontrolling interest	**$ (178,916)**	**$ (178,652)**	**$ (288,249)**	**$ 13,993**
Net income (loss) attributable to noncontrolling interest, net of tax	15,364	(3,411)	7,956	(8,126)
Net (loss) income attributable to Arrowhead Pharmaceuticals, Inc.	$ (194,280)	$ (175,241)	$ (296,205)	$ 22,119
Net (loss) income per share attributable to Arrowhead Pharmaceuticals, Inc.:				
Basic	$ (1.36)	$ (1.26)	$ (2.10)	$ 0.17
Diluted	$ (1.36)	$ (1.26)	$ (2.10)	$ 0.17
Weighted-average shares used in calculating				
Basic	143,378	139,039	141,331	132,385
Diluted	143,378	139,039	141,331	133,352
Comprehensive (loss) income:				
Net (loss) income including noncontrolling interest	$ (178,916)	$ (178,652)	$ (288,249)	$ 13,993
Other comprehensive (loss) income, net of tax:				
Unrealized gains (losses) on available-for-sale securities, net	(2,254)	876	(9,042)	1,022
Foreign currency translation adjustments	487	91	1,588	(415)
Total other comprehensive income (loss)	**(1,767)**	**967**	**(7,454)**	**607**
Comprehensive (loss) income	(180,683)	(177,685)	(295,703)	14,600
Comprehensive income (loss) attributable to noncontrolling interest	15,573	(3,411)	8,609	(8,126)
Comprehensive (loss) income attributable to Arrowhead Pharmaceuticals, Inc.	**$ (196,256)**	**$ (174,274)**	**$ (304,312)**	**$ 22,726**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Arrowhead Pharmaceuticals, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Common Stock	Amount ($)	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Common Stock in Treasury	Treasury Amount ($)	Non-controlling Interest	Total
Balance at September 30, 2025	**138,363**	**$ 231**	**$ 2,139,725**	**$ 6,443**	**$ (1,627,154)**	**(2,661)**	**$ (53,193)**	**$ 37,364**	**$ 503,416**
Stock-based compensation	—	—	19,371	—	—	—	—	—	**19,371**
Exercise of stock options	296	—	5,098	—	—	—	—	—	**5,098**
Common stock - restricted stock units vesting	704	1	1	—	—	—	—	—	**2**
Issuance of common stock under at-the-market offering, net of issuance costs	689	1	46,831	—	—	—	—	—	**46,832**
Foreign currency translation adjustments	—	—	—	110	—	—	—	—	**110**
Unrealized gains on available-for-sale securities, net	—	—	—	146	—	—	—	—	**146**
Dividends declared by variable interest entity to noncontrolling shareholders	—	—	—	—	—	—	—	(40,520)	**(40,520)**
Net income (loss)	—	—	—	—	30,811	—	—	(2,569)	**28,242**
Balance at December 31, 2025	**140,052**	**$ 233**	**$ 2,211,026**	**$ 6,699**	**$ (1,596,343)**	**(2,661)**	**$ (53,193)**	**$ (5,725)**	**$ 562,697**
Stock-based compensation	—	—	16,670	—	—	—	—	—	**16,670**
Exercise of stock options	121	—	1,968	—	—	—	—	—	**1,968**
Common stock - restricted stock units vesting	1,043	1	—	—	—	—	—	—	**1**
Issuance of common stock in follow-on offering, net of issuance costs	2,016	2	116,605	—	—	—	—	—	**116,607**
Issuance of pre-funded warrants	—	—	99,998	—	—	—	—	—	**99,998**
Purchase of Capped Calls related to the 2026 Convertible Note	—	—	(47,880)	—	—	—	—	—	**(47,880)**
Foreign currency translation adjustments	—	—	—	990		—	—	—	**990**
Unrealized losses on available-for-sales securities	—	—	—	(6,934)		—	—	—	**(6,934)**
Change in ownership interest in consolidated VIE	—	—	(3,120)	(13)	—	—	—	3,133	**—**
Gain on VIE's sale of IPR&D assets	—	—	—	—	—	—	—	(7,629)	**(7,629)**
Net loss	—	—	—	—	(132,732)	—	—	(4,840)	**(137,572)**
Balance at March 31, 2026	**143,232**	**$ 236**	**$ 2,395,267**	**$ 742**	**$ (1,729,075)**	**(2,661)**	**$ (53,193)**	**$ (15,061)**	**$ 598,916**
Stock-based compensation	—	—	14,872	—	—	—	—	—	**14,872**
Exercise of stock options	149	—	5,697	—	—	—	—	—	**5,697**
Common stock - restricted stock units vesting	48	—	—	—	—	—	—	—	**—**
Issuance of common stock under at-the-market offering, net of issuance costs	367	1	27,238	—	—	—	—	—	**27,239**
Foreign currency translation adjustments	—	—	—	278	—	—	—	209	**487**
Unrealized losses on available-for-sales securities	—	—	—	(2,254)	—	—	—	—	**(2,254)**
Net (loss) income	—	—	—	—	(194,280)	—	—	15,364	**(178,916)**
Balance at June 30, 2026	**143,796**	**$ 237**	**$ 2,443,074**	**$ (1,234)**	**$ (1,923,355)**	**(2,661)**	**$ (53,193)**	**$ 512**	**$ 466,041**

	Common Stock	Amount ($)	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Common Stock in Treasury	Treasury Amount ($)	Non-controlling Interest	Total
Balance at September 30, 2024	**124,376**	**$ 217**	**$ 1,806,000**	**$ 4,750**	**$ (1,625,523)**	**—**	**$ —**	**$ 5,619**	**$ 191,063**
Stock-based compensation	—	—	15,209	—	—	—	—	—	**15,209**
Exercise of stock options	70	—	634	—	—	—	—	—	**634**
Common stock - restricted stock units vesting	209	—	—	—	—	—	—	—	**—**
Issuance of pre-funded warrants	—	—	25,000	—	—	—	—	—	**25,000**
Foreign currency translation adjustments	—	—	—	(106)	—	—	—	—	**(106)**
Unrealized losses on available-for-sale securities, net	—	—	—	(507)	—	—	—	—	**(507)**
Net loss	—	—	—	—	(173,085)	—	—	(2,133)	**(175,218)**
Balance at December 31, 2024	**124,655**	**$ 217**	**$ 1,846,843**	**$ 4,137**	**$ (1,798,608)**	**—**	**$ —**	**$ 3,486**	**$ 56,075**
Stock-based compensation	—	—	16,027	—	—	—	—	—	**16,027**
Exercise of stock options	353	—	2,619	—	—	—	—	—	**2,619**
Common stock - restricted stock units vesting	1,128	1	—	—	—	—	—	—	**1**
Common stock issued	11,926	12	241,375	—	—	—	—	—	**241,387**
Foreign currency translation adjustments	—	—	—	(400)	—	—	—	—	**(400)**
Unrealized gains on available-for-sale securities	—	—	—	653	—	—	—	—	**653**
Net income (loss)	—	—	—	—	370,445	—	—	(2,582)	**367,863**
Balance at March 31, 2025	**$ 138,062**	**$ 230**	**$ 2,106,864**	**$ 4,390**	**$ (1,428,163)**	**—**	**$ —**	**$ 904**	**$ 684,225**
Stock-based compensation	—	—	13,043	—	—	—	—	—	**13,043**
Exercise of stock options	36	—	223	—	—	—	—	—	**223**
Common stock - restricted stock units vesting	46	—	—	—	—	—	—	—	**—**
Foreign currency translation adjustments	—	—	—	91	—	—	—	—	**91**
Unrealized gains on available-for-sale securities	—	—	—	876	—	—	—	—	**876**
Net loss	—	—	—	—	(175,241)	—	—	(3,411)	**(178,652)**
Balance at June 30, 2025	**$ 138,144**	**$ 230**	**$ 2,120,130**	**$ 5,357**	**$ (1,603,404)**	**—**	**$ —**	**$ (2,507)**	**$ 519,806**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Arrowhead Pharmaceuticals, Inc.
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended June 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (288,249)	$ 13,993
Adjustments to reconcile net (loss) income to net cash flow from operating activities		
Stock-based compensation	50,913	44,279
Depreciation and amortization	19,417	17,542
Accretion of available-for-sale securities premiums/discounts	(4,122)	(4,545)
Amortization of convertible notes issuance costs	1,423	—
Realized gain on investments	(36)	—
Non-cash interest expense on liability related to the sale of future royalties	25,115	18,893
Non-cash interest expense on credit facility	44,374	48,774
Loss on equity method investment	9,190	—
Gain on VIE's sale of IPR&D assets	(19,000)	—
Non-cash transfer of property and equipment to affiliate	579	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,907)	(9,841)
Prepaid expenses and other current assets	(29,940)	(22,342)
Accounts payable	9,980	21,662
Accrued expenses	(15,214)	7,956
Deferred revenue	123,940	22,979
Operating lease, net	(3,556)	(3,417)
Other	(2,453)	3,128
Net cash (used in) provided by operating activities	(79,546)	159,061
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(8,567)	(15,177)
Purchases of available-for-sale securities	(1,138,714)	(774,616)
Proceeds from sales of available-for-sale securities	48,788	—
Proceeds from maturities of available-for-sale securities	224,152	587,880
Net cash used in investing activities	(874,341)	(201,913)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the exercises of stock options	12,763	3,476
Proceeds from issuance of warrants	99,998	25,000
Proceeds from issuance of convertible notes	700,000	—
Payments of debt issuance costs	(18,716)	(5,000)
Purchase of capped calls	(47,880)	—
Proceeds from issuance of common stock related to ATM offering	76,109	241,388
Payments of issuance costs of common stock related to ATM offering	(2,038)	—
Proceeds from issuance of common stock related to follow-on offering	130,000	—
Payments of issuance costs of common stock related to follow-on offering	(13,393)	—
Repayments of credit facility	(117,891)	(201,625)
Proceeds from Visirna credit agreement	—	7,098
Dividends paid by variable interest entity to noncontrolling shareholders	(38,434)	—
Net cash provided by financing activities	780,518	70,337
Net (decrease) increase in cash, cash equivalents and restricted cash	(173,369)	27,485
Effect of exchange rate on cash, cash equivalents and restricted cash	1,580	(377)

CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
BEGINNING OF PERIOD	226,548	102,685
END OF PERIOD	$ 54,759	$ 129,793
Supplemental disclosure of cash flows:		
Interest paid	$ —	$ (19)
Income taxes paid	$ (21,587)	$ (81)
Supplemental disclosure of non-cash investing activities:		
Capital expenditures included in accrued expenses	$ 1,084	$ 346
Supplemental disclosure of non-cash financing activities:		
ROU assets obtained in exchange for new lease liabilities	$ 13,410	$ —

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General and Recent Developments

Arrowhead Pharmaceuticals, Inc. and its subsidiaries (referred to herein collectively as the "Company") are primarily engaged in developing medicines that treat intractable diseases by silencing the genes that cause them. Using a broad portfolio of RNA chemistries and efficient modes of delivery, the Company's therapies trigger the RNA interference mechanism to induce rapid, deep and durable knockdown of target genes. RNA interference ("RNAi") is a mechanism present in living cells that inhibits the expression of a specific gene, thereby affecting the production of a specific protein. The Company's RNAi-based therapeutics may leverage this natural pathway of gene silencing to target and shut down specific disease-causing genes.

Approved Products

REDEMPLO® (plozasiran) is approved by the U.S. Food and Drug Administration ("FDA") as an adjunct to diet to reduce triglycerides for adults with Familial Chylomicronemia Syndrome ("FCS"). REDEMPLO is also approved by the European Commission, Chinese National Medical Products Administration ("NMPA"), Health Canada, and the Australian Therapeutic Goods Administration (TGA) for the same indication.

REDEMPLO is a small interfering RNA ("siRNA") therapeutic designed to suppress the production of apolipoprotein C-III (APOC3), a protein produced in the liver that raises triglyceride levels by slowing their breakdown and clearance. By targeting the APOC3 gene with sustained silencing, REDEMPLO delivers significant reductions in triglyceride levels. REDEMPLO is the first and only FDA-approved siRNA treatment studied in both genetically confirmed and clinically diagnosed patients living with FCS.

Consolidation and Basis of Presentation

The interim Consolidated Financial Statements include the accounts of Arrowhead Pharmaceuticals, Inc. and its subsidiaries (wholly-owned subsidiaries and a variable interest entity for which the Company is the primary beneficiary). Wholly-owned subsidiaries refer to Arrowhead Madison, Inc., Arrowhead Australia Pty Ltd., Arrowhead Pharmaceuticals Ireland Limited and Arrowhead Pharmaceuticals NZ Limited. The Company's variable interest entity is Visirna Therapeutics, Inc. ("Visirna"). For subsidiaries in which the Company owns or is exposed to less than 100% of the economics, the Company records net loss attributable to noncontrolling interests in its consolidated statements of operations equal to the percentage of the economic or ownership interests retained in such entity by the respective noncontrolling party.

The interim Consolidated Financial Statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). The financial data of the Company included herein are unaudited. In the opinion of management, all material adjustments of a normal recurring nature have been made to present fairly the Company's financial position as of June 30, 2026 and the results of operations and cash flows for the periods presented. All intercompany transactions and balances have been eliminated. Certain prior period amounts have been reclassified to conform with the current period presentation.

Certain financial information that is normally included in annual financial statements prepared in accordance with GAAP, but that is not required for interim reporting purposes, has been omitted from the accompanying interim consolidated financial statements and related notes. Readers are urged to review the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2025 for more complete descriptions and discussions. Operating results and cash flows for the nine months ended June 30, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2026.

The Company operates as a single segment as the chief operating decision maker ("CODM"), reviews operating results on an aggregate basis and manages the operations as a single operating segment. Refer to Note 16, Segment Information, for further details on the segment information.

Liquidity

The Company's primary sources of financing have been through the sale of its equity securities, credit facility, revenue from its licensing and collaboration agreements, the sale of certain future royalties and issuance of convertible debt. Research and development activities have required significant investment since the Company's inception and are expected to continue to require significant cash expenditure in the future, particularly as the Company's pipeline of drug candidates and its headcount have both expanded. Additionally, significant investment will be required as a growing commercial-stage Company and as the Company's pipeline matures into later stage clinical trials.

As of June 30, 2026, the Company had $54.8 million in cash, cash equivalents and restricted cash ($4.1 million in restricted cash) and $1,547.2 million in available-for-sale securities to fund operations.

In total, the Company is eligible to receive up to $16.2 billion in additional developmental, regulatory and sales milestones based on programs that have been partnered, and may receive various royalties on net sales from its licensing and collaboration agreements, subject to the terms and conditions of those agreements.

Summary of Significant Accounting Policies

There have been no changes to the significant accounting policies disclosed in the Company's most recent Annual Report on Form 10-K for the fiscal year ended September 30, 2025, other than below:

Equity method investment

The Company accounts for investments over which it has significant influence but not control under the equity method. The investment is initially recorded at cost and subsequently adjusted for the Company's proportionate share of the investee's net income or loss and are included in other assets in the accompanying consolidated balance sheets. The Company presents income or losses from equity investments as loss on equity method investment on the consolidated statements of operations and comprehensive (loss) income. If the share of losses exceeds the carrying value of the Company's investment, the Company will suspend recognizing additional losses and will continue to do so unless it commits to providing additional funding or commits to guarantee investee liabilities. As of June 30, 2026, the Company had an equity method investment in Bisirna Therapeutics, Inc. ("Bisirna"). Refer to Note 8, Equity Method Investment, for further details.

Convertible debt

The Company accounts for its convertible debt instrument as a single unit of accounting, classified as a liability, as the conversion features do not require bifurcation as a derivative under ASC 815-15 and the convertible debt instrument was not issued at a substantial premium. The Company records debt issuance costs as contra-liabilities in the consolidated balance sheets at issuance, and amortizes them over the contractual term of the convertible debt instrument based on the effective interest method.

The balance of the convertible notes presented in the consolidated balance sheets represents the principal balance of the convertible debt instrument less the unamortized portion of the debt issuance costs.

As of June 30, 2026, the Company had outstanding convertible notes, which mature on January 15, 2032. Refer to Note 14, Convertible Notes, for further details.

Recent Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2025-05, *Financial Instruments—Credit Losses (Topic 326)*: Measurement of Credit Losses for Accounts Receivable
and Contract Asset. This ASU allows companies to elect a practical expedient to assume that conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when estimating the expected credit losses of the asset. The ASU will become effective for the Company beginning October 1, 2026, and the Company is currently evaluating the impact on its consolidated financial statements and related disclosures.

In January 2025, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* in November 2024, and ASU 2025-01, *Clarifying the Effective Date*. These updates require entities to provide disaggregated disclosures of income statement expenses. The ASUs do not affect the expense captions presented on the face of the income statement but instead require the disaggregation of certain expense captions into specified categories within the footnotes to the financial statements. The ASUs will become effective for the Company beginning October 1, 2027, and the Company is currently evaluating the impact on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt-Debt with Conversion and Other Options (Subtopic 470-20)*, which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. ASU 2024-04 will become effective for the Company beginning October 1, 2026, and the Company is currently evaluating the impact on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, to improve its income tax disclosure requirements. Under the guidance, entities must annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. This guidance became effective for the Company beginning on October 1, 2025. The Company is currently evaluating the impact of this new ASU on its financial statements and plans to adopt ASU 2023-09 on a prospective basis during this fiscal year.

NOTE 2. COLLABORATION AND LICENSE AGREEMENTS

The following table provides a summary of revenue recognized from our collaboration and license agreements:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
GSK	$ —	$ 143	$ —	$ 2,646
Sarepta	26,395	27,624	297,594	570,330
Novartis	20,232	—	74,945	—
Sanofi	1,241	—	11,983	—
Madrigal	25,000	—	25,000	—
Total	$ 72,868	$ 27,767	$ 409,522	$ 572,976

The following table summarizes the balance of receivables, contract assets and contract liabilities related to the Company's collaboration and license agreements, which, as of June 30, 2026, relate solely to the Company's agreements with Sarepta, Novartis and Sanofi:

	June 30, 2026	September 30, 2025
	(in thousands)	
Receivables included in accounts receivable	$ 5,799	$ 6,824
Contract assets included in other current assets	$ 10,231	$ —
Contract liabilities included in deferred revenue, current	$ 94,596	$ 2,399
Contract liabilities included in deferred revenue, non-current	$ 31,743	$ —

Deferred revenue consisted of the following:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Balance at beginning of period	$ 157,159	$ 43,268	$ 2,399	$ —
Deferred revenue additions	545	7,335	481,217	593,309
Revenue recognized	(46,627)	(27,624)	(372,539)	(570,330)
Balance at end of period	111,077	22,979	111,077	22,979
Plus receivables included in accounts receivable; and contract assets included in other current assets	15,262	—	15,262	—
Less deferred revenue, current	(94,596)	(22,979)	(94,596)	(22,979)
Deferred revenue, non-current	$ 31,743	$ —	$ 31,743	$ —

GlaxoSmithKline Intellectual Property (No. 3) Limited ("GSK")

GSK-HSD License Agreement

On November 22, 2021, GSK and the Company entered into an Exclusive License Agreement (the "GSK-HSD License Agreement"). Under the GSK-HSD License Agreement, GSK has received an exclusive license for GSK-4532990 (formerly ARO-HSD). The exclusive license is worldwide with the exception of greater China. GSK is wholly responsible for all clinical development and commercialization of GSK-4532990 in its territory.

The Company has completed its performance obligation related to the upfront payment under the GSK-HSD License Agreement, and accordingly the $120.0 million upfront payment was fully recognized in the year ended September 30, 2022. Further, GSK dosed the first patient in a Phase 2b trial in March 2023 and paid a $30.0 million milestone payment to the Company in the third quarter of fiscal 2023.

The Company is eligible for an additional payment of $100.0 million upon achieving the first patient dosed in a Phase 3 trial. Furthermore, should the Phase 3 trial read out positively, and the potential new medicine receives regulatory approval in major markets, the deal provides for commercial milestone payments to the Company of up to $190.0 million at first commercial sale, and up to $590.0 million in sales-related milestone payments. The Company is further eligible to receive tiered royalties on net product sales in a range of mid-teens to twenty percent.

As of June 30, 2026, the Company had no contract assets and liabilities recorded.

GSK-HBV Agreement

On December 11, 2023, the Company entered into an Amended and Restated License Agreement with GSK (the "GSK-HBV Agreement") pursuant to which GSK received a worldwide, exclusive license to develop and commercialize daplusiran/tomligisiran (GSK5637608, formerly JNJ-3989), the Company's third-generation subcutaneously administered RNAi therapeutic candidate being developed as a potential therapy for patients with chronic hepatitis B virus infection.

Under the terms of the GSK-HBV Agreement, the Company received $2.7 million in December 2023 upon signing the amended GSK-HBV Agreement. Further, GSK dosed the fifth patient in a Phase 2 trial in December 2024, triggering a $2.5 million milestone payment to the Company which was paid in the second quarter of fiscal 2025. The Company is eligible to receive up to $830.0 million in development and sales milestone payments under the GSK-HBV Agreement.

As of June 30, 2026, the Company had no contract assets and liabilities recorded.

Takeda Pharmaceutical Company Limited ("Takeda")

In October 2020, Takeda and the Company entered into an Exclusive License and Co-Funding Agreement (the "Takeda License Agreement"). Under the Takeda License Agreement, Takeda and the Company will co-develop the Company's fazirsiran program (formerly TAK-999 and ARO-AAT), the Company's second-generation subcutaneously administered RNAi therapeutic candidate being developed as a treatment for liver disease associated with alpha-1 antitrypsin deficiency. Within the United States, fazirsiran, if approved, will be co-commercialized under a 50/50 profit sharing structure. Outside the United States, Takeda received an exclusive license to commercialize fazirsiran and will lead the global commercialization strategy, while the Company will be eligible to receive tiered royalties of 20% to 25% on net sales.

The Company determined that the key deliverables included the license and certain research and development services including the Company's responsibilities to complete the initial portion of the SEQUOIA study, to complete the ongoing Phase 2 AROAAT2002 study, and to ensure certain manufacturing of fazirsiran drug product is completed and delivered to Takeda (the "Takeda R&D Services"). Due to the specialized and unique nature of these Takeda R&D Services and their direct relationship with the license, the Company determined that these deliverables represent one distinct bundle and, thus, one performance obligation. Takeda is responsible for managing clinical development and commercialization outside the United States. Within the United States, the Company and Takeda are responsible in the co-development and co-commercialization efforts. The Company considers the collaborative activities, including the co-development and co-commercialization, to be a separate unit of account within Topic 808, and as such, these co-funding amounts are recorded as research and development expenses or selling, general and administrative expenses, as appropriate.

Under the terms of the Takeda License Agreement, the Company received $300.0 million as an upfront payment in January 2021 and an additional $40.0 million upon Takeda's initiation of a Phase 3 REDWOOD clinical study of fazirsiran in March 2023, and is eligible to receive up to $527.5 million in additional potential development, regulatory and commercial milestones.

The Company allocated the total $300.0 million initial transaction price to its one distinct performance obligation for the fazirsiran license and the associated Takeda R&D Services. The Company has substantially completed its performance obligation under the Takeda License Agreement by December 31, 2023. As such, all revenue has been fully recognized as of December 31, 2023. There were no further deferred revenue and contract liabilities as of June 30, 2026.

As of June 30, 2026, the accrued expense balance is $36.4 million that was primarily driven by co-development and co-commercialization activities.

Amgen Inc. ("Amgen")

In September 2016, Amgen and the Company entered into two collaboration and license agreements and a common stock purchase agreement. Under the Second Collaboration and License Agreement (the "Olpasiran Agreement"), Amgen received a worldwide, exclusive license to the Company's novel RNAi olpasiran (previously referred to as AMG- 890 or ARO-LPA) program. These RNAi molecules are designed to reduce elevated lipoprotein(a), which is a genetically validated, independent risk factor for atherosclerotic cardiovascular disease. Under the Olpasiran Agreement, Amgen is wholly responsible for clinical development and commercialization.

The Company has substantially completed its performance obligations under the Olpasiran Agreement. There were no contract assets and liabilities recorded as of June 30, 2026.

In November 2022, Royalty Pharma Investments 2019 ICAV ("Royalty Pharma") and the Company entered into a

Royalty Purchase Agreement with Royalty Pharma (the "Royalty Pharma Agreement"). In consideration for the payments under the Royalty Pharma Agreement, Royalty Pharma is entitled to receive all royalties otherwise payable by Amgen to the Company under the Olpasiran Agreement. The Company remains eligible to receive up to an additional $485.0 million in remaining development, regulatory and sales milestone payments payable from Amgen and Royalty Pharma. See Note 12.

Sarepta Therapeutics, Inc.

On November 25, 2024, the Company entered into an Exclusive License and Collaboration Agreement (the "Sarepta Collaboration Agreement") with Sarepta for the development and commercialization of multiple clinical and preclinical programs in rare, genetic diseases of the muscle, central nervous system, and lungs. The Company concurrently entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") with Sarepta (see Note 6).

Under the Sarepta Collaboration Agreement, Sarepta received an exclusive sublicensable worldwide license to SRP-1001 (formerly ARO-DUX4), SRP-1003 (formerly ARO-DM1), SRP-1002 (formerly ARO-MMP7), and SRP-1004 (formerly ARO-ATXN2) clinical stage programs (the "C1" programs). Sarepta also received an exclusive sublicensable worldwide license to the Company's ARO-HTT, ARO-ATXN1, and ARO-ATXN3 preclinical stage programs (the "C2" programs). The Company will perform certain research and development activities for the C1 and C2 programs.

Further, Sarepta may select up to six gene targets for which the Company will perform discovery, optimization and preclinical development activities to identify RNAi compounds against each selected target (the "C3" programs). Upon target acceptance, Sarepta will receive an exclusive license to the Company's intellectual property rights to exploit compounds directed to those targets and is wholly responsible for clinical development and commercialization of each compound after the Company delivers a Clinical Trial Application ready data package (a "CTA package").

The Company identified 17 performance obligations under the Sarepta Collaboration Agreement. The four C1 licenses are distinct performance obligations from the four C1 research and development performance obligations since the customer can use and benefit from the licenses separately. The performance obligations for the licenses were satisfied in the second quarter of fiscal 2025 upon delivery and the research and development performance obligations will be satisfied as the work is performed. The remaining nine performance obligations include three C2 preclinical stage program licenses and research and development activities, and six C3 discovery target licenses and research and development activities. Each of the three C2 programs and the six C3 programs were determined to represent one performance obligation, as the customer cannot benefit from the use of the product license at the point of transfer until the specified research and development activities are performed. As such, each of the C2 and C3 product licenses and respective research and development work will be combined to form one performance obligation. For these nine performance obligations, revenue is recognized over time as the work is performed.

For performance obligations recognized over time, the estimated performance period over which revenue will be recognized is determined to be the period over which the Company estimates it will perform the research and development activities. The Company determined that the most appropriate method of measuring progress for these performance obligations is an input method based on research and development costs in the program budget. Accordingly, the Company has estimated the total cost required to complete its obligation and recognized an amount of revenue equal to the proportion of services performed, which is reassessed on an ongoing basis as the program progresses. In the period an agreement expires or is terminated, remaining deferred revenue, if any, is recognized as revenue.

Under the terms of the Sarepta Collaboration Agreement, the Company received an upfront payment of $500.0 million on February 14, 2025. In addition, on February 7, 2025, the Company received $325.0 million in the form of an equity investment under the Stock Purchase Agreement. Based upon the Company's share price on February 7, 2025, (the "Closing Date"), the difference between the $325.0 million and the fair value of the shares on the Closing date resulted in a premium of $83.6 million. The premium is included as part of the total consideration of the Sarepta Collaboration Agreement for revenue recognition purposes. The Company is entitled to receive $250.0 million to be paid in annual installments of $50.0 million over the first five years of the agreement. The Company is also eligible to receive reimbursement of certain costs related to carrying out the research and development activities for the C1 programs. At contract inception, the transaction price was determined to be $904.9 million, consisting of fixed consideration of $833.6 million and estimated variable consideration of $71.2 million. The fixed consideration was allocated to all performance obligations based on their relative standalone selling price. The variable consideration was allocated to the performance obligation to which it is determined to be related, which is the respective development work that is being reimbursed. Standalone selling prices for the product licenses were determined using an adjusted market-based approach through the net present value of the expected future cash flows for each program. Standalone selling prices for the research and development work were determined based on an expected cost plus margin approach. During the fourth quarter of fiscal 2025, the Company earned the first of two ARO-DM1 development milestone payment of $100.0 million, of which $50.0 million was settled in cash and the remaining $50.0 million was settled through the repurchase of Company's

common stock. In November 2025, the Company earned the second of two $200.0 million ARO-DM1 development milestone payments and received the milestone payment in January 2026. In February 2026, the Company earned and received the first installment of the annual fee payment of $50.0 million.

The Company estimates the stand-alone selling price for each distinct performance obligation, which involves assumptions that may require significant judgment. The Company's estimates of the stand-alone selling price for license-related performance obligations includes forecasted revenues and expenses, phase dates, probability of success, development timelines, and the discount rate. The estimates of the stand-alone selling price for research and development performance obligations generally include forecasting the expected costs of satisfying a performance obligation at market rates. The Company identified a discount based on the difference between the aggregate stand-alone selling price and the transaction price for accounting revenue recognition purposes. The Company allocated the discount proportionally to each of the performance obligations based upon their standalone selling price.

For each of the 13 programs, the Company is also eligible to receive regulatory milestone payments between $110.0 million and $180.0 million per program. Variable consideration associated with the milestones that may be achieved will be allocated to the performance obligation to which it is determined to be related, which will be the respective programs to which the milestones relate. The Company will recognize the regulatory milestones as revenue in the periods the underlying milestone events are achieved as achievement of the milestone events are highly susceptible to factors outside of the entity's influence and therefore there is a possibility that the milestone event will not be achieved.

The Company is also eligible to receive sales milestone payments between $500.0 million and $700.0 million per program as well as tiered royalties on net sales of licensed products of up to the low double digits, subject to the terms and conditions of the Sarepta Collaboration Agreement. The Company has applied the sales-based scope exception to the sales milestones and the royalty-based payments.

The Sarepta Collaboration Agreement commenced in February 2025 and may be terminated by either party in the event of a material breach as defined therein. In addition, Sarepta may voluntarily terminate the Sarepta Collaboration Agreement with 30 days' written notice to the Company if terminated prior to any regulatory approval of a licensed product. Unless earlier terminated, the Sarepta Collaboration Agreement expires on a product-by-product and country-by-country basis, upon the date of expiration of the relevant royalty term for such product in such country.

In August 2025, the Company repurchased 2,660,989 shares of its common stock from Sarepta in connection with the $100.0 million DM1 first development milestone under the Sarepta Collaboration Agreement. The repurchase satisfied $50.0 million of the milestone payment through delivery of the Company's common stock, with the remaining $50.0 million settled in cash. The shares were recorded as treasury stock at their fair value of $53.2 million, resulting in a $3.2 million gain on settlement. The repurchased shares are presented as a reduction to total stockholders' equity in accordance with ASC 505-30.

During the second quarter of fiscal 2026, Sarepta exercised its contractual step-in right under the Sarepta Collaboration Agreement with respect to certain C1 programs, pursuant to which Sarepta will assume responsibility for ongoing clinical trials for such programs on mutually agreed transition dates. Sarepta's exercise of the step-in right represents a contract modification under ASC 606, as it reduces both the scope of the Company's remaining obligations and the amount of variable consideration related to reimbursable research and development costs for the affected C1 programs. The Company evaluated the modification and determined that the remaining research and development activities to be performed after the modification are not distinct from those performed prior to the modification and, accordingly, the modification is accounted for as part of the original performance obligation through a cumulative catch-up adjustment. The scope of the modification, including the associated transition terms, was finalized during the third quarter of fiscal 2026, and the Company recorded the related cumulative catch-up adjustment to revenue in that period, consistent with the timing of finalization. The contract modification did not impact revenue previously recognized related to the four C1 licenses, which were delivered as distinct performance obligations.

In December 2025, pursuant to the Sarepta Collaboration Agreement, the Company entered into a clinical supply agreement with Sarepta (the "Sarepta Clinical Supply Agreement"), whereby the Company is responsible for manufacturing and supplying certain materials to Sarepta for specified activities. For the three and nine months ended June 30, 2026, the Company recorded $26.0 million and $292.8 million in revenue under the Sarepta Collaboration Agreement, respectively. For the three and nine months ended June 30, 2026, the Company recorded $0.4 million and $4.7 million in revenue under the Sarepta Clinical Supply Agreement, respectively. As of June 30, 2026, the Company held $5.0 million in accounts receivable and $10.2 million in contract assets, relating to the Sarepta Collaboration Agreement and the Sarepta Clinical Supply Agreement. Revenue recognized that are not invoiced to the customer as a result of recognizing revenue over time are recorded as a contract asset included in other current assets in the consolidated balance sheet. Upon invoicing to the customer, the balance is recorded in accounts receivable in the consolidated balance sheet. The recognition of the remaining revenue for the performance obligations is dependent upon the time it takes to complete the

respective research and development activities and in consideration of the timing of the selection of the rest of the targets within the C3 programs.

Novartis Pharma AG

On August 29, 2025, the Company entered into an Exclusive License and Collaboration Agreement (the "Novartis Collaboration Agreement") with Novartis for the development and commercialization of multiple preclinical programs in rare, genetic diseases of the central nervous system.

Under the Novartis Collaboration Agreement, Novartis received an exclusive sublicensable worldwide license to the Company's ARO-SNCA preclinical stage program. The Company will perform certain research and development activities for the program.

Further, Novartis has selected additional gene targets ("Collaboration Target") for which the Company has accepted and will perform discovery, optimization and preclinical development activities to identify RNAi compounds against each selected target. Novartis has received an exclusive license to the Company's intellectual property rights to exploit compounds directed to those targets (the "CT" programs) and is wholly responsible for clinical development and commercialization of each compound after the Company delivers a CTA package.

The Company identified multiple performance obligations under the Novartis Collaboration Agreement. They include the ARO-SNCA preclinical stage program licenses and research and development activities, and CT programs licenses and research and development activities. Each of the programs were determined to represent one performance obligation, as the customer cannot benefit from the use of the product license at the point of transfer until the specified research and development activities are performed. As such, each of the product licenses and respective research and development work will be combined to form one performance obligation. For these performance obligations, revenue is recognized over time as the work is performed.

For performance obligations recognized over time, the estimated performance period over which revenue will be recognized is determined to be the period over which the Company estimates it will perform the research and development activities. The Company determined that the most appropriate method of measuring progress for these performance obligations is an input method based on research and development costs in the program budget. Accordingly, the Company has estimated the total cost required to complete its obligation and recognized an amount of revenue equal to the proportion of services performed, which is reassessed on an ongoing basis as the program progresses. In the period an agreement expires or is terminated, remaining deferred revenue, if any, is recognized as revenue.

Under the terms of the Novartis Collaboration Agreement, the Company received an upfront payment of $200.0 million on October 23, 2025. The Company is also eligible to receive research milestone payments of up to $30.0 million and reimbursement of certain costs related to carrying out the research, development and manufacturing activities for the programs. The fixed consideration of $200.0 million and an estimated variable consideration of $32.0 million for a total of $232.0 million were allocated to all performance obligations based on their relative standalone selling price. Standalone selling prices for the product licenses were determined using an adjusted market-based approach through the net present value of the expected future cash flows for each program. The standalone selling prices for the research and development work were determined based on an expected cost plus margin approach.

The Company estimates the stand-alone selling price for each distinct performance obligation, which involves assumptions that may require significant judgment. The Company's estimates of the stand-alone selling price for license-related performance obligations includes forecasted revenues, phase dates, probability of success, development timelines, and the discount rate. The estimates of the stand-alone selling price for research and development performance obligations generally include forecasting the expected costs of satisfying a performance obligation at market rates. The Company identified a premium based on the difference between the aggregate stand-alone selling price and the transaction price for accounting revenue recognition purposes. The Company allocated the premium proportionally to each of the performance obligations based upon their standalone selling price.

Further, for each of the programs, the Company is eligible to receive regulatory milestone payments between $175.0 million and $245.0 million per program. Variable consideration associated with the milestones that may be achieved will be allocated to the performance obligation to which it is determined to be related, which will be the respective programs to which the milestones relate. The Company will recognize the regulatory milestones as revenue in the periods the underlying milestone events are achieved as achievement of the milestone events are highly susceptible to factors outside of the entity's influence and therefore there is a possibility that the milestone event will not be achieved.

The Company is also eligible to receive sales milestone payments between $285.0 million and $370.0 million per program as well as tiered royalties on net sales of licensed products of up to the low double digits, subject to the terms and conditions of the Novartis Collaboration Agreement. The Company has applied the sales-based scope exception to the sales

milestones and the royalty-based payments.

The Novartis Collaboration Agreement commenced in October 2025 and may be terminated by either party in the event of a material breach as defined therein. In addition, Novartis may voluntarily terminate the Novartis Collaboration Agreement with 30 days' written notice to the Company if terminated prior to any regulatory approval of a licensed product, or with 180 days' written notice to the Company if terminated after any regulatory approval of a licensed product. Unless earlier terminated, the Novartis Collaboration Agreement expires on a product-by-product and country-by-country basis, upon the date of expiration of the relevant royalty term for such product in such country.

For the three and nine months ended June 30, 2026, the Company recorded $20.2 million and $74.9 million in revenue from Novartis. As of June 30, 2026, the Company held $94.6 million in current deferred revenue and $31.7 million in non-current deferred revenue, related to the Novartis Collaboration Agreement. The recognition of the remaining revenue for the performance obligations is dependent upon the time it takes to complete the respective research and development activities.

Visirna Therapeutics Inc. ("Visirna") and Genzyme Corporation ("Sanofi")

On August 1, 2025, Visirna Therapeutics HK Limited ("Visirna HK"), a wholly owned subsidiary of Visirna Therapeutics, Inc, a majority owned subsidiary of the Company, entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Genzyme Corporation ("Sanofi"), a wholly owned subsidiary of Sanofi S.A., pursuant to which Visirna HK sold all of its assets and rights in investigational plozasiran to Sanofi, which included an assignment of Visirna HK's rights (as successor by assignment from Visirna) to develop and commercialize investigational plozasiran in Greater China pursuant to that certain License Agreement by and between the Company and Visirna dated, April 25, 2022 (the "Visirna License Agreement").

In connection with the Asset Purchase Agreement, the Company consented to the partial assignment of the Visirna License Agreement by Visirna HK to Sanofi (as so assigned, the "Sanofi License Agreement"), amongst other agreements between the Company and Visirna, effective as of the closing of the Asset Purchase Agreement. This agreement was not deemed a legal sale of intellectual property from the consolidated perspective of the Company. After giving effect to the Asset Purchase Agreement, Visirna HK retains rights to develop and commercialize in Greater China other cardiometabolic drugs licensed to it pursuant to the Visirna License Agreement.

Upon closing of the Asset Purchase Agreement, Visirna received an upfront payment of $130.0 million from Sanofi. In the second quarter of fiscal 2026, Visirna received a $10.0 million milestone payment as a result of the NMPA's approval of REDEMPLO (plozasiran) for the reduction of triglyceride levels in adult patients with FCS. Visirna is eligible to receive further development milestone payments of up to $255.0 million upon approval of plozasiran across various indications in mainland China.

Visirna identified the licenses as defined in the agreement as the performance obligations under the Asset Purchase Agreement. The performance obligations for the licenses was satisfied in the fourth quarter of fiscal 2025 upon delivery. The fixed consideration of $130.0 million was allocated to the performance obligations. The Company recognizes approval milestones as revenue in the periods the underlying milestone events are achieved as achievement of the milestone events are highly susceptible to factors outside of the entity's influence and therefore there is a possibility that the milestone events will not be achieved. The Company has also applied the sales-based scope exception to the royalty-based payments.

Under the Sanofi License Agreement, Sanofi has the option to purchase clinical and commercial product supply from the Company. In addition, the Company is eligible to receive royalties from Sanofi on net commercial product sales in Greater China. For the three and nine months ended June 30, 2026, the Company recorded $1.2 million and $12.0 million in revenue, respectively under the Sanofi License Agreement. As of June 30, 2026, the Company held $0.8 million in accounts receivable under the Sanofi License Agreement.

The Sanofi License Agreement may be terminated by either party in the event of a material breach as defined therein. Unless earlier terminated, the Sanofi License Agreement expires on a product-by-product basis, upon the date of expiration of the relevant royalty term for such product in Greater China.

Madrigal Therapeutics Inc. ("Madrigal")

On May 4, 2026, the Company entered into a Licensing Agreement with Madrigal (the "Madrigal License Agreement"), under which Madrigal received an exclusive global license to develop, manufacture, and commercialize ARO-PNPLA3, a clinical stage program.

Under the terms of the Madrigal License Agreement, the Company received an upfront payment of $25.0 million on June 2, 2026. The Company is eligible to receive milestone payments of up to $975.0 million, and further eligible to

receive tiered royalties on commercial sales ranging from high-single digits to the mid-teens.

The Company identified a single performance obligation comprising the combined license, know-how and technology transfer, which was satisfied upon delivery in the third quarter of fiscal 2026. The fixed consideration of $25 million was fully allocated to this performance obligation and recognized in the third quarter of fiscal 2026.

As of June 30, 2026, the Company had no contract assets and liabilities recorded.

NOTE 3. BALANCE SHEET ACCOUNTS

Property, Plant and Equipment

The following table summarizes the Company's major classes of property, plant and equipment:

	June 30, 2026	September 30, 2025
	(in thousands)	
Land	$ 2,995	$ 2,996
Buildings	254,859	251,317
Research equipment	61,447	62,758
Manufacturing equipment	34,182	18,588
Furniture	5,813	5,594
Computers and software	971	1,064
Leasehold improvements	104,462	104,425
Construction in progress	5,811	15,942
Property, plant and equipment, gross	470,540	462,684
Less: Accumulated depreciation and amortization	(97,239)	(80,169)
Property, plant and equipment, net	$ 373,301	$ 382,515

Depreciation and amortization expense for property, plant and equipment for the three months ended June 30, 2026 and 2025 was $6.2 million and $5.8 million, respectively. Depreciation and amortization expense for property, plant and equipment for the nine months ended June 30, 2026 and 2025 was $18.1 million and $16.2 million, respectively.

Accrued Expenses

Accrued expenses consisted of the following as of:

	June 30, 2026	September 30, 2025
	(in thousands)	
Accrued research and development expenses	$ 35,648	$ 30,330
Accrued research and development expenses; co-development	36,368	31,296
Accrued capital expenditures	1,084	277
Accrued income taxes	—	20,799
Dividends declared by variable interest entity to noncontrolling shareholders	2,110	—
Other	10,964	7,717
Total accrued expenses	$ 86,174	$ 90,419

As of June 30, 2026, the Company's accrued research and development expenses were primarily attributable to ongoing clinical trial operations, preclinical animal studies, and associated toxicology assessments. Research and development expenses related to co-development and co-commercialization activities per the Takeda License Agreement are reported as accrued research and development expenses; co-development in the table above (see Note 2).

NOTE 4. INVESTMENTS

The Company's investments consisted of the following:

	As of June 30, 2026 (in thousands)			
	Adjusted Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities	$ 1,553,308	$ 433	$ (6,540)	$ 1,547,201
Total current investments	$ 1,553,308	$ 433	$ (6,540)	$ 1,547,201

	As of September 30, 2025 (in thousands)			
	Adjusted Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities	$ 689,882	$ 2,956	$ (20)	$ 692,818
Total current investments	$ 689,882	$ 2,956	$ (20)	$ 692,818

The following table summarizes the contract maturity of the available-for-sale securities as of:

	June 30, 2026	September 30, 2025
	(in thousands)	
Within one year	$ 605,489	$ 224,32
After one to two years	669,500	468,49
After two to three years	272,212	-
Total	$ 1,547,201	$ 692,81

As of June 30, 2026 and September 30, 2025, the gross unrealized losses were immaterial. The Company has determined that the available-for-sale securities that were in an unrealized loss position did not have any credit loss impairment as of June 30, 2026 and 2025.

NOTE 5. INTANGIBLE ASSETS

Intangible assets subject to amortization include patents and a license agreement capitalized as part of the Novartis RNAi asset acquisition in March 2015. The following table presents the components of intangible assets:

	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Useful Lives
		(in thousands)			(in years)
As of June 30, 2026					
Patents	$ 21,728	$ 17,589	$ —	$ 4,139	14
License	3,129	1,682	—	1,447	21
Total intangible assets, net	$ 24,857	$ 19,271	$ —	$ 5,586	
As of					
As of September 30, 2025					
Patents	$ 21,728	$ 16,426	$ —	$ 5,302	14
License	3,129	1,570	—	1,559	21
Total intangible assets, net	$ 24,857	$ 17,996	$ —	$ 6,861	

Intangible assets are reviewed annually for impairment and more frequently if potential impairment indicators exist. No impairment indicators were identified during the nine months ended June 30, 2026 and 2025.

Intangible assets with definite useful lives are amortized on a straight-line basis over their useful lives. Intangible assets amortization expense was $0.4 million for the three months ended June 30, 2026 and 2025, and $1.3 million for each of the nine months ended June 30, 2026 and 2025. None of the intangible assets with definite useful lives are anticipated to have a residual value.

The following table presents the estimated future amortization expense related to intangible assets as of June 30, 2026:

Year Ending September 30,	Amortization Expense (in thousands)
2026 (remainder)	$ 425
2027	1,700
2028	1,700
2029	795
2030	149
Thereafter	817
Total	$ 5,586

NOTE 6. STOCKHOLDERS' EQUITY

The following table summarizes the Company's shares of common stock and preferred stock:

			Shares		
	Par Value		Authorized	Issued	Outstanding
As of				(in thousands)	
As of June 30, 2026					
Common stock [(1)]	$	0.001	290,000	143,796	141,135
Preferred stock	$	0.001	5,000	—	—
As of September 30, 2025					
Common stock [(1)]	$	0.001	290,000	138,363	135,702
Preferred stock	$	0.001	5,000	—	—

(1) Does not include shares of common stock into which the 2024 and 2026 Avoro Pre-Funded Warrants may be exercised.

As of June 30, 2026 and September 30, 2025, respectively, 20,161,210 and 9,851,400 shares of common stock were reserved for issuance upon exercise of options and vesting of restricted stock units granted or available for grant under the Company's 2013 and 2021 Incentive Plans, as well as for other inducement grants made to new employees under Rule 5635(c)(4) of the Nasdaq Listing Rules.

On November 25, 2024, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with an institutional and accredited investor for a private placement of pre-funded warrants to purchase shares of common stock with an exercise price of $0.001 per share ("2024 Avoro Pre-Funded Warrants"). Pursuant to the Securities Purchase Agreement, the Company sold pre-funded warrants to purchase up to 917,441 shares of common stock at a purchase price of $27.25 per pre-funded warrant, for an aggregate value of approximately $25.0 million. The outstanding 2024 Avoro Pre-Funded Warrants are exercisable at any time and do not have an expiration date.

The Company concluded that the 2024 Avoro Pre-funded Warrants are both indexed to its own stock and meet all other conditions for equity classification. Accordingly, the Company has classified the 2024 Avoro Pre-funded Warrants as equity and recorded within additional paid-in capital. As of June 30, 2026, no shares underlying the 2024 Avoro Pre-Funded Warrants had been exercised.

In connection with the Sarepta Collaboration Agreement, on November 25, 2024, the Company entered into the Stock Purchase Agreement with an affiliate of Sarepta for a private placement of shares of common stock of the Company (the "Private Placement"). Pursuant to the Stock Purchase Agreement, the Company sold 11,926,301 shares of common stock, at a price per share of $27.25, for an aggregate value of approximately $325.0 million. The Private Placement closed on February 7, 2025. On August 13, 2025, the Company subsequently entered into an agreement with Sarepta to repurchase 2,660,989 common stock of the Company from Sarepta at a price per share of $18.79 for an aggregate value of approximately $50.0 million to partially satisfy the milestone payment of $100.0 million due from Sarepta (with the remaining $50.0 million settled in cash). The shares were recorded as treasury stock at their fair value of $53.2 million, resulting in a $3.2 million gain on settlement. As of the end of fiscal 2025, Sarepta no longer holds an equity position in the Company.

On December 2, 2022, the Company entered into an open market sale agreement (the "Open Market Sale Agreement") with Jefferies LLC ("Jefferies"). On December 10, 2025, the Company entered into an Amended and Restated Open Market Sale Agreement (the "Amended and Restated Sale Agreement") with Jefferies, which amended and restated the Open Market Sale Agreement in its entirety. Under the Amended and Restated Sale Agreement, the Company may, from time to time, sell up to $500.0 million in shares of the Company's common stock through Jefferies, acting as the sales agent and/or principal, in an at-the-market offering ("ATM Offering"). The Amended and Restated Sale Agreement continues to provide for the sale, from time to time, of shares of the Company's common stock up to the maximum program amount permitted under the Company's shelf registration statement and subject to continued compliance with the terms of the Amended and Restated Sale Agreement, including the delivery of issuance notices, prospectus supplements, and periodically updated representations, warranties, and deliverables. The Company pays Jefferies a commission of up to 3.0% of the aggregate gross proceeds received from all sales of the common stock under the ATM Offering. The Amended and Restated Sale Agreement may be terminated by either party upon written notice.

For the three months ended June 30, 2026, the Company sold approximately 367,000 shares of common stock under the ATM Offering, generating gross proceeds of $28.0 million and net proceeds of $27.2 million, after deducting underwriting commissions and offering costs. For the nine months ended June 30, 2026 , the Company sold approximately

1,056,000 shares of common stock under the ATM Offering, generating gross proceeds of $76.1 million and net proceeds of $74.1 million, after deducting underwriting commissions and offering costs.

On January 7, 2026, the Company entered into an underwriting agreement with Jefferies and J.P. Morgan Securities, LLC ("J.P. Morgan") for an underwritten public offering (the "2026 Offering") of: (i) 2,015,505 shares of common stock with $0.001 par value per share, at a public offering price of $64.50 per share, and (ii) pre-funded warrants ("2026 Avoro Pre-Funded Warrants") to purchase 1,550,387 shares of common stock, at a public offering price of $64.499 per share, which represents the per share public offering price for the common stock less the $0.001 per share exercise price for each pre-funded warrant. The 2026 Offering closed on January 9, 2026, generating gross proceeds of $230 million and net proceeds of $216.6 million after deducting the underwriting discounts and commissions and other offering expenses. The Company concluded that the 2026 Avoro Pre-funded Warrants are both indexed to its own stock and meet all other conditions for equity classification. Accordingly, the Company has classified the 2026 Avoro Pre-funded Warrants as equity and recorded within additional paid-in capital. As of June 30, 2026, no shares underlying the 2026 Avoro Pre-Funded Warrants had been exercised.

On January 2, 2026, option holders of Visirna, the Company's consolidated variable interest entity, exercised 14,000,000 stock options. As a result, the Company's ownership interest in Visirna decreased from 66.25% to 56.38%. Because the Company retained its controlling financial interest in Visirna, the change in ownership was accounted for as an equity transaction in accordance with ASC 810-10-45-22 through 45-24.

The noncontrolling interest was increased by $3.1 million to reflect the change in ownership resulting from exercise of 14,000,000 stock options by Visirna option holders. The decrease of $3.1 million was recorded to additional paid-in capital attributable to Arrowhead.

During the first quarter of fiscal 2026, Visirna declared a cash dividend of $100.0 million to its shareholders. As of December 31, 2025, the portion of the dividend declared payable to the Company's noncontrolling shareholders totaled $40.5 million and was included in the accompanying consolidated statements of equity. In March 2026, Visirna paid cash dividends totaling $94.8 million, consisting of $56.4 million paid to the Company and $38.4 million paid to the Company's noncontrolling shareholders. The remaining $3.1 million of the declared dividend represents exercise prices paid by certain noncontrolling shareholders in connection with the exercise of their stock options, which were netted against the dividend otherwise payable to those shareholders. As of June 30, 2026, Visirna had a remaining dividend payable of $2.1 million to the Company's noncontrolling shareholder, which was included in accrued expenses in the accompanying consolidated balance sheets.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the Company may be subject to various claims and legal proceedings in the ordinary course of business. If the potential loss from any claim, asserted or unasserted, or legal proceeding is considered probable and the amount is reasonably estimable, the Company will accrue a liability for the estimated loss. There were no contingent liabilities recorded as of June 30, 2026.

On September 11, 2025, Ionis filed a Complaint for Patent Infringement against the Company in the United States District Court for the Central District of California alleging patent infringement of the '333 patent by the Company's planned commercialization of investigational plozasiran and seeking damages. The Company disputes the allegations of wrongdoing and intends to vigorously defend itself.

Commitments

As of June 30, 2026, the Company did not have any material commitments other than lease related commitments disclosed in Note 9 and debt related commitments disclosed in Note 13.

NOTE 8. EQUITY METHOD INVESTMENT

On January 15, 2026, the Company, through its consolidated variable interest entity, Visirna, entered into and closed an Asset Transfer Agreement (the "Asset Transfer Agreement") with Bisirna, pursuant to which the Company received 26,500,000 ordinary shares and 6,625,000 Series A preferred shares in exchange for in-process research and development ("IPR&D") assets transferred from Visirna to Bisirna. As a result of the asset transfer, the Company recognized a gain of $19.0 million in other income in the accompanying consolidated statements of operations and comprehensive (loss) income for the nine months ended June 30, 2026.

The Company evaluated whether there was a basis difference between the carrying value and fair value of its

proportionate share of Bisirna's underlying net assets. As Bisirna was not deemed a business as defined in ASC 805, *Business Combinations*, the Company immediately expensed the basis difference to the extent it related to acquired IPR&D assets.

As of June 30, 2026, the Company held a 25.29% voting interest in Bisirna and one seat on Bisirna's board of directors. The Company accounts its ownership in Bisirna under the equity method. As of June 30, 2026, the carrying value of the Company's investment in Bisirna was $2.2 million, which was included in other assets in the accompanying consolidated balance sheets.

NOTE 9. LEASES

Pasadena, California: The Company leases office space located at 177 East Colorado Blvd. for its corporate headquarters from 177 Colorado Owner, LLC. In April 2026, the Company entered into a lease amendment (the "2026 Pasadena Lease Amendment") to extend the lease term for its office located in Pasadena, California and to add additional office space, increasing the total leased office space from approximately 49,576 square feet to approximately 98,444 square feet. The 2026 Pasadena Lease Amendment commenced for a portion of the building in May 2026, with the remainder expected to commence in the fourth fiscal quarter of 2026. The 2026 Pasadena Lease Amendment has a lease term of seven years and eight months and provides two consecutive options to renew for two terms of five years. The Company is not reasonably certain that it will exercise this option to renew and therefore it is not included in right-of-use assets and liabilities as of June 30, 2026.

The 2026 Pasadena Lease Amendment granted the Company the right to receive a tenant improvement allowance funded by the lessor for $9.1 million. The Company has further concluded that this tenant improvement allowance has no effects on the classification of the lease.

San Diego, California: The Company leases 144,000 square feet of office and research and development laboratory space located at 10102 Hoyt Park from 11404 & 11408 Sorrento Valley Owner, LLC, which lease expires on April 30, 2038. Pursuant to the lease, within twelve months of the expiration of the initial 15-year term, the Company has the option to extend the lease for up to one additional ten-year term, with certain annual increases in base rent. The Company is not reasonably certain that it will exercise this option to renew and therefore it is not included in right-of-use assets and liabilities as of June 30, 2026.

The lease agreement, as amended, granted the Company the right to receive an Additional Tenant Improvement Allowance ("ATIA") funded by the lessor. The Company received $30.8 million in ATIA, including a final payment of $3.1 million during the first quarter of fiscal 2024. As a result, the Company remeasured its lease liability and right-of-use assets to reflect these additional allowances and the related increased lease payments. The Company has further concluded that these ATIAs have no effects on the classification of the lease.

Madison, Wisconsin: The Company leases 110,956 square feet space, which it increased from 107,000 square feet on June 30, 2025, located at 502 South Rosa Road for its office and laboratory facilities, which lease expires on September 30, 2031. The lease contains options to renew for two terms of five years. The Company is not reasonably certain that it will exercise this option and therefore it is not included in right-of-use assets and liabilities as of June 30, 2026.

The components of lease assets and liabilities along with their classification on the Company's consolidated balance sheets were as follows:

Lease Assets and Liabilities	Classification	June 30, 2026	September 30, 2025
		(in thousands)	
Operating lease assets	Right-of-use assets	$ 55,667	$ 43,891
Current operating lease liabilities	Lease liabilities	5,322	7,289
Non-current operating lease liabilities	Lease liabilities, net of current portion	114,298	104,112

Lease Cost	Classification	Three Months Ended June 30,		Nine Months Ended June 30,	
		2026	2025	2026	2025
		(in thousands)			
Operating lease cost	Research and development	$ 2,808	$ 2,233	$ 8,326	$ 7,754
	Selling, general and administrative	737	449	1,745	1,442
Variable lease cost [1]	Research and development	620	893	2,710	2,830
	Selling, general and administrative	—	—	—	—
Total		$ 4,165	$ 3,575	$ 12,781	$ 12,026

(1) Variable lease cost is primarily related to operating expenses associated with the Company's operating leases.

There was no short-term lease cost during the three and nine months ended June 30, 2026 and 2025, respectively.

The following table presents maturities of operating lease liabilities on an undiscounted basis as of June 30, 2026:

Year	Amounts
	(in thousands)
2026 (remainder)	$ 4,007
2027	15,267
2028	16,594
2029	19,468
2030	19,929
2031 and thereafter	126,624
Total	$ 201,889
Less imputed interest	(82,269)
Total operating lease liabilities (includes current portion)	$ 119,620

Supplemental cash flow and other information related to leases was as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Operating cash flows from operating leases	$ 4,089	$ 3,875	$ 11,976	$ 11,554

	June 30,	
	2026	2025
Weighted-average remaining lease term (in years)	10.7	11.9
Weighted-average discount rate	8.2 %	8.0 %

NOTE 10. STOCK-BASED COMPENSATION

The Company has three plans that provide for equity-based compensation.

Under the 2013 Incentive Plan (the "2013 Plan"), 1,580,277 awards are granted and outstanding, relating to stock options and restricted stock awards to employees and directors as of June 30, 2026.

Under the 2021 Incentive Plan (the "2021 Plan"), 18,500,000 shares (subject to certain adjustments) of the Company's common stock are authorized for grants of stock options, stock appreciation rights, restricted and unrestricted stock, performance awards, cash awards and other awards convertible into or otherwise based on shares of the Company's common stock. The maximum number of shares authorized under the 2021 Plan will be (i) reduced by any shares subject to awards made under the 2013 Plan after January 1, 2021, and (ii) increased by any shares subject to outstanding awards under the 2013 Plan as of January 1, 2021 that, after January 1, 2021, are canceled, expired, forfeited or otherwise not issued under such awards (other than as a result of being tendered or withheld to pay the exercise price or withholding

taxes in connection with any such awards) or settled in cash. As of June 30, 2026, 7,955,754 shares have been granted under the 2021 Plan, and the total number of shares available for issuance was 11,372,310 shares, which includes 170,898 and 657,166 shares that were forfeited under the 2013 and 2021 Plans, respectively. This reflects an amendment and restatement of the 2021 Plan approved by the Company's stockholders on March 19, 2026 to increase the total number of authorized shares by 10,500,000 shares and extend the term of the plan to January 21, 2036.

Under the Company's Inducement Plan (the "Inducement Plan"), which was amended and restated in May 2026 to increase the total number of authorized shares and to extend the term of the plan to May 2036, 3,000,000 shares of the Company's common stock are authorized for issuance pursuant to grants of stock options, stock appreciation rights, restricted and unrestricted stock, stock units (including restricted stock units), performance awards, cash awards, and other awards convertible into or otherwise based on shares of the Company's common stock. Awards under the Inducement Plan may only be granted to new employees of the Company in accordance with the provisions of Rule 5635(c)(4) of the Nasdaq Listing Rules. As of June 30, 2026, 835,930 shares have been granted, net of cancellations, under the Inducement Plan. The total number of shares remaining available for issuance was 2,164,070 shares.

In addition, prior to adoption of the Inducement Plan, the Company previously granted stand-alone inducement awards in the form of stock options and restricted stock units outside of the Company's equity plans to new employees under Rule 5635(c)(4) of the Nasdaq Listing Rules. As of June 30, 2026, there were 326,934 and 41,225 shares underlying outstanding stand-alone inducement options and restricted stock units, respectively.

The following table presents a summary of awards outstanding attributable to Arrowhead Pharmaceuticals, Inc.:

	June 30, 2026			
	2013 Plan	2021 Plan	Inducement Awards	Total
Granted and outstanding awards:				
Options	480,277	22,965	326,934	830
Restricted stock units	1,100,000	4,011,324	683,330	5,794
Total	1,580,277	4,034,289	1,010,264	6,624

The following table summarizes stock-based compensation expenses included in operating expenses attributable to Arrowhead Pharmaceuticals, Inc.:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Research and development	$ 8,187	$ 6,898	$ 23,003	$
Selling, general and administrative	6,787	5,095	28,129	
Total	$ 14,974	$ 11,993	$ 51,132	$

Stock Option Awards

The following table presents a summary of the stock option activity for the nine months ended June 30, 2026:

	Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at September 30, 2025	1,407,035	$ 28.90		
Granted	—	—		
Cancelled or expired	—	—		
Exercised	(576,859)	22.88		
Outstanding at June 30, 2026	830,176	$ 32.97	3.0	$ 40,293,644
Exercisable at June 30, 2026	830,176	$ 32.97	3.0	$ 40,293,644

The aggregate intrinsic values represent the amount by which the market price of the underlying stock exceeds the exercise price of the option. The total intrinsic value of the options exercised during the three months ended June 30, 2026

and 2025 was $11.2 million and $0.3 million, respectively. The total intrinsic value of the options exercised during the nine months ended June 30, 2026 and 2025 was $23.8 million and $4.9 million, respectively.

There was no stock-based compensation expense related to stock options outstanding for the three months ended June 30, 2026 and 2025. Stock-based compensation expense related to stock options outstanding for the nine months ended June 30, 2026 and 2025, was $0 and $0.1 million, respectively.

As of June 30, 2026, the pre-tax compensation expense for all outstanding unvested stock options is considered nominal.

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options, which do not have vesting restrictions and are fully transferable. The determination of the fair value of each stock option is affected by the Company's stock price on the date of grant, as well as assumptions regarding a number of highly complex and subjective variables. No options were granted during the nine months ended June 30, 2026 and 2025.

Visirna ESOP: Through June 30, 2026, Visirna, a subsidiary of the Company, granted an aggregate of 16,400,000 stock options to its employees from the Employee Stock Option Plan (the "Visirna ESOP"), which authorizes 20,000,000 shares for issuance. The Visirna ESOP is independently managed by Visirna, including the valuation process. For the three months ended June 30, 2026 and 2025, stock-based compensation expense related to the Visirna ESOP was $0 and $1.1 million, respectively. For the nine months ended June 30, 2026 and 2025, stock-based compensation expense related to the Visirna ESOP was $0 and $3.0 million, respectively.

Restricted Stock Units

Restricted Stock Units ("RSUs"), including market-based, time-based and performance-based awards, have been granted under the Company's 2013 and 2021 Plans, the Inducement Plan, and as inducements awards granted outside of the Company's equity-based compensation plans. At vesting, each outstanding RSU will be exchanged for one share of the Company's common stock. RSU awards generally vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain performance targets.

The following table summarizes the activity of the Company's RSUs:

	Number of RSUs	Weighted-Average Grant Date Fair Value Per Share
Outstanding at September 30, 2025	5,810,351	$ 36.97
Granted	2,049,141	66.42
Vested	(1,794,793)	41.69
Forfeited	(270,045)	31.55
Outstanding at June 30, 2026	5,794,654	$ 49.69

The fair value of RSUs was determined based on the closing price of the Company's common stock on the grant date, with consideration given to the probability of achieving service and/or performance conditions for awards.

For the three months ended June 30, 2026 and 2025, the Company recorded $15.0 million and $11.9 million of expense related to RSUs, respectively. For the nine months ended June 30, 2026 and 2025, the Company recorded $51.1 million and $41.1 million of expense related to RSUs, respectively. As of June 30, 2026, there was $158.8 million of total unrecognized compensation cost related to RSUs that is expected to be recognized over a weighted-average period of 2.5 years.

NOTE 11. FAIR VALUE MEASUREMENTS

The Company employs a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Company's valuation techniques and inputs used to measure fair value and the definition of the three levels (Level 1, Level 2, and Level 3) of the fair value hierarchy are disclosed in Note 10 - Fair Value Measurements of Notes to Consolidated Financial Statements of Part IV, "Item 15. Exhibits and Financial Statement Schedules" of its Annual Report

on Form 10-K for the fiscal year ended September 30, 2025.

The Company uses prices and inputs that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2, or from Level 2 to Level 3. The Company recognizes transfers between levels at either the actual date of the event or a change in circumstances that caused the transfer. .

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques utilized by the Company:

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Available-for-sale securities				
U.S. government and agency securities	$ —	$ 251,437	$ —	$ 251,437
Commercial notes	—	111,916	—	111,916
Corporate debt securities	—	1,183,848	—	1,183,848
Total available-for-sale securities	—	1,547,201	—	1,547,201
Cash equivalents				
Money market instruments	15,635	—	—	15,635
Term deposit	—	16,586	—	16,586
Total cash equivalents	15,635	16,586	—	32,221
Total financial assets	$ 15,635	$ 1,563,787	$ —	$ 1,579,422

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Available-for-sale securities				
U.S. government and agency securities	$ —	$ 150,695	$ —	$ 150,695
Certificate of deposits	—	12,019	—	12,019
Municipal securities	—	7,046	—	7,046
Commercial notes	—	13,801	—	13,801
Corporate debt securities	—	509,257	—	509,257
Total available-for-sale securities	—	692,818	—	692,818
Cash equivalents				
Money market instruments	64,460	—	—	64,460
Term deposit	—	134,357	—	134,357
Certificate of deposits	—	3,001	—	3,001
Corporate debt securities	—	16,182	—	16,182
Total cash equivalents	64,460	153,540	—	218,000
Total financial assets	$ 64,460	$ 846,358	$ —	$ 910,818

Convertible Notes

The Company's Convertible Notes (see Note 14) are carried at amortized cost and is not measured at fair value on a recurring basis. As of June 30, 2026, the carrying value of the Convertible Notes was $682.7 million, and its estimated fair value was $843.7 million. We determine the fair value of the Convertible Notes based on quoted market prices for these notes, which are Level 2 measurements because the Convertible Notes do not trade regularly.

Credit Facility

The Company's credit facility (see Note 13) is carried at amortized cost and is not measured at fair value on a recurring basis. As of June 30, 2026, the aggregate carrying amount of the current and noncurrent portions of the facility was $181.4 million, and its estimated fair value was approximately $416.0 million.

The estimated fair value was determined using an income approach based on the present value of expected cash flows associated with the facility's contractual terms, including its scheduled repayments, paid-in-kind interest and multiple-on-invested-capital provisions. Because the valuation included significant unobservable inputs, the estimated fair value was categorized within Level 3 of the fair value hierarchy.

NOTE 12. LIABILITY RELATED TO THE SALE OF FUTURE ROYALTIES

In November 2022, the Company and Royalty Pharma entered into the Royalty Pharma Agreement, pursuant to which Royalty Pharma agreed to pay up to $410.0 million in cash to the Company in consideration for the Company's future royalty interest in olpasiran, a siRNA originally developed by the Company and licensed to Amgen in September 2016 under the Olpasiran Agreement.

Pursuant to the Royalty Pharma Agreement, Royalty Pharma paid $250.0 million upfront and agreed to pay up to an additional $160.0 million in aggregate one-time milestone payments due if and when the following milestone events occur: (i) $50.0 million on completion of enrollment in the OCEAN Phase 3 clinical trial for olpasiran, (ii) $50.0 million upon receipt of FDA approval of olpasiran for an approved indication (reduction in the risk of myocardial infarction, urgent coronary revascularization, or coronary heart disease death in adults with established cardiovascular disease and elevated Lp(a)), and (iii) $60.0 million upon Royalty Pharma's receipt of at least $70.0 million of royalty payments under the Royalty Pharma Agreement in any single calendar year. During the third quarter of fiscal 2024, Amgen completed enrollment of the Phase 3 OCEAN(a) outcomes trial of olpasiran, which triggered a $50.0 million milestone payment that the Company received in the same quarter. As of June 30, 2026, up to $110.0 million of additional milestone payments remain payable in the future, contingent upon the achievement of the remaining regulatory and royalty-based milestones.

In consideration for the payment of the foregoing amounts under the Royalty Pharma Agreement, Royalty Pharma is entitled to receive all royalties otherwise payable by Amgen to the Company under the Olpasiran Agreement. The Company remains eligible to receive any milestone payments potentially payable by Amgen under the Olpasiran Agreement.

The Company has evaluated the terms of the Royalty Pharma Agreement and concluded, in accordance with the relevant accounting guidance, that the Company accounted for the transaction as debt and the funding of $250.0 million and $50.0 million from Royalty Pharma were recorded as liabilities related to the sale of future royalties on its consolidated balance sheets. The Company is not obligated to repay these funds received under the Royalty Pharma Agreement.

The Company records the obligations at their carrying value using the effective interest method. In order to amortize the sale of future royalties, the Company utilizes the prospective method to estimate the future royalties to be paid by the Company to the counterparty over the life of the arrangement. Under the prospective method, a new effective interest rate is determined based on the revised estimate of remaining cash flows. The new rate is the discount rate that equates the present value of the revised estimate of remaining cash flows with the carrying amount of the debt, and it will be used to recognize non-cash interest expense for the remaining periods. The Company periodically assesses the amount and the timing of expected royalty payments using a combination of internal projections and forecasts from external sources. The estimates of future net product sales (and resulting royalty payments) are based on key assumptions including population, penetration, probability of success and sales price, among others. To the extent such payments are greater or less than the Company's initial estimates or the timing of such payments is different than its original estimates, the Company will prospectively adjust the amortization of the royalty financing obligations and the effective interest rate.

During the three months ended June 30, 2026, the Company updated its estimates of future royalty payments based on revised assumptions related primarily to expected pricing, product launch timing, and projected sales. These revisions resulted in changes to the expected amount and timing of future cash flows and, accordingly, an increase in the effective interest rate. As a result, the estimated effective interest rate increased from 8.3% as of September 30, 2025 to 9.0% as of June 30, 2026.

The following table presents the activity with respect to the liability related to the sale of future royalties.

	Nine Months Ended June 30,	
	2026	2025
	(in thousands)	
Beginning carrying value	$ 367,397	$ 341,361
Non-cash interest expense recognized	25,115	18,893
Ending carrying value	$ 392,512	$ 360,254

NOTE 13. FINANCING AGREEMENT

On August 7, 2024 (the "Closing Date"), the Company entered into a Financing Agreement with the guarantors party thereto, the lenders party thereto (the "Lenders"), and Sixth Street Lending Partners ("Sixth Street"), as the administrative agent and collateral agent for the Lenders (the "Financing Agreement"). The Financing Agreement establishes a senior secured term loan facility of $500.0 million (the "Credit Facility"), consisting of $400.0 million funded on the Closing Date and an additional $100.0 million available at the Company's option, subject to mutual agreement with Sixth Street. The loans under the Credit Facility bear interest at an annual rate of 15.0%, which is paid in kind and added to the outstanding principal balance of the Credit Facility each period. The outstanding principal balance of this Credit Facility, including amounts representing accrued but unpaid interest previously paid in kind, is due and payable on August 7, 2031.

The Company is permitted to use the net proceeds for working capital, capital expenditures and general corporate purposes of the Company and its subsidiaries.

The Company will have the right to prepay loans under the Credit Facility at any time. The Company is required to partially repay loans under the Credit Facility with proceeds from certain asset sales, condemnation events and extraordinary receipts, subject, in some cases, to reinvestment rights. If the Company repays in full the aggregate principal outstanding under the Credit Facility and such payment in full occurs on or prior to August 7, 2028, the Company will be required to make an additional payment to the lenders under the Credit Facility on such date in an amount necessary for the lenders to achieve a two times multiple of invested capital ("MOIC") of the aggregate principal amount funded on the Closing Date (the "MOIC Payment"). If such payment in full occurs after August 7, 2028, the Company will be required to make a payment to the lenders under the Credit Facility on such date in an amount necessary for the lenders to achieve the greater of the MOIC Payment and the present value of all interest payments that would have been payable from such date through the maturity date of the Credit Facility discounted at the Treasury Rate (as defined in the Financing Agreement) plus 0.5%; provided that such payment amount in this instance will not exceed the amount necessary for the lenders to achieve a 2.5 times MOIC.

On November 26, 2024, the Company entered into an amendment to the Financing Agreement (the "Amendment") to modify, amongst other things, some of the prepayment terms of the loans under the Credit Facility, including, the prepayment terms related to the Sarepta Collaboration Agreement. The Amendment was effective on February 14, 2025, following the closing of the Sarepta Collaboration Agreement and receipt of the $500.0 million upfront payment from Sarepta. The Amendment added an additional prepayment clause that requires certain contractual prepayments of principal and MOIC payments throughout the life of the loans under the Credit Facility. Additionally, any prepayment will be split with 50% of any such prepayment paying down the principal balance of the loans under the Credit Facility and the other 50% being applied to prepay the MOIC Payment. In the event the prepayment amounts result in fees being prepaid in excess of the actual amounts required to be paid, the excess fees shall be reallocated and applied to reduce the amount of the principal balance upon repayment in full of the loans under the Credit Facility. As of June 30, 2026, the Company has paid $158.9 million in MOIC payments of which $33.3 million is expected to be applied to principal upon repayment in full. To date, the Company has paid $319.5 million of the loans under the Credit Facility.

The Amendment was accounted for as a debt modification under ASC 470-50, *"Debt—Modification and extinguishments*" since the Amendment did not result in substantially different terms. In connection with the Amendment, the Company did not incur significant third-party fees.

All obligations under the Financing Agreement are secured on a first-priority basis by security interests in substantially all assets of the Company and material subsidiaries of the Company, including its intellectual property, subject to certain exceptions, and is guaranteed by material subsidiaries of the Company, including foreign subsidiaries, subject to certain exceptions.

The Financing Agreement contains customary covenants, including, without limitation, a financial covenant to maintain liquidity (cash, cash equivalents and investments) of at least $250.0 million if the Company's market capitalization is above $2.0 billion, and negative covenants that, subject to certain exceptions, restrict indebtedness, liens,

investments (including acquisitions), fundamental changes, asset sales and licensing transactions, dividends, modifications to material agreements, payment of subordinated indebtedness, distributions from certain parties, and other matters customarily restricted in such agreements. As of June 30, 2026, the Company was in compliance with all covenants under the Financing Agreement. Pursuant to the terms of the Financing Agreement, the Company and its subsidiaries are not permitted to have an aggregate principal amount of convertible indebtedness outstanding at any one time in excess of the greater of $300.0 million and 10% of the market capitalization of the Company (based on the closing price of the common stock of the Company on the trading date immediately prior to the incurrence of such indebtedness), but in no event greater than $700.0 million in the aggregate. The Company is subject to restrictions on sales and licensing transactions with respect to certain core intellectual property, subject to certain exceptions, including certain transactions related to areas outside the United States, United Kingdom, European Union, Japan and China.

The Financing Agreement contains certain embedded features that were identified and evaluated as not material to the consolidated financial statements.

On August 13, 2025, the Company entered into a second amendment to the Financing Agreement (the "Second Amendment") that permitted the share repurchase of the Company's common stock from Sarepta and required the Company to pay a nominal administrative fee.

The outstanding balance of the Credit Facility consisted of the following:

	June 30, 2026	September 30, 2025
	(in thousands)	
Initial Term Loan	$ 400,000	$ 400,000
Accumulated interest on the Initial Term Loan	106,205	66,942
Accumulated accretion of the MOIC Payment	7,455	3,478
Less: Unamortized debt issuance costs	(12,778)	(13,912)
Less: Current portion of credit facility	(40,000)	(40,000)
Less: Payments	(319,516)	(201,625)
Credit facility, net of current portion	$ 141,366	$ 214,883

The following table sets forth total interest expense recognized related to the Credit Facility:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Amortization of debt issuance costs	$ 385	$ 420	$ 1,133	$ 1,533
Accretion of the MOIC Payment	1,515	2,218	3,977	2,787
Contractual interest expense	13,212	13,766	39,264	44,454
Total interest expense	$ 15,112	$ 16,404	$ 44,374	$ 48,774

The amounts shown in the table below, related to the Credit Facility, represent the expected repayments of principal and accrued interest balance as of June 30, 2026 inclusive of scheduled mandatory prepayments that the Company is obligated to make to the Lenders during the indicated periods. The principal balance will increase from accrued paid in kind interest, and the table does not include MOIC prepayments beyond those contractually scheduled. Actual payments on current principal may vary from the amounts presented in the table.

Year	Amounts
	(in thousands)
2026 (remainder)	$ —
2027	40,000
2028	15,000
2029	15,000
2030	15,000
Thereafter	260,634
Total	$ 345,634

In May 2025, Visirna entered into the Revolving Credit Agreement with Bank of Zhejiang. The maximum aggregate credit facility is 72.9 million Chinese Yuan ($10.7 million) bearing an annual interest rate of 4.1%. The term of each loan is

twelve months. The amount outstanding as of June 30, 2026 was 22.1 million Chinese Yuan ($3.2 million) on the credit facility which was classified as other current liabilities.

NOTE 14. CONVERTIBLE NOTES

In January 2026, the Company issued 700.0 million aggregate principal amount of 0.00% Convertible Notes (the "Notes") due January 15, 2032. The initial conversion rate is 11.4844 shares of common stock per $1,000 principal amount of Notes, which represents an initial conversion price of approximately $87.07 per share, subject to adjustment upon the occurrence of certain specified events. The Notes are convertible into an aggregate of approximately 8,039,080 shares of the Company's common stock. The conversion rate is subject to adjustment, including in the case of conversions in connection with a make-whole fundamental change as defined in the indenture for the Notes or a redemption of the Notes.

The Notes are convertible at the option of the holders upon the occurrence of certain events prior to October 15, 2031, and thereafter at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Prior to October 15, 2031, holders may convert the Notes only upon the occurrence of one of the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending March 31, 2026, if the last reported sale price of the Company's common stock exceeds 130% of the conversion price for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period ending on, and including, the last trading day of the immediately preceding calendar quarter; (ii) during the five business days immediately following any ten consecutive trading-day period in which the trading price per $1,000 principal amount of the Notes for each trading day of such ten consecutive trading-day period is less than 98% of the product of the last reported sale price of the Company's common stock and the applicable conversion rate on such trading day; (iii) upon the occurrence of certain specified corporate events or distributions on the common stock; or (iv) if the Company calls the Notes for redemption. Upon conversion, the Company may, at its election, settle the Notes in cash, shares of the Company's common stock, or a combination thereof.

The Company may not redeem the Notes prior to January 16, 2029. On or after January 16, 2029 and on or before the 30th scheduled trading day immediately preceding the maturity date, the Company may redeem for cash all or any portion of the Notes, at its option, if the last reported sale price of the Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. The redemption price will equal 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date.

Upon the occurrence of a fundamental change, which includes certain change-of-control transactions, a delisting of the Company's common stock, or a liquidation event, holders may require the Company to repurchase their Notes for cash at a price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The outstanding balance of the Notes consisted of the following:

	June 30, 2026	September 30, 2025
	(in thousands)	
Outstanding principal balance	$ 700,000	$ —
Less: Unamortized debt issuance costs	(17,293)	—
Convertible notes, net	$ 682,707	$ —

The following table sets forth total interest expense recognized related to the Notes:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Amortization of debt issuance costs	$ 767	$ —	$ 1,423	$ —
Total interest expense	$ 767	$ —	$ 1,423	$ —

Capped Call Transactions

In connection with the issuance of the Notes, the Company entered into privately negotiated capped call transactions (the "Capped Calls") with certain financial institutions. The Capped Calls have an initial strike price corresponding to the

initial conversion price of the Notes and an initial cap price of $119.33 per share, subject to adjustment under the terms of the Capped Call confirmations. The Capped Calls are intended to reduce or offset potential dilution to the Company's common stock upon conversion of the Notes, with such reduction or offset subject to the applicable cap price. The Capped Calls cover, subject to anti-dilution adjustments, the number of shares of the Company's common stock underlying the Notes.

The Capped Calls are separate transactions that are not part of the terms of the Notes and do not affect the rights of holders of the Notes. The Company paid $47.9 million in connection with the Capped Call transactions, which was recorded as a reduction to additional paid-in capital in the consolidated balance sheets. As the Capped Calls meet the applicable equity classification criteria under ASC 815, *Derivatives and Hedging*, they are recorded within stockholders' equity and are not subsequently remeasured to fair value.

NOTE 15. NET (LOSS) INCOME PER SHARE

The following table presents the computation of basic and diluted net (loss) income per share for the three and nine months ended June 30, 2026 and 2025.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands, except per share amounts)			
Numerator:				
Net (loss) income attributable to Arrowhead Pharmaceuticals, Inc.	$ (194,280)	$ (175,241)	$ (296,205)	$ 22,119
Denominator:				
Weighted-average basic shares outstanding [(1)]	143,378	139,039	141,331	132,385
Effect of dilutive securities	—	—	—	967
Weighted-average diluted shares outstanding [(1)]	143,378	139,039	141,331	133,352
Basic net (loss) income per share	$ (1.36)	$ (1.26)	$ (2.10)	$ 0.17
Diluted net (loss) income per share	$ (1.36)	$ (1.26)	$ (2.10)	$ 0.17

(1) Include shares of common stock into which the 2024 and 2026 Avoro Pre-Funded Warrants may be exercised. See Note 6.

The following table sets forth the number of potentially dilutive securities that have been excluded from the calculation of diluted net (loss) income per share because to include them would be anti-dilutive.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Options	830	768	830	756
Restricted stock units	5,795	5,178	5,795	4,770
If-converted common stock from convertible notes	8,039	—	8,039	—
Total	14,664	5,946	14,664	5,526

NOTE 16. SEGMENT INFORMATION

We operate in a single segment dedicated to the discovery, development, manufacturing and commercialization of RNAi therapeutics. The Company's RNAi therapeutics are comprised of siRNAs that function upstream of conventional medicines by potently silencing mRNA that encode for proteins implicated in the cause or pathway of disease, thus preventing them from being made. Consistent with our operational structure, our Chief Executive Officer (“CEO”), as the CODM, manages and allocates resources on a consolidated basis at the global corporate level. Our global research and development and technical operations and quality organizations are responsible for the discovery, development, and supply of products. Commercial efforts that coordinate the marketing, sales and distribution of these products are organized by geographic region. All of these activities are supported by corporate staff functions. Managing and allocating resources at the corporate level enables our CEO to assess the overall level of resources available and how to best deploy these resources in line with our overarching long-term, corporate-wide strategic goals. The determination of a single segment is consistent with the consolidated financial information regularly reviewed by the CODM for the purposes of evaluating performance, forecasting future period financial results, allocating resources and setting incentive targets.

Consistent with our management reporting, results of our operations are reported on a consolidated basis for purposes of segment reporting. The CEO evaluates performance and decides how to allocate resources based on consolidated net (loss) income that is reported on the consolidated statements of operations and comprehensive (loss) income. The measure of segment assets is reported on the consolidated balance sheets as total assets. The CEO uses consolidated net (loss) income to evaluate loss or income generated from the Company’s business activities in deciding how to allocate company resources (such as pursuing clinical development or entering a strategic collaboration), monitoring budget versus actual results, and establishing management’s compensation. Please refer to the consolidated financial statements for further information related to these measures of segment performance. In addition, research and

development and selling, general and administrative expenses are significant segment expenses regularly provided to the CEO with the following categories:

Research and Development

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Candidate costs	$ 126,595	$ 95,007	$ 331,035	$ 243,094
Discovery costs	18,320	21,043	58,645	48,785
Salaries	31,978	26,531	95,563	80,583
Facilities related	7,016	6,457	22,713	20,944
Total research and development expense, excluding non-cash expense	$ 183,909	$ 149,038	$ 507,956	$ 393,406
Stock compensation	8,149	7,612	22,804	23,049
Depreciation and amortization	6,165	5,718	17,919	16,017
Total research and development expense	$ 198,223	$ 162,368	$ 548,679	$ 432,472

Selling, General & Administrative

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Salaries	$ 14,083	$ 7,964	$ 38,457	$ 23,152
Professional, outside services, and other	23,274	14,869	61,116	35,811
Facilities related	2,549	2,180	5,708	4,546
Total selling, general and administrative expense, excluding non-cash expense	$ 39,906	$ 25,013	$ 105,281	$ 63,509
Stock compensation	6,723	5,431	28,109	21,230
Depreciation/amortization	494	505	1,498	1,525
Total selling, general and administrative expense	$ 47,123	$ 30,949	$ 134,888	$ 86,264

NOTE 17. SUBSEQUENT EVENTS

On July 31, 2026, the Company entered into an asset purchase agreement pursuant to which the Company agreed to purchase a rare pediatric disease priority review voucher (“PRV”) issued by the U.S. Food and Drug Administration (the “FDA”) for aggregate consideration of $215.0 million upon closing. A PRV entitles its holder to priority review of a single new drug application or biologics license application, which is designed to shorten the FDA’s target review period, and may be sold or transferred to another party. The Company currently expects to use the PRV in connection with its upcoming Supplemental New Drug Application for plozasiran to seek approval for the treatment of patients with severe hypertriglyceridemia. Closing is subject to customary closing conditions, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The Company expects the transaction to close in the fourth fiscal quarter of 2026 and intends to fund the purchase price from existing cash, cash equivalents and investments.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and we intend that such forward-looking statements be subject to the safe harbors created thereby. For this purpose, any statements contained in this Quarterly Report on Form 10-Q 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," "goal," "endeavor," "strive," "intend," "plan," "project," "could," "estimate," "target," "might," "forecast," "potential," or "continue" or the negative of these words or other variations thereof or comparable terminology are intended to identify forward-looking statements. In addition, any statements that refer to projections of our future financial performance, trends in our business, 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 timing and 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, including our pending acquisition of a rare pediatric disease priority review voucher; our beliefs and expectations regarding the amount and timing of future milestone, royalty or other payments that could be due to or from third parties under existing agreements; and our estimates regarding future revenues, sales of REDEMPLO (plozasiran), our expectations regarding regulatory approval for and commercial launch of plozasiran, operating income, research and development expenses, cash flows, capital requirements and payments to third parties.

The forward-looking statements included herein are based on current expectations of our management based on available information and involve a number of risks and uncertainties, all of which are difficult or impossible to predict accurately, and many of which are beyond our control. As such, our actual results or outcomes and timing of certain events may differ materially from those discussed, projected, anticipated or indicated in any forward-looking statements. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and cash flows may differ materially. Factors that may cause or contribute to such differences include, but are not limited to, those discussed in more detail in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of Part I and "Item 1A. Risk Factors" of Part II of this Quarterly Report on Form 10-Q as well as "Item 1. Business" and "Item 1A. Risk Factors" of Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of Part II of our most recent Annual Report on Form 10-K. Readers should carefully review these risks, as well as the additional risks described in other documents we file from time to time with the Securities and Exchange Commission (the "SEC"). In light of the significant risks and uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by us or any other person that such results will be achieved, and readers are cautioned not to place undue reliance on such forward-looking information. Statements made herein are as of the date of the filing of this Quarterly Report on Form 10-Q with the SEC and should not be relied upon as of any subsequent date. Except as may be required by law, we disclaim any intent to revise the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

OVERVIEW

The Company develops medicines that treat intractable diseases by silencing the genes that cause them. Using a broad portfolio of RNA chemistries and modes of delivery, the Company's therapies trigger the RNA interference mechanism to induce rapid, deep and durable knockdown of target genes. RNAi is a mechanism present in living cells that inhibits the expression of a specific gene, thereby affecting the production of a specific protein. RNAi-based therapeutics seek to leverage this natural pathway of gene silencing to target and shut down specific disease-causing genes.

The Company believes that TRiM™ enabled therapeutics offer several potential advantages over prior generations and competing technologies, including: simplified manufacturing and reduced costs; multiple routes of administration including subcutaneous injection and inhaled administration; the ability to target multiple tissue types including liver, lung, skeletal muscle, central nervous system (CNS), adipose tissue, ocular, and cardiomyocytes; and the potential for improved safety and reduced risk of intracellular buildup, because there are fewer metabolites from smaller, simpler molecules.

The Company's products:

- REDEMPLO®, indicated as an adjunct to diet to reduce triglycerides in adults with Familial Chylomicronemia Syndrome (FCS), which has received regulatory approvals in the United States, European

Union, Canada, Australia and China (Greater China rights out-licensed to Sanofi).

The following table presents selected programs from the Company's pipeline:

Therapeutic Area	Name	Stage	Product Rights
Cardiometabolic	plozasiran	Phase 3	Arrowhead[(1)]
	zodasiran	Phase 3	Arrowhead
	olpasiran	Phase 3	Amgen
	GSK4532990	Phase 2b	GSK
	ARO-PNPLA3	Phase 1	Madrigal
	ARO-INHBE	Phase 1/2a	Arrowhead
	ARO-ALK7	Phase 1/2a	Arrowhead
	ARO-DIMER-PA	Phase 1/2a	Arrowhead[(1)]
Pulmonary	ARO-RAGE	Phase 2	Arrowhead
	SRP-1002 (ARO-MMP7)	Phase 1/2a	Sarepta
Liver	fazirsiran	Phase 3	Takeda and Arrowhead
	daplusiran/tomligisiran	Phase 2	GSK
Neuromuscular	SRP-1001 (ARO-DUX4)	Phase 1/2a	Sarepta
	SRP-1003 (ARO-DM1)	Phase 1/2a	Sarepta
	SRP-1004 (ARO-ATXN2)	Phase 1/2a	Sarepta
	SRP-1005 (ARO-HTT)	Phase 1	Sarepta
	ARO-MAPT	Phase 1/2a	Arrowhead
	ARO-SNCA	Pre-clinical	Novartis
Other	ARO-C3	Phase 1/2a	Arrowhead
	ARO-CFB	Phase 1/2a	Arrowhead

(1) Greater China rights for plozasiran are out-licensed to Sanofi.

The Company operates lab facilities in California and Wisconsin, where its research and development activities, including the development of RNAi therapeutics, take place. The Company's principal executive offices are located in Pasadena, California.

The Company continues to develop other clinical candidates for future clinical trials. Clinical candidates are tested internally and through Good Laboratory Practice (GLP) toxicology studies at outside laboratories. Drug materials for such studies, clinical trials, and commercial products are either manufactured internally or contracted to third-party manufacturers. The Company engages third-party contract research organizations (CROs) to manage clinical trials and works cooperatively with such organizations on all aspects of clinical trial management, including plan design, patient recruiting, and follow up. These outside costs, including toxicology/efficacy testing and manufacturing costs, as well as the preparation for and administration of clinical trials, are referred to as "candidate costs." As clinical candidates progress through clinical development, candidate costs will increase.

The First Three Quarters of Fiscal 2026 Business Highlights

The bullets below highlight key developments in our business during the first three quarters of fiscal year 2026:

- Announced an exclusive worldwide license agreement with Madrigal Pharmaceuticals for ARO-PNPLA3, Arrowhead's clinical stage RNA interference (RNAi) therapeutic designed to reduce liver expression of patatin-like phospholipase domain containing 3 (PNPLA3) as a potential treatment for patients with metabolic dysfunction-associated steatohepatitis (MASH):
    - Under the terms of the agreement, Madrigal made a $25 million upfront payment to Arrowhead. Arrowhead is also eligible to receive development, regulatory, and sales milestone payments of up to $975 million. Arrowhead is further eligible to receive tiered royalties on commercial sales ranging from high-single digits to the mid-teens.
    - In a Phase 1 single-ascending dose clinical study, ARO-PNPLA3 achieved encouraging results,

including a dose-dependent mean reduction in liver fat of up to 40% in patients homozygous for the I148M mutation, no apparent treatment emergent increases in triglycerides or LDL-cholesterol, and a positive safety and tolerability profile at all doses studied.

- Announced that the Australian Therapeutic Goods Administration (TGA) has approved REDEMPLO® (plozasiran) as an adjunct to diet to reduce triglyceride levels for adult patients with familial chylomicronaemia syndrome (FCS) in Australia.
- Announced that the European Commission (EC) formally granted marketing authorization for REDEMPLO, a small interfering RNA (siRNA) medicine, as an adjunct to diet to reduce triglyceride levels in adult patients with familial chylomicronemia syndrome (FCS). REDEMPLO is the first and only siRNA medicine authorized by the EC for adults with FCS diagnosed either by the presence of clinical criteria or genetic testing.
- Presented interim results from a Phase 1/2a clinical trial of ARO-INHBE, the Company's investigational RNA interference (RNAi) therapeutic being developed as a potential treatment for obesity and metabolic dysfunction-associated steatohepatitis (MASH).
    - The data presented at the European Association for the Study of the Liver Congress (EASL 2026) demonstrate that ARO-INHBE treatment led to clinically meaningful reductions in liver fat as a monotherapy and in combination with low-dose tirzepatide, a GLP-1/GIP receptor co-agonist, in adults with obesity.
- Presented new positive clinical data for plozasiran supporting its use in patients with moderate-to-severe renal impairment or moderate hepatic impairment without the need for dose adjustment, and a case report suggesting that preconception exposure to plozasiran may be associated with sustained lowering of fasting triglyceride (TG) levels through the term of a pregnancy.
    - The data were presented in two oral presentations at the 94th European Atherosclerosis Society (EAS) Congress.
- Presented new long-term efficacy and safety data for plozasiran across a spectrum of hypertriglyceridemia at the American College of Cardiology's 75th Annual Scientific Session and Expo.
    - Patients with severe hypertriglyceridemia (sHTG) achieved an 83% median reduction in triglycerides (TG), with 96% of patients achieving TG levels below 500 mg/dL, a threshold associated with increased risk of acute pancreatitis.
    - No adjudicated acute pancreatitis events occurred in any patient receiving plozasiran during the 2-year Phase 2b Open-Label Expansion (OLE) Study.
    - Favorable and durable improvements in atherogenic lipoproteins, including remnant cholesterol, non-high-density lipoprotein (HDL) cholesterol, and Apolipoprotein B (ApoB), were observed, with a safety profile consistent with earlier trials.
- Initiated and dosed the first subjects in a Phase 1/2a clinical trial of ARO-DIMER-PA, the Company's investigational RNAi therapeutic being developed as a potential treatment for atherosclerotic cardiovascular disease (ASCVD) due to mixed hyperlipidemia.
    - ARO-DIMER-PA is designed to silence expression of both proprotein convertase subtilisin kexin 9 (PCSK9) and apolipoprotein C3 (APOC3) genes.
    - This represents an important step forward for the field of RNAi therapeutics, as it is the first clinical candidate to target two genes simultaneously in one molecule, enabled by Arrowhead's innovative and proprietary Targeted RNAi Molecule (TRiM™) platform.
- Completed upsized offerings of convertible senior notes, common stock, and pre-funded warrants with gross proceeds of $930.0 million, which strengthened the Company's balance sheet.
- Announced that the Chinese National Medical Products Administration (NMPA) has approved REDEMPLO (plozasiran) for the reduction of triglyceride levels in adult patients with familial chylomicronemia syndrome (FCS).
    - REDEMPLO will be marketed in Greater China by Sanofi under an agreement between Sanofi and Arrowhead.
- Announced interim results from two Phase 1/2a clinical trials of ARO-INHBE and ARO-ALK7, the

Company's investigational RNAi therapeutics being developed as potential treatments for obesity and metabolic dysfunction-associated steatohepatitis (MASH), showing for patients enrolled in the study that:

- ARO-INHBE in combination with tirzepatide, a GLP-1/GIP receptor co-agonist, nearly doubled weight loss at week 16 and roughly tripled reductions in visceral fat, total fat, and liver fat versus tirzepatide alone in obese patients with type 2 diabetes mellitus at those same endpoints at week 12.
- ARO-ALK7, the first RNAi-therapeutic to show adipocyte gene target silencing in a clinical trial, achieved dose dependent reductions in adipose ALK7 messenger (mRNA) with a mean reduction of -88% at the 200 mg dose at week 8 with a maximum reduction of -94%.
- ARO-INHBE monotherapy at 200mg or greater reduced liver fat content (LFC) by 44% compared to placebo in subjects with obesity and baseline liver fat content greater than 8%.

- Announced that Health Canada has issued a Notice of Compliance (NOC) authorizing REDEMPLO™ (plozasiran) as an adjunct to diet to reduce triglycerides in adults with familial chylomicronemia syndrome (FCS) for whom standard triglyceride lowering therapies have been inadequate.
  - REDEMPLO is the first and only Health Canada-approved siRNA medicine to be studied in patients with genetically confirmed and clinically diagnosed FCS.
  - The Health Canada approval is based on positive results from the Phase 3 PALISADE study where REDEMPLO significantly reduced triglycerides from baseline and lowered the numerical incidence of acute pancreatitis compared to placebo.
- Initiated and dosed the first subjects in a Phase 1/2a clinical trial of ARO-MAPT, the Company's investigational RNAi therapeutic being developed as a potential treatment for tauopathies including Alzheimer's disease, a progressive neurodegenerative disease characterized by cognitive and functional decline.
- Announced that the FDA has granted Breakthrough Therapy designation to investigational plozasiran as an adjunct to diet to reduce triglyceride (TG) levels in adults with severe hypertriglyceridemia (SHTG) (TG levels greater than or equal to 500 mg/dL).
- On November 20, 2025, the Company earned a $200.0 million milestone payment from Sarepta Therapeutics, Inc., which was triggered on November 20, 2025, when the Company reached the second of two prespecified enrollment targets and subsequent authorization to dose escalate in a Phase 1/2 clinical study of ARO-DM1, an investigational RNAi therapeutic for the treatment of type 1 myotonic dystrophy (DM1).
- The FDA approved the Company's New Drug Application (NDA) for REDEMPLO injection for Familial Chylomicronemia Syndrome (FCS), on November 18, 2025. This approval was supported by clinical data from the Phase 3 PALISADE study, a randomized, double-blind, placebo-controlled trial in adults with clinically diagnosed or genetically confirmed FCS. The PALISADE study met its primary endpoint and all multiplicity-controlled key secondary endpoints, including demonstrating significant reductions in triglycerides and APOC3. In PALISADE, 25 mg REDEMPLO achieved deep and durable reductions in triglycerides, with a median change from baseline of -80% versus -17% in the pooled placebo group, and a lower numerical incidence of acute pancreatitis compared with placebo.
- Entered into a global licensing and collaboration agreement with Novartis Pharma AG ("Novartis") on August 29, 2025, which closed on October 17, 2025. Closing of the transaction was subject to the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and other customary conditions. Upon closing, the Company received $200.0 million as an upfront payment on October 23, 2025. Additionally, the Company is eligible to receive up to $2.0 billion in potential milestone payments plus royalties on commercial sales.

The bullets below highlight other key developments in our business subsequent to the third quarter of fiscal year 2026:

- Announced topline results for the global Phase 3 SHASTA-3 and SHASTA-4 clinical studies of plozasiran in patients with severe hypertriglyceridemia (sHTG).
  - SHASTA-3 and SHASTA-4 successfully met the primary endpoint of triglyceride reduction versus placebo and met all prespecified secondary endpoints in both studies.
  - Deep, durable, and consistent median triglyceride reductions of 79% and 81% from baseline in SHASTA-3 and SHASTA-4, respectively.
  - Statistically significant 78% reduction in acute pancreatitis events versus placebo across the entire

sHTG study population, with an unprecedented 100% event reduction in patients with triglycerides above 880 mg/dL and a prior medical history of AP, widely considered to be at the highest risk for acute pancreatitis.

- Continued and consistent safety and tolerability profile with no new safety signals and a favorable liver safety profile.
- Detailed results will be presented as a HOT LINE Late Breaker at the European Society of Cardiology (ESC) Congress on August 30, 2026

- Announced that the Company completed enrollment in the global Phase 3 YOSEMITE clinical trial of zodasiran, the Company's investigational RNAi therapeutic being developed as a potential treatment for homozygous familial hypercholesterolemia (HoFH), a rare genetic condition that leads to severely elevated low-density lipoprotein cholesterol (LDL-C) and early-onset cardiovascular disease.
  - The Company anticipates that YOSEMITE will be completed in mid-2027 and, pending successful clinical results, intends to seek regulatory approval in multiple geographies thereafter.
  - The YOSEMITE Phase 3 study was initially designed to enroll 60 participants with HoFH; however, strong global HoFH patient and physician interest led to an increased total of 70 patients enrolled.

There have been no significant changes to the Company's critical accounting estimates disclosed in the most recent Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

RESULTS OF OPERATIONS

The following data summarizes the Company's results of operations for the following periods indicated:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands, except per share amounts)			
Revenue	$ 75,253	$ 27,767	$ 413,023	$ 572,976
Operating (loss) income	$ (170,093)	$ (165,550)	$ (270,544)	$ 54,240
Net (loss) income attributable to Arrowhead	$ (194,280)	$ (175,241)	$ (296,205)	$ 22,119
Net (loss) income per diluted share attributable to Arrowhead	$ (1.36)	$ (1.26)	$ (2.10)	$ 0.17

Revenue

Total revenue for the three and nine months ended June 30, 2026 increased by $47.5 million and decreased by $160.0 million, respectively, as compared to the same periods of 2025. The change was primarily driven by revenue recognition associated with the Sarepta, Novartis, Madrigal and Sanofi collaboration and license agreements, and partially driven by commercial revenue from REDEMPLO.

The following table provides a summary of revenue recognized from our collaboration and license agreements:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
GSK	$ —	$ 143	$ —	$ 2,646
Sarepta	26,395	27,624	297,594	570,330
Novartis	20,232	—	74,945	—
Sanofi	1,241	—	11,983	—
Madrigal	25,000	—	25,000	—
Total	$ 72,868	$ 27,767	$ 409,522	$ 572,976

The Company has evaluated each agreement in accordance with FASB Topic 808–*Collaborative Arrangements* and Topic 606-*Revenue for Contracts from Customers*. See Note 2 — Collaboration and License Agreements of the Notes to Consolidated Financial Statements of Part I, "Item 1. Financial Statements" for more information on revenue recognized under the collaboration and license agreements.

Sarepta: On November 25, 2024, the Company entered into the Sarepta Collaboration Agreement and Stock Purchase Agreement with Sarepta for the development and commercialization of multiple clinical and preclinical programs in rare, genetic diseases of the muscle, central nervous system, and lungs. On December 16, 2025, the Company entered into the Sarepta Clinical Supply Agreement, whereby the Company is responsible for manufacturing and supplying certain materials to Sarepta for specified activities. During the three and nine months ended June 30, 2026, the Company recorded $26.4 million and $297.6 million in revenue associated with these Sarepta agreements, respectively.

Novartis: On August 29, 2025, the Company entered into the Novartis Collaboration Agreement with Novartis for the development and commercialization of multiple preclinical programs in rare, genetic diseases of the central nervous system. During the three and nine months ended June 30, 2026, the Company recorded $20.2 million and $74.9 million in revenue associated with this transaction, respectively.

Visirna and Sanofi: On August 1, 2025, Visirna HK, a wholly owned subsidiary of Visirna Therapeutics, Inc, a majority owned subsidiary of the Company, entered into an Asset Purchase Agreement with Sanofi, pursuant to which Visirna HK sold all of its assets and rights in investigational plozasiran to Sanofi, which included an assignment of Visirna HK's rights (as successor by assignment from Visirna) to develop and commercialize investigational plozasiran in Greater China pursuant to that certain License Agreement by and between the Company and Visirna dated, April 25, 2022 (the "Visirna License Agreement"). During the three and nine months ended June 30, 2026, the Company recorded $1.2 million and $12.0 million in revenue associated with this transaction, respectively.

Madrigal: On May 4, 2026, the Company entered into the Madrigal Licensing Agreement with Madrigal. Under the terms of the agreement, Madrigal received an exclusive global license to develop, manufacture, and commercialize ARO-PNPLA3, a clinical stage program. During the three and nine months ended June 30, 2026, the Company recorded $25.0 million and $25.0 million in revenue associated with this transaction, respectively.

Operating Expenses

The analysis below details the operating expenses and discusses the expenditures of the Company within the major expense categories. For purposes of comparison, the amounts for the three and nine months ended June 30, 2026 and 2025 are shown in the tables below.

Research and Development ("R&D") Expenses

Research and development expenses consist of expenses for drug candidate and discovery costs, which are comprised primarily of outsourced costs related to the manufacturing of clinical supplies, toxicity/efficacy studies and clinical trial expenses. Internal costs primarily relate to discovery operations at the Company's research facilities in California and Wisconsin, including facility costs and laboratory-related expenses. The Company operates in a cross-functional manner across projects and does not separately allocate facilities-related costs, candidate costs, discovery costs, compensation expenses, depreciation and amortization expenses, and other expenses related to research and development activities. The Company does not fully track research and development expenses by individual research and development projects, or by individual drug candidates.

The following table provides details of research and development expenses for the periods indicated:

(in thousands)	Three Months Ended June 30, 2026	% of Expense Category	Three Months Ended June 30, 2025	% of Expense Category	Increase (Decrease) $	Increase (Decrease) %
Candidate costs	$ 126,595	64 %	$ 95,007	58 %	$ 31,588	33 %
Discovery costs	18,320	9 %	21,043	13 %	(2,723)	(13)%
Salaries	31,978	16 %	26,531	16 %	5,447	21 %
Facilities related	7,016	4 %	6,457	4 %	559	9 %
Total research and development expense, excluding non-cash expense	$ 183,909	93 %	$ 149,038	91 %	$ 34,871	23 %
Stock compensation	8,149	4 %	7,612	5 %	537	7 %
Depreciation and amortization	6,165	3 %	5,718	4 %	447	8 %
Total research and development expense	$ 198,223	100 %	$ 162,368	100 %	$ 35,855	22 %

(in thousands)	Nine Months Ended June 30, 2026	% of Expense Category	Nine Months Ended June 30, 2025	% of Expense Category	Increase (Decrease) $	Increase (Decrease) %
Candidate costs	$ 331,035	61 %	$ 243,094	56 %	$ 87,941	36 %
Discovery costs	58,645	11 %	48,785	11 %	9,860	20 %
Salaries	95,563	17 %	80,583	19 %	14,980	19 %
Facilities related	22,713	4 %	20,944	5 %	1,769	8 %
Total research and development expense, excluding non-cash expense	$ 507,956	93 %	$ 393,406	91 %	$ 114,550	29 %
Stock compensation	22,804	4 %	23,049	5 %	(245)	(1)%
Depreciation and amortization	17,919	3 %	16,017	4 %	1,902	12 %
Total research and development expense	$ 548,679	100 %	$ 432,472	100 %	$ 116,207	27 %

Candidate costs increased $31.6 million, or 33%, for the three months ended June 30, 2026 and $87.9 million, or 36%, for the nine months ended June 30, 2026 compared to the same periods of 2025. The increase was primarily due to the additional progression of the Company's pipeline of candidates into and through clinical trials, which resulted in higher outsourced clinical trial costs and manufacturing costs.

Discovery costs decreased $2.7 million, or 13%, for the three months ended June 30, 2026 compared to the same period of 2025, primarily driven by timing of R&D discovery activity associated with ongoing discovery efforts. Discovery costs increased $9.9 million, or 20%, for the nine months ended June 30, 2026 compared to the same period of 2025, primarily driven by increased R&D discovery activity associated with ongoing discovery efforts and expansion into novel therapeutic areas and tissue types.

Salaries consist of salary, bonuses, payroll taxes, and related benefits for the Company's R&D personnel. Salaries expense increased $5.4 million, or 21%, for the three months ended June 30, 2026 and $15.0 million, or 19%, for the nine

months ended June 30, 2026 compared to the same periods of 2025. The increase was primarily due to an increase in headcount that has occurred as the Company has expanded its pipeline of candidates and worked to prepare for the manufacture of commercial material at the Verona facility, as well as annual salary increases.

Facilities-related expense includes lease costs for the Company's research and development facilities in San Diego, California and in Madison, Wisconsin. These expenses increased $0.6 million, or 9%, for the three months ended June 30, 2026 and $1.8 million or 8%, for the nine months ended June 30, 2026 compared to the same period of 2025. The increase was primarily due to expenses, such as utilities, repair and maintenance charges, associated with the expanded manufacturing facilities in Verona, Wisconsin to support manufacturing operations.

Stock compensation expense, a non-cash expense, is primarily based on the valuation of restricted stock units granted to employees, which is based on the closing stock price on the grant date. Stock compensation expense increased $0.5 million, or 7%, for the three months ended June 30, 2026 compared to the same period of 2025, primarily driven by the annual issuance of RSU grants to employees in January 2026. Stock compensation expense decreased $0.2 million, or 1% for the nine months ended June 30, 2026 compared to the same period of 2025, primarily driven by stock options award expense incurred in the second fiscal quarter 2025 related to Visirna, our variable interest entity, that did not repeat in the second fiscal quarter 2026.

Depreciation and amortization expense, a non-cash expense, relates to depreciation on buildings, lab equipment and leasehold improvements. These expenses increased $0.4 million, or 8%, for the three months ended June 30, 2026 and $1.9 million, or 12%, for the nine months ended June 30, 2026 compared to the same periods of 2025. The increase was primarily attributable to the transfer of additional manufacturing equipment following the completion of certification, qualification and validation to support manufacturing operations.

Selling, General and Administrative Expenses

The following table provides details of selling, general and administrative expenses for the periods indicated:

(in thousands)	Three Months Ended June 30, 2026	% of Expense Category	Three Months Ended June 30, 2025	% of Expense Category	Increase (Decrease) $	Increase (Decrease) %
Salaries	$ 14,083	30 %	$ 7,964	26 %	$ 6,119	77 %
Professional, outside services, and other	23,274	49 %	14,869	47 %	8,405	57 %
Facilities related	2,549	5 %	2,180	7 %	369	17 %
Total selling, general and administrative expense, excluding non-cash expenses	$ 39,906	85 %	$ 25,013	80 %	$ 14,893	60 %
Stock compensation	6,723	14 %	5,431	18 %	1,292	24 %
Depreciation and amortization	494	1 %	505	2 %	(11)	(2)%
Total selling, general and administrative expenses	$ 47,123	100 %	$ 30,949	100 %	$ 16,174	52 %

(in thousands)	Nine Months Ended June 30, 2026	% of Expense Category	Nine Months Ended June 30, 2025	% of Expense Category	Increase (Decrease) $	Increase (Decrease) %
Salaries	$ 38,457	29 %	$ 23,152	27 %	$ 15,305	66 %
Professional, outside services, and other	61,116	45 %	35,811	41 %	25,305	71 %
Facilities related	5,708	4 %	4,546	5 %	1,162	26 %
Total selling, general and administrative expense, excluding non-cash expenses	$ 105,281	78 %	$ 63,509	73 %	$ 41,772	66 %
Stock compensation	28,109	21 %	21,230	25 %	6,879	32 %
Depreciation and amortization	1,498	1 %	1,525	2 %	(27)	(2)%
Total selling, general and administrative expenses	$ 134,888	100 %	$ 86,264	100 %	$ 48,624	56 %

Salaries expense increased $6.1 million, or 77%, for the three months ended June 30, 2026 and $15.3 million, or 66% for the nine months ended June 30, 2026 compared to the same periods of 2025. The increase was driven by higher headcount required to support the Company's commercialization of REDEMPLO, as well as annual salary increases.

Professional, outside services, and other expenses include costs related to commercial activities, legal, consulting, patent filings, business insurance, other external services, as well as travel, communication, and technology expenses. These expenses increased $8.4 million, or 57%, for the three months ended June 30, 2026 and $25.3 million, or 71%, for

the nine months ended June 30, 2026 compared to the same periods of 2025. The increase was mainly due to commercialization expense associated with the Company's launch of REDEMPLO, including costs for marketing and commercial launch support.

Facilities related expense primarily includes rental costs and other facilities-related costs for the Company's corporate headquarters in Pasadena, California. These expenses increased $0.4 million, or 17%, for the three months ended June 30, 2026 and $1.2 million, or 26%, for the nine months ended June 30, 2026 compared to the same periods of 2025. The increase was primarily driven by higher staff amenities expenses driven by higher headcount.

Stock compensation expense, a non-cash expense, is based on the valuation of restricted stock units granted to employees, which is based on the closing stock price on the grant date. These expenses increased $1.3 million, or 24%, for the three months ended June 30, 2026 and $6.9 million, or 32%, for the nine months ended June 30, 2026 compared to the same periods of 2025. The increase was primarily due to recognition of compensation expense related to a performance-based restricted stock unit award following the achievement of a pre-specified performance milestone, as well as new grants issued to new employees.

Depreciation and amortization expense, a noncash expense, was primarily related to amortization of leasehold improvements for the Company's corporate headquarters.

Other Income (Expense)

Other expense is primarily related to interest income and expense, loss on equity method investment in Bisirna, and gain on VIE's sale of IPR&D assets. Other expense decreased $4.7 million and $21.2 million for the three and nine months ended June 30, 2026, respectively, compared to the same periods of 2025. The decrease for the nine months ended June 30, 2026 was primarily due to a gain on VIE's sale of IPR&D assets related to the transfer of research and development assets from Visirna to Bisirna in January 2026, as well as an increased interest income on the Company's available-for-sale securities. The decrease for the three months ended June 30, 2026 was primarily due to increased interest income on the Company's available-for-sale securities.

On January 15, 2026, Visirna closed on an Asset Transfer Agreement with Bisirna to sell and transfer certain assets and rights associated with R&D technology. The purchase price was $19.0 million, payable as (i) $9.0 million in paid-in-full warrants (exercise price of $0.18 per share) issued by Bisirna at the closing of the asset transfer, and (ii) $10.0 million of Bisirna Series A preferred shares, which were issued upon the closing of Bisirna's Series A equity financing on January 15, 2026. As the performance obligation associated with the asset transfer was fully satisfied at closing, the Company recognized $19.0 million of gain in other income during the second fiscal quarter of 2026.

Net (Loss) Income

Net loss attributable to Arrowhead Pharmaceuticals, Inc. was $194.3 million and $296.2 million for the three and nine months ended June 30, 2026, respectively, compared to a net loss attributable to Arrowhead Pharmaceuticals, Inc. of $175.2 million and a net income attributable to Arrowhead Pharmaceuticals, Inc. of $22.1 million for the three and nine months ended June 30, 2025, respectively. Net loss per diluted share was $1.36 and $2.10 for the three and nine months ended June 30, 2026, respectively, compared to a net loss per diluted share of $1.26 and a net income per diluted share of $0.17 for the three and nine months ended June 30, 2025, respectively. The increase in net loss attributable to Arrowhead Pharmaceuticals, Inc. and decrease in net income attributable to Arrowhead Pharmaceuticals, Inc. for the three and nine months ended June 30, 2026 compared to the same periods of 2025, respectively, was primarily due to a decrease in revenue from the Sarepta Collaboration Agreement, combined with higher commercial costs as well as research and development expenses, associated with the expansion of the Company's pipeline and progression through clinical trial phases.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of financing have been through the sale of its equity securities, credit facility, revenue from its licensing and collaboration agreements, the sale of certain future royalties and issuance of convertible debt. Research and development activities have required significant capital investment since the Company's inception and are expected to continue to require significant cash expenditure as the Company's pipeline continues to expand and matures into later stage clinical trials, including commercialization efforts.

The Company's cash, cash equivalents and restricted cash was $54.8 million as of June 30, 2026 compared to $226.5 million as of September 30, 2025. Cash invested in available-for-sale securities was $1,547.2 million as of June 30, 2026 compared to $692.8 million as of September 30, 2025.

On November 25, 2024, the Company entered into a licensing and collaboration agreement with Sarepta. Upon closing, the Company received $325.0 million for the purchase of 11,926,301 shares of common stock, at a price per share of $27.25, and received $500.0 million as an upfront payment on February 24, 2025. During the fourth quarter of fiscal 2025, a $100.0 million milestone payment from Sarepta was triggered, when the Company reached the first of two prespecified enrollment targets and subsequent authorization to dose escalate in a Phase 1/2 clinical study of ARO-DM1, an investigational RNAi therapeutic for the treatment of type 1 myotonic dystrophy (DM1). The Company received $53.2 million of Arrowhead common stock and $50.0 million cash from Sarepta to satisfy the milestone payment. During the second quarter of fiscal 2026, the Company received $200.0 million of the second DM1 milestone payment and a $50.0 million payment for the first installment of the annual fee. The Company is eligible to receive the second installment of the annual fee of up to $50.0 million over the 12 months from June 30, 2026.

On August 29, 2025, the Company entered into a licensing and collaboration agreement with Novartis. Upon closing in October 2025, the Company received $200.0 million as an upfront payment.

On May 4, 2026, the Company entered into a licensing agreement with Madrigal. Upon closing in June 2026, the Company received $25.0 million as an upfront payment.

On December 10, 2025, the Company entered into the Amended and Restated Sale Agreement with Jefferies LLC, acting as sales agent and/or principal, which amended and restated the Company's prior open market sale agreement in its entirety. Pursuant to the Amended and Restated Sale Agreement, the Company may, from time to time, sell shares of the Company's common stock through Jefferies LLC in an at-the-market offering, up to the maximum program amount permitted under the Company's effective shelf registration statement. As of June 30, 2026, the Company had sold approximately 1,056,000 shares of common stock under the Amended and Restated Sale Agreement, generating gross proceeds of $76.1 million and net proceeds of $74.1 million, after deducting commissions and offering costs.

On January 7, 2026, the Company entered into an underwriting agreement with Jefferies and J.P. Morgan for the 2026 Offering of: (i) 2,015,505 shares of common stock with $0.001 par value per share, at a public offering price of $64.50 per share, and (ii) pre-funded warrants to purchase 1,550,387 shares of common stock, at a public offering price of $64.499, which represents the per share public offering price for the common stock less the $0.001 per share exercise price for each pre-funded warrant. The 2026 Offering closed on January 9, 2026, generating gross proceeds of $230 million and net proceeds of $216.6 million after deducting the underwriting discounts and commissions and other offering expenses.

On January 7, 2026, the Company issued $700.0 million aggregate principal amount of 0.00% Notes due January 15, 2032. This transaction closed on January 12, 2026, generating gross proceeds of $700.0 million and net proceeds of $681.3 million.

During the first quarter of fiscal 2026, Visirna declared a cash dividend of $100.0 million to its shareholders. In March 2026, Visirna paid cash dividends totaling $94.8 million, consisting of $56.4 million paid to the Company and $38.4 million paid to the Company's noncontrolling shareholders.

Based upon the Company's current cash and investment resources and operating plan, the Company expects to have sufficient liquidity to fund its operations through at least the next twelve months from the date of the issuance of these

unaudited consolidated financial statements.

The following table presents a summary of cash flows:

	Nine Months Ended June 30,	
	2026	2025
	(in thousands)	
Cash Flow from:		
Operating activities	$ (79,546)	$ 159,061
Investing activities	(874,341)	(201,913)
Financing activities	780,518	70,337
Net decrease (increase) in cash, cash equivalents and restricted cash	$ (173,369)	$ 27,485
Cash, cash equivalents and restricted cash at end of period	$ 54,759	$ 129,793

During the nine months ended June 30, 2026, cash flow used in operating activities was $79.5 million, which was primarily due to increase in ongoing expenses related to the Company's research and development programs and selling, general and administrative expenses, partially offset by $200.0 million of cash received as part of the Novartis agreement, $200.0 million of the second DM1 milestone payment, $50.0 million payment for the first installment of the annual fee received as part of the Sarepta agreement, and $25.0 million of cash received as part of the Madrigal agreement. Cash used in investing activities amounted to $874.3 million, which was primarily attributable to investment purchases of $1,138.7 million, and capital expenditures of $8.6 million, partially offset by proceeds from maturities of investments of $224.2 million and proceeds from sales of investments of $48.8 million. Cash provided by financing activities of $780.5 million was primarily due to $681.3 million net proceeds from the issuance of convertible note, $116.6 million in net proceeds from a follow-on common stock offering, $74.1 million in net proceeds from the issuance of common stock under the Company's at-the-market equity offering program, $100.0 million proceeds from issuance of pre-funded warrants and $12.8 million proceeds from the exercise of stock options, partially offset by partial repayment of the credit facility (inclusive of MOIC Payments) of $117.9 million, purchase of the Capped Calls of $47.9 million, and dividends paid to noncontrolling shareholders of $38.4 million (See Note 6 — Stockholders' Equity of Notes to Consolidated Financial Statements of Part I, "Item 1. Financial Statements").

During the nine months ended June 30, 2025, cash flow provided by operating activities was $159.1 million, which was primarily due to $500.0 million of cash received as part of the Sarepta agreement, partially offset by ongoing expenses related to the Company's research and development programs and selling, general and administrative expenses. Cash used in investing activities was $201.9 million, which was primarily attributable to capital expenditures of $15.2 million and investment purchases of $774.6 million, partially offset by proceeds from sales and maturities of investments of $587.9 million. Cash provided by financing activities of $70.3 million was primarily related to cash received from the issuance of common stock as well as stock option exercises.

Contractual Obligations

The Company entered into a global licensing and collaboration agreement with Madrigal on May 4, 2026, which closed on June 2, 2026 (see Note 2). The Company entered into a Pasadena Lease Amendment for its office lease located in Pasadena, California on April 27, 2026 (see Note 9). There has been no other material change during the three months ended June 30, 2026 in the Company's contractual obligations from that described in Item 7 of its Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material change in the Company's exposure to market risk from that described in Item 7A of its Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in its reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely

decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) of the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the quarter covered by this Quarterly Report on Form 10-Q. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company regularly evaluates its controls and procedures and makes improvements in the design and effectiveness of established controls and procedures and the remediation of any deficiencies which may be identified during this process.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be involved in routine legal proceedings, as well as demands, claims and threatened litigation, which arise in the normal course of its business. Litigation can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings, particularly complex legal proceedings, cannot be predicted with any certainty.

Except as described in Note 7 - Commitments and Contingencies, there have been no other material developments in the legal proceedings that the Company disclosed in Part I, Item 3 of its Annual Report on Form 10-K for the year ended September 30, 2025.

ITEM 1A. RISK FACTORS

The Company's business, results of operations and financial conditions are subject to various risks. These risks are described elsewhere in this Quarterly Report on Form 10-Q and in the Company's other filings with the SEC, including the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2025. There have been no material changes from the risk factors identified in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

(c) Trading Plans

During the quarter ended June 30, 2026, the following directors and officers (as defined in Exchange Act Rule 16a-1(f)) adopted certain trading plans intended to satisfy Rule 10b5-1(c):

Name	Title	Adoption or Termination Date	Plan End Date	Shares Vesting and Subject to Sell-To-Cover [1]	Other Shares Being Sold (Subject to Certain Conditions)
Patrick O'Brien	Chief Operating Officer	04/09/2026	01/08/2027		Up to 30,000 Shares
Patrick O'Brien	Chief Operating Officer	04/09/2026	01/08/2027	81,250	
Mauro Ferrari	Board Member	04/14/2026	12/22/2026		3,128

(1) This column indicates the total number of shares vesting, but the 10b5-1 Plan provides for the sale of only those shares necessary to satisfy payment of applicable withholding taxes.

ITEM 6. EXHIBITS

Exhibit Number	Document Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference from Exhibit 3.3 of the Company's Form 8-K filed on April 6, 2016)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Arrowhead Pharmaceuticals, Inc. (incorporated by reference from Exhibit 3.2 of the Company's Form 10-Q filed on May 2, 2023)
3.3	Second Amended and Restated Bylaws of Arrowhead Pharmaceuticals, Inc., as amended January 24, 2023 (incorporated by reference from Exhibit 3.3 of the Company's Form 10-Q filed on February 5, 2026)
10.1*#	Arrowhead Pharmaceuticals, Inc. Amended and Restated 2021 Incentive Plan
10.2*#	Arrowhead Pharmaceuticals, Inc. Amended and Restated Inducement Plan
10.3*†	License Agreement by and between Arrowhead Pharmaceuticals, Inc. and Madrigal Pharmaceuticals, Inc., dated May 4, 2026
10.4*	Third Amendment to Office Lease by and between Arrowhead Pharmaceuticals, Inc. and 177 Colorado Owner LLC., dated April 27, 2026
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104*	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL (included as Exhibit 101)

* Filed herewith.

** Furnished herewith.

# Indicates compensation plan, contract or arrangement.

† Certain portions of this exhibit were redacted by means of marking such portions with asterisks because the identified portions are (i) not material and (ii) treated as private or confidential by the Company.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 4, 2026

ARROWHEAD PHARMACEUTICALS, INC.

By: /s/ Daniel Apel

Daniel Apel
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

ARROWHEAD PHARMACEUTICALS, INC.
AMENDED AND RESTATED 2021 INCENTIVE PLAN

1. DEFINED TERMS

Exhibit A, which is incorporated by reference, defines the terms used in the Plan and sets forth certain operational rules related to those terms.

2. PURPOSE

The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock-based and other incentive Awards.

3. ADMINISTRATION

The Administrator has discretionary authority, subject only to the express provisions of the Plan, to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; prescribe forms, rules and procedures relating to the Plan; determine whether Awards should be settled in cash and/or shares of Stock; and otherwise do all things necessary or appropriate to carry out the purposes of the Plan. Determinations of the Administrator made under the Plan will be conclusive and will bind all parties.

4. LIMITS ON AWARDS UNDER THE PLAN

(a) *Number of Shares*. The maximum number of shares of Stock that may be delivered in satisfaction of Awards under the Plan is (i) 18,500,000, which includes (A) 8,000,000 shares of Stock previously approved by the Company's stockholders prior to this amendment and restatement and (B) 10,500,000 additional shares of Stock that shall become available for grant under the Plan upon stockholder approval of this amendment and restatement, (ii) reduced by any shares of Stock subject to awards made under the Prior Plan after January 1, 2021. Shares of Stock subject to outstanding awards under the Prior Plans as of January 1, 2021 that, after January 1, 2021, are canceled, expired, forfeited or otherwise not issued under such award (other than as a result of being tendered or withheld to pay the exercise price or withholding taxes in connection with any such awards) or settled in cash shall be added to the number of shares of Stock issuable under the Plan. No more than 18,500,000 shares of Stock may be delivered in satisfaction of ISOs awarded under the Plan. Nothing in this Section 4(a) will be construed as requiring that any, or any fixed number of, ISOs be awarded under the Plan. For purposes of this Section 4(a), the number of shares of Stock delivered in satisfaction of Awards will be determined (i) by treating as having been delivered any shares of Stock underlying the portion of any Award that is settled in Stock, (ii) by treating as having been delivered any shares of Stock tendered to or withheld by the Company from any Award in payment of the exercise price of any Award requiring exercise or in satisfaction of the tax withholding requirements with respect to any Award, and (iii) by treating as having been delivered any shares of Stock purchased by the Company with proceeds from the exercise of Stock Options. Stock underlying the portion of any Award that expires, terminates or is forfeited or is settled in cash prior to the issuance of Stock thereunder shall not be counted as having been delivered under the Plan. To the extent consistent with the requirements of Section 422 and the regulations thereunder, and with other applicable legal requirements (including applicable stock exchange requirements), Stock issued under awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition shall not reduce the number of shares of Stock available for Awards under the Plan.

(b) *Type of Shares*. Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company. No fractional shares of Stock will be delivered under the Plan.

5. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among key Employees and directors of, and consultants and advisors to, the Company and its Affiliates. Eligibility for ISOs is limited to individuals described in the first sentence of this Section 5 who are employees of the Company or of a "parent corporation" or "subsidiary corporation" of the Company as those terms are defined in Section 424 of the Code. Eligibility for Stock Options other than ISOs is limited to individuals described in the first sentence of this Section 5 who are providing direct services on the date of grant of the Stock Option to either the Company or to a subsidiary of the Company that would be described in the first sentence of Treas. Regs. §1.409A-1(b)(5)(iii)(E).

6. RULES APPLICABLE TO AWARDS

(a) *All Awards*.

(1) *Award Provisions*. The Administrator will determine the terms of all Awards, subject to the limitations provided herein. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant will be deemed to have agreed to the terms of the Award and the Plan. Notwithstanding any provision of this Plan to the contrary, awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator.

(2) *Term of Plan*. No Awards may be made after ten years from the Date of Adoption, but previously granted Awards may continue beyond that date in accordance with their terms.

(3) *Transferability*. Neither ISOs nor, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)(3), other Awards may be transferred other than by will or by the laws of descent and distribution. During a Participant's lifetime, ISOs (and, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)(3), SARs and NSOs) may be exercised only by the Participant. The Administrator may permit the gratuitous transfer (*i.e.*, transfer not for value) of Awards other than ISOs to any transferee eligible to be covered by the provisions of Form S-8 (under the Securities Act of 1933, as amended), subject to such limitations as the Administrator may impose.

(4) *Vesting, etc*. Subject to Section 6(a)(5), the Administrator will determine the time or times at which an Award will vest or become exercisable and the terms on which a Stock Option or SAR will remain exercisable. Without limiting the foregoing, the Administrator may at any time accelerate the vesting or exercisability of an Award, regardless of any adverse or potentially adverse tax or other consequences resulting from such acceleration. Unless the Administrator expressly provides otherwise, however, the following rules will apply if a Participant's Employment ceases:

(A) Immediately upon the cessation of the Participant's Employment and except as provided in (B), (C), and (D) below, each Stock Option and SAR that is then held by the Participant or by the Participant's permitted transferees, if any, will cease to be exercisable and will terminate and all other Awards that are then held by the Participant or by the Participant's permitted transferees, if any, to the extent not already vested will be forfeited.

(B) Subject to (C), (D) and (E) below, all Stock Options and SARs held by the Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(C) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment due to his or her death, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of twelve months and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(D) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment due to his or her "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of six months and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(E) All Awards (whether or not exercisable) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment will immediately terminate upon such cessation of Employment if the termination is for Cause or occurs in circumstances that in the sole determination of the Administrator would have constituted grounds for the Participant's Employment to be terminated for Cause.

(5) *Minimum Vesting; Holding Period*. Except as otherwise provided in this Section 6(a)(5), no Award shall be granted with terms providing for any right of vesting, exercise or lapse of vesting requirements earlier than a date that is at least one (1) year following the date of grant (or, in the case of vesting based upon performance objectives, exercise and vesting restrictions cannot lapse earlier than the one (1) year anniversary measured from the date of the commencement of the period over which performance is measured). Notwithstanding the foregoing, the Administrator may grant up to a maximum of five percent (5%) of the aggregate number of shares available for issuance under the Plan (for purposes of counting shares against the five percent (5%) limitation, the share counting rules under Section 4(a) shall apply) that do not comply with the one (1) year minimum vesting and exercise requirements set forth in the preceding sentence. In addition, (i) Awards granted to non-employee directors need not comply with the one (1) year minimum vesting and exercise requirements so long as the Awards provide for a right of exercise or lapse of any vesting obligations no earlier than the next annual stockholder meeting date following the grant date (provided such annual meeting is at least 50 weeks after the immediately preceding year's annual meeting) and (ii) Awards granted in connection with a merger or other acquisition as a substitute or replacement award for awards held by grantees of the acquired business need not comply with the one (1) year minimum vesting and exercise requirements. In addition to the minimum vesting and exercise requirements in this Section 6(a)(5), any Awards granted to the Company's Chief Executive Officer shall be granted with terms providing that the shares issued upon exercise or settlement of any such Award (net of tax withholding) may not be transferred or otherwise disposed of by the Company's Chief Executive Officer for at least twelve (12) months following the date of such exercise or settlement.

(6) *Additional Restrictions*. The Administrator may cancel, rescind, withhold or otherwise limit or restrict any Award at any time if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan, or if the Participant breaches any agreement with the Company or its Affiliates with respect to non-competition, non-solicitation or confidentiality. Without limiting the generality of the foregoing, the Administrator may recover Awards made under the Plan and payments under or gain in respect of any Award in accordance with any applicable Company clawback or recoupment policy, as such policy may be amended and in effect from time to time, or as otherwise required by law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Exchange Act, or any stock exchange or similar rule adopted under said Section.

(7) *Taxes*. The grant of an Award and the delivery, vesting and retention of Stock, cash or other property under an Award are conditioned upon full satisfaction by the Participant of all tax withholding requirements with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes as it deems necessary or appropriate. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax withholding requirements (only up to the amount permitted that will not cause an adverse accounting consequence or cost).

(8) *Dividend Equivalents, Etc*. The Administrator may provide for the payment of amounts (on terms and subject to conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award. Any entitlement to dividend equivalents or similar entitlements will be established and administered either consistent with an exemption from, or in compliance with, the requirements of

Section 409A. Dividends or dividend equivalent amounts payable in respect of Awards that are subject to restrictions will be subject to the same vesting and forfeiture restrictions as apply to the Awards to which they relate.

(9) *Rights Limited*. Nothing in the Plan or in any Award will be construed as giving any person the right to continued employment or service with the Company or its Affiliates, or any rights as a stockholder except as to shares of Stock actually issued under the Plan; nor will anything in the Plan or in any Award affect the right of the Company or its Affiliates to discharge or discipline a Participant at any time. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of Employment for any reason, even if the termination is in violation of an obligation of the Company or any Affiliate to the Participant.

(10) *Coordination with Other Plans*. Awards under the Plan may be granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Company or its Affiliates. For example, but without limiting the generality of the foregoing, awards under other compensatory plans or programs of the Company or its Affiliates may be settled in Stock (including, without limitation, Unrestricted Stock) if the Administrator so determines, in which case the shares delivered will be treated as awarded under the Plan (and will reduce the number of shares thereafter available under the Plan in accordance with the rules set forth in Section 4).

(11) *Section 409A*. Each Award will contain such terms as the Administrator determines, and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

(b) *Stock Options and SARs*.

(1) *Time And Manner Of Exercise*. Unless the Administrator expressly provides otherwise, no Stock Option or SAR will be deemed to have been exercised until the Administrator receives a notice of exercise (in form acceptable to the Administrator), which may be an electronic notice, signed (including electronic signature in form acceptable to the Administrator) by the appropriate person and accompanied by any payment required under the Award. A Stock Option or SAR exercised by any person other than the Participant will not be deemed to have been exercised until the Administrator has received such evidence as it may require that the person exercising the Award has the right to do so.

(2) *Exercise Price*. The exercise price (or the base value from which appreciation is to be measured) of each Award requiring exercise will be no less than 100% (or in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b)(6) of Section 422, 110%) of the Fair Market Value of the Stock subject to the Award, determined as of the date of grant, or such higher amount as the Administrator may determine in connection with the grant. Except in connection with a corporate transaction involving the Company (which term shall include, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares) or as otherwise contemplated by Section 7 of the Plan, the Company may not, without obtaining stockholder approval, (A) amend the terms of outstanding Stock Options or SARs to reduce the exercise price or base value of such Stock Options or SARs, (B) cancel outstanding Stock Options or SARs in exchange for Stock Options or SARs with an exercise price or base value that is less than the exercise price or base value of the original Stock Options or SARs, or (C) cancel outstanding Stock Options or SARs that have an exercise price or base value greater than the Fair Market Value of a share of Stock on the date of such cancellation in exchange for cash or other consideration.

(3) *Payment Of Exercise Price*. Where the exercise of an Award is to be accompanied by payment, payment of the exercise price will be by cash or check acceptable to the Administrator or by such other legally permissible means, if any, as may be acceptable to the Administrator.

(4) *Maximum Term*. Stock Options and SARs will have a maximum term not to exceed ten (10) years from the date of grant (or five (5) years from the date of grant in the case of an ISO granted to a ten-percent shareholder described in Section 6(b)(2) above); provided, however, that, if a Participant still holding an outstanding but unexercised NSO or SAR ten (10) years from the date of grant (or, in the case of an NSO or SAR with a maximum term of less than ten (10) years, such maximum term) is prohibited by applicable law or a written policy of the Company applicable to similarly situated employees from engaging in any open-market sales of Stock, and if at such time the Stock is publicly traded (as determined by the Administrator), the maximum term of such Award will instead be deemed to expire on the thirtieth (30^{th}) day following the date the Participant is no longer prohibited from engaging in such open market sales.

7. EFFECT OF CERTAIN TRANSACTIONS

(a) *Mergers, etc*. Except as otherwise provided in an Award agreement, the following provisions will apply in the event of a Covered Transaction:

(1) *Assumption or Substitution*. If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may (but, for the avoidance of doubt, need not) provide (i) for the assumption or continuation of some or all outstanding Awards or any portion thereof or (ii) for the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

(2) *Cash-Out of Awards*. Subject to Section 7(a)(5) below, the Administrator may (but, for the avoidance of doubt, need not) provide for payment (a "cash-out"), with respect to some or all Awards or any portion thereof, equal in the case of each affected Award or portion thereof to the excess, if any, of (A) the Fair Market Value of one share of Stock (as determined by the Administrator in its reasonable discretion) times the number of shares of Stock subject to the Award or such portion, over (B) the aggregate exercise or purchase price, if any, under the Award or such portion (in the case of an SAR, the aggregate base value above which appreciation is measured), in each case on such payment terms (which need not be the same as the terms of payment to holders of Stock) and other terms, and subject to such conditions, as the Administrator determines, it being understood that if the exercise or purchase price (or base value) of an Award is equal to or greater than the Fair Market Value of one share of Stock (as determined in accordance with this Section 7(a)(2)), the Award may be cancelled with no payment due hereunder.

(3) *Acceleration of Certain Awards*. Subject to Section 7(a)(6) below, the Administrator may (but, for the avoidance of doubt, need not) provide that any Award requiring exercise will become exercisable, in full or in part and/or that the delivery of any shares of Stock remaining deliverable under any outstanding Award of Stock Units (including Restricted Stock Units and Performance Awards to the extent consisting of Stock Units) will be accelerated in full or in part, in each case on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Administrator, following exercise of the Award or the delivery of the shares, as the case may be, to participate as a stockholder in the Covered Transaction.

(4) *Change in Control*. Notwithstanding anything herein to the contrary, unless otherwise expressly provided for in the Award agreement or another contract, including an employment or severance agreement or severance plan, or under the terms of a transaction constituting a Change in Control, in the event of a Change in Control, each outstanding Award will fully vest (which, in the case of Performance Awards shall be to their maximal value) and become exercisable immediately prior to the consummation of such Change in Control, and the Administrator shall notify the Participant in writing or electronically that the Award will be fully vested and exercisable for a period of at least fifteen (15) days from the date of such notice, (which notice may be delivered prior to the consummation of the Change in Control) and the Award will terminate upon the expiration of such period if not otherwise assumed or substituted pursuant to Section 7(a)(1) above or cashed-out pursuant to Section 7(a)(2) above.

(5) *Termination of Awards Upon Consummation of Covered Transaction*. Except as the Administrator may otherwise determine in any case and except for the 15-day exercise period set forth above in Section 7(a)(4), each Award will automatically terminate (and in the case of outstanding shares of Restricted Stock, will automatically be forfeited) upon consummation of the Covered Transaction, other than Awards assumed pursuant to Section 7(a)(1) above.

(6) *Additional Limitations*. Any share of Stock and any cash or other property delivered pursuant to Section 7(a)(2) or Section 7(a)(3) above with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 7(a)(2) above or acceleration under Section 7(a)(3) above will not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Stock that does not vest and is not forfeited in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Stock in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

(b) *Changes in and Distributions With Respect to Stock*.

(1) *Basic Adjustment Provisions*. In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization, reclassification or other distribution of the Company's equity securities without the receipt of consideration by the Company, or other change in the Company's capital structure that constitutes an equity restructuring within the meaning of FASB ASC 718, the Administrator will make appropriate adjustments to the maximum number of shares specified in Section 4(a) that may be delivered under the Plan and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise or purchase prices (or base values) relating to Awards and any other provision of Awards affected by such change.

(2) *Certain Other Adjustments*. The Administrator may also make adjustments of the type described in Section 7(b)(1) above to take into account distributions to stockholders other than those provided for in Section 7(a) and 7(b)(1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan, having due regard for the qualification of ISOs under Section 422 and the requirements of Section 409A, where applicable.

(3) *Continuing Application of Plan Terms*. References in the Plan to shares of Stock will be construed to include any stock or securities resulting from an adjustment pursuant to this Section 7.

8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. The Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Stock required to be issued to Participants under the Plan will be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or delivery of stock certificates. In the event that the Administrator determines that Stock certificates will be issued to Participants under the Plan, the Administrator may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending lapse of the applicable restrictions.

9. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided, that except as otherwise expressly provided in the Plan the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so at the time the Award was granted or unless the Administrator determines in its sole discretion and prior to the date of any Covered Transaction that such amendment or alteration either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy any law or regulation or to meet the requirements of or avoid adverse financial accounting consequences under any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award, or that any such diminishment has been adequately compensated. Any amendments to the Plan will be conditioned upon stockholder approval only to the extent, if any, such approval is required by law (including the Code and applicable stock exchange requirements), as determined by the Administrator.

10. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not in any way affect the Company's right to Award a person bonuses or other compensation in addition to Awards under the Plan.

11. MISCELLANEOUS

(a) *Waiver of Jury Trial*. By accepting an Award under the Plan, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a Participant to agree to submit disputes arising under the terms of the Plan or any Award made hereunder to binding arbitration or as limiting the ability of the Company to require any eligible individual to agree to submit such disputes to binding arbitration as a condition of receiving an Award hereunder.

(b) *Limitation of Liability*. Notwithstanding anything to the contrary in the Plan, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of the Company, any Affiliate, or the Administrator, will be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Award.

12. ESTABLISHMENT OF SUB-PLANS

The Administrator may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Administrator will establish such sub-plans by adopting supplements to the Plan setting forth (i) such limitations on the Administrator's discretion under the Plan as it deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as it deems necessary or desirable. All supplements so established will be deemed to be part of the Plan, but each supplement will apply only to Participants within the affected jurisdiction (as determined by the Administrator).

13. GOVERNING LAW

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

EXHIBIT A

Definition of Terms

The following terms, when used in the Plan, will have the meanings and be subject to the provisions set forth below:

"Administrator": The Compensation Committee, except that the Compensation Committee may delegate (i) to one or more of its members (or one or more other members of the Board (including the full Board)) such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant Awards or perform any of its other duties, power and responsibilities as it may determine, to the extent permitted by Section 152(b) or 157(c) of the Delaware General Corporation Law, provided, however, that the resolution so authorizing such officer or officers shall specify the total number of Awards (if any) such officer or officers may award pursuant to such delegated authority, the time period during which such Awards may be granted and the time period during which the Shares issuable upon exercise or vesting of an Award may be issued, a minimum amount of consideration (if any) for which such Awards may be issued and a minimum amount of consideration for the Stock issuable upon the exercise of an Award, and, unless provided otherwise in such authorizing resolutions, that any such Award shall be subject to the form of Award agreement theretofore approved by the Compensation Committee and, provided, further, that such authorization shall not provide for the grant of Awards to officers or directors of the Company who are subject to the reporting requirements of Section 16(a) of the Exchange Act and no such officer shall designate himself or herself as a recipient of any Awards granted under authority delegated to such officer; and (iii) to such Employees or other persons as it determines such ministerial tasks as it deems appropriate. In the event of any delegation described in the preceding sentence, the term "Administrator" will include the person or persons so delegated to the extent of such delegation.

"Affiliate": Any corporation or other entity that stands in a relationship to the Company that would result in the Company and such corporation or other entity being treated as one employer under Section 414(b) and Section 414(c) of the Code.

"Award": Any or a combination of the following:

(i) Stock Options.

(ii) SARs.

(iii) Restricted Stock.

(iv) Unrestricted Stock.

(v) Stock Units, including Restricted Stock Units.

(vi) Performance Awards.

(vii) Cash Awards.

(viii) Awards (other than Awards described in (i) through (vii) above) that are convertible into or otherwise based on Stock.

'Board": The Board of Directors of the Company.

"Cash Award": An Award denominated in cash.

"Cause": In the case of any Participant who is party to an employment or severance-benefit agreement that contains a definition of "Cause," the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of any other Participant, "Cause" will mean, as determined

by the Administrator in its reasonable judgment, (i) a substantial failure of the Participant to perform the Participant's duties and responsibilities to the Company or subsidiaries or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Participant of a felony or a crime involving moral turpitude; (iii) the commission by the Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of its subsidiaries; (iv) a significant violation by the Participant of the code of conduct of the Company or its subsidiaries of any material policy of the Company or its subsidiaries, or of any statutory or common law duty of loyalty to the Company or its subsidiaries; (v) material breach of any of the terms of the Plan or any Award made under the Plan, or of the terms of any other agreement between the Company or subsidiaries and the Participant; or (vi) other conduct by the Participant that could be expected to be harmful to the business, interests or reputation of the Company.

"*Change in Control*": The first to occur of (i) a "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company or one of its subsidiaries or an employee benefit plan of the Company or any of its subsidiaries, including any trustee of such plan acting as trustee) becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; (ii) a consummation of (x) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (y) the sale or disposition by the Company of all or substantially all the Company's assets; or (iii) a change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of the date the Plan is approved by the stockholders, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company). For the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

"*Code*": The U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect.

"*Compensation Committee*": The Compensation Committee of the Board.

"*Company*": Arrowhead Pharmaceuticals, Inc.

"*Covered Transaction*": Any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert; (ii) a sale or transfer of all or substantially all the Company's assets; or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction will be deemed to have occurred upon consummation of the tender offer.

'*Date of Adoption*": The earlier of the date the Plan (for avoidance of doubt, as most recently amended and restated) was approved by the Company's stockholders or adopted by the Board, as determined by the Compensation Committee.

"*Employee*": Any person who is employed by the Company or an Affiliate.

"*Employment*": A Participant's employment or other service relationship with the Company and its Affiliates. Employment will be deemed to continue, unless the Administrator expressly provides otherwise, so long as the Participant is employed by, or otherwise is providing services in a capacity described in Section 5 to the Company or an Affiliate. If a Participant's employment or other service relationship is with an Affiliate and that entity ceases to be an Affiliate, the Participant's Employment will be deemed to have terminated when the entity ceases to be an Affiliate unless the Participant transfers Employment to the Company or its remaining Affiliates. Notwithstanding the foregoing

and the definition of “Affiliate” above, in construing the provisions of any Award relating to the payment of “nonqualified deferred compensation” (subject to Section 409A) upon a termination or cessation of Employment, references to termination or cessation of employment, separation from service, retirement or similar or correlative terms will be construed to require a “separation from service” (as that term is defined in Section 1.409A-1(h) of the Treasury Regulations, after giving effect to the presumptions contained therein) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single “service recipient” with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. The Company may, but need not, elect in writing, subject to the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a “separation from service” has occurred. Any such written election will be deemed a part of the Plan.

“*Exchange Act*”: The Securities Exchange Act of 1934, as amended.

“*Fair Market Value*”: As of any date, the value of the Stock determined as follows:

(i) If the Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Stock as of any date of determination will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

“*ISO*”: A Stock Option intended to be an “incentive stock option” within the meaning of Section 422. Each Stock Option granted pursuant to the Plan will be treated as providing by its terms that it is to be an NSO unless, as of the date of grant, it is expressly designated as an ISO.

“*NSO*”: A Stock Option that is not intended to be an “incentive stock option” within the meaning of Section 422.

‘*Participant*”: A person who is granted an Award under the Plan.

“*Performance Award*”: An Award subject to Performance Criteria.

“*Performance Criteria*”: Specified criteria, other than the mere continuation of Employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award. Such criteria may include, without limitation, a measure of performance relating to any or any combination of the following (measured either absolutely or by reference to an index or indices and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, or amortization, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. A Performance Criterion and any targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss.

“*Plan*”: The Arrowhead Pharmaceuticals, Inc. 2021 Incentive Plan as from time to time amended and in effect.

“*Prior Plan*”: The Arrowhead Research Corporation 2013 Incentive Plan.

"*Restricted Stock*": Stock subject to restrictions requiring that it be redelivered or offered for sale to the Company if specified conditions are not satisfied.

"*Restricted Stock Unit*": A Stock Unit that is, or as to which the delivery of Stock or cash in lieu of Stock is, subject to the satisfaction of specified performance or other vesting conditions.

"*SAR*": A right entitling the holder upon exercise to receive an amount (payable in cash and/or in shares of Stock of equivalent value) equal to the excess of the Fair Market Value of the shares of Stock subject to the right over the base value from which appreciation under the SAR is to be measured.

"*Section 409A*": Section 409A of the Code.

"*Section 422*": Section 422 of the Code.

"*Stock*": Common stock of the Company, par value $0.001 per share.

"*Stock Option*": An option entitling the holder to acquire shares of Stock upon payment of the exercise price.

"*Stock Unit*": An unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock or cash measured by the value of Stock in the future.

"*Unrestricted Stock*": Stock not subject to any restrictions under the terms of the Award.

ARROWHEAD PHARMACEUTICALS, INC.
AMENDED AND RESTATED INDUCEMENT PLAN

1. DEFINED TERMS

Exhibit A, which is incorporated by reference, defines the terms used in the Plan and sets forth certain operational rules related to those terms.

2. PURPOSE

The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock-based and other incentive Awards. Each Award granted under the Plan is intended to qualify as an employment inducement award pursuant to Nasdaq Listing Rule 5635(c)(4), and shall be interpreted and administered accordingly.

3. ADMINISTRATION

The Administrator has discretionary authority, subject only to the express provisions of the Plan, to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; prescribe forms, rules and procedures relating to the Plan; determine whether Awards should be settled in cash and/or shares of Stock; and otherwise do all things necessary or appropriate to carry out the purposes of the Plan. Determinations of the Administrator made under the Plan will be conclusive and will bind all parties.

4. LIMITS ON AWARDS UNDER THE PLAN

(a) *Number of Shares*. The maximum number of shares of Stock that may be delivered in satisfaction of Awards under the Plan is 3,000,000. For purposes of this Section 4(a), the aggregate number of shares of Stock available for issuance under this Plan at any time shall not be reduced by (i) shares subject to Awards that have been retained or withheld by the Company in payment or satisfaction of the exercise price or tax withholding obligation of an Award, (ii) shares of Stock underlying the portion of any Award that expires, terminates or is forfeited or is settled in cash prior to the issuance of Stock thereunder, or (iii) shares subject to Awards that otherwise do not result in the issuance of shares in connection with payment or settlement thereof. To the extent consistent with applicable legal requirements (including applicable stock exchange requirements), Stock issued under awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition shall not reduce the number of shares of Stock available for Awards under the Plan. In addition, shares that have been delivered (either actually or by attestation) to the Company in payment or satisfaction of the exercise price or tax withholding obligation of an Award shall be available for issuance under this Plan.

(b) *Type of Shares*. Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company. No fractional shares of Stock will be delivered under the Plan.

5. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among only individuals who, at the time of grant (i) has not previously been an Employee or director, or (ii) is commencing employment following a bona fide period of non-employment by the Company or any subsidiary; provided that in each case, the grant of the Award is made as a material inducement to his or her commencement as an Employee of the Company or a subsidiary.

6. RULES APPLICABLE TO AWARDS

(a) *All Awards*.

(1) *Award Provisions*. The Administrator will determine the terms of all Awards, subject to the limitations provided herein. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant will be deemed to have agreed to the terms of the Award and the Plan. Notwithstanding any provision of this Plan to the contrary, awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator.

(2) *Term of Plan*. No Awards may be made after ten years from the Date of Adoption, but previously granted Awards may continue beyond that date in accordance with their terms.

(3) *Transferability*. Except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)(3), no Award may be transferred other than by will or by the laws of descent and distribution. During a Participant's lifetime, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)(3), SARs and Stock Options may be exercised only by the Participant. The Administrator may permit the gratuitous transfer (*i.e.*, transfer not for value) of Awards to any transferee eligible to be covered by the provisions of Form S-8 (under the Securities Act of 1933, as amended), subject to such limitations as the Administrator may impose.

(4) *Vesting, etc*. Subject to Section 6(a)(5), the Administrator will determine the time or times at which an Award will vest or become exercisable and the terms on which a Stock Option or SAR will remain exercisable. Without limiting the foregoing, the Administrator may at any time accelerate the vesting or exercisability of an Award, regardless of any adverse or potentially adverse tax or other consequences resulting from such acceleration. Unless the Administrator expressly provides otherwise, however, the following rules will apply if a Participant's Employment ceases:

(A) Immediately upon the cessation of the Participant's Employment and except as provided in (B), (C), and (D) below, each Stock Option and SAR that is then held by the Participant or by the Participant's permitted transferees, if any, will cease to be exercisable and will terminate and all other Awards that are then held by the Participant or by the Participant's permitted transferees, if any, to the extent not already vested will be forfeited.

(B) Subject to (C), (D) and (E) below, all Stock Options and SARs held by the Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(C) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment due to his or her death, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of twelve months and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(D) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment due to his or her "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code), to the extent then exercisable, will remain exercisable for the lesser of (i) a period of six months and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(E) All Awards (whether or not exercisable) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment will immediately terminate upon such cessation of Employment if the termination is for Cause or occurs in circumstances that in the sole determination of the Administrator would have constituted grounds for the Participant's Employment to be terminated for Cause.

(5) *Additional Restrictions*. The Administrator may cancel, rescind, withhold or otherwise limit or restrict any Award at any time if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan, or if the Participant breaches any agreement with the Company or its Affiliates with respect to non-competition, non-solicitation or confidentiality. Without limiting the generality of the foregoing, the Administrator may recover Awards made under the Plan and payments under or gain in respect of any Award in accordance with all applicable Company clawback or recoupment policy, as such policy may be amended and in effect from time to time, or as otherwise required by law or applicable stock exchange listing standards, including, without limitation, the Arrowhead Pharmaceuticals, Inc. Compensation Recoupment (Clawback) Policy.

(6) *Taxes*. The grant of an Award and the delivery, vesting and retention of Stock, cash or other property under an Award are conditioned upon full satisfaction by the Participant of all tax withholding requirements with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes as it deems necessary or appropriate. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax withholding requirements (only up to the amount permitted that will not cause an adverse accounting consequence or cost).

(7) *Dividend Equivalents, Etc*. The Administrator may provide for the payment of amounts (on terms and subject to conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award. Any entitlement to dividend equivalents or similar entitlements will be established and administered either consistent with an exemption from, or in compliance with, the requirements of Section 409A. Dividends or dividend equivalent amounts payable in respect of Awards that are subject to restrictions will be subject to the same vesting and forfeiture restrictions as apply to the Awards to which they relate.

(8) *Rights Limited*. Nothing in the Plan or in any Award will be construed as giving any person the right to continued employment or service with the Company or its Affiliates, or any rights as a stockholder except as to shares of Stock actually issued under the Plan; nor will anything in the Plan or in any Award affect the right of the Company or its Affiliates to discharge or discipline a Participant at any time. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of Employment for any reason, even if the termination is in violation of an obligation of the Company or any Affiliate to the Participant.

(9) *Coordination with Other Plans*. Awards under the Plan may be granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Company or its Affiliates.

(10) *Section 409A*. Each Award will contain such terms as the Administrator determines, and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

(b) *Stock Options and SARs*. Only Stock Options that are not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code may be granted under the Plan.

(1) *Time And Manner Of Exercise*. Unless the Administrator expressly provides otherwise, no Stock Option or SAR will be deemed to have been exercised until the Administrator receives a notice of exercise (in form acceptable to the Administrator), which may be an electronic notice, signed (including electronic signature in form acceptable to the Administrator) by the appropriate person and accompanied by any payment required under the Award. A Stock Option or SAR exercised by any person other than the Participant will not be deemed to have been exercised until the Administrator has received such evidence as it may require that the person exercising the Award has the right to do so.

(2) *Exercise Price*. The exercise price (or the base value from which appreciation is to be measured) of each Award requiring exercise will be no less than 100% of the Fair Market Value of the Stock subject to the Award, determined as of the date of grant, or such higher amount as the Administrator may determine in connection with the grant. Except in connection with a corporate transaction involving the Company (which term shall include, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares) or as otherwise contemplated by Section 7 of the Plan, the Company may not, without obtaining stockholder approval, (A) amend the terms of outstanding Stock Options or SARs to reduce the exercise price or base value of such Stock Options or SARs, (B) cancel outstanding Stock Options or SARs in exchange for Stock Options or SARs with an exercise price or base value that is less than the exercise price or base value of the original Stock Options or SARs, or (C) cancel outstanding Stock Options or SARs that have an exercise price or base value greater than the Fair Market Value of a share of Stock on the date of such cancellation in exchange for cash or other consideration.

(3) *Payment Of Exercise Price*. Where the exercise of an Award is to be accompanied by payment, payment of the exercise price will be by cash or check acceptable to the Administrator or by such other legally permissible means, if any, as may be acceptable to the Administrator.

(4) *Maximum Term*. Stock Options and SARs will have a maximum term not to exceed ten (10) years from the date of grant; provided, however, that, if a Participant still holding an outstanding but unexercised Stock Option or SAR ten (10) years from the date of grant (or, in the case of a Stock Option or SAR with a maximum term of less than ten (10) years, such maximum term) is prohibited by applicable law or a written policy of the Company applicable to similarly situated employees from engaging in any open-market sales of Stock, and if at such time the Stock is publicly traded (as determined by the Administrator), the maximum term of such Award will instead be deemed to expire on the thirtieth (30^{th}) day following the date the Participant is no longer prohibited from engaging in such open market sales.

7. EFFECT OF CERTAIN TRANSACTIONS

(a) *Mergers, etc*. Except as otherwise provided in an Award agreement, the following provisions will apply in the event of a Covered Transaction:

(1) *Assumption or Substitution*. If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may (but, for the avoidance of doubt, need not) provide (i) for the assumption or continuation of some or all outstanding Awards or any portion thereof or (ii) for the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

(2) *Cash-Out of Awards*. Subject to Section 7(a)(6) below, the Administrator may (but, for the avoidance of doubt, need not) provide for payment (a "cash-out"), with respect to some or all Awards or any portion thereof, equal in the case of each affected Award or portion thereof to the excess, if any, of (A) the Fair Market Value of one share of Stock (as determined by the Administrator in its reasonable discretion) times the number of shares of Stock subject to the Award or such portion, over (B) the aggregate exercise or purchase price, if any, under the Award or such portion (in the case of an SAR, the aggregate base value above which appreciation is measured), in each case on such payment terms (which need not be the same as the terms of payment to holders of Stock) and other terms, and subject to such conditions, as the Administrator determines, it being understood that if the exercise or purchase price (or base value) of an Award is equal to or greater than the Fair Market Value of one share of Stock (as determined in accordance with this Section 7(a)(2)), the Award may be cancelled with no payment due hereunder.

(3) *Acceleration of Certain Awards*. Subject to Section 7(a)(6) below, the Administrator may (but, for the avoidance of doubt, need not) provide that any Award requiring exercise will become exercisable, in full or in part and/or that the delivery of any shares of Stock remaining deliverable under any outstanding Award of Stock Units (including Restricted Stock Units and Performance Awards to the extent consisting of Stock Units) will be accelerated in full or in part, in each case on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Administrator, following exercise of the Award or the delivery of the shares, as the case may be, to participate as a stockholder in the Covered Transaction.

(4) *Change in Control*. Notwithstanding anything herein to the contrary, unless otherwise expressly provided for in the Award agreement or another contract, including an employment or severance agreement or severance plan, or under the terms of a transaction constituting a Change in Control, in the event of a Change in Control, each outstanding Award will fully vest (which, in the case of Performance Awards shall be to their maximal value) and become exercisable immediately prior to the consummation of such Change in Control, and the Administrator shall notify the Participant in writing or electronically that the Award will be fully vested and exercisable for a period of at least fifteen (15) days from the date of such notice, (which notice may be delivered prior to the consummation of the Change in Control) and the Award will terminate upon the expiration of such period if not otherwise assumed or substituted pursuant to Section 7(a)(1) above or cashed-out pursuant to Section 7(a)(2) above.

(5) *Termination of Awards Upon Consummation of Covered Transaction*. Except as the Administrator may otherwise determine in any case and except for the 15-day exercise period set forth above in Section 7(a)(4), each Award will automatically terminate (and in the case of outstanding shares of Restricted Stock, will automatically be forfeited) upon consummation of the Covered Transaction, other than Awards assumed pursuant to Section 7(a)(1) above.

(6) *Additional Limitations*. Any share of Stock and any cash or other property delivered pursuant to Section 7(a)(2) or Section 7(a)(3) above with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 7(a)(2) above or acceleration under Section 7(a)(3) above will not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Stock that does not vest and is not forfeited in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Stock in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

(b) *Changes in and Distributions With Respect to Stock*.

(1) *Basic Adjustment Provisions*. In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization, reclassification or other distribution of the Company's equity securities without the receipt of consideration by the Company, or other change in the Company's capital structure that constitutes an equity restructuring within the meaning of FASB ASC 718, the Administrator will make appropriate adjustments to the maximum number of shares specified in Section 4(a) that may be delivered under the Plan and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise or purchase prices (or base values) relating to Awards and any other provision of Awards affected by such change.

(2) *Certain Other Adjustments*. The Administrator may also make adjustments of the type described in Section 7(b)(1) above to take into account distributions to stockholders other than those provided for in Section 7(a) and 7(b)(1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan, having due regard for the requirements of Section 409A, where applicable.

(3) *Continuing Application of Plan Terms*. References in the Plan to shares of Stock will be construed to include any stock or securities resulting from an adjustment pursuant to this Section 7.

8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. The Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Stock required to be issued to Participants under the Plan will be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or delivery of stock certificates. In the event that the Administrator determines that Stock certificates will be issued to Participants under the Plan, the Administrator may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending lapse of the applicable restrictions.

9. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided, that except as otherwise expressly provided in the Plan the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so at the time the Award was granted or unless the Administrator determines in its sole discretion and prior to the date of any Covered Transaction that such amendment or alteration either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy any law or regulation or to meet the requirements of or avoid adverse financial accounting consequences under any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award, or that any such diminishment has been adequately compensated.

10. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not in any way affect the Company's right to Award a person bonuses or other compensation in addition to Awards under the Plan.

11. MISCELLANEOUS

(a) *Waiver of Jury Trial*. By accepting an Award under the Plan, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a Participant to agree to submit disputes arising under the terms of the Plan or any Award made hereunder to binding arbitration or as limiting the ability of the Company to require any eligible individual to agree to submit such disputes to binding arbitration as a condition of receiving an Award hereunder.

(b) *Limitation of Liability*. Notwithstanding anything to the contrary in the Plan, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of the Company, any Affiliate, or the Administrator, will be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Award.

12. ESTABLISHMENT OF SUB-PLANS

The Administrator may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Administrator will establish such sub-plans by adopting supplements to the Plan setting forth (i) such limitations on the Administrator's discretion under the Plan as it deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as it deems necessary or desirable. All supplements so established will be deemed to be part of the Plan, but each supplement will apply only to Participants within the affected jurisdiction (as determined by the Administrator).

13. GOVERNING LAW

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

EXHIBIT A

Definition of Terms

The following terms, when used in the Plan, will have the meanings and be subject to the provisions set forth below:

"Administrator": The Compensation Committee, except that the Compensation Committee may delegate (i) to one or more of its members (or one or more other members of the Board (including the full Board)) such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant Awards to the extent permitted by Section 157(c) of the Delaware General Corporation Law and Nasdaq Listing Rule 5635(c)(4); and (iii) to such Employees or other persons as it determines such ministerial tasks as it deems appropriate; provided, however, that all Awards granted under the Plan must be approved by the Compensation Committee. In the event of any delegation described in the preceding sentence, the term "Administrator" will include the person or persons so delegated to the extent of such delegation.

"Affiliate": Any corporation or other entity that stands in a relationship to the Company that would result in the Company and such corporation or other entity being treated as one employer under Section 414(b) and Section 414(c) of the Code.

"Award": Any or a combination of the following:

(i) Stock Options.

(ii) SARs.

(iii) Restricted Stock.

(iv) Unrestricted Stock.

(v) Stock Units, including Restricted Stock Units.

(vi) Performance Awards.

(vii) Cash Awards.

(viii) Awards (other than Awards described in (i) through (vii) above) that are convertible into or otherwise based on Stock.

"Board": The Board of Directors of the Company.

"Cash Award": An Award denominated in cash.

"Cause": In the case of any Participant who is party to an employment or severance-benefit agreement that contains a definition of "Cause," the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of any other Participant, "Cause" will mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Participant to perform the Participant's duties and responsibilities to the Company or subsidiaries or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Participant of a felony or a crime involving moral turpitude; (iii) the commission by the Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of its subsidiaries; (iv) a significant violation by the Participant of the code of conduct of the Company or its subsidiaries of any material policy of the Company or its subsidiaries, or of any statutory or common law duty of loyalty to the Company or its subsidiaries; (v) material breach of any of the terms of the Plan or any Award made under the Plan, or of the terms of any other agreement between the Company or subsidiaries and the Participant; or (vi) other conduct by the Participant that could be expected to be harmful to the business, interests or reputation of the Company.

"Change in Control": The first to occur of (i) a "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company or one of its subsidiaries or an employee benefit plan of the Company or any

of its subsidiaries, including any trustee of such plan acting as trustee) becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; (ii) a consummation of (x) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (y) the sale or disposition by the Company of all or substantially all the Company's assets; or (iii) a change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of the Date of Adoption, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company). For the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

"Code": The U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect.

"Compensation Committee": The Compensation Committee of the Board.

"Company": Arrowhead Pharmaceuticals, Inc.

"Covered Transaction": Any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert; (ii) a sale or transfer of all or substantially all the Company's assets; or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction will be deemed to have occurred upon consummation of the tender offer.

"Date of Adoption": The date the Plan (for the avoidance of doubt, as most recently amended and restated) was adopted by the Board.

"Employee": Any person who is employed by the Company or an Affiliate.

"Employment": A Participant's employment or other service relationship with the Company and its Affiliates. Employment will be deemed to continue, unless the Administrator expressly provides otherwise, so long as the Participant is employed by, or otherwise is providing services as a director, consultant, or advisor to the Company or an Affiliate. If a Participant's employment or other service relationship is with an Affiliate and that entity ceases to be an Affiliate, the Participant's Employment will be deemed to have terminated when the entity ceases to be an Affiliate unless the Participant transfers Employment to the Company or its remaining Affiliates. Notwithstanding the foregoing and the definition of "Affiliate" above, in construing the provisions of any Award relating to the payment of "nonqualified deferred compensation" (subject to Section 409A) upon a termination or cessation of Employment, references to termination or cessation of employment, separation from service, retirement or similar or correlative terms will be construed to require a "separation from service" (as that term is defined in Section 1.409A-1(h) of the Treasury Regulations, after giving effect to the presumptions contained therein) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. The Company may, but need not, elect in writing, subject to the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a "separation from service" has occurred. Any such written election will be deemed a part of the Plan.

"Exchange Act": The Securities Exchange Act of 1934, as amended.

"Fair Market Value": As of any date, the value of the Stock determined as follows:

(i) If the Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Stock as of any date of determination will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A of the Code.

"Participant": A person who is granted an Award under the Plan.

"Performance Award": An Award subject to Performance Criteria.

"Performance Criteria": Specified criteria, other than the mere continuation of Employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award. Such criteria shall be determined by the Administrator and may include any measure of performance (measured either absolutely or by reference to an index or indices and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof) as deemed appropriate by the Administrator. A Performance Criterion and any targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss.

"Plan": The Arrowhead Pharmaceuticals, Inc. Inducement Plan, as from time to time amended and in effect.

"Restricted Stock": Stock subject to restrictions requiring that it be redelivered or offered for sale to the Company if specified conditions are not satisfied.

"Restricted Stock Unit": A Stock Unit that is, or as to which the delivery of Stock or cash in lieu of Stock is, subject to the satisfaction of specified performance or other vesting conditions.

"SAR": A right entitling the holder upon exercise to receive an amount (payable in cash and/or in shares of Stock of equivalent value) equal to the excess of the Fair Market Value of the shares of Stock subject to the right over the base value from which appreciation under the SAR is to be measured.

"Section 409A": Section 409A of the Code.

"Stock": Common stock of the Company, par value $0.001 per share.

"Stock Option": An option entitling the holder to acquire shares of Stock upon payment of the exercise price.

"Stock Unit": An unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock or cash measured by the value of Stock in the future.

"Unrestricted Stock": Stock not subject to any restrictions under the terms of the Award.

License Agreement

By and Between

Arrowhead Pharmaceuticals, Inc.

and

Madrigal Pharmaceuticals, Inc.

May 4, 2026

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "**Agreement**"), entered into as of May 4, 2026 (the "**Effective Date**"), is entered into by and between Madrigal Pharmaceuticals, Inc., a Delaware corporation having its principal offices at 200 Barr Harbor Drive, Suite 200, West Conshohocken, PA 19428 ("**Madrigal**"), and Arrowhead Pharmaceuticals, Inc., a Delaware corporation having its principal offices at 177 East Colorado Boulevard, Suite 700, Pasadena, California, USA ("**Arrowhead**"). Arrowhead and Madrigal are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Madrigal is a biopharmaceutical company pursuing novel therapeutics for nonalcoholic steatohepatitis and other metabolic and liver diseases with high unmet medical needs;

WHEREAS, Arrowhead is a biopharmaceutical company focused on discovering and developing medicines that treat intractable diseases by silencing the genes that cause them, including advancing RNA interference based treatments for protein-based genetic disorders; and

WHEREAS, Madrigal wishes to obtain, and Arrowhead desires to grant, an exclusive worldwide license under certain Patent Rights, Know-How, and other intellectual property rights Controlled by Arrowhead to Exploit the Licensed Compounds and Licensed Products on the terms and conditions set forth herein.

NOW, **THEREFORE**, the Parties hereby agree as follows:

1. DEFINITIONS

Unless specifically set forth to the contrary herein, the following terms, whether used in the singular or plural, will have the respective meanings set forth below:

1.1. "**Acquired Business**" has the meaning set forth in Section 2.9.3 (Acquired Business Exception).

1.2. "**Acquirer**" means, collectively, the Third Party referenced in the definition of Change of Control and such Third Party's Affiliates, other than the applicable Party in the definition of Change of Control and such Party's Affiliates immediately prior to the closing of such Change of Control.

1.3. "**Active Ingredient**" means any clinically active material that provides pharmacological activity in a pharmaceutical product (excluding formulation components such as coatings, stabilizers, excipients or solvents, adjuvants, or controlled release technologies).

1.4. "**Adverse Event**" means any untoward medical occurrence in a human clinical study subject (following such subject's provision of informed consent) or in a patient who is administered a Licensed Product, whether or not considered related to such Licensed Product, including any undesirable sign (including an abnormal laboratory finding of clinical concern), symptom, or disease associated with the use of a Licensed Product, [***].

1.5. "**Affiliate**" means any Person directly or indirectly controlled by, controlling, or under common control with, a Party, but only for so long as such control continues. For purposes of this definition, "**control**" (including, with correlative meanings, "**controlled by**," "**controlling**," and "**under common control with**") will be presumed to exist with respect to a Person in the event of the possession, direct or indirect, of (a) the power to direct or cause the direction of the management and policies of such Person (whether through ownership of securities, by contract or

otherwise), or (b) 50% or more of the voting securities or other comparable equity interests. The Parties acknowledge that in the case of certain entities organized under the laws of certain countries outside of the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than 50%, and that in such case, such lower percentage will be substituted in the preceding sentence, *provided* that such foreign investor has the power to direct or cause the direction of the management and policies of such Person. Neither of the Parties will be deemed to be an "**Affiliate**" of the other solely as a result of their entering into this Agreement. The Parties acknowledge that for the purposes of this Agreement, Visirna Therapeutics, Inc. will not be an Affiliate of Arrowhead.

1.6. "**Agreement**" has the meaning set forth in the preamble.

1.7. "**Alliance Manager**" has the meaning set forth in Section 7.1 (Alliance Managers).

1.8. "**Annual Net Sales**" means the aggregate Net Sales resulting from the sale of all Licensed Products, [***], in the Territory by Madrigal, its Affiliates, or its or their Sublicensees, assignees or transferees during a given Calendar Year.

1.9. "**Approved Madrigal CMO**" has the meaning set forth in Section 5.4.1 (Manufacturing Transfer Working Group).

1.10. "**Arbitrator**" has the meaning set forth in Section 14.3.1 (Expedited Arbitration).

1.11. "**Arising Delivery Ligand Know-How**" has the meaning set forth in Section 12.1.2(a) (Arrowhead).

1.12. "**Arising Delivery Ligand Patent Rights**" has the meaning set forth in Section 12.1.2(a) (Arrowhead).

1.13. "**Arising Know-How**" means any and all Know-How conceived, invented, developed, or otherwise made during the Term by or on behalf of one or more Personnel of a Party (or any of its Affiliates, licensees, sublicensees, or subcontractors), either alone or jointly with one or more Personnel of the other Party (or any of its Affiliates, licensees, sublicensees, or subcontractors), in each case, in the performance of activities relating to the Exploitation of Licensed Compounds or Licensed Products under this Agreement.

1.14. "**Arising Patent Rights**" means any Patent Right that (a) has a priority date after the Effective Date, and (b) Covers any Arising Know-How.

1.15. "**ARO-PNPLA3**" means the chemical composition internally coded by Arrowhead as ARO-PNPLA3, the chemical structure of which is set forth on **Schedule 1.15** (ARO-PNPLA3 Structure).

1.16. "**Arrowhead**" has the meaning set forth in the preamble.

1.17. "**Arrowhead Arising Know-How**" has the meaning set forth in Section 12.1.2(a) (Arrowhead).

1.18. "**Arrowhead Arising Patent Rights**" has the meaning set forth in Section 12.1.2(a) (Arrowhead).

1.19. "**Arrowhead Excluded Know-How**" means, collectively, any and all Know-How (a) relating to Arrowhead's RNAi Molecule trigger sequence selection and design process; or (b) that Arrowhead or any of its Affiliates comes to own or otherwise Control after the Effective Date relating to the Manufacture of RNAi Molecules generally but only to the extent such Know-How is not (i) utilized in connection with any Development or Manufacturing work performed by Arrowhead or any of its Affiliates either (A) prior to the Effective Date for itself or (B) for

Madrigal under this Agreement during the Term or under any other supply or development agreement or plan between the Parties after the Effective Date, (ii) otherwise disclosed in writing by Arrowhead to Madrigal during the Term, (iii) necessary for the Exploitation of a Licensed Compound or Licensed Product, or (iv) Arising Delivery Ligand Know-How.

1.20. "**Arrowhead Excluded Patent Rights**" means any Patent Rights that Cover any Arrowhead Excluded Know-How.

1.21. "**Arrowhead Indemnitees**" has the meaning set forth in Section 11.2 (Indemnification by Madrigal).

1.22. "**Arrowhead Know-How**" means any and all Know-How that (a) relates to the composition of matter, formulation, form, or a method of use or treatment, delivery, or Manufacture of one or more Licensed Compounds or Licensed Products, (b) is Controlled by Arrowhead or any of its Affiliates as of the Effective Date or during the Term, and (c) is necessary or reasonably useful to Exploit one or more Licensed Compounds or Licensed Products in the Field in the Territory, *including* any and all Arrowhead Arising Know-How and Arrowhead's interest in any and all Joint Arising Know-How but *excluding* Arrowhead Excluded Know-How. Notwithstanding any provision herein to the contrary, Arrowhead Know-How excludes the Arrowhead Patent Rights.

1.23. "**Arrowhead Manufacturing Know-How**" has the meaning set forth in Section 5.4.1 (Manufacturing Transfer Working Group).

1.24. "**Arrowhead Patent Rights**" means any and all Patent Rights that (a) are Controlled by Arrowhead or any of its Affiliates as of the Effective Date or during the Term and (b) (i) Cover one or more Licensed Compounds or Licensed Products (including, for clarity, any composition of matter, formulation, form, or a method of use or treatment, delivery, or Manufacture thereof) or (ii) are necessary or reasonably useful to Exploit one or more Licensed Compounds or Licensed Products in the Field in the Territory, *including* any and all Arrowhead Arising Patent Rights and Arrowhead's interest in any and all Joint Arising Patent Rights but *excluding* all Arrowhead Excluded Patent Rights. The Arrowhead Patent Rights include the Arrowhead Platform Patent Rights.

1.25. "**Arrowhead Platform**" means Arrowhead's proprietary siRNA platform for RNAi Molecule sequence selection and delivery, including for Licensed Products and Licensed Compounds (*i.e.*, TRiM™ technology).

1.26. "**Arrowhead Platform Patent Rights**" means any and all Arrowhead Patent Rights that are not Licensed Product-Specific Patent Rights. The Arrowhead Platform Patent Rights relevant to the contemplated Licensed Compounds and Licensed Products as of the Effective Date, are set forth on **Schedule 1.26** (Arrowhead Platform Patent Rights).

1.27. "**Arrowhead Prosecuted Patent Rights**" has the meaning set forth in Section 12.2.2(a) (Arrowhead Right to Prosecute Patent Rights).

1.28. "**Arrowhead Records**" has the meaning set forth in Section 8.6.3 (Records and Audits).

1.29. "**Arrowhead Technology**" means, collectively, (a) the Arrowhead Patent Rights and (b) the Arrowhead Know-How.

1.30. "**Audited Party**" has the meaning set forth in Section 8.6.3 (Records and Audits).

1.31. "**Auditing Party**" has the meaning set forth in Section 8.6.3 (Records and Audits).

1.32. "**Auditor**" has the meaning set forth in Section 8.6.3 (Records and Audits).

1.33. "**Bankrupt Party**" has the meaning set forth in Section 13.3 (Termination for Bankruptcy).

1.34. "**Bankruptcy Code**" means Title 11, United States Code, as amended, or analogous provisions of Law outside the United States.

1.35. "**Breaching Party**" has the meaning set forth in Section 13.4.1 (Material Breach and Cure Period).

1.36. "**Business Day**" means a calendar day other than a Saturday, Sunday, or a bank or other public holiday in West Conshohocken, Pennsylvania or Pasadena, California.

1.37. "**Calendar Quarter**" means the respective periods of three consecutive calendar months ending on March 31st, June 30th, September 30th, or December 31st in any Calendar Year; *provided*, *however*, that the first Calendar Quarter of the Term will extend from the Effective Date to the end of the first Calendar Quarter thereafter.

1.38. "**Calendar Year**" means any calendar year beginning on January 1st and ending on December 31st, *provided*, *however*, that the first Calendar Year of the Term will begin on the Effective Date and end on December 31, 2026.

1.39. "**Change of Control**" means, with respect to a Party, that: (a) any Third Party acquires directly or indirectly the beneficial ownership of any voting security of such Party, or if the percentage ownership of such Third Party in the voting securities of such Party is increased through stock redemption, cancellation, or other recapitalization, and immediately after such acquisition or increase such Third Party is, directly or indirectly, the beneficial owner of voting securities representing at least 50% of the total voting power of all of the then-outstanding voting securities of such Party; (b) a merger, consolidation, recapitalization, or reorganization of such Party is consummated, other than any such transaction that would result in shareholders or equity holders of such Party immediately prior to such transaction owning at least 50% of the outstanding voting securities of the surviving entity (or its parent entity) immediately following such transaction; (c) the shareholders or equity holders of such Party approve a plan of complete liquidation of such Party, or an agreement for the sale or disposition by such Party of all or substantially all of such Party's assets, other than pursuant to the transactions described above or to an Affiliate; or (d) the sale or transfer to a Third Party of all or substantially all of such Party's consolidated assets taken as a whole. Notwithstanding the foregoing, any transaction or series of transactions effected for the purpose of financing the operations of the applicable Party or one or more of its applicable Affiliates (such as an initial public offering or other offering of equity securities to non-strategic investors) will not be deemed a "**Change of Control**" for purposes of this Agreement.

1.40. "**Clinical Milestone Event**" has the meaning set forth in Section 8.2.1 (Clinical Milestones).

1.41. "**Clinical Milestone Payment**" has the meaning set forth in Section 8.2.1 (Clinical Milestones).

1.42. "**Clinical Trial**" means any clinical investigation in which a pharmaceutical product is administered or dispensed to, or used involving human subjects, including any Phase I Clinical Trial, Phase II Clinical Trial, Phase III Clinical Trial, or any post-approval clinical trial in humans.

1.43. "**CMO**" means a contract manufacturing organization or a contract testing organization.

1.44. "**Combination Product**" means a Licensed Product that contains or comprises a Licensed Compound as a therapeutically active pharmaceutical ingredient together with one or more other Active Ingredients other than a Licensed Compound (an "**Other Component**") that are (a) either coformulated or copackaged together and sold either as a fixed dose/unit or as separate doses/units in a single package, or otherwise are sold together for a single price, but excluding devices, drug delivery vehicles, adjuvants, solubilizers and excipients used with a Licensed Compound,

and not specifically related to an Other Component, or (b) defined as a "combination product" by the FDA pursuant to 21 C.F.R. § 3.2(e) or its foreign equivalent.

1.45. "**Commercialization**" means any and all activities directed to the marketing, promotion, distribution, offering for sale, sale, having sold, importing, having imported, exporting, having exported, or other commercialization of a pharmaceutical or biologic product, but excluding activities directed to Manufacturing, Development, or Medical Affairs. "**Commercialize**," "**Commercializing**," and "**Commercialized**" will be construed accordingly.

1.46. "**Commercially Reasonable Efforts**" means (a) with respect to the efforts and resources to be expended, or considerations to be undertaken, by Madrigal with respect to any objective or activity related to the Development of a Licensed Compound or a Licensed Product, the efforts, resources, and considerations [***] would normally use to accomplish a similar objective or activity under similar circumstances for a similar compound or product owned by it or to which it has similar rights, which compound or product, as applicable, is at a similar stage in its development or product life and of similar market potential, taking into account all relevant factors, including: (i) issues of efficacy, safety, and expected and actual approved labeling, (ii) the expected and actual competitiveness of alternative products sold by Third Parties in the marketplace, (iii) the expected and actual product profile of the Licensed Product, (iv) the expected and actual patent coverage and other proprietary position of the Licensed Product, (v) the likelihood of receiving Regulatory Approval given the regulatory structure involved, including regulatory or data exclusivity, and (vi) the expected and actual profitability of the Licensed Product, and (b) with respect to the efforts and resources to be expended by Arrowhead, with respect to any objective or activity under this Agreement, the efforts and resources Arrowhead would normally use to accomplish its own similar objective or activity under similar circumstances. Commercially Reasonable Efforts will be determined on a country-by-country and Indication-by-Indication basis for each Licensed Product, as applicable, and it is anticipated that the level of effort and resources that constitute "**Commercially Reasonable Efforts**" with respect to a particular country or Indication may change over time, reflecting changes in the status of each Licensed Product, as applicable, and the country(ies) involved.

1.47. "**Competing Product**" has the meaning set forth in Section 2.9.1 (Exclusivity Covenants).

1.48. "**Competitive Activities**" has the meaning set forth in Section 2.9.1 (Exclusivity Covenants).

1.49. "**Competitive Infringement**" means (a) the making, using, selling, offering for sale, importing, or exporting by a Third Party of a pharmaceutical or biologic product in a country that actually or potentially infringes a Valid Claim of an Arrowhead Patent Right or a Madrigal Arising Patent Right in such country or (b) the filing of an ANDA under Section 505(j) of the FD&C Act or an application under Section 505(b)(2) of the FD&C Act naming a Licensed Product as a reference listed drug and including a certification under Section 505(j)(2)(A)(vii)(IV) or 505(b)(2)(A)(IV), respectively.

1.50. "**Confidential Information**" means (a) the terms of this Agreement and (b) with respect to a Party, subject to Section 9.3 (Exemptions), all Know-How or other information, including proprietary information and materials (whether or not patentable) embodying such Party's technology, products, business information, or objectives, that is communicated by or on behalf of such Party (the "**Disclosing Party**" with respect to such information) to the other Party (the "**Receiving Party**" with respect to such information) or its permitted recipients, including information disclosed by such Party prior to the Effective Date pursuant to the Confidentiality Agreement.

1.51. "**Confidentiality Agreement**" means that certain Mutual Nondisclosure Agreement dated [***] by and between Arrowhead and Madrigal.

1.52. "**Control**" or "**Controlled**" means the possession by a Party or its Affiliates (whether by ownership, license, sublicense or otherwise, other than pursuant to this Agreement) of, (a) with

respect to any tangible Know-How or materials, the legal authority or right to physical possession of such tangible Know-How or materials, with the right to provide such tangible Know-How or materials to the other Party on the terms set forth herein, (b) with respect to Patent Rights, Regulatory Approvals, Regulatory Submissions, intangible Know-How, or other intellectual property, the legal authority or right to grant a license, sublicense, access, or right to use (as applicable) to the other Party under such Patent Rights, Regulatory Approvals, Regulatory Submissions, intangible Know-How, or other intellectual property on the terms set forth herein, or (c) with respect to a product or component thereof, the legal authority or right to grant a license, sublicense, access, or right to use (as applicable) to the other Party under Patent Rights that Cover, or proprietary Know-How that is incorporated in or embodies, such product or component on the terms set forth herein, in each case ((a), (b), and (c)), without (i) breaching or otherwise violating the terms of any arrangement or agreement with a Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, right to use, license, or sublicense, or (ii) incurring any additional payment obligations to a Third Party that are not subject to an allocation agreed between the Parties pursuant to this Agreement, including in accordance with Section 2.8 (Third Party In-License Payments) or otherwise in writing. Notwithstanding any provision in this Agreement to the contrary, following the closing of a Change of Control of a Party, the Parties agree that such Party will be deemed not to Control any materials, tangible Know-How, Patent Rights, Regulatory Submissions, Regulatory Approvals, intangible Know-How, or other intellectual property that are owned or in-licensed by an Acquirer of such Party or any of its Affiliates immediately prior to the closing of such Change of Control, [***].

1.53. "**Cover**," "**Covering**," or "**Covered**" means, with respect to a particular subject matter at issue and a relevant Patent Right or individual claim in such Patent Right, as applicable, that the manufacture, use, sale, offer for sale, or importation of such subject matter would fall within the scope of one or more claims in such Patent Right or the individual claim of such Patent Right.

1.54. [***] has the meaning set forth in [***].

1.55. "**Cure Period**" has the meaning set forth in Section 13.4.1 (Material Breach and Cure Period).

1.56. "**Debarred**" means, with respect to an individual or entity, that such individual or entity has been debarred or suspended under 21 U.S.C. § 335(a) or (b), the subject of a conviction described in Section 306 of the FD&C Act, excluded from a federal or governmental health care program, debarred from federal contracting, convicted of or pled *nolo contendere* to any felony, or to any federal or state legal violation (including misdemeanors) relating to prescription drug products or fraud, the subject of OFAC sanctions or on the OFAC list of specially designated nationals, or the subject of any similar sanction of any Governmental Authority in the Territory.

1.57. "**Delivery Ligand**" means a ligand (including any linkers, whether incorporated into the ligand or a separate component) that is (a) conjugated to an RNAi Molecule to help facilitate delivery *in vivo* to specific tissues or cell types, which may include lipid moieties, antibodies, peptides, and small molecule compounds, (b) a component of, or used in the Manufacture of, Licensed Compounds or Licensed Products, and (c) based on, evolved from, a process improvement to, or is otherwise derived from the Arrowhead Platform.

1.58. "**Development**" means all internal and external research, development, and regulatory activities related to pharmaceutical or biologic products, including (a) toxicology testing and studies, non-clinical and preclinical testing, studies, and other activities, and Clinical Trials, and (b) preparation, submission, review, and development of data or information for the purpose of submission to a Regulatory Authority to obtain authorization to conduct Clinical Trials and to obtain, support, or maintain Regulatory Approval of a pharmaceutical or biologic product and interacting with Regulatory Authorities following receipt of Regulatory Approval in the applicable country or region for such pharmaceutical or biologic product regarding the foregoing, but excluding activities directed to Manufacturing, Medical Affairs, or Commercialization. Development will include development and regulatory activities for additional forms,

formulations, or indications for a pharmaceutical or biologic product after receipt of Regulatory Approval of such product (including label expansion), including Clinical Trials initiated following receipt of Regulatory Approval or any Clinical Trial to be conducted after receipt of Regulatory Approval that was mandated by the applicable Regulatory Authority as a condition of such Regulatory Approval with respect to an approved formulation or indication (such as post-marketing studies or observational studies, in either case, if required by any Regulatory Authority in any region in the Territory to support or maintain Regulatory Approval for a pharmaceutical or biologic product in such region). "**Develop**," "**Developing**," and "**Developed**" will be construed accordingly.

1.59. "**Direct Costs**" means the sum of the following as incurred for the applicable Licensed Compound, Licensed Product, or any other tangible material to be provided by one Party to the other Party hereunder: [***].

1.60. "**Directed To**" means, with respect to a compound or product and a gene target, that the mechanism of such compound or product [***] such target.

1.61. "**Disclosing Party**" has the meaning set forth in Section 1.50 ("Confidential Information").

1.62. "**Disputes**" has the meaning set forth in Section 14.1 (Exclusive Dispute Resolution Mechanism).

1.63. "**Divest**" means, [***].

1.64. "**Dollars**" or "**$**" means the legal tender of the United States of America.

1.65. "**Effective Date**" has the meaning set forth in the preamble.

1.66. "**EMA**" means the European Medicines Agency or any successor entity.

1.67. "**Exclusivity Period**" has the meaning set forth in Section 2.9.2 (Arrowhead Change of Control).

1.68. "**Executive Officer**" means (a) [***] of Arrowhead (or [***] of Arrowhead designated by [***] of Arrowhead who has the power and authority to resolve a given Dispute or matter) and (b) [***] of Madrigal (or [***] of Madrigal designated by [***] who has the power and authority to resolve a given Dispute or matter).

1.69. "**Existing Inventory**" has the meaning set forth in Section 5.2 (Transfer of ARO-PNPLA3 Remaining Inventory).

1.70. "**Exploitation**" means to Develop, Manufacture, Commercialize, or otherwise exploit. When used as a verb, to "**Exploit**" means to engage in any of the foregoing activities.

1.71. "**FD&C Act**" means the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 *et seq.*, as amended together with any rules, regulations, and requirements promulgated thereunder.

1.72. "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.73. "**Field**" means all uses, including the treatment, prevention, prophylaxis, or diagnosis of any disease, disorder, or condition.

1.74. "**First Commercial Sale**" means, on a country-by-country and Licensed Product-by-Licensed Product basis, the first sale under this Agreement by Madrigal or any of its Affiliates or Sublicensees to an end user or prescriber for use, consumption, or resale of such Licensed Product in such country following receipt of Marketing Approval for such Licensed Product in such country. [***].

1.75. "**Force Majeure**" means any event beyond the reasonable control of the affected Party, including embargoes; war or acts of war, including terrorism, insurrections, riots, or civil unrest; strikes, lockouts, or other labor disturbances (other than strikes, lockouts, or labor disturbances involving such Party's own employees); epidemics, pandemics, the spread of infectious diseases, and quarantines; fire, floods, earthquakes, or other acts of nature; or acts, omissions, or delays in acting by any Governmental Authority.

1.76. "**FTE**" means a qualified full-time person, or more than one person working the equivalent of a full-time person, where "full time" is based upon a total of [***]. Overtime, and work on weekends, holidays, and the like will not be counted with any multiplier (*e.g.* time-and-a-half or double time) toward the number of hours that are used to calculate the FTE contribution. Each employee utilized by Arrowhead or any of its Affiliates in connection with Arrowhead's or such Affiliate's performance under this Agreement may be less than or greater than one FTE based on the hours actually worked by such employee and will be treated as an FTE on a *pro rata* basis based upon the actual number of such hours worked divided by [***].

1.77. "**FTE Costs**" means, for any period, the FTE Rate multiplied by the number of FTEs in such period. FTEs will be pro-rated [***] if necessary.

1.78. "**FTE Rate**" means, for the period commencing on the Effective Date until such time as the Parties agree otherwise, [***] per year, subject to annual increases beginning on January 1, 2027 to reflect percentage increase in the [***], calculated by [***].

1.79. "**Fully Burdened Cost**" means, with respect to a Party and Licensed Compound, Licensed Product, or any other tangible material to be provided by one Party to the other Party hereunder, [***]. All costs and expenses included in this definition will be calculated in accordance with GAAP by such Party on a consistent basis.

1.80. "**GAAP**" means United States generally accepted accounting principles, which principles are currently used at the relevant time and consistently applied by the applicable Party.

1.81. "**Generic Entry Date**" has the meaning set forth in Section 8.4.2 (Reduction for Generic Competition).

1.82. "**Generic Product**" means, with respect to a Licensed Product in a particular country of the Territory, any product that is approved, or is sought to be approved, in reliance, in whole or in part, on the prior Regulatory Approval (or on safety or efficacy data submitted in support of the prior Regulatory Approval) of such Licensed Product in such country as determined by the applicable Regulatory Authority of such country, including any product authorized for sale (a) in the U.S. pursuant to, as applicable, (i) Section 505(j) of the FD&C Act (21 U.S.C. 355(j)) or Section 505(b)(2) of the FD&C Act (21 U.S.C. 355(b)(2)), or (ii) Section 351(k) of the Public Health Service Act (PHS Act) as amended by the Biologics Price Competition and Innovation Act (BPCIA), in each case ((i) and (ii)), as amended from time to time, (b) in countries of the European Economic Area pursuant to Article 10 (but excluding Art. 10(3)), Article 10a, or Article 10b of Parliament and Council Directive 2001/83/EC as amended from time to time (including an application under Article 6.1 of Parliament and Council Regulation (EC) No. 726/2004 that relies for its content on any such provision), or (c) in any other country or other jurisdiction pursuant to all equivalents of such provisions, including any amendments and successor statutes with respect to any of the foregoing.

1.83. "**Good Clinical Practices**" or "**GCP**" means the then-current good clinical practice standards, practices, and procedures promulgated or endorsed by the applicable Regulatory Authority as set forth in the guidelines imposed by such Regulatory Authority, as may be updated from time-to-time, including those as set forth in FDA regulations in 21 C.F.R. Parts 11, 50, 54, 56, 312, 314, and 320 and all related FDA rules, regulations, orders, and guidances, and by the International Conference on Harmonization E6: Good Clinical Practices Consolidated Guideline.

1.84. "**Good Laboratory Practices**" or "**GLP**" means the then-current and phase appropriate standards, practices and procedures promulgated or endorsed by the FDA as set forth in 21 C.F.R. Part 58 (or any successor statute or regulation) and FDA guidance, including related regulatory requirements imposed by the FDA and comparable applicable regulatory standards, practices and procedures promulgated by the EMA, PMDA, NMPA or other Regulatory Authority applicable to the Territory, as they may be updated from time to time, including applicable guidelines promulgated under the ICH.

1.85. "**Good Manufacturing Practices**" or "**GMP**" means the then-current good manufacturing practices required by the FDA, as set forth in the FD&C Act, 21 C.F.R. Parts 210 and 211, and FDA guidance issued thereunder, for the Manufacture and testing of pharmaceutical materials, and comparable applicable Law related to the manufacture and testing of pharmaceutical materials in jurisdictions outside the United States. "**Good Manufacturing Practices**," or "**GMP**" also means the quality guidelines promulgated by the ICH, including the ICH Q7A, titled "Q7A Good Manufacturing Practice Guidance for Active Pharmaceutical Ingredients" and the policies promulgated thereunder, in each case, as they may be updated from time to time.

1.86. "**Governmental Authority**" means any court, tribunal, arbitrator, agency, commission, department, ministry, official, authority, or other instrumentality of any nation, state, county, city, or other political subdivision thereof or of any multinational governmental body.

1.87. [***] means [***].

1.88. "**ICH**" means International Conference on Harmonization.

1.89. "**IND**" means (a) an Investigational New Drug application pursuant to the FD&C Act, as amended, and applicable regulations promulgated thereunder by the FDA, (b) a Clinical Trial authorization application for a product filed with a Regulatory Authority in any other regulatory jurisdiction outside the U.S., the filing of which is necessary to commence or conduct clinical testing of a pharmaceutical or biologic product in humans in such jurisdiction, or (c) documentation issued by a Regulatory Authority that permits the conduct of clinical testing of a pharmaceutical or biologic product in humans in such jurisdiction.

1.90. "**Indemnified Party**" has the meaning set forth in Section 11.3.1 (Notice).

1.91. "**Indemnifying Party**" has the meaning set forth in Section 11.3.1 (Notice).

1.92. "**Indication**" means an entirely separate and distinct disease or medical condition in humans [***] for which a product may be filed to obtain a label or label expansion or has received a separate and distinct marketing authorization approval with an approved label claim to treat such disease or condition, as applicable. [***].

1.93. "**Indirect Costs**" means the sum of the following as incurred for the applicable Licensed Compound, Licensed Product, or any other tangible material to be provided by one Party to the other Party hereunder: [***].

1.94. [***] has the meaning set forth in [***].

1.95. "**Joint Arising Know-How**" has the meaning set forth in Section 12.1.2(c) (Joint).

1.96. "**Joint Arising Patent Rights**" has the meaning set forth in Section 12.1.2(c) (Joint).

1.97. "**Joint Arising Technology**" has the meaning set forth in Section 12.1.2(c) (Joint).

1.98. "**Joint Transition Committee**" or **"JTC**" has the meaning set forth in Section 7.2.1 (Formation).

1.99. "**JTC Referral Notice**" has the meaning set forth in Section 7.2.5 (Decision-Making).

1.100. "**JTC Review Period**" has the meaning set forth in Section 7.2.5 (Decision-Making).

1.101. "**Know-How**" means any (a) proprietary scientific or business information or materials, including records, improvements, modifications, techniques, assays, designs, protocols, formulas, data (including physical data, chemical data, safety data, toxicology data, animal data, raw data, nonclinical data, preclinical data, clinical data, and analytical and quality control data), dosage regimens, control assays, product specifications, marketing, business practices, pricing and distribution costs, inventions, algorithms, technology, forecasts, profiles, strategies, plans, results in any form whatsoever, know-how, and trade secrets (in each case, whether or not patentable, copyrightable, or otherwise protectable), and (b) any information embodied in chemical or biological materials or physical embodiments of any of the foregoing.

1.102. "**Laws**" means applicable laws, statutes, rules, regulations, and other pronouncements having the effect of law of any Governmental Authority (including executive orders) that may be in effect from time to time, including disclosure obligations required by any stock exchange or securities commission having authority over a Party and any applicable rules, regulations, guidances, or other requirements of any Regulatory Authority that may be in effect from time to time.

1.103. "**Licensed Compounds**" means any and all of the following (a) ARO-PNPLA3, (b) any other RNAi Molecule Directed To PNPLA3 [***], and (c) [***].

1.104. "**Licensed Product-Specific Patent Rights**" means all Arrowhead Patent Rights having claims Covering solely (a) the composition of matter comprising the nucleotide sequence of one or more Licensed Compounds or Licensed Products, (b) the method of use (including method of treatment by use) of one or more Licensed Compounds or Licensed Products, (c) the formulation comprising, and biomarkers or companion diagnostics specifically relating to, one or more Licensed Compounds or Licensed Products, or (d) the method of manufacture specific to the Manufacture of Licensed Compounds or Licensed Products. The Licensed Product-Specific Patent Rights existing as of the Effective Date are set forth on **Schedule 1.104** (Licensed Product-Specific Patent Rights).

1.105. "**Licensed Products**" means any pharmaceutical or biologic product that is comprised of or contains a Licensed Compound, alone or in combination with one or more Other Components, in any and all forms, presentations, delivery systems, dosages, and formulations and any improved or modified versions thereof.

1.106. "**Losses**" has the meaning set forth in Section 11.1 (Indemnification by Arrowhead).

1.107. "**MAA**" means any new drug application or other marketing authorization application, in each case, filed with the applicable Regulatory Authority in a country or other regulatory jurisdiction (and all supplements and amendments thereto), which application is required to commercially market or sell a pharmaceutical or biologic product in such country or jurisdiction, including (a) all New Drug Applications submitted to the FDA in the United States pursuant to the FD&C Act (21 U.S.C. § 355(b)(1)) and the regulations promulgated thereunder with respect to a pharmaceutical product and (b) a Biologics License Application submitted to the FDA in the United States pursuant to the FD&C Act (21 C.F.R. § 601.2) and the regulations promulgated thereunder with respect to a pharmaceutical product, or, in each case ((a) and (b)), any analogous application or submission with any Regulatory Authority in any other country or regulatory jurisdiction.

1.108. "**Madrigal**" has the meaning set forth in the preamble.

1.109. "**Madrigal Arising Know-How**" has the meaning set forth in Section 12.1.2(b) (Madrigal).

1.110. "**Madrigal Arising Patent Rights**" has the meaning set forth in Section 12.1.2(b) (Madrigal).

1.111. "**Madrigal Arising Technology**" means the Madrigal Arising Know-How and the Madrigal Arising Patent Rights.

1.112. "**Madrigal Licensed Technology**" means, collectively, the Madrigal Arising Know-How, Madrigal Arising Patent Rights, and Madrigal's interest in the Joint Arising Technology, in each case, without limiting any of Madrigal's obligations under this Agreement, that are Controlled by Madrigal or any of its Affiliates.

1.113. "**Madrigal Prosecuted Patent Rights**" has the meaning set forth in Section 12.2.1(a) (Madrigal's Right to Prosecute Patent Rights).

1.114. "**Madrigal Records**" has the meaning set forth in Section 8.6.3 (Records and Audits).

1.115. [***] means [***].

1.116. "**Major Region**" means [***].

1.117. "**Manufacture**" means activities directed to manufacturing, processing, formulating, packaging, labeling, filling, finishing, assembly, quality assurance, quality control, testing, and release, shipping, or storage of any pharmaceutical or biologic product (or any components or process steps involving any product or any companion diagnostic), placebo, or comparator agent, as the case may be, including process development, process qualification, validation and scale-up, pre-clinical, clinical and commercial manufacture, and analytic development, product characterization, and stability testing, as the case may be, but excluding activities directed to Development, Commercialization, or Medical Affairs. "**Manufacturing**" will be construed accordingly.

1.118. "**Manufacturing Technology Transfer Plan**" has the meaning set forth in Section 5.4.1 (Manufacturing Transfer Working Group).

1.119. "**Manufacturing Transfer Working Group**" has the meaning set forth in Section 5.4.1 (Manufacturing Transfer Working Group).

1.120. "**Marketing Approval**" means, with respect to a country or extra-national territory, any and all approvals (including Regulatory Approval and, if applicable, Pricing and Reimbursement Approval), licenses, registrations, or authorizations of any Governmental Authority that are required in order to Commercialize a Licensed Product in such country or some or all of such extra-national territory.

1.121. "**Materials**" means all tangible compositions of matter, devices, articles of manufacture, assays, biological, chemical or physical materials, and other similar materials.

1.122. [***] means [***].

1.123. "**Medical Affairs**" means activities conducted by a Party's medical affairs departments (or, if a Party does not have a medical affairs department, the equivalent function thereof), including communications with key opinion leaders, medical education, symposia, advisory boards (to the extent related to medical affairs or clinical guidance), activities performed in connection with patient registries, and other medical programs and communications, including educational grants, research grants (including conducting investigator-initiated studies), and charitable donations to the extent related to medical affairs and not to other activities that do not involve the promotion, marketing, sale, or other Commercialization of the Licensed Products and are not conducted by a Party's medical affairs (or equivalent) departments.

1.124. [***] means [***].

1.125. "**Milestone Events**" means the Clinical Milestone Events, Regulatory Milestone Events, and Sales Milestone Events.

1.126. "**Milestone Payments**" means the Clinical Milestone Payments, Regulatory Milestone Payments, and Sales Milestone Payments.

1.127. "**Net Sales**" means the gross amounts invoiced by Madrigal or any of its Affiliates, Sublicensees (other than [***]), assignees or transferees (each, a "**Selling Party**") under this Agreement to Third Parties (including [***]), for the sale, supply, or other disposition of a Licensed Product, less the following deductions [***]:

[***]

1.128. "**NMPA**" means the National Medical Products Administration or any successor entity.

1.129. "**Non-Breaching Party**" has the meaning set forth in Section 13.4.1 (Material Breach and Cure Period).

1.130. "**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury or any successor agency thereto.

1.131. "**Orange Book**" has the meaning set forth in Section 12.7 (Orange Book Listing).

1.132. [***] has the meaning set forth in [***].

1.133. "**Out-of-Pocket Costs**" means, with respect to certain activities for a Licensed Compound or Licensed Product hereunder, specifically identifiable expenses paid or payable by a Party or its Affiliates to Third Parties to conduct such activities, including payments to contract personnel (including contractors, consultants, and Subcontractors), but excluding any and all payments to employees.

1.134. "**Party**" or "**Parties**" has the meaning set forth in the preamble.

1.135. "**Patent Challenge**" has the meaning set forth in Section 13.5 (Termination for Patent Challenge).

1.136. "**Patent Costs**" means the Out-of-Pocket Costs paid to outside legal counsel and other Third Parties incurred in the Prosecution and Maintenance of Patent Rights hereunder or enforcing and defending any such Patent Rights or determining freedom to operate for any Licensed Products (including challenging any Patent Right owned or controlled by Third Parties).

1.137. "**Patent Offices**" has the meaning set forth in Section 10.2.7 (Validity and Enforceability).

1.138. "**Patent Right**" means any and all (a) patents, (b) patent applications, including all provisional and non-provisional applications, patent cooperation treaty (PCT) applications, substitutions, continuations, continuations-in-part, divisions and renewals, and all patent rights granted thereon or claiming priority thereto, (c) all patents-of-addition, reissues, re-examinations and extensions or restorations by existing or future extension or restoration mechanisms, including supplementary protection certificates, patent term extensions, and equivalents thereof, (d) inventor's certificates, letters patent, and (e) any other substantially equivalent form of government issued right substantially similar to any of the foregoing described in subsections (a) through (d) above, anywhere in the world.

1.139. "**Patent Term Extensions**" has the meaning set forth in Section 12.6 (Patent Right Extensions).

1.140. "**Payments**" has the meaning set forth in Section 8.6.6(a) (Withholding Taxes).

1.141. "**Person**" means any natural person, corporation, unincorporated organization, partnership, association, sole proprietorship, joint stock company, joint venture, limited liability company, trust or government, Governmental Authority, or any other similar entity.

1.142. "**Personnel**" means, with respect to any Person, its officers, directors, employees, workers, contractors, advisors, consultants, agents, or other representatives.

1.143. "**Pharmacovigilance Agreement**" has the meaning set forth in Section 4.3 (Pharmacovigilance Agreement).

1.144. "**Phase I Clinical Trial**" means a Clinical Trial (or any arm thereof) of a pharmaceutical or biologic product with the endpoint of determining initial tolerance, safety, metabolism, pharmacokinetic or pharmacodynamic information in single dose, single ascending dose, multiple dose, or multiple ascending dose regimens, and that satisfies the requirements of U.S. federal regulation 21 C.F.R. § 312.21(a) and its successor regulation or equivalents in other jurisdictions.

1.145. "**Phase II Clinical Trial**" means a Clinical Trial (or any arm thereof) of a pharmaceutical or biologic product with the primary objective of characterizing its effectiveness in a specific disease state as well as generating more detailed safety, tolerability, and pharmacokinetics information, and that satisfies the requirements of U.S. federal regulation 21 C.F.R. § 312.21(b) and its successor regulation or equivalents in other jurisdictions.

1.146. "**Phase IIb Clinical Trial**" means a Phase II Clinical Trial (or any arm thereof) of a pharmaceutical or biologic product on a sufficient number of patients with the primary objective of (a) evaluating effectiveness and (b) determining the optimal dose-range and dose-response for such product in a specific disease state to support the design and dose selection for a Phase III Clinical Trial, and that satisfies the requirements of U.S. federal regulation 21 C.F.R. § 312.21(b) and its successor regulation or equivalents in other jurisdictions and is not a phase IIa clinical trial.

1.147. "**Phase III Clinical Trial**" means a Clinical Trial (or any arm thereof) of a pharmaceutical or biologic product on a sufficient number of patients, which trial a Regulatory Authority permits to be conducted under an open IND and is designed to: (a) establish that the pharmaceutical or biologic product is safe and efficacious for its intended use; (b) define warnings, precautions and adverse reactions that are associated with the pharmaceutical or biologic product in the dosage range to be prescribed; and (c) support an MAA filed with a Regulatory Authority for the pharmaceutical or biologic product, and that satisfies the requirements of U.S. federal regulation 21 C.F.R. § 312.21(c) and its successor regulation or equivalents in other jurisdictions.

1.148. "**Platform Third Party Agreements**" has the meaning set forth in Section 2.8.2(b)(i) (Platform Third Party Rights).

1.149. "**Platform Third Party Rights**" has the meaning set forth in Section 2.8.2(b)(i) (Platform Third Party Rights).

1.150. "**PMDA**" means the Pharmaceutical and Medical Device Agency or any successor entity.

1.151. "**PNPLA3**" means PNPLA3 (patatin-like phospholipase domain-containing 3).

1.152. "**Pre-Existing Third Party Agreements**" means those certain agreements between Arrowhead and a Third Party set forth on **Schedule 1.152** (Pre-Existing Third Party Agreements).

1.153. [***] has the meaning set forth in [***].

1.154. "**Pricing and Reimbursement Approval**" means the later of (a) the approval, agreement, determination, or governmental decision establishing a price for the applicable Licensed Product that can be legally charged to consumers, if required in a given jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country; and (b) the approval, agreement, determination, or governmental decision establishing the level of reimbursement for the applicable Licensed Product that will be reimbursed by Governmental Authorities, if required in a given jurisdiction or country in connection with the Commercialization of such Licensed Product in such jurisdiction or country.

1.155. "**Product-Specific Know-How**" has the meaning set forth in Section 9.1 (Confidential Information).

1.156. "**Product-Specific Third Party Rights**" has the meaning set forth in Section 2.8.2(a) (Product-Specific Third Party Rights).

1.157. "**Prosecution and Maintenance**" or "**Prosecute and Maintain**" means the filing, preparation, prosecution (including any interferences, reissue proceedings, reexaminations, oppositions and similar proceedings), post-grant reviews, requests for patent term adjustments, and maintenance of Patent Rights. For the avoidance of doubt, Prosecution and Maintenance excludes any applications or requests for patent term extension. When used as a verb, "**Prosecute and Maintain**" means to engage in Prosecution and Maintenance.

1.158. "**Quality Agreement**" has the meaning set forth in Section 5.1 (Quality Agreement).

1.159. "**Receiving Party**" has the meaning set forth in Section 1.50 ("Confidential Information").

1.160. "**Regulatory Approval**" means, with respect to a particular country or other regulatory jurisdiction, any approval of an MAA, or other approval, product, or establishment license, registration, or authorization of any Regulatory Authority necessary for the Manufacture, Commercialization, or other Exploitation of a pharmaceutical or biologic product in such country or other regulatory jurisdiction, including all supplements and amendments thereto, excluding, in each case, Pricing and Reimbursement Approval.

1.161. "**Regulatory Authority**" means any applicable Governmental Authority with jurisdiction or authority over the Development, Manufacture, Commercialization, or other Exploitation (including Marketing Approval, Regulatory Approval, or Pricing and Reimbursement Approval) of pharmaceutical or biologic products in a particular country or other regulatory jurisdiction, and any corresponding national or regional regulatory authorities.

1.162. [***] means [***]

1.163. "**Regulatory Filings**" has the meaning set forth in Section 1.166 (Regulatory Submissions).

1.164. "**Regulatory Milestone Event**" has the meaning set forth in Section 8.2.2 (Regulatory Milestones).

1.165. "**Regulatory Milestone Payment**" has the meaning set forth in Section 8.2.2 (Regulatory Milestones).

1.166. "**Regulatory Submissions**" means any filing, application, dossier, or submission with any Regulatory Authority in support of the Development, Manufacture, Commercialization, or other Exploitation of a pharmaceutical or biologic product (including to obtain, support, or maintain Regulatory Approval from that Regulatory Authority), including all supplements, amendments and data with respect thereto ("**Regulatory Filings**"), and all correspondence or communication with or from the relevant Regulatory Authority, including minutes of any material meetings, telephone conferences, or discussions with the relevant Regulatory Authority. Regulatory

Submissions include all INDs, MAAs, and other applications for Regulatory Approval and their equivalents, and any Regulatory Filings, correspondence or communication with the relevant Regulatory Authority, INDs, MAAs, and other applications for Regulatory Approval and their equivalents that have been prepared for submission as of the Effective Date but not yet submitted (*e.g.*, outstanding study reports).

1.167. "**Restricted Party**" means any individual or entity on one or more of the Restricted Party Lists.

1.168. "**Restricted Party List**" means the list of sanctioned entities maintained by the United Nations; the Specially Designated Nationals and Blocked Persons List, the Foreign Sanctions Evaders List and the Sectoral Sanctions Identifications List, all administered by OFAC; the U.S. Denied Persons List, the U.S. Entity List, and the U.S. Unverified List, all administered by the U.S. Department of Commerce; and the entities subject to restrictive measures and the consolidated list of Persons, Groups, and Entities Subject to E.U. Financial Sanctions, as implemented by the E.U. Common Foreign & Security Policy.

1.169. [***] has the meaning set forth in [***].

1.170. "**RNAi Molecule**" means an exogenous double-stranded oligomeric (*i.e.*, RNA or modified variants thereof) molecule.

1.171. "**Royalties**" has the meaning set forth in Section 8.3 (Royalties).

1.172. "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period commencing on the First Commercial Sale of such Licensed Product in such country and expiring upon the last to occur of (a) the expiration of the last Valid Claim of [***], (b) [***], and (c) [***] after the First Commercial Sale of [***] in such country.

1.173. "**Sales Milestone Event**" has the meaning set forth in Section 8.2.3 (Sales Milestones).

1.174. "**Sales Milestone Payment**" has the meaning set forth in Section 8.2.3 (Sales Milestones).

1.175. "**SEC**" means the United States Securities and Exchange Commission or any successor Governmental Authority having substantially the same function.

1.176. "**Securitization Transaction**" has the meaning set forth in Section 15.1.2 (Securitization Transaction).

1.177. "**Selling Party**" has the meaning set forth in Section 1.127 ("Net Sales").

1.178. "**Subcontractor**" means a Third Party contractor engaged by a Party to perform certain obligations or exercise certain rights of such Party under this Agreement on a fee-for-service basis (including contract research organizations, Third Party Distributors, or CMOs).

1.179. "**Sublicensee**" means any Third Party to whom a Party or any of its Affiliates or Sublicensees has granted or grants a license, sublicense, option to license or sublicense, or similar right hereunder to Develop, Manufacture, Commercialize, or otherwise Exploit a Licensed Product, or any further sublicensee of such rights (regardless of the number of tiers, layers or levels of sublicenses of such rights) (the agreement with such Third Party, a "**Sublicense**").

1.180. "**Tax**" and "**Taxation**" means any form of tax or taxation, levy, duty, charge, social security charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge, or interest) imposed by, or payable to, any government, state or municipality, or any local, state, federal, or other fiscal, revenue, customs, or excise authority, body, or official in the Territory.

1.181. "**Technology Transfer Working Group**" has the meaning set forth in Section 3.2.1 (Technology Transfer Working Group).

1.182. "**Technology Transfer Plan**" has the meaning set forth in Section 3.2.2 (Technology Transfer).

1.183. "**Term**" has the meaning set forth in Section 13.1 (Term).

1.184. "**Territory**" means worldwide, including all of the countries of the world, and their territories and possessions.

1.185. "**Third Party**" means any Person other than Arrowhead, Madrigal, or their respective Affiliates.

1.186. "**Third Party Distributor**" means, with respect to a country, any Third Party that purchases its requirements for Licensed Products in such country from Madrigal or its Affiliates or Sublicensees and is appointed as a distributor to distribute, market, and resell such Licensed Products in such country, even if such Third Party is granted ancillary rights to Develop, package, or obtain Regulatory Approval of such Licensed Product in order to distribute, market, or sell such Licensed Product in such country.

1.187. "**Trademark**" means any trademark, trade name, service mark, service name, brand, domain name, trade dress, logo, slogan, or other indicia of origin or ownership, including the goodwill and activities associated with each of the foregoing.

1.188. "**United States**" or "**U.S.**" means the United States and its territories, possessions and commonwealths.

1.189. "**Upfront Payment**" has the meaning set forth in Section 8.1 (Upfront Payment).

1.190. "**Valid Claim**" means (a) a claim of any issued and unexpired Patent Right whose validity, enforceability, or patentability has not been affected by any of the following: (i) irretrievable lapse, abandonment, revocation, cancellation, dedication to the public, or disclaimer; or (ii) a holding, finding, or decision of invalidity, unenforceability, or non-patentability by a court, governmental agency, national or regional patent office, or other appropriate body that has competent jurisdiction, such holding, finding, or decision being final and unappealable or unappealed within the time allowed for appeal; or (b) a pending claim of an unissued, pending patent application that has not been pending for more than [***] from its earliest priority date, in which case it will cease to be considered a Valid Claim until the patent issues and recites said claim. For clarity, a holding, finding, or decision being final and unappealable or unappealed means a holding, finding, or decision from which no appeal can be or has been taken.

1.191. "**VAT**" has the meaning set forth in Section 8.6.6(d) (VAT).

1.192. "**Withholding Taxes**" has the meaning set forth in Section 8.6.6(a) (Withholding Taxes).

2. LICENSE GRANTS; EXCLUSIVITY

2.1. **License Grants to Madrigal**. Subject to the terms and conditions of this Agreement, Arrowhead hereby grants to Madrigal and its Affiliates, during the Term, an exclusive (even as to Arrowhead and its Affiliates, except as set forth in Section 2.4 (Arrowhead Retained Rights)), non-transferable (except in accordance with Section 15.1 (Assignment)), royalty-bearing, sublicensable (through multiple tiers, in accordance with Section 2.2 (Sublicensing Terms)) license under the Arrowhead Technology to Develop, Manufacture, perform Medical Affairs, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field and in the Territory.

2.2. **Sublicensing Terms**.

2.2.1. Subject to this Section 2.2 (Sublicensing Terms), Madrigal and its Affiliates may grant sublicenses under Section 2.1 (License Grants to Madrigal) to any Third Party, including to any Subcontractor to the extent a sublicense of the rights granted to Madrigal hereunder is necessary for such Subcontractor to satisfy Madrigal's obligations as delegated to such Subcontractor.

2.2.2. With respect to any sublicense granted pursuant to Section 2.2.1 (Sublicensing Terms) or Section 2.3 (Performance through Subcontractors) to a Sublicensee or a Subcontractor, as the case may be:

(a) any such sublicense or subcontract agreement will be consistent with the terms of this Agreement and obligate the Sublicensee or Subcontractor to comply with the applicable terms of this Agreement;

(b) as between the Parties, Madrigal will remain primarily liable to Arrowhead for the performance of all of its obligations under, and its compliance with all provisions of, this Agreement, and for the performance of its Sublicensees and its Subcontractors, and Arrowhead will have the right to proceed directly against Madrigal without any obligation to first proceed against such Sublicensees or Subcontractors;

(c) without limiting Section 2.2.2(a) (Sublicensing Terms), each Sublicensee and Subcontractor, as applicable, will (i) undertake in writing obligations of confidentiality and non-use regarding Confidential Information that are substantially the same as those undertaken by the Parties with respect to Confidential Information pursuant to Article 9 (Confidentiality and Publication), and (ii) use Commercially Reasonable Efforts to require that each of its Sublicensees and Subcontractors undertakes in writing to assign or exclusively license back (with the right to sublicense through multiple tiers) to Madrigal all Arising Know-How and Arising Patent Rights (including intellectual property with respect to any Licensed Compounds and Licensed Products conceived, invented, developed, or otherwise made in the course of performing any work); and

(d) within a reasonable time after execution of any Sublicense with a Sublicensee that [***], Madrigal will provide to Arrowhead a copy of such agreement (other than any agreement with a Subcontractor), which agreement may be redacted to omit any terms not necessary to determining Madrigal's and such Sublicensee's obligations under this Agreement.

2.3. Performance through Subcontractors. Subject to Section 2.2.2 (Sublicensing Terms) and Section 5.4.2 (Manufacturing Technology Transfer), Madrigal and any of its Affiliates may perform any of its rights or obligations under this Agreement through one or more Subcontractors.

2.4. Arrowhead Retained Rights. Except as expressly granted under Section 2.1 (License Grants to Madrigal), Arrowhead hereby expressly retains, on behalf of itself and its Affiliates and Subcontractors, all rights under the Arrowhead Technology other than those granted to Madrigal hereunder, including the right to (a) Manufacture Licensed Compounds and Licensed Products in accordance with Article 5 (Manufacturing), (b) fulfill its obligations under any agreement between the Parties for Arrowhead's performance of Development activities or Manufacturing activities on behalf of Madrigal or its Affiliates or its Sublicensees for any Licensed Compounds and Licensed Products, and (c) fulfill any other obligations expressly set forth under this Agreement.

2.5. No Other Rights. Except as otherwise expressly provided in this Agreement, under no circumstances will a Party or any of its Affiliates, as a result of this Agreement, obtain any ownership interest, license, or other right in or to any Know-How, Patent Rights, or other intellectual property of the other Party, including tangible or intangible items owned, Controlled,

or developed by the other Party, or provided by the other Party to the receiving Party at any time, pursuant to this Agreement. Any rights not expressly granted by a Party under this Agreement are hereby retained by such Party.

2.6. Combination Products. Notwithstanding any other provision of this Agreement, for purposes of the license grants under Section 2.1 (License Grants to Madrigal), with respect to any Licensed Product that is a Combination Product, such license will not include any Other Component Controlled by, as applicable, Arrowhead or any of its Affiliates or Madrigal or any of its Affiliates included in any such Combination Product.

2.7. License to Arrowhead. Subject to the terms and conditions of this Agreement, Madrigal hereby grants to Arrowhead and its Affiliates a non-exclusive, non-transferable (except in accordance with Section 15.1 (Assignment)), royalty-free, fully paid-up, sublicensable (to a Subcontractor in accordance with Section 2.3 (Performance through Subcontractors)), license under the Madrigal Arising Technology, solely to the extent necessary to enable Arrowhead to perform its obligations under and in accordance with the terms of this Agreement.

2.8. Third Party In-License Payments.

2.8.1. **Prior to the Effective Date**. As between the Parties, Arrowhead will be solely responsible for any license fees, milestones, royalties, and other payments, whether accruing prior to, on, or following the Effective Date, under any of the Pre-Existing Third Party Agreements.

2.8.2. **After Effective Date**.

(a) **Product-Specific Third Party Rights**. If, in the reasonable opinion of Madrigal, rights under any Patent Rights or Know-How of a Third Party are necessary or reasonably useful for the Exploitation of any of the Licensed Compounds or Licensed Products by Madrigal or any of its Affiliates or any of its or their Sublicensees in any country of the Territory that are not Platform Third Party Rights ("**Product-Specific Third Party Rights**"), then, as between the Parties, [***].

(b) **Platform Third Party Rights**.

(i) From and after the Effective Date and continuing during the Term, subject to Madrigal's rights under Section 12.5.2 (Defense), prior to Arrowhead (or any of its Affiliates) entering into an agreement with respect to any Patent Rights or Know-How of a Third Party that are or is: (A) generally applicable to making, using, or selling RNAi Molecules; (B) not specific to any Licensed Compound, Licensed Product, or other RNAi Molecule Directed To PNPLA3, or any method of manufacture or use thereof; and (C) in the reasonable opinion of Arrowhead is necessary or reasonably useful for the Exploitation of one or more Licensed Compounds or Licensed Products (such Patent Rights or Know-How, a "**Platform Third Party Rights**" and such agreement, a "**Platform Third Party Agreement**"), Arrowhead will provide written notice to Madrigal of Arrowhead's (or its Affiliate's) intent to enter into such proposed Platform Third Party Agreement, along with reasonably detailed information regarding the proposed financial terms, as well as any other material terms applicable to sublicensees under such proposed Platform Third Party Agreement and the relevant Patent Rights or Know-How owned or otherwise controlled by such Third Party that are proposed to be included as Arrowhead Technology if Madrigal elects to take a sublicense under such proposed Platform Third Party Agreement pursuant to Section 2.8.2(b)(ii) (Platform Third Party Rights). After receipt of such notice from Arrowhead with respect to any Platform Third Party Agreement, Madrigal will have the right to request discussions with Arrowhead, and, if so requested, the Parties will

promptly meet and discuss such Platform Third Party Rights and Platform Third Party Agreement, including the proposed financial terms and other terms applicable to sublicensees thereunder.

(ii) Arrowhead (or its Affiliate) will use Commercially Reasonable Efforts to obtain sublicensable licenses or other rights under the relevant Platform Third Party Rights pursuant to its corresponding Platform Third Party Agreement that are sufficient to grant Madrigal a license with respect to the Licensed Compounds and Licensed Products on terms substantially consistent with the rights and licenses granted to Madrigal under the Arrowhead Technology pursuant to Section 2.1 (License Grants to Madrigal); *provided* that, [***]. In no event will Arrowhead enter into any Platform Third Party Agreement under which rights are not sublicensable to Madrigal in a manner that precludes Madrigal from entering into an agreement with the applicable Third Party for a grant of such Platform Third Party Rights to Exploit the Licensed Compounds and Licensed Products in the Field in the Territory.

(iii) If Arrowhead (or its Affiliate) is successful in obtaining such sublicensable licenses or other rights under the applicable Platform Third Party Agreement in accordance with Section 2.8.2(b) (Platform Third Party Rights), then (A) Madrigal will have the right, by delivery of written notice to Arrowhead, to elect to take a sublicense under such relevant Patent Rights or Know-How in-licensed by Arrowhead (or its Affiliate) under such Platform Third Party Agreement, and (B) if Madrigal makes such election, (1) [***], and (2) Madrigal agrees to comply, and will cause its Affiliates and its and their Sublicensees to comply, with any applicable obligations under such Platform Third Party Agreement that apply to Madrigal (or its Affiliates or its or their Sublicensees) as sublicensees thereunder and of which Madrigal was informed by Arrowhead in writing prior to such election by Madrigal pursuant to this Section 2.8.2(b)(iii) (Platform Third Party Rights), including [***]. If Madrigal fails to deliver such written notice to Arrowhead or otherwise declines such a sublicense, then the Platform Third Party Right subject to such Platform Third Party Agreement will not be included within the Arrowhead Technology or in any of the licenses and other rights granted to Madrigal and its Affiliates and its and their Sublicensees under this Agreement.

(iv) Nothing in this Section 2.8.2(b) (Platform Third Party Rights) restricts Madrigal's right to obtain any license or other rights in or to any Platform Third Party Right directly from any Third Party that owns or otherwise controls any Platform Third Party Right.

2.9. Exclusivity.

2.9.1. **Exclusivity Covenants**. Subject to Section 2.9.2 (Arrowhead Change of Control), [***] (the "**Exclusivity Period**"), Arrowhead will not, and will ensure that its Affiliates do not, independently or for or with any Third Party, Develop or Commercialize in the Territory any compound or product that is Directed To PNPLA3 as a primary mechanism of action [***] (such compound or product, a "**Competing Product**" and such activities, the "**Competitive Activities**"), except in accordance with Section 13.6.2 (Exclusivity).

2.9.2. **Arrowhead Change of Control**. If, during the Exclusivity Period, Arrowhead undergoes a Change of Control and [***].

2.9.3. **Acquired Business Exception**. Notwithstanding the restrictions set forth in Section 2.9.1 (Exclusivity Covenants), if, during the Exclusivity Period, [***]:

(a) Arrowhead may elect to [***]; or

(b) Arrowhead may elect to [***].

3. DEVELOPMENT

3.1. **Madrigal Development and Medical Affairs Activities**. Madrigal will have sole control over and decision-making authority, at its sole cost and expense, for the Development of, and performance of Medical Affairs for, all Licensed Compounds and Licensed Products in the Field in the Territory.

3.2. **Technology Transfer Working Group; Technology Transfer; Assistance**.

3.2.1. **Technology Transfer Working Group**. Following the Effective Date, the Parties, through the JTC, will establish a technology transfer working group (the "**Technology Transfer Working Group**") to oversee and coordinate the implementation of the Technology Transfer Plan. The Technology Transfer Working Group will have no responsibility or decision-making authority except as expressly provided in this Section 3.2 (Technology Transfer Working Group; Technology Transfer; Assistance) or otherwise expressly agreed by the Parties in writing.

3.2.2. **Technology Transfer**. Arrowhead, at its cost and expense, will, and will cause its Affiliates to, transfer, disclose, and make available to Madrigal (or its designee) the Arrowhead Know-How listed on **Schedule 3.2.2** (excluding all Arrowhead Manufacturing Know-How that is not listed therein, which will be provided to Madrigal in accordance with Section 5.4.2 (Manufacturing Technology Transfer)) in accordance with **Schedule 3.2.2** (Initial Technology Transfer Plan) (the "**Technology Transfer Plan**"). Either Party, through the Technology Transfer Working Group, may propose amendments to the Technology Transfer Plan for the Technology Transfer Working Group to submit such draft amendments to the JTC to review, discuss and determine whether to approve. In addition, for a period of [***] following the date on which the last transfer provided for under the Technology Transfer Plan was completed, Madrigal may request from Arrowhead, and Arrowhead will transfer to Madrigal, any Arrowhead Know-How that (a) should have been included in such Technology Transfer Plan and erroneously was omitted therefrom, or (b) was specified in Technology Transfer Plan and erroneously was not transferred pursuant thereto. For clarity, Arrowhead will not be required to create any documentation or data that does not already exist as of the date the Technology Transfer Plan has been agreed to, or as of the date of any such request by Madrigal for any such additional Arrowhead Know-How.

3.2.3. **Assistance**. Upon Madrigal's reasonable request and for a reasonable period following the Effective Date, Arrowhead will provide Madrigal with such assistance as is reasonably necessary in connection with the Arrowhead Know-How being transferred, *provided* that [***].

3.3. [***].

3.4. **Development Reports; Records**.

3.4.1. **Development Reports**. Until the [***], Madrigal will provide Arrowhead with a [***], summarizing the material Development activities conducted by Madrigal and its Affiliates and their respective Sublicensees with respect to the Licensed Compounds and the Licensed Products, [***]. All information in such reports will be deemed Madrigal's Confidential Information.

3.4.2. **Scientific Records**. With respect to all Development activities conducted by Madrigal, its Affiliates, and its and their Sublicensees and Subcontractors hereunder for Licensed

Compounds and Licensed Products in the Field in the Territory, Madrigal will, and will require its Affiliates, and its and their Sublicensees and Subcontractors to, maintain scientific records in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, and, to the extent applicable, in compliance with GLP, GMP, and GCP with respect to activities intended to be submitted in Regulatory Filings (including INDs), all of which records will fully and accurately reflect all work done and results achieved in the performance of such Development and all Clinical Trials by or on behalf of Madrigal, its Affiliates, and its and their Sublicensees and Subcontractors with respect to Licensed Compounds and Licensed Products under this Agreement.

4. REGULATORY MATTERS

4.1. Regulatory Responsibilities.

4.1.1. **Arrowhead's Transfer of Transferred Regulatory Items; Right of Reference**.

(a) **Transfer**. Promptly after the Effective Date and as described in the Technology Transfer Plan, Arrowhead will take all steps reasonably necessary to assign and transfer to Madrigal the Regulatory Submissions Controlled by Arrowhead or any of its Affiliates with respect to the Licensed Products in the Territory (collectively, the "**Transferred Regulatory Items**"). The Parties will cooperate in good faith in executing such assignment and transfer, and Arrowhead will provide Madrigal with a copy of all Transferred Regulatory Items, as well as a copy of all material written communications with Regulatory Authorities made in furtherance of such assignment and transfer, to the extent not already transferred under Section 3.2.2 (Technology Transfer). In addition, as described in the Technology Transfer Plan, Arrowhead will transfer to Madrigal the global safety database for ARO-PNPLA3; *provided* that, notwithstanding such transfer and as may be applicable, each Party will provide to the other Party such information from such safety database as either Party may reasonably require to satisfy such Party's obligations under applicable Laws.

(b) **Right of Reference**. If Arrowhead has not transferred any Regulatory Submissions in accordance with Section 4.1.1(a) (Transfer), then, solely until such Transferred Regulatory Items are assigned to Madrigal, Arrowhead, on behalf of itself and its Affiliates, hereby grants to Madrigal, its Affiliates, and its Sublicensees (without any further action required on the part of Arrowhead and its Affiliates, whose authorization to file this consent with any Regulatory Authority of the Territory is hereby granted effective as of the Effective Date), a "Right of Reference," as that term is defined in 21 C.F.R. § 314.3(b) (or any successor rule), and corresponding rights under the foreign equivalents of 21 C.F.R. § 314.3(b) in the applicable countries in the Territory, to, and a right to copy, access, reference, and otherwise use (at Madrigal's cost and expense), any Regulatory Filings and other material Regulatory Submissions with respect to the Licensed Products in the Territory not assigned to Madrigal in accordance with Section 4.1.1(a) (Transfer). Arrowhead will (i) provide to Madrigal a signed statement to the effect of the foregoing in accordance with 21 C.F.R. § 314.50(g)(3) (or any successor rule or foreign equivalent) and will take, at Madrigal's cost and expense, such additional actions as may be reasonably requested by Madrigal to give effect to the intent of this Section 4.1.1(b) (Right of Reference) and (ii) provide Madrigal with any underlying raw data or information submitted by Arrowhead or any of its Affiliates to a Regulatory Authority with respect to any such Regulatory Filings and other material Regulatory Submissions with respect to a Licensed Product.

4.1.2. **Madrigal Regulatory Responsibilities**. From and after completion of the assignment and transfer contemplated by Section 4.1.1(a) (Transfer), (a) Madrigal (itself or through its Affiliate or Sublicensee) will have sole control over, and decision-making authority with respect to, all regulatory matters in the Territory relating to the Licensed Products, will own and maintain all INDs, clinical trial applications, MAAs, Regulatory Approvals, Regulatory Filings, and other Regulatory Submissions in the Territory with respect to the Licensed Products (in each case, as applicable), and will be responsible, and act as the sole point of contact, for communications with all Regulatory Authorities in the Territory relating to the Licensed Products; (b) Madrigal (itself or through any of its Affiliates or Sublicensees) will have sole control over, and decision-making authority with respect to, preparing, filing, and maintaining all INDs, MAAs, Regulatory Approvals, Regulatory Filings, and other Regulatory Submissions in the Territory for the Licensed Products, and [***], Arrowhead will provide [***] for such INDs, MAAs, Regulatory Approvals, Regulatory Filings, and other Regulatory Submissions [***]; and (c) Madrigal will be responsible, and act as the sole point of contact, for all meetings with all applicable Regulatory Authorities in the Territory related to the Licensed Products.

4.2. **Costs of Regulatory Affairs**. Madrigal will be solely responsible for all costs and expenses incurred by or on behalf of Madrigal or its Affiliates associated with preparing, filing, obtaining, and maintaining Regulatory Approvals in the Territory for the Licensed Products.

4.3. **Pharmacovigilance Agreement**. As soon as reasonably practicable following the Effective Date but in no event later than [***] after the Effective Date, the Parties will use good faith efforts to negotiate and execute a pharmacovigilance agreement, on reasonable and customary terms that may provide for, among other things: [***] (the "**Pharmacovigilance Agreement**"). The Pharmacovigilance Agreement will contain terms no less stringent than those required by Good Pharmacovigilance Practices (GVP), ICH, or other applicable guidelines in order to allow the Parties to meet the applicable regulatory and legal requirements regarding the management of safety data. Pending entry into such Pharmacovigilance Agreement, the Parties will, within [***] following the Effective Date, [***].

4.4. **No Regulatory Actions**. Without Madrigal's prior written consent, Arrowhead will not communicate with any Regulatory Authority in the Territory regarding any Licensed Compound or Licensed Product unless so ordered by such Regulatory Authority, in which case Arrowhead in advance of any response thereto will promptly notify Madrigal of such order and the Parties will work together in good faith regarding the contents of any potential response, *provided* that nothing in this clause (a) will prohibit Arrowhead from responding solely to the extent required by applicable Law, and (b) Arrowhead will not submit any Regulatory Submissions to any Regulatory Authority in the Territory (other than as necessary to perform Arrowhead's obligations in accordance with Section 4.1.1 (Arrowhead's Transfer of Transferred Regulatory Items; Right of Reference)) and will not seek Regulatory Approvals for the Licensed Products in the Territory.

4.5. **Regulatory Audits and Inspections**. With respect to any inspection of Arrowhead or any of its Affiliates, (sub)licensees, or subcontractors by any Governmental Authority relating to any Licensed Compound or Licensed Product, Arrowhead will notify Madrigal in writing of such inspection (a) no later than [***] after Arrowhead receives notice of such inspection (or in any event with as much advanced notice as is possible prior to such inspection if Arrowhead receives notice thereof less than [***] in advance of the applicable inspection) or (b) within [***] after the completion of any such inspection of which Arrowhead did not receive prior notice. Arrowhead will [***] provide Madrigal [***]. Following any such regulatory inspection related to one or more Licensed Compounds or Licensed Products, Arrowhead will provide Madrigal [***] to the extent related to a Licensed Compound or Licensed Product within [***] after Arrowhead receives such findings, notice, or report, *provided* that Arrowhead may reasonably redact any such findings, notice, or report provided by the applicable Governmental Authority in respect of matter not relating to a Licensed Compound or Licensed Product.

5. MANUFACTURING

5.1. **Quality Agreement**. Promptly following the Effective Date, the Parties will negotiate and enter into a quality agreement that outlines the operational responsibilities of each Party with respect to quality assurance and quality control of the Licensed Compounds or Licensed Products supplied under this Agreement on customary and reasonable terms (the "**Quality Agreement**").

5.2. **Transfer of ARO-PNPLA3 Remaining Inventory**. Promptly following the Parties' entry into the Quality Agreement pursuant to Section 5.1 (Quality Agreement) and as described in the Technology Transfer Plan and consistent with the terms of the Quality Agreement, Arrowhead will deliver, or have delivered, to Madrigal, [***] any and all remaining inventory of ARO-PNPLA3 that is in Arrowhead's possession as of the Effective Date (the "**Existing Inventory**").

5.3. **Additional Supply of Licensed Product**. Upon Madrigal's written request, Arrowhead (through its CMO) will Manufacture and supply to Madrigal [***] in compliance with the terms of the Quality Agreement, all specifications, and applicable Law, to be charged to Madrigal at [***].

5.4. **Manufacturing Transfer Working Group; Manufacturing Technology Transfer**.

5.4.1. **Manufacturing Transfer Working Group**. [***], Madrigal may request in writing the transfer from Arrowhead or Arrowhead's CMO to Madrigal or, (with Arrowhead's prior written consent (not to be unreasonably withheld, conditioned or delayed)) a CMO designated by Madrigal (each, an "**Approved Madrigal CMO**"), [***] (the "**Arrowhead Manufacturing Know-How**"). [***], (i) the Parties will establish a manufacturing transfer working group (the "**Manufacturing Transfer Working Group**"), and (ii) promptly following its formation, the Manufacturing Transfer Working Group will prepare, and submit to the JTC to review, discuss, and determine whether to approve, a written Manufacturing technology transfer plan that provides for (a) Arrowhead or Arrowhead's Third Party CMO transferring [***], and (b) Arrowhead making available its technical Personnel on a reasonable basis and as more specifically specified therein to consult with Madrigal with respect to such transferred Arrowhead Manufacturing Know-How (such plan, the "**Manufacturing Technology Transfer Plan**"). The Manufacturing Transfer Working Group will oversee and coordinate the implementation of the Manufacturing Technology Transfer Plan, and will have no responsibility or decision-making authority except as expressly provided in this Section 5.4 (Manufacturing Transfer Working Group; Manufacturing Technology Transfer) or otherwise expressly agreed by the Parties in writing.

5.4.2. **Manufacturing Technology Transfer**. Pursuant to the timelines set forth in the Manufacturing Technology Transfer Plan that is agreed to by the Parties, and in any event no later than [***] thereafter, through the Manufacturing Transfer Working Group, Arrowhead will work with Madrigal to complete the transfer of the Arrowhead Manufacturing Know-How, and the other activities set forth in the Manufacturing Technology Transfer Plan. At all times, [***]. Arrowhead will provide [***]; thereafter, [***]. The Parties will cooperate in good faith to complete the transfer of all Arrowhead Manufacturing Know-How from Arrowhead to Madrigal (or its designee) within [***] after the Parties finalize the Manufacturing Technology Transfer Plan, or otherwise in accordance with the schedule in such Manufacturing Technology Transfer Plan. Any additional assistance to be provided by Arrowhead in connection with Arrowhead Know-How that has been transferred pursuant to a completed Manufacturing Technology Transfer Plan may be requested by Madrigal and provided by Arrowhead pursuant to a separate written agreement between the Parties providing for reasonable compensation to be paid to Arrowhead for providing such additional assistance.

6. COMMERCIALIZATION

6.1. **Commercialization of Licensed Products**. Madrigal will have sole control over and decision-making authority, at its sole cost and expense, for all Commercialization activities for the Licensed Products in the Territory.

6.2. **Recalls, Market Withdrawals, or Corrective Actions**. During the period commencing on the Effective Date and expiring upon the date that Arrowhead is not Manufacturing and supplying Licensed Products to Madrigal in accordance with Article 5 (Manufacturing), (a) each Party will use reasonable efforts to notify the other Party promptly, but in no event later than [***], following its determination that any event, incident, or circumstance has occurred that may result in the need for a recall, market suspension, or market withdrawal of a Licensed Product in the Territory and will include in such notice the reasoning behind such determination, and (b) Madrigal will have the sole right to make the final determination as to whether to voluntarily implement any such recall, market suspension, or market withdrawal in the Territory; *provided* that prior to the implementation of such a recall, market suspension, or market withdrawal, to the extent practical, Madrigal will consult with Arrowhead and will consider Arrowhead's comments in good faith. Except as otherwise set forth in the applicable supply agreement and its corresponding quality agreement, Madrigal will be solely responsible for the execution and all costs and expenses of all recalls, market suspensions, or market withdrawals of one or more Licensed Products, and, at Madrigal's cost and expense, Arrowhead will reasonably cooperate in all such efforts.

7. GOVERNANCE

7.1. **Alliance Managers**. Promptly following the Effective Date, each Party will designate (and notify the other Party of the identity of) an individual to facilitate communication and coordination of the Parties' activities under this Agreement (each, an "**Alliance Manager**"). For clarity, an Alliance Manager will not be a representative of its respective Party on any committee, and will have no voting right on any committee, unless otherwise agreed in writing by the Parties. Each Party may replace its Alliance Manager by written notice to the other Party.

7.2. **Joint Transition Committee**.

7.2.1. **Formation**. Within [***] after the Effective Date, the Parties will establish a committee (the "**Joint Transition Committee**" or "**JTC**"), composed of [***] members of each Party, to provide strategic oversight for the conduct of the activities set forth in the Technology Transfer Plan to effect the transition from Arrowhead to Madrigal of all information, Development, Existing Inventory, and (if elected by Madrigal pursuant to Section 5.4.2 (Manufacturing Technology Transfer)) Manufacturing responsibility for the Licensed Compounds and Licensed Products in the Territory, and the performance of the Technology Transfer Plan and Manufacturing Technology Transfer Plan. The JTC in particular will:

(a) until completion, oversee and monitor the transfer to Madrigal or its designee of the Arrowhead Know-How in accordance with the Technology Transfer Plan and Section 3.2.2 (Technology Transfer) (other than the Arrowhead Manufacturing Know-How that is not listed in the Technology Transfer Plan, which will be provided to Madrigal in accordance with Section 5.4.2 (Manufacturing Technology Transfer));

(b) until completion of performance thereunder, review, discuss, and determine whether to approve an amendment to the Technology Transfer Plan, as set forth in Section 3.2.2 (Technology Transfer);

(c) until completion, oversee and monitor the process for the (i) assignment to Madrigal of the Regulatory Filings and other material Regulatory Submissions for the Licensed Products, and (ii) transfer to Madrigal or its designee of the safety database for ARO-PNPLA3, each of the foregoing in accordance with Section 4.1.1(a) (Transfer);

(d) review, discuss, and determine whether to approve the Manufacturing Technology Transfer Plan or any updates thereto as set forth in Section 5.4.1 (Manufacturing Transfer Working Group);

(e) until completion, oversee and monitor the transfer to Madrigal or an Approved Madrigal CMO of the Arrowhead Manufacturing Know-How in accordance with the Manufacturing Technology Transfer Plan and Section 5.4.2 (Manufacturing Technology Transfer);

(f) review, discuss, and determine whether to approve matters referred to it by the Technology Transfer Working Group or Manufacturing Transfer Working Group; and

(g) perform such other functions as expressly set forth in this Agreement or allocated to it by the written agreement of the Parties.

7.2.2. **Members**. Each JTC member will have appropriate knowledge and expertise and sufficient seniority within the applicable Party to discuss issues within the scope of the JTC's responsibilities. Each Party may replace its JTC members upon written notice to the other Party, but each Party will use reasonable efforts to maintain continuity in the representation of JTC members. Arrowhead will appoint the chairperson of the JTC. The chairperson will oversee preparation and circulation of agendas to JTC members at least [***] before each JTC meeting and will direct the preparation of reasonably detailed minutes for each JTC meeting, which will be circulated to JTC members for review within [***] after such meeting. Each JTC member will have [***] from receipt in which to comment on and approve or provide comments to the minutes (such approval not to be unreasonably withheld, conditioned, or delayed). If a JTC member does not, within such time period, so notify the chairperson that he or she does not approve of the minutes, the minutes will be deemed to have been approved by such member. The initial members of the JTC will be determined by the Parties within [***] after the Effective Date.

7.2.3. **Meetings**. The JTC will hold meetings at such times as it elects to do so. Meetings may be by telephone, video conference, or in person. The first JTC meeting will be held promptly after the JTC's formation, but in any event no later than [***] after the Effective Date. Any in-person meetings of the JTC will be held at locations alternately selected by the Parties. Each Party will be responsible for the expenses of its respective JTC members in any JTC meeting. No action taken at any meeting of the JTC will be effective unless at least one member of each Party is participating. In addition, upon prior written notice to the other Party, either Party may request that a special ad hoc meeting of the JTC be convened for the purpose of resolving disputes or for the purpose of reviewing or making decisions pertaining to material subject matter, the review or resolution of which cannot be reasonably postponed until the following scheduled JTC meeting. Any such ad hoc meeting will be convened at such time as may be agreed by the Parties, but no later than [***] after the notification date of request that such meeting be held.

7.2.4. **Non-Member Attendance**. Each Party may, from time to time, invite a reasonable number of participants, in addition to its members, to attend the JTC meetings in a non-voting capacity; *provided* that, if either Party intends to have any Third Party (including any consultant) attend such a meeting, then such Party will provide reasonable prior written notice to the other Party and obtain the other Party's prior written approval for such Third Party to attend such meeting, which approval will not be unreasonably withheld, conditioned, or delayed. Such Party will ensure that such Third Party is bound by written confidentiality and non-use obligations no less restrictive than those set forth herein.

7.2.5. **Decision-Making**. All JTC decisions will be made by unanimous vote, with each Party's members collectively having one vote. If, after reasonable discussion and good faith consideration of each Party's view on a particular matter, the JTC members cannot reach an agreement as to such matter within [***] ("**JTC Review Period**"),

then either Party, by providing written notice to the other Party's JTC members (such notice, a "**JTC Referral Notice**"), may refer such issue to the Executive Officers for resolution within [***] after the expiration of the JTC Review Period. If the Executive Officers cannot resolve such matter within [***] after the date of the JTC Referral Notice, then (a) with respect to [***], then either Party will have the right to refer such matter to be determined by the expedited arbitration procedure set forth in Section 14.3 (Expedited Arbitration); and (b) with respect to all other matters, [***].

7.2.6. **Discontinuation of the JTC**. The activities to be performed by the JTC will solely relate to governance under this Agreement, and are not intended to be, or involve, the delivery of services. The JTC will continue to exist until the latest of (a) [***], (b) [***], and (c) [***]. It is anticipated that each of the items in clauses (a)-(c) will be completed on a different schedule. Upon the completion of any of the items in clauses (a)-(c), such item will no longer be included in the JTC's responsibilities. Upon the termination of the JTC, the exchange of information under this Agreement will occur through the Alliance Managers (unless otherwise agreed by the Parties), and the Parties will reach decisions directly on matters that are subject to the decision of the JTC.

7.2.7. **Limitations on Authority**. The JTC will have only such powers as are expressly assigned to it in this Agreement, and such powers will be subject to the terms and conditions of this Agreement. Without limiting the generality of the foregoing, (a) neither the JTC nor a Party exercising its decision-making authority will have the power to amend, interpret or waive compliance with this Agreement, and no decision by the JTC or a Party exercising its decision-making authority may be in contravention of any terms and conditions of this Agreement, and (b) the JTC will have no authority over [***].

8. PAYMENTS

8.1. **Upfront Payment**. In consideration of the licenses and other rights granted to Madrigal hereunder, Arrowhead will invoice Madrigal on or after the Effective Date and, within [***] following Madrigal's receipt of a valid invoice, Madrigal will make a one-time, [***], and [***] upfront payment to Arrowhead of $25,000,000 via wire transfer of immediately available funds to a U.S. bank account that has been designated by Arrowhead prior to the Effective Date (the "**Upfront Payment**").

8.2. **Milestone Payments**.

8.2.1. **Clinical Milestones**. Madrigal will pay to Arrowhead one-time, [***], and [***] milestone payments in accordance with Table 8.2.1 (Clinical Milestones) below (each, a "**Clinical Milestone Payment**") upon the first achievement by Madrigal or its Affiliates or its or their Sublicensees, assignees, or transferees of each of the applicable clinical milestone events as set forth in Table 8.2.1 (Clinical Milestones) below (each, a "**Clinical Milestone Event**") for [***]. For the avoidance of doubt, if Madrigal or its Affiliates or their respective Sublicensees, assignees, or transferees achieve all Clinical Milestone Events, then the Clinical Milestone Payments payable by Madrigal under this Section 8.2.1 (Clinical Milestones) will be [***].

Table 8.2.1–Clinical Milestones

Clinical Milestone Event	*Clinical Milestone Payment*
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]

[***]

8.2.2. Madrigal (or its assignee or transferee) will notify Arrowhead in writing of the achievement of a Clinical Milestone Event no later than [***] after its achievement thereof or, if achieved by Madrigal's Affiliate or Sublicensee, after Madrigal becoming aware of the achievement thereof, and pay to Arrowhead the corresponding Clinical Milestone Payment no later than [***] after the achievement of such Clinical Milestone Event.

8.2.3. **Regulatory Milestones**. Madrigal will pay to Arrowhead one-time, [***], and [***] milestone payments in accordance with Table 8.2.2 (Regulatory Milestones) below (each, a "**Regulatory Milestone Payment**") upon the first achievement by Madrigal or its Affiliates or their respective Sublicensees, assignees, or transferees of each of the applicable regulatory milestone events as set forth in Table 8.2.2 (Regulatory Milestones) below (each, a "**Regulatory Milestone Event**") for [***]. For the avoidance of doubt, if Madrigal or its Affiliates or their respective Sublicensees, assignees or transferees achieve all Regulatory Milestone Events, then the Regulatory Milestone Payments payable by Madrigal under this Section 8.2.2 (Regulatory Milestones) will be [***].

Table 8.2.2–Regulatory Milestones

Regulatory Milestone Event	***Regulatory Milestone Payment***
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]
5. [***]	[***]
6. [***]	[***]
7. [***]	[***]
8. [***]	[***]

Madrigal (or its assignee or transferee) will notify Arrowhead in writing of the achievement of a Regulatory Milestone Event no later than [***] after its achievement thereof or, if achieved by Madrigal's Affiliate or Sublicensee, after Madrigal becoming aware of the achievement thereof, and pay to Arrowhead the corresponding Regulatory Milestone Payment no later than [***] after the achievement of such Regulatory Milestone Event.

8.2.4. **Sales Milestones**. Madrigal will pay to Arrowhead one-time, [***], and [***] milestone payments in accordance with Table 8.2.3 (Sales Milestones) (each, a "**Sales Milestone Payment**") upon the first achievement by Madrigal or its Affiliates or their respective Sublicensees, assignees, or transferees of each of the sales milestone events set forth in Table 8.2.3 (Sales Milestones) below (each, a "**Sales Milestone Event**") with respect to [***] Net Sales of [***]. For the avoidance of doubt, if Madrigal or its Affiliates or their respective Sublicensees, assignees, or transferees achieve all Sales

Milestone Events, then the Sales Milestone Payments payable by Madrigal under this Section 8.2.3 (Sales Milestones) will be [***].

Table 8.2.3 –Sales Milestones	
Sales Milestone Event	***Sales Milestone Payment***
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]
5. [***]	[***]

[***].

Madrigal (or its assignee or transferee) will notify Arrowhead in writing of the achievement of a Sales Milestone Event no later than [***] after the end of the Calendar Year in which such Sales Milestone Event is achieved under this Section 8.2.3 (Sales Milestones), and pay to Arrowhead the corresponding Sales Milestone Payment, *provided* that Arrowhead has previously issued an invoice for such corresponding Sales Milestone Payment. [***]

8.3. **Royalties**. On a Licensed Product-by-Licensed Product and country-by-country basis, during the Royalty Term for each Licensed Product in each country in the Territory and subject to Section 8.4 (Royalty Reductions), Madrigal will pay to Arrowhead nonrefundable, non-creditable tiered royalty payments in the amount of the applicable royalty rates set forth in Table 8.3 (Royalty Payments) below based on the aggregate Net Sales [***] in the Territory by Madrigal, its Affiliates, or their respective Sublicensees, assignees, or transferees [***] (such payments, "**Royalties**"). [***].

Table 8.3 – Royalty Payments	
Annual Net Sales of [***]	***Royalty Rate (% of Annual Net Sales)***
The portion of Annual Net Sales of [***] less than [***]	[***]
The portion of Annual Net Sales of [***] greater than or equal to [***] and less than [***]	[***]
The portion of Annual Net Sales of [***] greater than or equal to [***] and less than [***]	[***]
The portion of Annual Net Sales of [***] greater than or equal to [***]	[***]

8.4. **Royalty Reductions**.

8.4.1. **Reduction for No Valid Claim**. Subject to Section 8.4.5 (Minimum Floor), on a Licensed Product-by-Licensed Product and country-by-country basis, if, within any time period during the Royalty Term for such Licensed Product in such country, such Licensed Product is not Covered by a Valid Claim of [***], the Net Sales of such Licensed Product in such country used to calculate Royalties due for such Licensed Product in such country in accordance with Section 8.3 (Royalties) will be reduced by [***] during such time period.

8.4.2. **Reduction for Generic Competition**. Subject to Section 8.4.5 (Minimum Floor), on a Licensed Product-by-Licensed Product and country-by-country basis, if, during the Royalty Term for such Licensed Product in such country, one or more Generic Products with respect to such Licensed Product is sold in such country in a given Calendar Quarter (the date of such first sale of a given Generic Product, such Generic Product's "**Generic Entry Date**"), [***], the Net Sales of such Licensed Product in such country used to calculate Royalties due for such Licensed Product in such country in accordance with Section 8.3 (Royalties) will be reduced by [***].

8.4.3. **Third Party Payments**. Subject to Section 8.4.5 (Minimum Floor), in the event that, during the Royalty Term for a Licensed Product in a country, Madrigal makes any [***] pursuant to any agreement with a Third Party or any Platform Third Party Agreement as set forth in Section 2.8.2(b)(iii) (Platform Third Party Rights), in each case, under which Madrigal is granted rights (whether by acquisition, license, or sublicense) to [***] in such country owned or otherwise controlled by such Third Party that are [***] for [***] of such Licensed Product in such country, Madrigal may credit [***] of [***].

8.4.4. [***].

8.4.5. **Minimum Floor**. In no event will the Net Sales of a given Licensed Product in a country used to calculate Royalties due and payable by Madrigal to Arrowhead under Section 8.3 (Royalties) in a given Calendar Quarter for such Licensed Product in such country be reduced to less than [***] of the Net Sales of such Licensed Product in such country in such Calendar Quarter as a result of [***].

8.5. Other Amounts Payable. With respect to any amounts owed under this Agreement by one Party to the other for which no other invoicing and payment procedure is specified in this Agreement, within [***] after the end of each Calendar Quarter each Party will provide an invoice, together with reasonable supporting documentation, to the other Party for such amounts owed in respect of such Calendar Quarter. The owing Party will pay any undisputed amounts within [***] after receipt of the invoice and will pay any disputed amounts owed by such Party within [***] after resolution of the Dispute.

8.6. Payment Terms.

8.6.1. **Manner of Payment**. All payments to be made between the Parties under this Agreement will be made in Dollars and will be paid by wire transfer in immediately available funds to a bank account designated by the receiving Party; *provided* that in no event will Madrigal be obligated to make payments under this Agreement to any Affiliate of Arrowhead that is organized in any jurisdiction outside of the U.S. without Madrigal's prior written consent.

8.6.2. **Reports and Royalty Payments**. With respect to each Calendar Quarter during which Royalties are due and payable by Madrigal to Arrowhead, within [***] after the end of such Calendar Quarter, Madrigal will submit to Arrowhead a written report including the following information listed by Licensed Product and by country or other jurisdiction of sale in the Territory: [***]. Royalties will be payable on a Calendar Quarter basis and Madrigal will make any such payments within [***] after the end of the Calendar Quarter during which the applicable Net Sales of Licensed Products occurred.

8.6.3. **Records and Audits**. Each Party will keep, and will cause its Affiliates and its Sublicensees to keep, complete, true, and accurate books and records in accordance with GAAP in relation to this Agreement, including in relation to (a) in the case of Madrigal, all Net Sales, Royalties, and Sales Milestone Payments (the "**Madrigal Records**") and (b) in the case of Arrowhead, all costs and expenses incurred in connection with [***] and any other amounts to be reimbursed by Madrigal under this Agreement (the "**Arrowhead Records**"). Each Party will keep, and will cause its

Affiliates and its Sublicensees to keep, such books and records until the later of (i) [***] and (ii) [***]. Either Party (the "**Auditing Party**") may cause an internationally-recognized independent accounting firm (the "**Auditor**") that is reasonably acceptable to the other Party (the "**Audited Party**") to inspect the relevant records of the Audited Party and its Affiliates and Sublicensees to verify the payments made under this Agreement and the related reports, statements and books of accounts, as applicable. Before beginning its audit, the Auditor will execute an undertaking reasonably acceptable to the Audited Party by which the Auditor agrees to keep confidential all information reviewed during the audit. The Audited Party and its Affiliates and Sublicensees will make their records available for inspection by the Auditor during regular business hours at such place or places where such records are customarily kept, upon receipt of reasonable advance notice from the Auditing Party. The Auditor will review such records solely to verify the accuracy of (A) in the case of Madrigal, its Affiliate or its Sublicensee as the Audited Party, the Madrigal Records and the payments owed to Arrowhead under the financial terms of this Agreement and (B) in the case of Arrowhead as the Audited Party, the Arrowhead Records and [***]. Each Party will not exercise such inspection right [***]. In addition, the Auditing Party will only be entitled to audit the books and records of the Audited Party, its Affiliates, and its Sublicensees from [***] prior to the Calendar Year in which the Auditing Party notifies the Audited Party of such audit request. Notwithstanding any provision to the contrary in Article 9 (Confidentiality and Publication), the Auditing Party agrees to hold in strict confidence all information received and all information learned in the course of any audit or inspection, except to the extent necessary for the Auditing Party to enforce its rights under this Agreement or to the extent required to comply with any applicable Law, regulation, or judicial order. The Auditor will provide its audit report and basis for any determination to the Audited Party at the time such report is provided to the Auditing Party. If the final result of the inspection reveals an undisputed underpayment or overpayment by the Audited Party, then, subject to Section 8.6.5 (Disputed Payments), the underpaid or overpaid amount will be settled promptly. The Auditing Party will pay for such inspections, as well as its expenses associated with enforcing its rights with respect to any payments hereunder; *provided*, *however*, that, if the final results of such audit reveal an overpayment or underpayment of more than [***] of the total payments due hereunder for the audited period, then the fees and expenses charged by the Auditor will be paid by the Audited Party.

8.6.4. **Currency Exchange**. The rate of exchange to be used in computing the amount of currency equivalent in Dollars owed to a Party under this Agreement will be the [***] average exchange rate between each currency of origin and Dollars as reported by *The Wall Street Journal*, *East Coast Edition* or an equivalent resource as agreed by the Parties.

8.6.5. **Disputed Payments**. If a dispute arises between the Parties, with each Party acting in good faith, in respect of any part of an invoice, then the disputing Party will notify the other Party promptly in writing with particulars of such dispute and will be entitled to withhold payment of the disputed amount. Each Party will use reasonable efforts to promptly and in good faith resolve the dispute in accordance with Article 14 (Dispute Resolution). Payment of any disputed amounts will be made within [***] following the resolution of such dispute.

8.6.6. **Taxes**.

(a) **Withholding Taxes**. The amounts payable pursuant to this Agreement ("**Payments**") will not be reduced on account of any Taxes unless required by Law. The Parties acknowledge that no Taxes are expected to be deducted or withheld from the Payments. [***]. If [***] ("**Withholding Taxes**"), Madrigal will use reasonable efforts to promptly (but no later than [***]) notify Arrowhead in writing of the potential for Withholding Taxes and the basis

therefor, and use reasonable efforts to cooperate with Arrowhead in good faith so as to reduce or eliminate any potential obligation for such withholding of Taxes to the greatest extent possible, including with respect to obtaining the benefit of any present or future treaty against double Taxation or refund or reduction in such Taxes. Madrigal will deduct and withhold from the Payments any Taxes that it is required by Law to deduct or withhold and will properly remit such Taxes to the appropriate Governmental Authority. Any such amounts deducted or withheld by Madrigal and properly remitted to the appropriate Governmental Authority will be treated as having been paid to Arrowhead (or its permitted assignee, including as a result of a Securitization Transaction) for purposes of this Agreement. Madrigal will provide Arrowhead with reasonable evidence of the proper payment of any withholding Taxes applicable to the Payments, and any receipts or certifications provided by or to a Governmental Authority, when and if available. If Withholding Taxes are paid to a Governmental Authority, then Madrigal will provide reasonable assistance to Arrowhead to obtain a refund of such Withholding Taxes, or obtain a credit with respect to Taxes paid, to the extent that such a refund or credit is available under applicable Law; *provided* that Madrigal will be reimbursed for any reasonable out of pocket costs and expenses incurred with providing such assistance.

(b) **Cooperation**. The Parties will use reasonable efforts to provide each other with information required by a Party for the purpose of filing applicable tax returns or reducing or eliminating Withholding Taxes or VAT.

(c) **Assignments and Transfers**. If a Party that owes a Payment under this Agreement is required by Law to withhold taxes in respect of any Payment, and if such withholding obligation arises as a result of an assignment of this Agreement as permitted under Section 15.1 (Assignment) of this Agreement, a change in tax residency of such Party, or payments arise or are deemed to arise through a branch of such Party, which withholding obligations would not have otherwise arisen absent such action, then any applicable Payments for which the recipient Party is, in the good faith discretion of the recipient Party's tax counsel or accountants (following reasonable discussions with the paying Party or its representatives), not able to recover or credit such withheld amount in the taxable year of such payment or the immediately succeeding year will be increased to take into account such Withholding Taxes as may be necessary so that, after making all required Tax withholdings and deductions (including Tax withholdings and deductions on amounts payable under this Section 8.6.6 (Taxes)), the payee receives an amount equal to the sum it would have received had no such increased withholding been made.

(d) **VAT**. All amounts expressed to be payable pursuant to this Agreement by Madrigal to Arrowhead which (in whole or in part) constitute the consideration for any supply for the purposes of any value-added, sales, use, excise or similar Tax ("**VAT**") are deemed to be exclusive of any VAT that is chargeable on that supply, and accordingly, if VAT is or becomes chargeable on any supply for VAT purposes made by Arrowhead to Madrigal pursuant to this Agreement and Arrowhead is required to account to the relevant tax authority for the VAT, Madrigal will pay to Arrowhead (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (upon Arrowhead's provision of an appropriate VAT invoice to Madrigal).

(e) **Tax Forms**. Arrowhead will have delivered to Madrigal a valid, properly completed, duly executed applicable Internal Revenue Service Form W-9.

8.6.7. **Blocked Payments**. If, by reason of Law in any country, it becomes impossible or illegal for a Party to transfer, or have transferred on its behalf, any payment owed to the other Party hereunder, then such Party will (a) promptly notify the other Party of the conditions preventing such transfer and (b) deposit such payment in local currency in the relevant country to the credit of the other Party in a recognized banking institution designated by the other Party or, if none is designated by the other Party within a period of [***], in a recognized banking institution selected by the transferring Party, as the case may be, and identified in a written notice given to the other Party.

8.6.8. **Interest Due**. If a Party does not receive payment of any sum due to it on or before the due date, simple interest will thereafter accrue on the sum due to such Party until the date of payment at the per annum rate equal [***].

9. CONFIDENTIALITY AND PUBLICATION

9.1. **Confidential Information**. The existence and terms of this Agreement are the Confidential Information of each Party, and each Party will be deemed a Receiving Party with respect thereto. (a) Unpublished patent applications within the Licensed Product-Specific Patent Rights and Arrowhead Know-How that is specific to the composition of matter, form, formulation, or a method of treatment with, or use or Manufacture of a Licensed Compound or a Licensed Product ("**Product-Specific Know-How**"), in each case, will be the Confidential Information of both Parties; (b) except as set forth in clause (a) or clause (e) of this Section 9.1 (Confidential Information), all Arrowhead Know-How that is neither Product-Specific Know-How nor Joint Arising Know-How will be the Confidential Information of Arrowhead; (c) except as set forth in clause (e) of this Section 9.1 (Confidential Information), all Madrigal Arising Know-How and all reports delivered by Madrigal to Arrowhead hereunder, in each case, will be the Confidential Information of Madrigal; (d) all Know-How within the Joint Arising Know-How will be the Confidential Information of both Parties, regardless of which Party initially generated or disclosed the relevant Joint Arising Know-How to the other Party in connection with this Agreement; and (e) all information exchanged between the Parties regarding the Prosecution and Maintenance, defense, and enforcement of the Patent Rights under Article 12 (Intellectual Property) will be the Confidential Information of both Parties. All information disclosed by a Party pursuant to the Confidentiality Agreement is deemed the Confidential Information of such Party pursuant to this Agreement.

9.2. **Non-Disclosure and Non-Use Obligation**. Except as otherwise expressly set forth in this Article 9 (Confidentiality and Publication), the Receiving Party will, during the Term and for a period of [***] thereafter, keep the Confidential Information of the Disclosing Party confidential using at least the same degree of care with which the Receiving Party holds its own Confidential Information (but in no event less than a reasonable degree of care) and will not (a) disclose such Confidential Information to any Person without the prior written approval of the Disclosing Party, except, solely to the extent necessary to exercise its rights or perform its obligations under this Agreement, to its employees, Affiliates, Sublicensees, Subcontractors, consultants or agents who have a need to know such Confidential Information, all of whom will be similarly bound by confidentiality, non-disclosure, and non-use provisions at least as restrictive or protective of the Parties as those set forth in this Agreement and for whom the Disclosing Party will be responsible, or (b) use such Confidential Information for any purpose other than for the purposes contemplated by this Agreement. The Receiving Party will cause the foregoing Persons to comply with the restrictions on use and disclosure set forth in this Section 9.2 (Non-Disclosure and Non-Use Obligation) and will be responsible for ensuring that such Persons maintain the Disclosing Party's Confidential Information in accordance with this Article 9 (Confidentiality and Publication). Each Party will promptly notify the other Party of any misuse or unauthorized disclosure of the other Party's Confidential Information.

9.3. **Exemptions**. Information of a Disclosing Party will not be Confidential Information of such Disclosing Party to the extent that the Receiving Party can demonstrate through competent evidence that such information: (a) is already in the possession of the Receiving Party at the time of its receipt from the Disclosing Party and not through a prior disclosure by or on behalf of the

Disclosing Party; (b) is generally available to the public before its receipt from the Disclosing Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure by the Disclosing Party and other than through any act or omission of the Receiving Party or any of its Affiliates or disclosees in breach of this Agreement, including pursuant to Section 9.8 (Publications); (d) is subsequently disclosed to the Receiving Party or any of its Affiliates without obligation of confidentiality by a Third Party who may rightfully do so and is not under a conflicting obligation of confidentiality to the Disclosing Party; or (e) other than any Arising Know-How, is developed independently by employees, Subcontractors, consultants, or agents of the Receiving Party or any of its Affiliates without use of or reliance upon the Disclosing Party's Confidential Information. No combination of features or disclosures will be deemed to fall within the foregoing exclusions merely because individual features are published or available to the general public or in the rightful possession of the Receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party. Specific aspects or details of Confidential Information will not be deemed to be within the public domain or in the possession of the Receiving Party merely because the Confidential Information is encompassed by more general information in the public domain or in the possession of the Receiving Party.

9.4. Permitted Disclosures. In addition to the exceptions contained in Section 9.2 (Non-Disclosure and Non-Use Obligation), the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent (and solely to the extent) that such disclosure is reasonably necessary in the following instances:

9.4.1. (a) the Prosecution and Maintenance of Patent Rights as contemplated under Article 12 (Intellectual Property); or (b) Regulatory Submissions and other filings with Governmental Authorities (including Regulatory Authorities) for the Exploitation of Licensed Products in accordance with this Agreement; *provided* that the Receiving Party will take all reasonable measures to ensure the confidential treatment of such Confidential Information to the extent permitted under applicable Law;

9.4.2. to actual or *bona fide* potential [***], solely for the purpose of evaluating or carrying out an actual or potential [***]; *provided* that, in each such case, (a) such Persons are bound by obligations of confidentiality, non-disclosure, and non-use provisions at least as restrictive or protective of the Parties as those set forth in this Agreement or otherwise customary for such type and scope of disclosure, (b) any such disclosure is limited to the maximum extent practicable for the particular context in which it is being disclosed, and (c) that the term of such confidentiality obligation must be consistent with industry standards;

9.4.3. if required by Law, including as may be required in connection with any filings made with, or by the disclosure policies of a major stock exchange, in which case the terms of such disclosures will be governed by Section 9.5 (Confidential Treatment); *provided* that the Party seeking to disclose the Confidential Information of the other Party: (a) uses reasonable efforts to inform the other Party prior to making any such disclosures and reasonably cooperate with the other Party in seeking a protective order or other appropriate remedy (including redaction), and (b) whenever possible, requests confidential treatment of such information in accordance with Section 9.5 (Confidential Treatment);

9.4.4. to prosecute or defend litigation so long as there is [***] prior written notice given by the Receiving Party before filing, and to enforce Patent Rights in connection with the Receiving Party's rights and obligations pursuant to this Agreement; *provided* that the Party seeking to disclose the Confidential Information of the other Party: (a) uses reasonable efforts to inform the other Party prior to making any such disclosures and reasonably cooperate with the other Party in seeking a protective order or other appropriate remedy (including redaction), and (b) whenever possible, requests confidential treatment of such information in accordance with Section 9.5 (Confidential Treatment); and

9.4.5. to any Third Party to the extent a Party is required to do so pursuant to the terms and conditions of an in-license agreement with such Third Party relating to the intellectual property rights sublicensed to the other Party hereunder, *provided* that any such Third Party receiving Confidential Information is bound by obligations of confidentiality, non-disclosure, and non-use provisions at least as restrictive or protective of the Parties as those set forth in this Agreement or otherwise customary for such type and scope of disclosure.

If and whenever any Confidential Information is disclosed in accordance with this Section 9.4 (Permitted Disclosures), such disclosure will not cause any such information to cease to be Confidential Information except to the extent that such disclosure results in a public disclosure of such information (other than by breach of this Agreement).

9.5. **Confidential Treatment**. To the extent allowed by applicable Law, each Party will promptly inform the other Party of the disclosure that is being sought (and to the extent possible, as early as possible and at least [***] notice) in order to provide the other Party an opportunity to challenge or limit the disclosure and will reasonably cooperate with the other Party to do so. In the event that no such protective order or other remedy is obtained, or the Disclosing Party waives compliance with certain terms of this Article 9 (Confidentiality and Publication), then the Receiving Party will furnish only that portion of Confidential Information that the Receiving Party is advised by counsel is legally required to be disclosed. Notwithstanding Section 9.2 (Non-Disclosure and Non-Use Obligation), Confidential Information that is permitted or required to be disclosed will remain otherwise subject to the confidentiality and non-use provisions of Section 9.2 (Non-Disclosure and Non-Use Obligation). Notwithstanding the foregoing, if either Party concludes based on the reasonable opinion of counsel that a copy of this Agreement must be filed with the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States, such Party will, within a reasonable time prior to any such filing (and to the extent possible at least [***] prior to any such filing), provide the other Party with a copy of this Agreement showing any provisions hereof as to which such Party proposes to request confidential treatment, and the Parties will coordinate with each other and will use good faith efforts to agree on the redaction of certain provisions of this Agreement (together with all exhibits and schedules) before filing such copy of this Agreement, *provided* that notwithstanding the foregoing, the filing Party will retain final decision-making authority over the redactions to be made in its filed copy of this Agreement.

9.6. **Relationship to Confidentiality Agreement**. This Agreement supersedes the Confidentiality Agreement; *provided*, *however*, that all "**Confidential Information**" disclosed or received by the Parties and their Affiliates thereunder will be deemed the Confidential Information of the originally Disclosing Party hereunder and will be subject to the terms and conditions of this Agreement.

9.7. **Use of Name and Logo**. Subject to Section 9.8.2 (Announcements), neither Arrowhead nor Madrigal will use the other Party's or its Affiliates' name or logo in any label, press release, or product advertising, or for any other promotional purpose, without first obtaining the other Party's written consent.

9.8. **Publications**.

9.8.1. **Coordination**. During the Term, Arrowhead and Madrigal will, from time to time and at the request of the other Party, discuss the general information content relating to this Agreement that may be publicly disclosed; *provided* that, without limitation of Arrowhead's rights under Section 9.8.3 (Publication Rights), Madrigal will have no obligation to consult with Arrowhead with respect to public announcement or publications concerning Madrigal's Exploitation of any Licensed Product that does not reference Arrowhead or disclose any of Arrowhead's Confidential Information or the Arrowhead Platform.

9.8.2. **Announcements**. Except as may be expressly permitted under Section 9.8.1 (Coordination), Section 9.8.3 (Publication Rights), or Section 9.4 (Permitted Disclosures), during the Term, neither Party will make any public announcement that

includes the financial terms of this Agreement without the prior written approval of the other Party, except for either Party's references to the other as the licensor or licensee (as applicable) or a collaboration partner under this Agreement. On or following the Effective Date, each of Madrigal and Arrowhead may issue a press release in substantially the form set forth on, respectively, **Schedule 9.8.2-A** (Madrigal Press Release) and **Schedule 9.8.2-B** (Arrowhead Press Release). After the issuance of such press release or other permitted public disclosure by a Party, either Party may make subsequent public disclosures reiterating such information without having to obtain the other Party's prior consent and approval so long as the information in such press release or other public announcement remains true, correct, and the most current information with respect to the subject matters set forth therein.

9.8.3. **Publication Rights**. During the Term, Madrigal may, in its sole discretion, publish any academic, scientific, medical, or business publication related to one or more Licensed Compounds or Licensed Products, including results of all Clinical Trials and other Development activities conducted with respect to any Licensed Compound or Licensed Product, *provided* that no publication will include any Confidential Information of Arrowhead or any discussion of the Arrowhead Platform, other than the Product-Specific Know-How, without Arrowhead's prior written consent, not to be unreasonably withheld, conditioned, or delayed. Arrowhead will have no such right to publish the results of Clinical Trials or other Development activities conducted with respect to any Licensed Compound or Licensed Product. Madrigal will provide Arrowhead with a copy of each such publication or presentation within [***] after Arrowhead's written request for such copy (if not previously provided). Without limiting the foregoing, Madrigal will acknowledge the contributions of Arrowhead and the employees of Arrowhead in any such publication or presentation, in accordance with standard academic practice regarding authorship of scientific publications.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1. Mutual Representations and Warranties. Each Party represents and warrants to the other Party, as of the Effective Date that:

10.1.1. such Party is a corporation duly organized, validly existing, and in good standing under the Laws of its jurisdiction of incorporation or formation;

10.1.2. such Party has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations under this Agreement;

10.1.3. all requisite corporate action on the part of such Party and its directors and stockholders required by Law for the authorization, execution, and delivery by such Party of this Agreement, and the performance of all obligations of such Party under this Agreement, has been taken;

10.1.4. the execution, delivery, and performance of this Agreement, and compliance with the provisions of this Agreement, by such Party do not and will not: (a) violate any provision of Law or any ruling, writ, injunction, order, permit, judgment, or decree of any Governmental Authority; (b) constitute a breach of, or default under (or an event that, with notice or lapse of time or both, would become a default under) or conflict with, or give rise to any right of termination, cancellation or acceleration of, any agreement, arrangement or instrument, whether written or oral, by which such Party or any of its assets are bound; or (c) violate or conflict with any of the provisions of such Party's organizational documents (including any articles or memoranda of organization or association, charter, bylaws, or similar documents);

10.1.5. such Party has not entered into any agreement with any Third Party that is in conflict with the rights granted to the other Party under this Agreement, and has not taken any action that would prevent it from granting the rights granted to the other Party under

this Agreement, or that would otherwise conflict with or adversely affect the other Party's rights under this Agreement;

10.1.6. no consent, approval, authorization, or other order of, or filing with, or notice to, any Governmental Authority or other Third Party is required to be obtained or made by such Party in connection with the authorization, execution, and delivery by such Party of this Agreement; and

10.1.7. this Agreement has been duly executed and delivered on behalf of such Party and is a legal and valid obligation binding upon it and is enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, and other similar laws affecting creditors' rights generally and by general principles of equity.

10.2. Additional Representations and Warranties by Arrowhead. Arrowhead represents and warrants to Madrigal, except as set forth on **Schedule 10.2** (Exceptions to the Representations and Warranties by Arrowhead), as of the Effective Date:

10.2.1. **Arrowhead Patent Rights**. (a) **Schedule 1.104** (Licensed Product-Specific Patent Rights) and **Schedule 1.26** (Arrowhead Platform Patent Rights) set forth a complete and accurate list of all Arrowhead Patent Rights issued or pending as of the Effective Date and specifies the owner of such Patent Rights, and, with respect to in-licensed Patent Rights, whether such Patent Rights are licensed exclusively or non-exclusively, and (b) the Arrowhead Patent Rights existing as of the Effective Date constitute all of the Patent Rights owned or in-licensed by Arrowhead or any of its Affiliates as of such date that are necessary or reasonably useful for the Development, Manufacture, Commercialization, or other Exploitation, each as contemplated by Arrowhead or any of its Affiliates as of the Effective Date, of ARO-PNPLA3 as it exists as of the Effective Date in the Field in the Territory. [***].

10.2.2. **Licensed Compounds**. The Licensed Compounds include all compounds and products owned or in-licensed by Arrowhead or any of its Affiliates as of the Effective Date that are Directed To PNPLA3.

10.2.3. **Arrowhead Technology**. Arrowhead has (a) legal or beneficial title and sole ownership of, or a non-exclusive or exclusive right to use, all Arrowhead Technology existing as of the Effective Date, except as set forth on **Schedule 10.2.3** (Arrowhead Technology), free and clear of all mortgages, pledges, liens, encumbrances, security interests, or claims of any kind, including claims by any Governmental Authority or academic or non-profit institution; and (b) authority to grant to Madrigal and its Affiliates the licenses set forth in Section 2.1 (License Grants to Madrigal) under the Arrowhead Technology. [***].

10.2.4. **No Conflicts**. Except as set forth in **Schedule 10.2.4** (No Conflicts), Arrowhead has not previously assigned, transferred, conveyed, or granted any license or other rights under the Arrowhead Technology that would conflict with or limit the scope of any of the rights or licenses granted to Madrigal hereunder.

10.2.5. **Ownership of Arrowhead Technology**. With respect to all Arrowhead Technology existing as of the Effective Date that is owned or purported to be owned by Arrowhead (a) Arrowhead and its Affiliates have obtained from all employees and independent contractors who participated in the invention or authorship thereof, assignments of all ownership rights of such employees and independent contractors in such Arrowhead Technology, either pursuant to written agreement or by operation of Law; (b) all of Arrowhead's and its Affiliates' employees, officers, contractors, and consultants have executed agreements or have existing obligations under Law requiring assignment to Arrowhead or its Affiliate, as applicable, of all rights, title, and interests in and to their inventions made during the course of and as the result of this Agreement; and (c) no officer or employee of Arrowhead or any of its Affiliates is subject to any agreement

with any other Third Party that requires such officer or employee to assign any interest in any Arrowhead Technology to such Third Party.

10.2.6. **Prosecution of Arrowhead Patent Rights**. The owned-Arrowhead Patent Rights, the in-licensed Arrowhead Patent Rights for which Arrowhead controls prosecution, and, to Arrowhead's knowledge, the in-licensed Arrowhead Patent Rights for which a Third Party controls prosecution, in each case, existing as of the Effective Date, as applicable, are being diligently prosecuted in the respective patent offices in accordance with Law, and Arrowhead and its Affiliates have presented all references, documents, or information for which it and the inventors had a duty to disclose under Law, including 37 C.F.R. § 1.56 or its foreign equivalent, to the relevant patent examiners at the relevant patent offices for each such Arrowhead Patent Right.

10.2.7. **Validity and Enforceability**. With respect to owned Arrowhead Patent Rights, the in-licensed Arrowhead Patent Rights for which Arrowhead controls prosecution, and, to Arrowhead's knowledge, the in-licensed Arrowhead Patent Rights for which a Third Party controls prosecution, in each case, existing as of the Effective Date, there is no opposition, nullity action, interference, *inter partes* reexamination, *inter partes* review, post-grant review, derivation proceeding, or other proceeding pending or, to Arrowhead's knowledge, threatened in writing (but excluding office actions or similar communications issued by the United States Patent and Trademark Office or any analogous foreign Governmental Authority (collectively, "**Patent Offices**") in the ordinary course of Prosecution and Maintenance of any patent application) that challenge the ownership, scope, duration, validity, enforceability, or priority of any such Arrowhead Patent Right owned or purported to be owned by Arrowhead. To Arrowhead's knowledge, the Arrowhead Patent Rights that have issued are subsisting, valid, and enforceable, and Arrowhead does not have knowledge of any fact or circumstance that would cause Arrowhead to reasonably conclude that any issued Arrowhead Patent Right is, or will be upon issuance, invalid, or unenforceable.

10.2.8. **Inventorship**. Inventorship of each owned Arrowhead Patent Right and, to Arrowhead's knowledge, each in-licensed Arrowhead Patent Right, in each case, existing as of the Effective Date, is properly identified on each patent and patent application. To Arrowhead's knowledge, there is no dispute with respect to inventorship of any Arrowhead Patent Rights.

10.2.9. **Good Standing**. All official fees, maintenance fees, and annuities for any pending or issued owned-Arrowhead Patent Rights, in-licensed Arrowhead Patent Rights for which Arrowhead controls prosecution and maintenance, and, to Arrowhead's knowledge, in-licensed Arrowhead Patent Rights for which a Third Party controls prosecution and maintenance, in each case, existing as of the Effective Date, have been paid when due, and all administrative procedures with Governmental Authorities have been completed for such Arrowhead Patent Rights such that such Patent Rights are subsisting and in good standing.

10.2.10. [***].

10.2.11. [***].

10.2.12. **Government Funding**. No government funding, facilities of a university, college, or other educational institution or research center was used in the development of any owned-Arrowhead Patent Rights or, to Arrowhead's knowledge, in-licensed Arrowhead Patent Rights. No Person who was involved in, or who contributed to, the creation or development of any owned-Arrowhead Patent Rights or, to Arrowhead's knowledge, any in-licensed Arrowhead Patent Rights, has performed services for the government or any university, college, or other educational institution or research

center in a manner that would affect Arrowhead's rights in the Arrowhead Patent Rights.

10.2.13. **No Claims**. There is (a) no claim, judgment, or settlement against or owed by Arrowhead or any of its Affiliates and (b) no pending or, to Arrowhead's knowledge, threatened claim or litigation, in each case ((a) and (b)), related to the Arrowhead Technology or ARO-PNPLA3.

10.2.14. **Notice of Infringement or Misappropriation**. Neither Arrowhead nor any of its Affiliates have received any written notice or written threat from any Third Party asserting or alleging that any Development, Manufacture, Commercialization, or other Exploitation, each as contemplated by Arrowhead or any of its Affiliates prior to the Effective Date, of ARO-PNPLA3 as it exists as of the Effective Date, infringed, misappropriated, or otherwise violated any valid and enforceable Patent Right or Know-How of a Third Party. [***].

10.2.15. **Third Party Technology**. To Arrowhead's knowledge, the Development, Manufacture, Commercialization, and other Exploitation, each as contemplated by Arrowhead or any of its Affiliates of ARO-PNPLA3 as it exists as of the Effective Date, in the Field in the Territory does not infringe, misappropriate, or otherwise violate any valid and enforceable Patent Right or Know-How of any Third Party.

10.2.16. **Third Party Infringement**. To Arrowhead's knowledge, no Third Party is infringing, misappropriating, or otherwise violating, or threatening to infringe, misappropriate, or otherwise violate, the Arrowhead Technology.

10.2.17. **Confidentiality of Trade Secrets**. Arrowhead and its Affiliates have taken commercially reasonable measures consistent with industry practices to protect the secrecy, confidentiality, and value of all Arrowhead Know-How that constitutes trade secrets under Law (including requiring all employees, consultants, and independent contractors to execute binding and enforceable agreements requiring all such employees, consultants, and independent contractors to maintain the confidentiality of such Arrowhead Know-How).

10.2.18. **Third Party Agreements**. Except for the Pre-Existing Third Party Agreements, there are no Third Party agreements pursuant to which Arrowhead Controls any of the Arrowhead Technology.

10.2.19. **Pre-Existing Third Party Agreements**. **Schedule 1.152** (Pre-Existing Third Party Agreements) contains a true and complete list of all agreements constituting the Pre-Existing Third Party Agreements existing as of the Effective Date, and Arrowhead has provided Madrigal with an accurate copy of each Pre-Existing Third Party Agreement. Each Pre-Existing Third Party Agreement is in full force and effect. No written notice of default or termination has been received or given under any Pre-Existing Third Party Agreement, and, to Arrowhead's knowledge, there is no act or omission by Arrowhead or any of its Affiliates that would provide a right to terminate any Pre-Existing Third Party Agreement.

10.2.20. **Compliance with Laws**. Arrowhead and its Affiliates have conducted, and, to Arrowhead's knowledge their respective contractors and consultants have conducted the Development and Manufacture of ARO-PNPLA3, as it exists as of the Effective Date, in compliance with all applicable Laws, including, as applicable, GLP, GCP, and GMP, and any applicable anti-corruption or anti-bribery laws or regulations of any Governmental Authority with jurisdiction over such Development and Manufacture. Neither Arrowhead nor its Affiliates, nor, to Arrowhead's knowledge, any of their employees, officers, subcontractors, or consultants who have rendered services relating to the Arrowhead Technology or ARO-PNPLA3, as it exists as of the Effective Date,

(a) has ever been Debarred or is subject to debarment or convicted of a crime for which an entity or person could be Debarred or (b) has ever been under indictment for a crime for which a person or entity could be Debarred.

10.2.21. **[***]**.

10.2.22. **[***]**.

10.2.23. **Disclosure**. In response to any of Madrigal's requests for information in its due diligence process prior to the Effective Date, Arrowhead has not intentionally made any untrue statement of a material fact or intentionally failed to provide or otherwise disclose to Madrigal any material information known to Arrowhead or any of its Affiliates at the time of such response.

10.3. Warranty Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY WITH RESPECT TO ANY PATENT RIGHTS, KNOW-HOW, MATERIALS, COMPOUND, PRODUCT, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NONINFRINGEMENT WITH RESPECT TO ANY AND ALL OF THE FOREGOING. EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE EXPLOITATION OF ANY LICENSED COMPOUND OR LICENSED PRODUCT PURSUANT TO THIS AGREEMENT WILL BE SUCCESSFUL.

10.4. [***].

10.5. Certain Covenants.

10.5.1. **Compliance**. Each Party and its Affiliates, Sublicensees, and Subcontractors, as applicable, will conduct the Exploitation of the Licensed Compounds and the Licensed Products in a good scientific manner and materially in accordance with all applicable Laws, including, as applicable, GLP, GCP, and GMP or regulations of any Governmental Authority with jurisdiction over the activities performed by or on behalf of such Party or its Affiliates, Sublicensees or Subcontractors in furtherance of such obligations. In addition, if a Party is or becomes subject to a legal obligation to a Governmental Authority (such as a corporate integrity agreement or settlement agreement with a Governmental Authority), then the other Party will perform such activities as may be reasonably requested by the obligated Party to enable such Party to comply with its legal obligation to such Governmental Authority with respect to the Licensed Products.

10.5.2. **No Debarment**. Neither Party will use or permit its Affiliates, Sublicensees, or Subcontractors to use, in any capacity in connection with the performance of its obligations under this Agreement, any Person that has been debarred pursuant to Section 306 of the FD&C Act, as amended, or that is the subject of a conviction described in such section. Each Party agrees to inform the other Party in writing immediately if it or any Person that is performing activities under this Agreement is debarred or is subject to debarment or is the subject of a conviction described in Section 306 of the FD&C Act, or if any action, suit, claim, investigation, or legal or administrative proceeding (a) has been filed and is pending or (b) is threatened in writing relating to the debarment or conviction of such notifying Party or, to such Party's knowledge, any Person or entity used in any capacity by such Party or any of its Affiliates with respect to this Agreement or the performance of its other obligations under this Agreement. Such notifying Party will use reasonable efforts to include in any agreement with any Person or entity used in any capacity by such Party or any of its Affiliates with respect to this Agreement or the performance of its other obligations under this Agreement an obligation to provide notice to such Party of the matters described in this Section 10.5.2 (No Debarment).

10.5.3. **[***]; Encumbrances**. [***]. Neither Arrowhead nor any of its Affiliates will permit, nor allow to be levied, any lien, encumbrance, charge, mortgage, liability, or security interest on any Arrowhead Technology in a manner that would reasonably be expected to adversely affect the rights granted to Madrigal under this Agreement.

10.5.4. **No Conflicts**. During the Term, Arrowhead will not enter into any agreement with any Third Party that is in conflict with or could otherwise adversely affect the rights granted to Madrigal under this Agreement and will not take any action that would prevent it from granting the rights granted to Madrigal under this Agreement or that would otherwise materially conflict with or adversely affect the rights granted to Madrigal under this Agreement. During the Term, each Party will not, and will cause its Affiliates not to, enter into any agreement (or amend any agreement that such Party or its Affiliate is a party to as of the Effective Date) granting any license or other right in, to or under (a) such Party's interest in the Joint Arising Technology and (b) if such Party is Madrigal, the Madrigal Arising Technology, in each case ((a) and (b)), that would prevent it from granting the rights granted to the other Party under this Agreement or that would otherwise conflict with or adversely affect the rights granted to the other Party under this Agreement.

10.5.5. **Export Controls**. Madrigal will not, and will ensure that its Affiliates and Sublicensees will not, export, transfer, or sell any Licensed Product (a) to any country or territory that is subject to comprehensive economic sanctions administered by OFAC, (b) to any other country or territory in which such activity would violate applicable Laws in the U.S., (c) to any Restricted Party, or (d) in such a manner that would violate the Global Trade Control Laws.

10.5.6. **Pre-Existing Third Party Agreements**.

(a) Arrowhead and its Affiliates will (i) not breach or be in default under any of its obligations under any Pre-Existing Third Party Agreement, in either case, in a manner that would give the applicable counterparty thereto a right to terminate such Pre-Existing Third Party Agreement, (ii) satisfy all of its obligations under each Pre-Existing Third Party Agreement, including any obligations arising due to the execution of, or activities under, this Agreement, the breach of which would give the applicable counterparty thereto a right to terminate such Pre-Existing Third Party Agreement, (iii) not do any other act or make any other omission that could give rise to a termination right of any other party to any Pre-Existing Third Party Agreement, and (iv) not terminate any Pre-Existing Third Party Agreement, or amend or waive any provision thereof, in the case of this clause (iv), [***].

(b) To the extent that the licensor in any Pre-Existing Third Party Agreement has retained any right to enforce, defend, prosecute, or maintain any Arrowhead Technology or otherwise be involved in such activities pursuant to the Pre-Existing Third Party Agreement, Arrowhead and its Affiliates will use commercially reasonable efforts to cause such licensor to take actions (or refrain from taking action, as applicable) consistent with Article 12 (Intellectual Property).

(c) Arrowhead and its Affiliates will furnish Madrigal with copies of all notices and correspondences that Arrowhead or any of its Affiliates receives in connection with any Pre-Existing Third Party Agreement the subject matter of which would materially and adversely affect Madrigal's rights or obligations under this Agreement within a reasonable period following Arrowhead's or its Affiliates' receipt of the same.

11. INDEMNIFICATION; LIMITATION OF LIABILITY; INSURANCE

11.1. Indemnification by Arrowhead. Arrowhead will indemnify, hold harmless, and defend Madrigal, its Affiliates, and their respective directors, officers, employees, and agents ("**Madrigal Indemnitees**") from and against any and all losses, liabilities, damages, costs, fees, and expenses (including reasonable attorneys' fees and litigation expenses) (collectively, "**Losses**") incurred from any claims, suits, proceedings, or causes of action brought by a Third Party (collectively, "**Claims**") against such Madrigal Indemnitees to the extent arising out of or resulting from:

11.1.1. any breach of any representation or warranty made by Arrowhead in this Agreement, or any breach or violation of any covenant or agreement of Arrowhead in this Agreement;

11.1.2. the gross negligence, fraud, or willful misconduct by or on behalf of any Arrowhead Indemnitee in the performance of Arrowhead's obligations or exercise of its rights under this Agreement; or

11.1.3. the Exploitation of any Licensed Compound or Licensed Product, in each case, by or on behalf of Arrowhead or any of its Affiliates (excluding such conduct by or on behalf of Madrigal or its Affiliates and its Sublicensees as licensees or sublicensees of Arrowhead hereunder).

Notwithstanding the foregoing, Arrowhead will have no obligation to indemnify the Madrigal Indemnitees to the extent that the Losses arise out of or result from matters described under Section 11.2 (Indemnification by Madrigal).

11.2. Indemnification by Madrigal. Madrigal will indemnify, hold harmless, and defend Arrowhead, its Affiliates and licensees and their respective directors, officers, employees, and agents ("**Arrowhead Indemnitees**") from and against any and all Losses incurred from any Claims against such Arrowhead Indemnitees to the extent arising out of or resulting from:

11.2.1. any breach of any representation or warranty made by Madrigal in this Agreement, or any breach or violation of any covenant or agreement of Madrigal in this Agreement;

11.2.2. the gross negligence, fraud, or willful misconduct by or on behalf of any Madrigal Indemnitee in the performance of Madrigal's obligations or exercise of its rights under this Agreement; or

11.2.3. the Exploitation of any Licensed Compound or Licensed Product, in each case, by or on behalf of Madrigal or any of its Affiliates or Sublicensees.

Notwithstanding the foregoing, Madrigal will have no obligation to indemnify the Arrowhead Indemnitees to the extent that the Losses arise out of or result from matters described under Section 11.1 (Indemnification by Arrowhead).

11.3. Indemnification Procedure.

11.3.1. **Notice**. The Party entitled to indemnification under this Article 11 (Indemnification; Limitation of Liability; Insurance) (an "**Indemnified Party**") will notify the Party responsible for such indemnification (the "**Indemnifying Party**") in writing promptly (and in any event no later than [***]) upon being notified of or having knowledge of any Claim or Claims asserted or threatened against the Indemnified Party that could give rise to a right of indemnification under this Agreement; *provided* that the failure to give such notice will not relieve the Indemnifying Party of its indemnity obligation hereunder except to the extent that such failure materially prejudices the Indemnifying Party.

11.3.2. **Indemnifying Party's Right to Defend**. Within [***] after receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party will have the right to defend, at its sole cost and expense and with counsel reasonably selected by the Indemnifying Party, any such Claim by all appropriate proceedings and, if it elects to do so, will provide written notice of such election to the Indemnified Party within such [***] period; *provided* that the Indemnifying Party may not enter into any compromise or settlement, unless (a) such compromise or settlement (i) imposes only a monetary obligation on the Indemnifying Party and includes as an unconditional term thereof the giving by each claimant or plaintiff of the Indemnified Party a release from all liability in respect of such Claim, (ii) admits no liability, wrongdoing, or other admission against interest on the part of the Indemnified Party, and (iii) would not have an adverse effect on the Indemnified Party's interests (including any rights under this Agreement or the scope or enforceability of the Patent Rights, Know-How and other intellectual property licensed hereunder); or (b) the Indemnified Party consents to such compromise or settlement, which consent will not be unreasonably withheld, conditioned or delayed unless such compromise or settlement involves (i) any admission of legal wrongdoing by the Indemnified Party, (ii) any payment by the Indemnified Party that is not indemnified under this Agreement, or (iii) the imposition of any equitable relief against the Indemnified Party (in which case, (i) through (iii), the Indemnified Party may withhold its consent to such settlement in its sole discretion).

11.3.3. **Indemnified Party's Right to Defend**. If the Indemnifying Party does not elect to assume control of the defense of a Claim by written notice to the Indemnified Party in accordance with Section 11.3.2 (Indemnifying Party's Right to Defend), then the Indemnified Party will have the right, at the expense of the Indemnifying Party, with written notice to the Indemnifying Party of its intent to do so, to undertake the defense of such Claim for the account of the Indemnifying Party (with counsel reasonably selected by the Indemnified Party); *provided* that the Indemnified Party will keep the Indemnifying Party apprised of all material developments with respect to such Claim. The Indemnified Party may not enter into any compromise or settlement without the prior written consent of the Indemnifying Party, such consent not to be unreasonably withheld, conditioned, or delayed.

11.3.4. **Cooperation**. The Indemnified Party will cooperate with the Indemnifying Party and may participate in, but not control, any defense or settlement of any Claim controlled by the Indemnifying Party pursuant to this Section 11.3 (Indemnification Procedure) and will bear its own costs and expenses with respect to such participation; *provided* that the Indemnifying Party will bear such costs and expenses if counsel for the Indemnifying Party reasonably determines that such counsel may not properly represent both the Indemnifying Party and the Indemnified Party.

11.4. Limitation of Liability. NEITHER PARTY WILL BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT, OR THE EXERCISE OF ITS RIGHTS OR THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER, OR ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, OR LOST PROFITS, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES, EXCEPT FOR DAMAGES THAT ARISE AS A RESULT OF (A) A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD, (B) A BREACH OF ARTICLE 9 (CONFIDENTIALITY AND PUBLICATION), OR (C) [***]. NOTHING IN THIS SECTION 11.4 (LIMITATION OF LIABILITY) IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER THIS AGREEMENT.

11.5. Insurance. Each Party will, at its own expense, procure and maintain during the Term and for a period of [***] thereafter, insurance policies, including product liability insurance when applicable, adequate to cover its obligations hereunder and that are consistent with normal business practices of prudent companies similarly situated. Such insurance will not be construed

to create a limit of a Party's liability with respect to its indemnification obligations under this Article 11 (Indemnification; Limitation of Liability; Insurance). Each Party will provide the other Party with written evidence of such insurance upon request. Each Party will provide the other Party with prompt written notice of cancellation, non-renewal, or material change in such insurance that could materially adversely affect the rights of such other Party hereunder and will provide such notice within [***] after any such cancellation, non-renewal, or material change.

12. INTELLECTUAL PROPERTY

12.1. Inventions.

12.1.1. **Inventorship**. Inventorship of Arising Know-How and Arising Patent Rights will be determined in accordance with United States patent Laws.

12.1.2. **Ownership of Arising Know-How and Arising Patent Rights**.

(a) **Arrowhead**. Subject to the rights or licenses granted by Arrowhead to Madrigal under this Agreement, as between the Parties, Arrowhead will own and retain all rights, title, and interest in and to any and all: (i) (A) Arising Know-How, regardless of inventorship, that is solely related to the Delivery Ligand (the "**Arising Delivery Ligand Know-How**") and (B) Arising Know-How that is conceived, invented, developed or otherwise made solely by or on behalf of one or more Personnel of Arrowhead (or any of its Affiliates, (sub)licensees or Subcontractors), but excluding any Arising Delivery Ligand Know-How and Joint Arising Know-How (together (i)(A) and (i)(B), the "**Arrowhead Arising Know-How**"), and (ii) (A) Arising Patent Rights, regardless of inventorship, that Cover solely any Arising Delivery Ligand Know-How (the "**Arising Delivery Ligand Patent Rights**") and (B) Arising Patent Rights that Cover solely any Arrowhead Arising Know-How set forth in the foregoing clause (i)(B) (together (ii)(A) and (ii)(B), the "**Arrowhead Arising Patent Rights**"). Madrigal hereby assigns and agrees to assign to Arrowhead all rights, title, and interest in and to any Arising Delivery Ligand Know-How that is conceived, discovered, developed, or otherwise made by or on behalf of: (x) one or more Personnel of Madrigal (or any of its Affiliates, Sublicensees, or Subcontractors), or (y) one or more Personnel of Madrigal (or any of its Affiliates, Sublicensees, or Subcontractors), on the one hand, and one or more Personnel of Arrowhead (or any of its Affiliates, (sub)licensees, or Subcontractors), on the other hand.

(b) **Madrigal**. Subject to the rights or licenses granted by Madrigal to Arrowhead under this Agreement, as between the Parties, Madrigal will own and retain all rights, title, and interest in and to any and all (i) Arising Know-How that is conceived, invented, developed, or otherwise made solely by or on behalf of one or more Personnel of Madrigal (or any of its Affiliates, Sublicensees or Subcontractors) but excluding any Arising Delivery Ligand Know-How and Joint Arising Know-How (the "**Madrigal Arising Know-How**"), and (ii) Arising Patent Rights that Cover solely any Madrigal Arising Know-How set forth in the foregoing clause (i) (the "**Madrigal Arising Patent Rights**").

(c) **Joint**. Subject to any rights or licenses expressly granted by one Party to the other Party under this Agreement, as between the Parties, the Parties will jointly own, on an equal and undivided basis, all rights, title, and interest in and to any and all: (i) Arising Know-How that is conceived, invented, developed, or otherwise made by or on behalf of one or more Personnel of Arrowhead (or any of its Affiliates, (sub)licensees, or Subcontractors), on the one hand, and one or more Personnel of Madrigal (or any of its Affiliates, Sublicensees, or Subcontractors), on the other hand, but excluding any Arising Delivery Ligand Know-How (the "**Joint Arising Know-How**"), and (ii) Arising Patent Rights that Cover solely any Joint Arising Know-How set forth

in the foregoing clause (i) (the "**Joint Arising Patent Rights**") (collectively the Joint Arising Know-How and the Joint Arising Patent Rights, the "**Joint Arising Technology**"). Subject to the rights or licenses granted to the other Party under this Agreement, each Party will be entitled to practice, license, assign, and otherwise exploit the Joint Arising Technology without the duty of accounting or seeking consent from the other Party, and where consent is required, such consent is hereby given. Each Party, for itself and on behalf of its Affiliates, hereby assigns and agrees to assign, to the other Party an equal and undivided joint ownership interest in and to all Joint Arising Technology, to be held in accordance with this Section 12.1.2(c) (Joint).

12.1.3. **Disclosure**. Each Party will promptly disclose to the other Party all invention disclosures or other similar documents relating to Arising Know-How conceived, invented, developed, or otherwise made by or on behalf of such Party (or its Affiliates, Sublicensees (or in the case of Arrowhead (sub)licensees), or Subcontractors) hereunder during the Term that is necessary or reasonably useful to Develop, Manufacture, Commercialize, or otherwise Exploit one or more Licensed Compounds or Licensed Products in the Field in the Territory, and all invention disclosures or other similar documents submitted to such Party by its or its Affiliates' employees, agents, or independent contractors relating to such Arising Know-How, and will also respond promptly to reasonable requests from the other Party for additional information relating to such disclosures, documents, or applications.

12.1.4. **Personnel Obligations**. Each employee, agent, or independent contractor of a Party or its respective Affiliates performing work under this Agreement will, prior to commencing such work, be bound by written invention assignment obligations, including: (a) promptly reporting any invention, discovery, or other intellectual property right; (b) presently assigning to the applicable Party or Affiliate all of his or her rights, title, and interests in and to any invention, discovery, or other intellectual property; (c) cooperating in the preparation, filing, prosecution, maintenance, and enforcement of any patent and patent application; and (d) performing all acts and signing, executing, acknowledging, and delivering any and all documents required for effecting the obligations and purposes of this Agreement. It is understood and agreed that such invention assignment agreement need not reference or be specific to this Agreement. Each Party will be solely responsible for any payments to inventors with an obligation to assign, or who do assign, their rights, title, and interests in and to any Arising Know-How and Arising Patent Rights to such Party. Arrowhead will be solely responsible for payments to inventors of any other Arrowhead Patent Rights.

12.2. Prosecution and Maintenance of Patent Rights. The Parties will conduct the Prosecution and Maintenance of the applicable Patent Rights in accordance with this Section 12.2 (Prosecution and Maintenance of Patent Rights).

12.2.1. **Madrigal Right to Prosecute Patent Rights**.

(a) Beginning on the Effective Date, as between the Parties, Madrigal will have the first right (but not the obligation) to Prosecute and Maintain all Licensed Product-Specific Patent Rights and Joint Arising Patent Rights in the Territory (such Patent Rights, collectively, the "**Madrigal Prosecuted Patent Rights**"), using patent counsel of its choice and, with respect to the Licensed Product-Specific Patent Rights and the Joint Arising Patent Rights, reasonably acceptable to Arrowhead. Madrigal will bear all Patent Costs incurred by Madrigal for the Prosecution and Maintenance of the Madrigal Prosecuted Patent Rights. Madrigal will [***]. Arrowhead will provide, at Madrigal's cost and expense, all assistance reasonably requested by Madrigal in Madrigal's Prosecution and Maintenance of the Licensed Product-Specific Patent Rights and the Joint Arising Patent Rights (including by executing all requested documents and providing additional information with respect to the

applicable Patent Rights). At its sole cost and expense, Madrigal will have the sole right to Prosecute and Maintain all Madrigal Arising Patent Rights.

(b) If Madrigal determines in its sole discretion to abandon or not to Prosecute and Maintain any Madrigal Prosecuted Patent Right, then Madrigal will provide Arrowhead with written notice promptly after such determination to allow Arrowhead a reasonable period of time to determine, on a country-by-country basis, in its sole discretion, its interest in assuming Prosecuting and Maintaining such Patent Right in the Territory (which notice by Madrigal will be given no later than [***] prior to the final deadline for any pending action or response that may be due with respect to such Patent Right with the applicable Patent Office). [***]. If Arrowhead provides written notice to Madrigal expressing its interest in assuming Prosecuting and Maintaining such Patent Right, then, with respect to such Patent Right in such country in the Territory, (i) Arrowhead may, in its sole discretion and at Arrowhead's cost and expense, Prosecute and Maintain or abandon such Patent Right, and (ii) Madrigal will promptly: (A) provide to Arrowhead or counsel designated by Arrowhead the file histories for, and correspondence with existing patent counsels related to, such Patent Right; (B) provide to Arrowhead a report detailing the status of such Patent Right as of the applicable date of such notice by Madrigal; and (C) at Arrowhead's cost and expense, provide all assistance reasonably requested by Arrowhead in Arrowhead's Prosecution and Maintenance of the applicable Patent Rights (including by executing all requested documents and providing additional information with respect to the applicable Patent Rights).

12.2.2. **Arrowhead Right to Prosecute Patent Rights**.

(a) Beginning on the Effective Date, as between the Parties, Arrowhead will have the first right (but not the obligation) to Prosecute and Maintain all Arrowhead Platform Patent Rights, including the Arising Delivery Ligand Patent Rights, in the Territory using outside patent counsel of its choice (the "**Arrowhead Prosecuted Patent Rights**"). Arrowhead will bear all Patent Costs incurred for the Prosecution and Maintenance of such Patent Rights. Arrowhead will [***]. Arrowhead will provide to Madrigal promptly after the Effective Date a report detailing the status of the Arrowhead Platform Patent Rights.

(b) If Arrowhead determines in its sole discretion to abandon or not to Prosecute and Maintain any Arrowhead Prosecuted Patent Right, then (*provided* that, with respect to such Patent Rights Covering the Delivery Ligand, Madrigal's rights shall be subordinated to the senior rights of Arrowhead's existing licensees as of the Effective Date as set forth on **Schedule 10.2.4** (No Conflicts)), Arrowhead will provide Madrigal with written notice promptly after such determination with respect to the Arrowhead Prosecuted Patent Rights, and Madrigal will determine, on a country-by-country basis, in its sole discretion, its interest in Prosecuting and Maintaining such Patent Right in the Territory (which notice by Arrowhead will be given no later than [***] prior to the final deadline for any pending action or response that may be due with respect to such Patent Right with the applicable Patent Office). [***]. If Madrigal provides written notice to Arrowhead expressing its interest in Prosecuting and Maintaining such Patent Right, then, with respect to such Patent Right in such country in the Territory, (i) Madrigal may, in its sole discretion and at Madrigal's cost and expense, Prosecute and Maintain or abandon such Patent Right, and (ii) Arrowhead will promptly: (A) provide to Madrigal or counsel designated by Madrigal the file histories for, and correspondence with existing patent counsel related to, such Patent Right; (B) provide to Madrigal a report detailing the status of such Patent Right as of the

applicable date of such notice by Arrowhead; and (C) at Madrigal's cost and expense, provide all assistance reasonably requested by Madrigal in Madrigal's Prosecution and Maintenance of the applicable Patent Rights (including by executing all requested documents and providing additional information with respect to the applicable Patent Rights).

12.2.3. **Cooperation**. The Parties will, and will cause their Affiliates to, cooperate and implement reasonable patent filing and prosecution strategies (including filing divisionals, continuations, or otherwise). To the extent reasonable and feasible, Licensed Product-Specific Patent Rights and Arrowhead Platform Patent Rights will be pursued in mutually exclusive patent applications (which may be simultaneously filed) and in separate and distinct patent families. Further, to the extent possible, the Parties will coordinate and determine the division of Arrowhead Patent Rights (including any Arrowhead Excluded Patent Right identified in accordance with [***]) as either Licensed Product-Specific Patent Right or Arrowhead Platform Patent Rights. [***].

12.3. Third Party Infringement and Defense. The Parties will conduct the enforcement and defense of the applicable Patent Rights in accordance with this Section 12.3 (Third Party Infringement and Defense).

12.3.1. **Notices**. Each Party will promptly report in writing to the other Party any Competitive Infringement of which such Party (or any of its Affiliates or Sublicensees) becomes aware and will provide the other Party with all available evidence of such Competitive Infringement in such Party's control.

12.3.2. **Madrigal Right to Enforce**.

(a) As between the Parties, Madrigal, at its own cost and expense, will have (i) the first right, but not the obligation, to bring a suit or other action to abate any existing, alleged, or threatened Competitive Infringement involving one or more Licensed Product-Specific Patent Rights or Joint Arising Patent Rights, and (ii) the sole right, but not the obligation, to bring a suit or other action to abate any existing, alleged, or threatened infringement action (A) involving one or more Madrigal Arising Patent Rights or (B) that is *not* a Competitive Infringement involving the Joint Arising Patent Rights.

(b) Madrigal will notify Arrowhead of its decision as to whether to take any action in accordance with Section 12.3.2(a)(i) (Madrigal Right to Enforce) at least [***] before any time limit set forth in any Law or regulation, or within [***] after being notified of such Competitive Infringement, whichever is shorter. If Madrigal decides not to take such action with respect to a Competitive Infringement involving one or more Licensed Product-Specific Patent Rights or Joint Arising Patent Rights, then Madrigal will so notify Arrowhead in writing, and following discussion with Madrigal and consideration in good faith of any rationale provided by Madrigal as to why Madrigal elected not to take such action, and with Madrigal's written consent (not to be unreasonably withheld, conditioned or delayed) following consideration in good faith of any rationale provided by Arrowhead, Arrowhead will have the right, but not the obligation, to commence a suit or take action to enforce the applicable Licensed Product-Specific Patent Right or Joint Arising Patent Right to abate such Competitive Infringement in the Territory, by counsel of its own choice and at its own cost and expense.

12.3.3. **Arrowhead Right to Enforce**.

(a) As between the Parties, Arrowhead, at its own cost and expense, will have (i) the first right, but not the obligation, to bring a suit or other action to abate any existing, alleged, or threatened Competitive Infringement involving the

Arrowhead Platform Patent Rights or Arising Delivery Ligand Patent Rights; *provided* that Arrowhead will seek and reasonably consider Madrigal's comments before determining the strategy for enforcing any such Patent Rights, and (ii) the sole right, but not the obligation, to bring a suit or other action to abate any existing, alleged, or threatened infringement action that is *not* a Competitive Infringement involving the Arrowhead Platform Patent Rights or the Arising Delivery Ligand Patent Rights.

(b) Arrowhead will notify Madrigal of its decision as to whether to take any action in accordance with Section 12.3.3(a)(i) (Arrowhead Right to Enforce) at least [***] before any time limit set forth in any Law or regulation, or within [***] after being notified of such Competitive Infringement, whichever is shorter. If Arrowhead decides not to take such action with respect to any Arrowhead Platform Patent Right or Arising Delivery Ligand Patent Right, then (*provided* that, with respect to such Patent Rights Covering the Delivery Ligand, Madrigal's rights shall be subordinated to the senior rights of Arrowhead's existing licensees as of the Effective Date), Arrowhead will so notify Madrigal in writing, and following discussion with Arrowhead and consideration in good faith of any rationale provided by Arrowhead as to why Arrowhead elected not to take such action, and with Arrowhead's written consent (not to be unreasonably withheld, conditioned or delayed) following consideration in good faith of any rationale provided by Madrigal, Madrigal will have the right, but not the obligation, to commence a suit or take action to enforce the applicable Arrowhead Platform Patent Right or Arising Delivery Ligand Patent Right to abate such Competitive Infringement in the Territory, by counsel of its own choice and at its own cost and expense.

12.3.4. **Hatch-Waxman**. Notwithstanding any provision to the contrary set forth in this Agreement, should a Party receive a certification for a Licensed Product pursuant to the Hatch-Waxman Act, or its equivalent in a country other than the U.S., with respect to any activities under this Agreement in the Field, then such Party will promptly provide the other Party with a copy of such certification. For each Licensed Product, Madrigal will have [***] from the date on which it receives or provides a copy of such certification to provide written notice to Arrowhead ("**H-W Suit Notice**") whether Madrigal will bring suit, at its expense, within a [***] period from the date of such certification. Should such [***] period expire without Madrigal bringing suit or providing such H-W Suit Notice, then Arrowhead will be free to bring suit in its name.

12.3.5. **Cooperation**. Each Party will provide to the Party enforcing any Patent Rights under this Section 12.3 (Third Party Infringement and Defense) reasonable assistance in such enforcement, at such enforcing Party's request and expense, including joining such action as a party plaintiff if required by Law to pursue such action or providing the enforcing Party any reasonably requested documentation or other materials. The enforcing Party will keep the other Party regularly informed of the status and progress of such enforcement efforts, including providing the other Party a reasonable opportunity to comment on the enforcing Party's determination of litigation strategy and the material filings submitted to the competent court and the enforcing Party will consider such comments in good faith.

12.3.6. **Settlement**. Neither Party will settle any claim, suit, or action that it brought under this Section 12.3 (Third Party Infringement and Defense) in a manner that would reasonably be expected to affect the other Party's rights or interests, admit fault of the other Party, or impose any monetary or other obligation on the other Party, without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed.

12.3.7. **Allocation of Proceeds**. Any amount recovered in any suit or other action under this Section 12.3 (Third Party Infringement and Defense), including any amount recovered in any settlement of such suit or other action, will first be used to reimburse each Party's costs and expenses with respect to such suit or other action (which reimbursement will be on a *pro rata* basis to the extent such costs and expenses exceed such recovered amount) and will thereafter be [***].

12.4. Defense. As between the Parties, the Party controlling the Prosecution and Maintenance of any Patent Right under Section 12.2 (Prosecution and Maintenance of Patent Rights), will have the right (but not the obligation), at its sole discretion and its own cost and expense, to defend against a declaratory judgment action, post-grant review proceeding, *inter partes* review, opposition proceeding, interference, or any other legal or administrative action challenging any such Patent Right. If the Party controlling such Prosecution and Maintenance of Arrowhead Platform Patent Rights, Licensed Product-Specific Patent Rights, or Madrigal Arising Patent Rights, as the case may be, under Section 12.2 (Prosecution and Maintenance of Patent Rights) does not defend such Patent Right under this Section 12.4 (Defense) within [***] after the initiation by a Third Party of any of the foregoing actions or proceedings or such shorter period of time as is mandated by the rules of the applicable action or proceeding to commence the defense thereof, or elects not to continue any such defense (in which case it will promptly provide written notice thereof to the other Party), then the other Party will have the right (but not the obligation), at its sole discretion, to defend any such Patent Right. The defending Party will keep the other Party reasonably advised of all material developments in the conduct of any such defense. The defending Party will use reasonable efforts to provide the other Party with drafts of all material documents to be filed with the court or the applicable Patent Office and will consider in good faith all reasonable and timely comments thereto by such other Party before filing such documents. The non-defending Party will reasonably cooperate with the Party conducting the defense of such Third Party action, at such defending Party's cost and expense, including if required to conduct such defense, furnishing a power of attorney. Any awards or amounts received in defending any such action will be allocated between the Parties as provided in Section 12.3.7 (Allocation of Proceeds) applying *mutatis mutandis*.

12.5. Infringement of Third Party Rights.

12.5.1. **Notice**. If any Licensed Product becomes the subject of a Third Party's claim or assertion of infringement of a Patent Right of such Third Party within the Territory, then the Party first having notice of the claim or assertion will promptly notify the other Party.

12.5.2. **Defense**. [***] will have the first right, but not the obligation, to defend or settle any such Third Party claim or assertion of infringement of such Third Party's Patent Right, at Madrigal's cost and expense. If [***] does not defend such Third Party claim or assertion of infringement within [***] after the initiation by such Third Party of such claim or such shorter period of time as is mandated by the rules of such claim to commence the defense thereof, or elects not to continue any such defense (in which case [***] will promptly provide written notice thereof to [***]), then [***] will have the right (but not the obligation), at its sole discretion, to defend any such Third Party claim or assertion of infringement. The non-defending Party will reasonably cooperate with the Party conducting the defense of the claim or assertion, at such defending Party's cost and expense, including if required to conduct such defense, furnishing a power of attorney. The defending Party will keep the non-defending Party reasonably advised of all material developments in the conduct of any proceedings in defending such Third Party claim or assertion. The defending Party will provide the non-defending Party with drafts of all material papers to be filed with the court and will consider in good faith all reasonable comments thereto by the non-defending Party before filing such papers.

12.5.3. **Settlement; Licenses**. Except as otherwise provided in Article 11 (Indemnification; Limitation of Liability; Insurance), neither Party will enter into any settlement of any claim described in this Section 12.5 (Infringement of Third Party Rights) that affects

the other Party's rights or interests, admits faults of the other Party, or imposes any monetary or other obligations on the other Party, without such other Party's written consent, such consent not to be unreasonably withheld, conditioned, or delayed. Each Party will have the right to decline to defend or to tender the defense of any claim described in this Section 12.5 (Infringement of Third Party Rights) upon reasonable written notice to the other Party, including if the other Party fails to agree to a settlement that the declining Party proposes. Except as otherwise provided in Article 11 (Indemnification; Limitation of Liability; Insurance), any settlement or license fees incurred by [***] under this Section 12.5.3 (Settlement; Licenses) will be allocated in accordance with the principle set forth in Section 8.4.3 (Third Party Payments) to the extent that the Patent Right that is the subject of such settlement license Covers the making, using, selling, offering for sale, or importing of a Licensed Product in the relevant country for which such rights are licensed thereunder.

12.5.4. **Other Invalidity or Unenforceability Proceedings**. If either Party desires to bring an opposition, action for declaratory judgment, nullity action, interference, declaration for non-infringement, reexamination, post-grant proceedings, or other attack upon the validity, title, or enforceability of a Patent Right owned or controlled by a Third Party and having one or more claims that Cover a Licensed Product, or the use, sale, offer for sale, or importation of a Licensed Product (*except* insofar as such action is a counterclaim to or defense of, or accompanies a defense of, a Third Party's claim or assertion of infringement under Section 12.5 (Infringement of Third Party Rights), in which case the provisions of Section 12.5 (Infringement of Third Party Rights) will govern), such Party will so notify the other Party and the Parties will promptly confer to determine whether to bring such action or the manner in which to settle such action, and if any such action is brought by a Party, each Party will provide such assistance as may be reasonably requested by the other Party (at such other Party's cost) in connection with such action.

12.6. **Patent Right Extensions**. Subject to the remainder of this Section 12.6 (Patent Right Extensions), Madrigal will have the sole right to elect and file for patent term restoration or extension, supplemental protection certificate, or any of their equivalents (hereinafter, "**Patent Term Extensions**") with respect to Madrigal Prosecuted Patent Rights or other Madrigal Arising Patent Rights for any Licensed Product in the Territory, *provided* that, for the avoidance of doubt, Madrigal may not file a request for a Patent Term Extension for any Arrowhead Platform Patent Rights without Arrowhead's prior written consent, which consent will not be unreasonably withheld, conditioned, or delayed. [***]. Upon Madrigal's request and at its cost and expense, Arrowhead will reasonably cooperate with Madrigal in any filings made by Madrigal pursuant to this Section 12.6 (Patent Right Extensions). Madrigal will bear all Patent Costs incurred by Madrigal in making any such filing in the Territory for such Licensed Product.

12.7. **Orange Book Listing**. Madrigal and Arrowhead will discuss in good faith the Arrowhead Patent Rights or Joint Arising Patent Rights that will be included in the Orange Book maintained by the FDA or similar or equivalent patent listing or linking source, if any, in other countries in the Territory for Licensed Products ("**Orange Book**"), and, after considering Arrowhead's comments in good faith, Madrigal will have the sole right to determine which Patent Rights will be included. Arrowhead will provide such assistance as may be reasonably requested by Madrigal in connection with such listing, at Madrigal's cost and expense.

12.8. **Trademarks**. Madrigal will have the right to brand Licensed Products in the Territory using Madrigal-related Trademarks and any other Trademarks it determines appropriate, which may vary by country or within a country of the Territory. Madrigal will own all rights, title, and interests in and to such Trademarks, including all goodwill associated therewith, and will have the sole right to register and maintain such Trademarks in the countries and regions of the Territory that it determines, at Madrigal's cost and expense.

12.9. **Common Interest**. All non-public information exchanged between the Parties or between a Party's outside patent counsel and the other Party regarding the preparation, filing, prosecution, maintenance, defense and enforcement of the Arrowhead Patent Rights, Arising Patent Rights, or otherwise related to any Licensed Compound or any Licensed Product, and all shared information

regarding analyses or opinions of Patent Rights or Know-How of a Third Party, will be deemed Confidential Information hereunder. The Parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning any such Patent Rights, Know-How, or Confidential Information, including privilege under the common interest doctrine and similar or related doctrines. In furtherance of the foregoing, if the Parties agree that a separate agreement memorializing this understanding would be advantageous, then the Parties will negotiate and enter into a common interest agreement reflecting this understanding or any other common interest agreement as the Parties may mutually agree, including with respect to any product liability for a Licensed Product.

13. TERM AND TERMINATION

13.1. **Term**. This Agreement will commence upon the Effective Date and, if not otherwise terminated earlier pursuant to this Article 13 (Term and Termination), will continue, on a Licensed Product-by-Licensed Product and country-by-country basis, in full force and effect until the expiration of the Royalty Term applicable to such Licensed Product and such country and will expire in its entirety upon the expiration of the last Royalty Term (the "**Term**"). Upon expiration of the Royalty Term for a Licensed Product in a country in the Territory, the licenses granted by Arrowhead to Madrigal in Section 2.1 (License Grants to Madrigal) with respect to such Licensed Product in such country will become fully paid, irrevocable, and perpetual.

13.2. **Termination for Convenience**. Madrigal will be entitled to terminate this Agreement in its entirety at its sole discretion (a) [***], or (b) after [***].

13.3. **Termination for Bankruptcy**. This Agreement may be terminated in its entirety, to the extent permitted by Law, by a Party upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors, in each case, of the other Party (the "**Bankrupt Party**"); *provided* that in the case of any involuntary bankruptcy, reorganization, liquidation, or receivership proceeding, such right to terminate will only become effective if the Bankrupt Party consents to the involuntary bankruptcy or such proceeding is not dismissed within [***] after the filing thereof.

13.4. **Termination for Material Breach**.

13.4.1. **Material Breach and Cure Period**. Subject to Section 13.4.2 (Disputes Regarding Material Breach), either Party (the "**Non-Breaching Party**") may terminate this Agreement if the other Party (the "**Breaching Party**") has materially breached this Agreement, and such material breach has not been cured within (a) [***] after the Breaching Party's receipt of written notice from the Non-Breaching Party of such material breach if such material breach involves a failure to make a payment when due or (b) [***] after the Breaching Party's receipt of written notice from the Non-Breaching Party of such material breach for any other material breach (such [***] period or [***] period, as applicable, the "**Cure Period**"). The written notice describing the alleged material breach will provide reasonably sufficient detail to put the Breaching Party on notice of such material breach. Any termination of this Agreement pursuant to this Section 13.4.1 (Material Breach and Cure Period) will become effective at the end of the Cure Period, unless the Breaching Party has cured any such material breach prior to the expiration of such Cure Period, or, if such material breach (other than any breach involving the failure to make a payment when due) is not curable prior to the expiration of the applicable Cure Period, then such Cure Period will be extended so long as the Breaching Party has (i) provided to the Non-Breaching Party a written plan that is reasonably calculated to effect a cure of such material breach, and (ii) the Breaching Party has commenced actions to cure such material breach during the Cure Period and commits to diligently carry out such plan as provided to the Non-Breaching Party, *provided* that, in no event will the Cure Period be extended to more than a total of [***].

13.4.2. **Disputes Regarding Material Breach**. If the Parties reasonably and in good faith disagree as to whether there has been a material breach or whether a material breach has been cured within the applicable Cure Period, then the Breaching Party that disputes whether there has been a material breach or cure thereof may contest the

allegation in accordance with Article 14 (Dispute Resolution) and the applicable Cure Period will toll upon the initiation of such dispute resolution procedures. If, as a result of such dispute resolution process, it is finally determined pursuant to Article 14 (Dispute Resolution) that the Breaching Party committed a material breach of this Agreement, then the applicable Cure Period will resume and unless such alleged breach is cured during the pendency of such Cure Period (once resumed), this Agreement will terminate effective as of the expiration of such Cure Period. This Agreement will remain in full force and effect during the pendency of any such dispute resolution proceeding and the Cure Period. Any such dispute resolution proceeding will not suspend any obligations of either Party hereunder, and each Party will use reasonable efforts to mitigate any damages. Any payments that are made by one Party to the other Party pursuant to this Agreement pending resolution of the Dispute will be promptly refunded if it is determined pursuant to Article 14 (Dispute Resolution) that such payments are to be refunded by one Party to the other Party. If, as a result of such dispute resolution proceeding, it is determined that the Breaching Party did not commit such material breach (or such material breach was cured in accordance with this Section 13.4 (Termination for Material Breach)), then no termination of this Agreement will be effective, and this Agreement will continue in full force and effect.

13.5. Termination for Patent Challenge. If, during the Term, Madrigal or its Sublicensee (or any Affiliate of Madrigal or any Affiliate of a Sublicensee) commences or participates in, or actively assists any other Person in bringing, any action or legal or administrative proceeding (including any patent opposition or re-examination proceeding), or otherwise asserts any claim, challenging or denying the patentability, validity, or enforceability of any claim of any Licensed Product-Specific Patent Right or Arrowhead Platform Patent Right in one or more countries (each a "**Patent Challenge**"), then Arrowhead will have the right to terminate this Agreement in its entirety upon [***] prior written notice to Madrigal unless Madrigal or its Sublicensee (or the applicable Affiliate of Madrigal or of such Sublicensee) causes such Patent Challenge(s) to be withdrawn within the [***] period following receipt of written notice from Arrowhead (or in the case of *ex-parte* proceedings, multi-party proceedings, or other Patent Challenges in which Madrigal or its Sublicensee (or the applicable Affiliate of Madrigal or of such Sublicensee) does not have the power to unilaterally cause the Patent Challenge(s) to be withdrawn, Madrigal or its Sublicensee (or the applicable Affiliate of Madrigal or of such Sublicensee) withdraws as a party from such Patent Challenge(s) and ceases actively assisting any other party to such Patent Challenge(s) within such [***] period). [***].

13.6. Effects of Termination. Upon any termination of this Agreement by either Party as permitted pursuant to this Article 13 (Term and Termination), the following terms will apply with respect to this Agreement and all Licensed Compounds and Licensed Products in the Territory.

13.6.1. **Termination of Licenses**. As of the effective date of termination, all licenses granted to Madrigal under Section 2.1 (License Grants to Madrigal) with respect to all Licensed Compounds and Licensed Products in the Territory will terminate, except that such licenses may continue solely to the extent necessary, and solely for the time periods specified in such Sections, for the prompt and diligent orderly transition or wind-down of ongoing Clinical Trials of the Licensed Products in the Territory under Section 13.6.4 (Ongoing Clinical Studies) or sale or other disposition of any inventory of the Licensed Products in the Territory as permitted under Section 13.6.11 (Sell-Off Right).

13.6.2. **Exclusivity**. The Parties' rights and obligations under Section 2.9 (Exclusivity) will terminate.

13.6.3. **[***]**.

13.6.4. **Ongoing Clinical Studies**. [***]. For any such Clinical Trials identified by Arrowhead [***] to be terminated, or if Arrowhead does not [***], any then-ongoing Clinical Trial, Madrigal will wind-down such Clinical Trials, at Madrigal's cost. [***], for any

such Clinical Trials identified by Arrowhead [***], Madrigal will transfer control to Arrowhead or its designee of such Clinical Trials [***]. In no event will Madrigal be required to continue or enroll patients in any such Clinical Trial except as may be otherwise agreed by the Parties [***] or as is reasonably necessary to protect patients.

13.6.5. [***].

13.6.6. [***].

13.6.7. [***].

13.6.8. **Sublicense Survival**. Arrowhead will, at the written election of any Sublicensee (solely to the extent such Sublicensee is not then in breach of the applicable sublicense agreement and solely where such sublicense agreement was entered into by Madrigal with such Sublicensee in accordance with the terms of this Agreement) within [***] after termination of this Agreement (or such longer period mutually agreed between Arrowhead and such Sublicensee) grant a direct license to such terminated Sublicensee, which license will not be broader in license scope, territory, or duration than such sublicense agreement granted by Madrigal to such Sublicensee and not more burdensome on Arrowhead in any material manner than the terms hereof and no less favorable to Arrowhead than the financial terms of Article 8 (Payments). [***].

13.6.9. **Return or Destruction of Confidential Information**. Except [***], as soon as reasonably practicable after the effective date of termination, each Party, at its cost, will promptly return to the other Party (or as directed by such other Party destroy and certify to such other Party in writing as to such destruction) all of such other Party's Confidential Information that relates to the Licensed Compounds and Licensed Products for the Territory, and that was provided by or on behalf of such other Party hereunder that is in the possession or control of such Party (or any of its Affiliates, Sublicensees or Subcontractors), except that such Party will have the right to retain copies of intangible Confidential Information of such other Party for legal purposes in accordance with such Party's internal compliance policies and may maintain records stored in accordance with automatic electronic archiving and back-up procedures until the ordinary course deletion thereof. Notwithstanding the return or destruction of any Confidential Information, the Parties will continue to be bound by their confidentiality obligations under this Agreement.

13.6.10. **Termination of Payment Obligations**. Except for any payment obligations under Section 13.6.11 (Sell-Off Right), as of the effective date of termination, all payment obligations hereunder with respect to the Licensed Products in the Territory will terminate, other than those that are accrued and unpaid as of the effective date of such termination. For clarity, notwithstanding any other provision of this Agreement, Madrigal will remain liable to pay any Milestone Payments and Royalties to Arrowhead for any Milestone Event occurring, or deemed to have occurred, in accordance with the terms of this Agreement and Net Sales booked by Madrigal or its Affiliates or its Sublicensees, assignees or transferees, in each case, on or before the later of (a) the effective date of such termination, or (b) if applicable, [***] following the effective date of such termination for any sales or dispositions of the Licensed Products in the Territory that occur during such [***] period under Section 13.6.11 (Sell-Off Right).

13.6.11. **Sell-Off Right**. If the effective date of termination is after the First Commercial Sale of a Licensed Product in the Territory, then, to the extent permitted by applicable Law, Madrigal and its Affiliates and Sublicensees will have the right to sell or otherwise dispose of in the Territory, any inventory of the Licensed Products [***] for a period of [***] following the effective date of such termination in accordance with the terms and conditions of this Agreement; *provided* that any revenue obtained from such

disposal will be treated as Net Sales and the provisions of Article 8 (Payments) will apply to such Net Sales and, without limiting the foregoing, in the event that such sales result in the achievement of a Sales Milestone Event, the Sales Milestone Payment associated with such Sales Milestone Event will be owed and payable to Arrowhead. Within [***] after the end of such [***] period, Madrigal will [***].

13.6.12. [***].

13.6.13. **Termination of Rights and Obligations**. Except as set forth in this Section 13.6 (Effects of Termination) and Section 13.8 (Survival; Effect of Expiration or Termination), as of the applicable effective date of any termination of this Agreement, all rights and obligations of the Parties under this Agreement will terminate.

13.7. [***] .

13.8. Survival; Effect of Expiration or Termination. In addition to the termination consequences set forth in Section 13.6 (Effects of Termination) (and any Sections referenced therein), the following provisions will survive the expiration or termination of this Agreement in its entirety for any reason: Article 1 (Definitions), in each case, solely with respect to defined terms that are used in surviving provisions; Section 3.4.2 (Scientific Records), for a period of [***] following expiration or termination or such longer period as may be required by applicable Law; Section 8.2 (Milestone Payments), Section 8.3 (Royalties), Section 8.4 (Royalty Reductions), Section 8.5 (Other Amounts Payable), Section 8.6 (Payment Terms), and Section 12.3.7 (Allocation of Proceeds), in each case, solely with respect to any payment obligations that accrued prior to such expiration or termination of this Agreement but have not been paid or that are otherwise payable pursuant to Section 13.6.10 (Termination of Payment Obligations) or Section 13.6.11 (Sell-Off Right); Section 9.1 (Confidential Information) through and including Section 9.6 (Relationship to Confidentiality Agreement), in each case, solely for the term specified therein; Section 9.7 (Use of Name and Logo); Section 10.3 (Warranty Disclaimer); Sections 11.1 (Indemnification by Arrowhead) through and including Section 11.4 (Limitation of Liability); Section 11.5 (Insurance), for [***] following expiration or termination; Section 12.1 (Inventions); Section 12.2 (Prosecution and Maintenance of Patent Rights), solely with respect to Joint Arising Patent Rights, except to the extent [***]; Section 12.9 (Common Interest); the last sentence of Section 13.1 (Term), solely in the case of expiration and not termination of this Agreement; this Section 13.8 (Survival; Effect of Expiration or Termination); Article 14 (Dispute Resolution); and Article 15 (Miscellaneous). Notwithstanding any provision to the contrary set forth in this Agreement, expiration or termination of this Agreement for any reason will not relieve the Parties of any liability or obligation that accrued hereunder prior to the effective date of such termination or expiration, nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity, with respect to any breach of this Agreement.

14. DISPUTE RESOLUTION

14.1. Exclusive Dispute Resolution Mechanism. The Parties agree that, except as expressly set forth in Section 7.2.5 (Decision-Making), the procedures set forth in this Article 14 (Dispute Resolution) will be the exclusive mechanism for resolving any dispute, controversy, or claim between the Parties arising out of or relating to this Agreement (whether based on contract, tort or otherwise) (each, a "**Dispute**," and collectively, the "**Disputes**") that is not resolved through good faith negotiation between the Parties pursuant to Section 14.2 (Resolution by Executive Officers). For the avoidance of doubt, this Article 14 (Dispute Resolution) will not apply with respect to any decision under the purview of the JTC, for which final decision-making authority is set forth in Section 7.2.5 (Decision-Making).

14.2. Resolution by Executive Officers. Except as expressly set forth in Section 7.2.5 (Decision-Making) or as provided in Section 14.5 (Equitable Relief), in the event of any Dispute regarding the construction or interpretation of this Agreement, or any right, obligation, or liability of either Party hereunder, the Parties will first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves. In the event that such Dispute is not resolved on an informal basis within [***], either Party may, by written notice to the other Party, refer the

Dispute to the Executive Officers of the Parties for attempted resolution by good faith negotiation within [***] after such notice is received. If the Executive Officers cannot resolve the Dispute within such [***] period, then (a) if the Dispute has been expressly stated in this Agreement to be resolved pursuant to expedited arbitration, it will be resolved in accordance with Section 14.3 (Expedited Arbitration), or (b) with respect to any other Dispute, either Party will have the right to pursue any and all remedies available at law or equity consistent with Section 14.4 (Litigation), *provided*, *however*, that any Dispute with respect to (i) the scope, construction, validity, or enforceability of any Patent Right or Trademark relating to a Licensed Product will be resolved by litigation in accordance with Section 14.6 (Patent and Trademark Disputes) or (ii) any antitrust, anti-monopoly, or competition law or regulation, whether or not statutory may be submitted in any court of competent jurisdiction over such Dispute.

14.3. Expedited Arbitration. Any Dispute remaining unresolved after escalation to the Parties' respective Executive Officers in accordance with Section 14.2 (Resolution by Executive Officers) and expressly stated in this Agreement to be resolved pursuant to expedited arbitration will be resolved pursuant to the following procedures of this Section 14.3 (Expedited Arbitration).

14.3.1. For purposes of arbitration under this Section 14.3 (Expedited Arbitration), the arbitration will be administered by JAMS pursuant to its rules then in effect at the time of submission for such proceedings, as modified by this Section 14.3 (Expedited Arbitration). The arbitration will be governed by the Laws of the State of New York, without giving effect to any choice of law principles that would require the application of the laws of a different state or jurisdiction. The arbitration will be heard and determined by a single arbitrator appointed by agreement of the Parties or, failing such mutual agreement, by JAMS, and who will be a single independent, conflict-free arbitrator having the requisite pharmaceutical and biotechnology industry experience (such arbitrator, the "**Arbitrator**"). The Parties may select a different Arbitrator for each Dispute depending on the nature of the issues presented and desired expertise. The arbitration will be conducted as a "baseball" form of binding arbitration conducted by the Arbitrator.

14.3.2. No later than [***] after the Arbitrator's appointment, each Party will submit to both the Arbitrator and the other Party a detailed written proposal setting forth its proposed resolution of such Dispute. The Parties will also provide to the Arbitrator a copy of this Agreement, as may have been amended at such time in accordance with Section 15.4 (Entire Agreement; Amendments).

14.3.3. No later than [***] after the delivery of the Parties' detailed written proposals to the Arbitrator, each Party will submit to both the Arbitrator and the other Party a legal brief (and any exhibits) explaining and supporting the Party's detailed written proposal, which legal brief will be no more than 30 pages.

14.3.4. There will be no discovery and there will be no hearing, although such arbitration proceeding will be deemed to have its seat in New York, New York, and all arbitration proceedings will be conducted in the English language.

14.3.5. No later than [***] after the submission of the Parties' legal briefs, the Arbitrator will select one of the two detailed written proposals (without modification) provided by the Parties that the Arbitrator believes is most consistent with the intention underlying the agreed principles set forth in this Agreement. The decision of the Arbitrator will be final and unappealable. The detailed written proposal selected by the Arbitrator will automatically be binding on the Parties.

14.3.6. The Arbitrator will select one of the two detailed written proposals and may not combine elements of both detailed written proposals or make any other modifications to the selected detailed written proposal.

14.3.7. Each Party will bear its own attorneys' fees, costs, and disbursements arising out of the arbitration, and the fees and costs of the Arbitrator will be borne by the Party against whom the Arbitrator decides.

14.4. Litigation. Except for Disputes expressly specified in this Agreement to be resolved pursuant to Section 14.3 (Expedited Arbitration) or Section 14.6 (Patent and Trademark Disputes), unless otherwise prohibited by applicable Law, any unresolved Dispute that was subject to Section 14.2 (Resolution by Executive Officers) will be brought exclusively in the state courts of the State of New York in the Borough of Manhattan or the federal courts in the United States District Court for the Southern District of New York, and in no other jurisdiction. Each Party hereby irrevocably consents to personal jurisdiction and venue in, and irrevocably agrees to service of process issued or authorized by any such court in any such action or proceeding. The Parties hereby irrevocably waive any objection that they may now have or hereafter have to the laying of venue in the state courts of the State of New York in the Borough of Manhattan or the federal courts in the United States District Court for the Southern District of New York in any such action or proceeding, and hereby irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. The Parties hereby agree that any final judgment rendered by any such federal or state court of New York in any action or proceeding involving any Dispute, from which no appeal can be or is taken, may be enforced by the prevailing Party in any court of competent jurisdiction.

14.5. Equitable Relief. The Parties agree that monetary damages may not be a sufficient remedy for any breach of this Agreement. Notwithstanding any provision to the contrary set forth in this Agreement, in the event of an actual or threatened breach of a Party's obligations under this Agreement, a Party may seek a temporary restraining order, preliminary injunction, or other equitable relief from any court of competent jurisdiction in order to prevent immediate and irreparable injury, loss, or damage on a provisional basis.

14.6. Patent and Trademark Disputes. Notwithstanding any provision to the contrary set forth in this Agreement, any and all issues regarding the scope, construction, validity, and enforceability of any Patent Rights or Trademark relating to a Licensed Compound or Licensed Product that is the subject of this Agreement will be determined in a court or other tribunal, as the case may be, of competent jurisdiction under the applicable patent or trademark laws of the country in which such Patent Rights or Trademark rights were granted or arose.

14.7. Payment Tolling. During the pendency of any Dispute resolution proceeding between the Parties under this Article 14 (Dispute Resolution) regarding the obligation to make any payment under this Agreement from one Party to the other Party (in whole or in part), the obligation to make such payment will be tolled until the final outcome of such Dispute has been established.

14.8. Confidentiality. Any and all activities conducted under this Article 14 (Dispute Resolution), including any and all proceedings and decisions hereunder, will be deemed Confidential Information of each of the Parties, and will be subject to Article 9 (Confidentiality and Publication) to the extent applicable in accordance with Law.

15. MISCELLANEOUS

15.1. Assignment.

15.1.1. **General**. Neither Party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, *except* that a Party may make such an assignment without the other Party's consent to (a) an Affiliate pursuant to Section 15.13 (Performance by Affiliates), *provided* that such assigning Party will remain responsible for such Affiliate's conduct and compliance with its obligations under this Agreement, or (b) a Third Party as a successor to all or substantially all of the business of such Party to which this Agreement relates, whether in a merger, sale of stock, acquisition, sale of assets, or similar transaction or series of related transactions, *provided* that such transaction is not primarily for the benefit of such Party's creditors. Any successor or assignee of any right or obligation permitted hereunder will, in writing to the other Party, expressly assume performance of such right or obligation. Any permitted assignment will be binding on the successors of the assigning Party. Any assignment or attempted assignment by either Party in violation of the terms of this Section 15.1.1 (General) will be null, void, and of no legal effect.

15.1.2. **Securitization Transaction**. Notwithstanding any provision to the contrary in Section 15.1.1 (General) or elsewhere in this Agreement, Arrowhead may assign to a Third Party its right to receive the Milestone Payments and the Royalties (such assignment, a "**Securitization Transaction**"). In connection with a contemplated Securitization Transaction and after the closing of any such Securitization Transaction, Arrowhead may disclose to such Third Party the royalty reports contemplated under Section 8.6.2 (Reports and Royalty Payments), without the prior written consent of Madrigal, to the extent reasonably necessary to enable such Third Party to evaluate the Securitization Transaction opportunity (*provided* that such Third Party is under written obligations of confidentiality and non-use with respect to Confidential Information included in such reports and plans that are no less protective or restrictive than the terms of Article 9 (Confidentiality and Publication) (but of duration customary in confidentiality agreements entered into for a similar purpose)), and to enable such Third Party to exercise its rights after the closing with respect to such Securitization Transaction, as applicable. As part of any consummated Securitization Transaction, subject to the terms of this Section 15.1.2 (Securitization Transaction), Arrowhead may assign, without the prior written consent of Madrigal, its right to receive the royalty reports and to conduct audits under, respectively, Section 8.6.2 (Reports and Royalty Payments) and Section 8.6.3 (Records and Audits) to the counterparty in such Securitization Transaction, and to allow such counterparty to exercise directly its rights under such Sections. Arrowhead agrees to provide written notice to Madrigal of any process run by or on behalf of Arrowhead involving a Securitization Transaction and to negotiate in good faith with Madrigal should Madrigal elect to submit a bid for such Securitization Transaction, *provided* that Arrowhead will in no way be precluded from soliciting other bids and conducting contemporaneous negotiations with other Third Party bidders for such Securitization Transaction.

15.2. Section 365(n) of the Bankruptcy Code. All rights and licenses now or hereafter granted under or pursuant to this Agreement by a Party to the other are and will otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, a license of a right to "intellectual property" as defined in the Bankruptcy Code. Upon the filing or institution of bankruptcy, reorganization, liquidation, or receivership proceedings, upon the appointment of a receiver or trustee over all or substantially all property, or upon an assignment of a substantial portion of the assets for the benefit of creditors by a Party, such Party agrees that the other Party, as licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the Bankruptcy Code. Subject to Section 365 of the Bankruptcy Code, each Party will, during the Term, create and maintain current copies or, if not amenable to copying, other appropriate embodiments, to the extent feasible, of all intellectual property rights licensed under this Agreement. Each Party acknowledges and agrees that "embodiments" of intellectual property rights within the meaning of Section 365(n) include laboratory notebooks, cell lines, product samples, and inventory, research studies and data, all Regulatory Approvals (and all applications for Regulatory Approval) and rights of reference therein, in each case, to the extent licensed by a Party to the other Party hereunder, as well as the Arrowhead Technology and the Madrigal Licensed Technology, and all information related to the Arrowhead Technology or the Madrigal Licensed Technology. If (a) a case under the Bankruptcy Code is commenced by or against the debtor Party, (b) this Agreement is rejected as provided in the Bankruptcy Code, and (c) the non-debtor Party elects to retain its rights hereunder as provided in Section 365(n) of the Bankruptcy Code and upon written request of the non-debtor Party, then:

15.2.1. the non-debtor Party will be authorized to retain and exercise its rights under this Agreement (including a right to enforce any exclusivity provision contained herein) to intellectual property rights (including all embodiments thereof to the extent protected by applicable non-bankruptcy law) licensed hereunder and held by the debtor Party as

such rights existed immediately before the commencement of the case referenced in Section 13.3 (Termination for Bankruptcy), subject to the provisions of Section 365(n) of the Bankruptcy Code related to, among other things, payment of the royalties and waiver of rights to setoff and any claim allowable under Section 503(b) of the Bankruptcy Code related to the performance of this Agreement, but neither such provision nor such performance by the non-debtor Party will release the debtor Party from liability resulting from rejection of the license or the failure to perform such obligations;

15.2.2. to the extent provided herein, the debtor Party will provide to the non-debtor Party any intellectual property (including any applicable embodiment) held by the debtor Party; and

15.2.3. the debtor Party will not interfere with the non-debtor Party's rights under this Agreement, or any agreement supplemental hereto, with respect to such intellectual property rights (including such embodiments), including any right to obtain such intellectual property rights (or such embodiments) from another entity, to the extent provided in Section 365(n) of the Bankruptcy Code.

15.3. **Governing Law**. This Agreement was prepared in the English language, which language will govern the interpretation of, and any Dispute regarding, the terms of this Agreement. This Agreement and all Disputes arising out of or related to this Agreement or any breach hereof will be governed by and construed under the laws of the State of New York, without giving effect to any choice of law principles that would require the application of the laws of a different state or jurisdiction. Notwithstanding any other provision in this Agreement, the Parties expressly reject the application to this Agreement, all transactions and activities contemplated hereby, and all Disputes of (a) the United Nations Convention on Contracts for the International Sale Of Goods, and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, concluded at Vienna, Austria on April 11, 1980.

15.4. **Entire Agreement; Amendments**. This Agreement, including the Exhibits and Schedules hereto, set forth the complete, final, and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions, and understandings between the Parties hereto with respect to the subject matter hereof and supersedes, as of the Effective Date, all prior and contemporaneous agreements and understandings between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations, conditions, or understandings, either oral or written, between the Parties other than as are set forth herein and therein. No subsequent alteration, amendment, change, or addition to this Agreement will be binding upon the Parties unless reduced to a writing explicitly stating the Parties' intent to amend this Agreement that is signed by an authorized officer of each Party. If there is any inconsistency between the body of this Agreement and either any Exhibits or Schedules to this Agreement or any subsequent agreements ancillary to this Agreement, then, unless otherwise expressly stated to the contrary in such Exhibit, Schedule or ancillary agreement, the terms contained in this Agreement will control.

15.5. **Severability**. If any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable by any court or tribunal of competent jurisdiction from which no appeal can be or is taken, then the provision will be considered severed from this Agreement and will not serve to invalidate any remaining provisions hereof. The Parties will make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement may be realized.

15.6. **Headings**. The captions to the Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Sections hereof.

15.7. **Interpretation**. Except where the context otherwise requires, wherever used, the singular will include the plural, the plural will include the singular, and the use of any gender will be applicable to all genders. Whenever this Agreement refers to a number of days without using a term otherwise defined herein, such number refers to calendar days. The captions of this Agreement are for the convenience of reference only and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision contained in this

Agreement. The terms "including," "include," "includes," or "for example" will not limit the generality of any description preceding such term and as used herein will have the same meaning as "including, but not limited to" or "including, without limitation." The word "will" will be construed to have the same meaning and effect as the word "shall." References to any specific law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof. The term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or." Any reference herein to any person or entity will be construed to include the person's or entity's successors and assigns. The words "herein," "hereof," and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not any particular provision. The word "notice" means notice in writing (whether or not specifically stated) and will include notices, consents, approvals, and other written communications contemplated under this Agreement. References to "**Section**" or "**Sections**" are references to the numbered sections of this Agreement, unless expressly stated otherwise. All dollars are US Dollars. Unless the context otherwise requires, countries will include territories. The language of this Agreement will be deemed to be the language chosen by the Parties and no rule of strict construction will be applied against either Party hereto. Each Party represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption will apply against the Party which drafted such terms and provisions.

15.8. **Waiver and Non-Exclusion of Remedies**. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of such Party waiving such term or condition. The waiver by either Party of any right hereunder or of the failure to perform or of a breach by the other Party will not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Law or otherwise available except as expressly set forth herein.

15.9. **Notices**. All notices and other communications given or made pursuant hereto will be in writing and will be deemed to have been duly given on the date delivered, if delivered personally, or on [***] after being sent by reputable overnight courier (with delivery tracking provided, signature required, and delivery prepaid), in each case, to the Parties at the following addresses, or on the date sent (and confirmed by confirmatory return email and by a hard copy delivered by reputable overnight courier (with delivery tracking provided, signature required, and delivery prepaid)) to the email address and address specified below (or at such other address, or email address for a Party as will be specified by notice given in accordance with this Section 15.9 (Notices)).

If to Arrowhead, to:	Arrowhead Pharmaceuticals, Inc. 177 E. Colorado Blvd., Suite 700 Pasadena, CA 91105 Attention: General Counsel Email: [***]
With a copy (which will not constitute notice) to:	Gibson Dunn & Crutcher LLP One Embarcadero Center Suite 2600 San Francisco, CA 94111-3715 Attention: [***] Email: [***]

If to Madrigal, to:	Madrigal Pharmaceuticals, Inc. 200 Barr Harbor Drive, Suite 200 West Conshohocken, PA 19428 Attention: General Counsel Email: [***]
With a copy (which will not constitute notice) to:	Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02199 3600 Attention: [***] Email: [***]

15.10. Force Majeure. Each Party will be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by Force Majeure and such nonperforming Party promptly provides written notice of the prevention to the other Party. The affected Party also will provide a good faith estimate of the period for which its failure or delay in performance under this Agreement is expected to continue based on currently available information and will undertake reasonable efforts necessary to mitigate and overcome such Force Majeure event and resume normal performance of its obligations hereunder as soon as reasonably practicable under the circumstances. If the Force Majeure event continues, the affected Party will update such notice to the other Party on a [***] basis, or more frequently if requested by the other Party, to provide updated summaries of its mitigation efforts and its estimates of when normal performance under the Agreement will be able to resume. Without limiting the affected Party's foregoing obligations, such excuse will be continued so long as the condition constituting Force Majeure continues and such affected Party is exercising reasonable efforts to remedy the Force Majeure. If a Force Majeure persists for more than [***], then the Parties will discuss in good faith a modification of the Parties' obligations under this Agreement in order to mitigate the delays caused by such Force Majeure.

15.11. Relationship of the Parties. It is expressly agreed that Arrowhead, on the one hand, and Madrigal, on the other hand, will be independent contractors and that the relationship between the two Parties will not constitute a partnership, joint venture, or agency, including for tax purposes. Neither Arrowhead nor Madrigal will have the authority to make any statements, representations, or commitments of any kind, or to take any action that will be binding on the other, without the prior written consent of the other Party to do so. All Persons employed by a Party will be employees of that Party and not of the other Party and all expenses and obligations incurred by reason of such employment will be for the account and expense of such Party.

15.12. Further Assurances. Each Party will duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary or as the other Party may reasonably request, and at such other Party's cost and expense, in connection with this Agreement or to carry out more effectively the provisions and purposes hereof.

15.13. Performance by Affiliates. Each Party may discharge any obligations and exercise any rights hereunder through delegation of its obligations or rights to any of its Affiliates. Each Party hereby guarantees the performance by its Affiliates of such Party's obligations under this Agreement and will cause its Affiliates to comply with the provisions of this Agreement in connection with such performance.

15.14. Binding Effect; No Third Party Beneficiaries. As of the Effective Date, this Agreement will be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Except as expressly set forth in this Agreement, no Person other than the Parties and their respective Affiliates and permitted assignees hereunder will be deemed an intended beneficiary hereunder or have any right to enforce any obligation of this Agreement.

15.15. Expenses. Except as otherwise provided herein, all fees, costs, and expenses (including any legal, accounting and banking fees) incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and to consummate the transactions contemplated hereby will be paid by the Party hereto incurring such fees, costs, and expenses.

15.16. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. This Agreement may be executed by facsimile, .pdf, or other electronically transmitted signatures and such signatures will be deemed to bind each Party as if they were the original signatures.

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IN WITNESS WHEREOF, the Parties have caused this License Agreement to be executed by their duly authorized representatives as of the Effective Date.

MADRIGAL PHARMACEUTICALS, INC.

BY: /s/Mark Barrett

NAME: Mark Barrett

TITLE: Chief Business Officer

IN WITNESS WHEREOF, the Parties have caused this License Agreement to be executed by their duly authorized representatives as of the Effective Date.

ARROWHEAD PHARMACEUTICALS, INC.

BY: /s/Christopher Anzalone

NAME: Christopher Anzalone

TITLE: CEO

THIRD AMENDMENT TO OFFICE LEASE

This THIRD AMENDMENT TO OFFICE LEASE ("**Third Amendment**") is made and entered into on the 27th day of April, 2026 (the "**Effective Date**"), by and between 177 COLORADO OWNER LLC, a Delaware limited liability company ("**Landlord**"), and ARROWHEAD PHARMACEUTICALS, INC., a Delaware corporation ("**Tenant**").

R E C I T A L S :

A. Landlord and Tenant entered into that certain Office Lease dated as of April 17, 2019 (the "**Original Lease**"), as amended by that certain Notice of Lease Term Dates dated as of October 22, 2019 (the "**2019 Commencement Memo**"), that certain First Amendment to Office Lease dated as of October 23, 2020 (the "**First Amendment**"), that certain Notice of Lease Term Dates dated as of June 17, 2021 (the "**2021 Commencement Memo**"), that certain letter agreement dated as of March 9, 2023 (the "**Letter Agreement**"), and that certain Second Amendment to Office Lease dated as of April 12, 2023 (the "**Second Amendment**", and together with the Original Lease, the 2019 Commencement Memo, the First Amendment, the 2021 Commencement Memo, and the Letter Agreement, the "**Lease**"), pursuant to which Landlord leases to Tenant and Tenant leases from Landlord approximately 48,868 RSF (subject to the terms of Section 2, below) of space located on the sixth (6th) and seventh (7th) floors, commonly known as Suites 600 and 700 (collectively, the "**Existing Premises**"), in that certain building located at 177 E. Colorado Boulevard, Pasadena, California (the "**Building**").

B. Landlord and Tenant desire to (i) extend the Lease Term , (ii) expand the Existing Premises to include that certain space consisting of approximately 24,824 RSF of space, commonly known as Suite 300, on the third (3rd) floor of the Building, and approximately 24,752 RSF, commonly known as Suite 400, on the fourth (4th) floor of the Building (collectively, the "**Expansion Premises**"), as delineated on **Exhibit A** attached hereto and made a part hereof, and (iii) otherwise amend the Lease on the terms and conditions set forth in this Third Amendment.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Capitalized Terms**. As of the Effective Date, all of the references to the "**Lease**" in the Lease and this Third Amendment shall mean the Lease, as modified by this Third Amendment; and all capitalized terms used herein shall have the same respective meanings as are given such terms in the Lease, unless expressly provided otherwise in this Third Amendment.

2. **Remeasurement of Existing Premises and Building**. Notwithstanding anything to the contrary set forth in the Lease, Landlord and Tenant acknowledge and agree that Landlord has remeasured the Existing Premises and the Building and that according to such remeasurement, for all purposes hereunder, including the Tenant Work Letter attached hereto as **Exhibit B** (the "**Tenant Work Letter**"), effective as of the "Expansion Commencement Date,"

as that term is defined in Section 3.1 below, the Existing Premises shall be deemed to contain approximately 48,877 RSF in the aggregate, consisting of approximately 24,438 RSF on the sixth (6th) floor and approximately 24,439 RSF on the seventh (7th) floor, and (ii) the Building shall be deemed to contain approximately 314,017 RSF. Notwithstanding the foregoing, the increased RSF for the Existing Premises as set forth hereinabove shall be used for the calculation of the "Tenant Improvement Allowance" (as that term is defined in Section 2.1 of the Tenant Work Letter) applicable to the Existing Premises.

3. **Modification of Premises**.

3.1 **Expansion Premises**. Effective as of the date (the "**Expansion Commencement Date**") that is the later to occur of (a) May 1, 2027, and (b) the date of "Substantial Completion" of the "Tenant Improvements" (as those terms are defined in Sections 4.4 and 2.1, respectively, of the Tenant Work Letter) in the Expansion Premises, provided that in no event shall the Expansion Commencement Date be later than August 1, 2027, and continuing for a seven (7) year and eight (8) month term (the "**Expansion Term**"), which shall expire on the last day of the last full calendar month of the Expansion Term (the "**Extended Expiration Date**") unless sooner terminated as provided in the Lease, Tenant shall lease from Landlord and Landlord shall lease to Tenant the Expansion Premises. (Notwithstanding any contrary provision of this Third Amendment, if the Expansion Commencement Date does not occur on the first (1st) day of a calendar month, then for purposes of determining the Extended Expiration Date and the first (1st) "Expansion Year", as that term is defined in Section 4.2 below, the first (1st) month of the Expansion Term shall commence on the Expansion Commencement Date and end on the last day of the first (1st) full calendar month in the Expansion Term.) Consequently, effective upon the Expansion Commencement Date, the Existing Premises shall be increased to include the Expansion Premises. The addition of the Expansion Premises to the Existing Premises shall, effective as of the Expansion Commencement Date, increase the size of the Premises to 98,453 RSF in the aggregate. For all purposes of this Third Amendment, the Existing Premises and the Expansion Premises shall, effective as of the Expansion Commencement Date, collectively be referred to as the "**Premises**". Landlord and Tenant hereby stipulate and agree that the rentable area of the Expansion Premises is as set forth in Recital B above. At any time during the Expansion Term, Landlord may deliver to Tenant a notice in substantially the form set forth in Exhibit C attached to the Original Lease, as a confirmation only of the information set forth therein, which, if accurate, Tenant shall execute and return to Landlord within five (5) days of receipt thereof. If Tenant fails to respond to such notice within such 5-day period, Landlord may send a written "reminder notice". Tenant's failure to respond to such reminder notice within three (3) business days following Tenant's receipt thereof shall be deemed Tenant's agreement that the information set forth in such notice is as specified therein. For the avoidance of any doubt, Tenant shall not be deemed to have failed to respond to, and shall not be bound by the information set forth in, a proposed confirmation of commencement for the Expansion Premises if Tenant shall timely notify Landlord, in writing, that Tenant disputes any or all of the information set forth therein.

3.2 **Beneficial Occupancy**. Provided that the date of Substantial Completion of the Expansion Premises occurs prior to May 1, 2027, then during the period commencing on the date of Substantial Completion of the Expansion Premises and continuing through and including April 30, 2027, Tenant shall have the right to occupy the Expansion Premises for the installation of furniture, trade fixtures, and equipment, and for the conduct of Tenant's business prior to the Expansion Commencement Date, provided that (i) Tenant shall give Landlord at least five (5) days' prior notice of any such occupancy of the Expansion Premises, and (ii) all of the terms and conditions of the Lease shall apply, other than Tenant's obligation to pay monthly installments of Base Rent for the Expansion Premises and Tenant's Share of Direct Expenses attributable to the Expansion Premises, as though the Expansion Commencement Date for the Expansion Premises had occurred (although the Expansion Commencement Date for the

Expansion Premises shall not actually occur until the occurrence of the same pursuant to the terms of Section 3.1, above) upon such occupancy of the Expansion Premises by Tenant.

4. **Extension of Lease Term**. Landlord and Tenant acknowledge that Tenant's lease of the Existing Premises is scheduled to expire on April 30, 2027 (the "**Lease Expiration Date**") pursuant to the terms of the Lease. Notwithstanding anything to the contrary set forth in the Lease, the Lease Term is hereby extended and shall expire on the Extended Expiration Date, unless sooner terminated as provided in the Lease.

4.1 **Existing Premises**. Notwithstanding anything to the contrary in the Lease, prior to the Expansion Commencement Date, Tenant shall continue to pay Base Rent for the Existing Premises in accordance with the terms of the Lease, provided that if the Expansion Commencement Date occurs after April 30, 2027, then for the period commencing on May 1, 2027 and continuing through the date that immediately precedes the Expansion Commencement Date, Base Rent for the Existing Premises shall be payable at the rate of $233,505.75 per month.

4.2 **Total Premises (i.e., both the Existing Premises and the Expansion Premises)**. Commencing on the Expansion Commencement Date and continuing through and including the Extended Expiration Date, Tenant shall pay to Landlord monthly installments of Base Rent for the total Premises (i.e., both the Existing Premises and the Expansion Premises) in accordance with the terms of the Lease, and as set forth below. For purposes of this Third Amendment, the term "**Expansion Year**" shall mean each consecutive twelve (12) month period during the Expansion Term.

Period During Expansion Term	Annual Base Rent	Monthly Installment of Base Rent	Monthly Base Rent Rate per RSF*
Expansion Year 1**	$5,257,390.20	$438,115.85	$4.45
Expansion Year 2**	$5,415,111.96	$451,259.33	$4.58
Expansion Year 3	$5,577,565.32	$464,797.11	$4.72
Expansion Year 4	$5,744,892.24	$478,741.02	$4.86
Expansion Year 5	$5,917,239.00	$493,103.25	$5.01
Expansion Year 6	$6,094,756.20	$507,896.35	$5.16
Expansion Year 7	$6,277,598.88	$523,133.24	$5.31
Expansion Year 8 (through Extended Expiration Date)	$6,465,926.88	$538,827.24	$5.47

* The amounts identified in the column entitled "Monthly Base Rent Rate per RSF" are rounded amounts provided for informational purposes only.

** Notwithstanding the foregoing Base Rent schedule or any contrary provision of the Lease, but subject to the terms of Section 4.3, below, (i) Tenant shall not be obligated to pay the monthly installment of Base Rent for the total Premises (i.e., the Existing Premises and the Expansion Premises) for the second (2nd) through ninth (9th) full calendar months of the Expansion Term, and (ii) with respect to the portion of the Premises located on the third (3rd) floor, Tenant shall not be obligated to pay Base Rent for an additional six (6) full calendar months (i.e., for the tenth (10th) through fifteenth (15th) full calendar months of the Expansion Term).

Concurrently with Tenant's execution of this Third Amendment, Tenant shall pay to Landlord the monthly installment of Base Rent payable for the Expansion Premises for the first full calendar month of the Expansion Term.

4.3 **Abated Base Rent**. Provided that Tenant is not then in default of the Lease, then during the period commencing on the first (1st) day of the second (2nd) full calendar month of the Expansion Term and continuing through and including the last day of the ninth (9th) full calendar month of the Expansion Term (the "**Full Base Rent Abatement Period**"), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the total Premises (i.e., the Existing Premises and the Expansion Premises) during such Full Base Rent Abatement Period (the "**Full Base Rent Abatement**"). In addition, with respect to the portion of the Premises located only on the third (3rd) floor, Tenant shall not be obligated to pay (the "**Third Floor Base Rent Abatement**") Base Rent in the amount of $110,466.80 per month for the period commencing on the first (1st) day of the tenth (10th) full calendar month of the Expansion Term and continuing through and including the last day of the twelfth (12th) full calendar month of the Expansion Term, nor Base Rent in the amount of $113,780.80 per month for the period commencing on the first (1st) day of the thirteenth (13th) full calendar month of the Expansion Term and continuing through and including the last day of the fifteenth (15th) full calendar month of the Expansion Term. (The Third Floor Base Rent Abatement and the Full Base Rent Abatement are, collectively, the "**Aggregate Base Rent Abatement**".) Landlord and Tenant acknowledge that the Aggregate Base Rent Abatement equals $4,177,669.60 (i.e., $672,742.80 for the Third Floor Base Rent Abatement and $3,504,926.80 for the Full Base Rent Abatement). Tenant acknowledges and agrees that the foregoing Aggregate Base Rent Abatement has been granted to Tenant as additional consideration for entering into this Third Amendment, and for agreeing to pay the Rent and performing the terms and conditions otherwise required under the Lease. If Tenant shall be in default under the Lease and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to the terms and conditions of the Lease, or if the Lease is terminated for any reason other than Landlord's breach of the Lease, then the dollar amount of the unapplied portion of the Aggregate Base Rent Abatement as of the date of such default or termination, as the case may be, shall be converted to a credit to be applied to the Base Rent applicable at the end of the Expansion Term and Tenant shall immediately be obligated to begin paying Base Rent for the Premises in full.

5. **Tenant's Share of Direct Expenses**.

5.1 **Existing Premises**. Tenant shall continue to be obligated to pay Tenant's Share of Direct Expenses in connection with the Existing Premises in accordance with the terms of the Lease through the date immediately preceding the Expansion Commencement Date.

5.2 **Total Premises (i.e., both the Existing Premises and the Expansion Premises)**. Notwithstanding any contrary provision contained in the Lease, effective as of the Expansion Commencement Date, and continuing through and including the Extended Expiration Date, Tenant shall pay Tenant's Share of Direct Expenses in connection with the total Premises

(i.e., the Existing Premises and the Expansion Premises) which arise or accrue during such period in accordance with the terms of the Lease; provided that with respect to the calculation of Tenant's Share of Direct Expenses in connection with the total Premises (i.e., the Existing Premises and the Expansion Premises), the following shall apply: (i) Tenant's Share shall equal 31.35% of the Building, (ii) the Base Year shall be the calendar year 2027, (iii) Tenant shall have no obligation to pay Tenant's Share of Direct Expenses attributable to the first twelve (12) months of the Expansion Term, (iv) the last paragraph of Section 4.2.4 of the Original Lease regarding the cap on Controllable Expenses shall continue to apply, provided that the Base Year for purposes of calculating the cap for subsequent years during the Expansion Term shall be the calendar year 2027, and (v) Tenant shall receive Proposition 13 protection with respect to the total Premises (i.e., the Existing Premises and the Expansion Premises) pursuant to Section 4.7 of the Original Lease, provided that (A) all references therein to the "Lease Term" shall be deemed to mean the "Expansion Term", (B) all references therein to the "Base Year" shall mean calendar year 2027, which is the Base Year applicable to the Expansion Term, (C) all references therein to "Lease Year" shall be deemed to mean "Expansion Year", and (D) with respect to the total Premises (i.e., the Existing Premises and the Expansion Premises), Section 4.7.2 of the Original Lease, as modified in Section 4.2 of the First Amendment, shall be inapplicable, and the following shall be substituted therefor:

"4.7.2 **Protection**. With respect to the total Premises (i.e., the Existing Premises and the Expansion Premises), during the Expansion Term (and specifically excluding any Option Term or any other renewal or extension of the Expansion Term or Lease Term), Tenant shall not be obligated to pay the applicable 'Percentage of Protection' as set forth below, of the Tax Increase.

Expansion Year	Percentage of Protection
1	100%
2	75%
3	50%
4	25%
5- Extended Expiration Date	0%

As an example only, in the event of a Reassessment on the first day of the 2nd Expansion Year Tenant would be responsible for 25% of the resulting Tax Increase in Expansion Year 2, 50% of the resulting Tax Increase in Expansion Year 3, 75% of the resulting Tax Increase in Expansion Year 4, and 100% of the resulting Tax Increase in Expansion Years 5 through the Extended Expiration Date."

5.3 **Proposition 8.** Effective as of the Expansion Commencement Date and continuing for the Expansion Term only (and not any renewal term or "Option Term", as that term is defined in Section 8 below), Section 4.2.5.4 of the Original Lease shall be inapplicable, and the following shall be substituted therefor:

"Notwithstanding anything to the contrary set forth in this Lease, the amount of Tax Expenses for the Base Year shall be calculated without taking into account any decreases

in real estate taxes obtained in connection with Proposition 8, and, therefore, the Tax Expenses in the Base Year may be greater than those actually incurred by Landlord in the Base Year, but shall, nonetheless, be the Tax Expenses for the Base Year, provided that (i) any costs and expenses incurred by Landlord in securing any Proposition 8 reduction for the Base Year shall not be included in Tax Expenses or Direct Expenses for purposes of this Lease, and (ii) tax refunds under Proposition 8 for the Base Year shall not be deducted from Tax Expenses nor refunded to Tenant, but rather shall be the sole property of Landlord.

Further notwithstanding anything to the contrary set forth in this Lease, for purposes of this Lease, the amount of Tax Expenses for each Expense Year after the Base Year shall be calculated by taking into account any decreases in real estate taxes obtained in connection with Proposition 8, provided that (i) any costs and expenses incurred by Landlord in securing any Proposition 8 reduction for any Expense Year after the Base Year shall be included in Tax Expenses for purposes of this Lease (the "Prop 8 Expenses"), and (ii) tax refunds under Proposition 8 for any Expense Year after the Base Year shall be deducted from Tax Expenses, or Tenant's Share thereof shall be credited to or refunded to Tenant, in accordance with the last paragraph of this Section 4.2.5.4.

Landlord and Tenant acknowledge that the foregoing provisions of this Section 4.2.5.4 are not intended to in any way affect (A) the inclusion in Tax Expenses of the statutory two percent (2.0%) annual increase in Tax Expenses (as such statutory increase may be modified by subsequent legislation), or (B) the inclusion or exclusion of Tax Expenses pursuant to the terms of Proposition 13.

Notwithstanding anything to the contrary set forth in this Lease, only Landlord may institute proceedings to reduce Tax Expenses and the filing of any such proceeding by Tenant without Landlord's consent shall constitute an event of default by Tenant under this Lease. Notwithstanding the foregoing, Landlord shall not be obligated to file any application or institute any proceeding seeking a reduction in Tax Expenses. The amount of Tax Expenses for the Base Year attributable to the valuation of the Project inclusive of tenant improvements, shall be known as the 'Base Taxes'. Notwithstanding the foregoing, in the event that the tax bills for the Base Year do not specify an enrolled non-Proposition 8 valuation for the Project, inclusive of tenant improvements, for the Base Year, then the Tax Expenses for the Base Year shall be deemed to equal the product of (i) the tax rate applicable to the Project for the Base Year, and (ii) the enrolled non-Proposition 8 valuation of the Project as specified in the tax bill for the most recent tax fiscal year prior to the Base Year which specifies the then current enrolled non-Proposition 8 valuation of the Project (the "Most Recent Relevant Tax Bill"), increased by the statutory two percent (2.0%) annual valuation increase for each tax fiscal year following the tax fiscal year to which the Most Recent Relevant Tax Bill applies, through and including the tax fiscal years to which the Base Year applies (as such statutory increase may have been modified by legislation applicable to any such tax fiscal years).

Further notwithstanding anything to the contrary set forth in this Lease, including, without limitation, Section 4.1 of this Lease, (i) in no event shall any decrease in Tax Expenses under Proposition 8 for any Expense Year after the Base Year entitle Tenant to any decrease in Base Rent, and (ii) in the event of any decrease in Tax Expenses under Proposition 8 for any Expense Year after the Base Year, Tenant shall be entitled to a credit against sums due under this Lease or a refund, as Landlord elects, for Tenant's Share of the decrease (provided that the amount of such decrease shall be reduced by the Prop 8 Expenses incurred by Landlord in connection with obtaining such decrease), provided that (a) in no event shall any such credit or refund exceed the amount previously paid by Tenant as Tenant's Share of Tax Expenses for the applicable Expense Year, and

(b) in no event shall Tenant receive any credit or refund for any portion of such net decrease in Tax Expenses for the applicable Expense Year which results in Tax Expenses for such Expense Year being equal to or below the Base Taxes."

6. **Condition of Premises; Possession Date**. Tenant hereby acknowledges and agrees that, notwithstanding anything contained in the Lease and this Third Amendment to the contrary, (a) Tenant has been and is in occupancy of the Existing Premises pursuant to the Lease as of the Effective Date, and is aware of the condition of the Existing Premises as of the Effective Date, and (b) Tenant shall continue to occupy the Existing Premises in their currently existing, "as is" condition following the Effective Date. Except as otherwise provided in the Tenant Work Letter, Landlord shall tender possession of the Expansion Premises to Tenant in its then existing, "as-is" condition, and Landlord shall not be obligated to provide or pay for any work or services related to the improvement of the Expansion Premises. Landlord shall be deemed to have tendered possession of the third (3rd) and/or fourth (4th) floor(s) of the Expansion Premises to Tenant upon the date that Landlord provides Tenant with a key or access card to such portion of the Expansion Premises (the "**Possession Date**"), and no action by Tenant shall be required therefor. The Possession Date for the fourth (4th) floor portion of the Expansion Premises shall occur promptly following the parties' mutual execution and delivery of this Third Amendment. Tenant acknowledges that the third (3rd) floor portion of the Expansion Premises is currently occupied by an existing tenant. Therefore, the Possession Date for the third (3rd) floor portion of the Expansion Premises shall occur promptly following the existing tenant thereof vacating and surrendering exclusive possession of such floor to Landlord; provided, however, in the event that the Possession Date for the third (3rd) floor portion of the Expansion Premises has not occurred on or before the date which is one hundred twenty (120) days following the Effective Date, as extended for any Force Majeure delay (the "**Third Floor Outside Date**"), then, as Tenant's sole and exclusive remedy for such delay, Tenant shall be entitled to day for day Base Rent abatement (in addition to the Aggregate Base Rent Abatement granted in Section 4.3 above) applicable solely to the third (3rd) floor portion of the Expansion Premises for the number of days calculated by starting with the day immediately following the Third Floor Outside Date and continuing through and including the day immediately preceding the Possession Date for the third (3rd) floor portion of the Expansion Premises(the "**Delay in Possession Base Rent Abatement**"). The Delay in Possession Base Rent Abatement shall be applied commencing on the first (1st) day of the sixteenth (16th) full calendar month of the Expansion Term until such abatement amount is fully applied, and the daily abatement amount hereunder shall equal $3,631.78 per day of such delay. Neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Existing Premises, the Expansion Premises, the Building, or the Project as of the Effective Date or with respect to the suitability of the same for the conduct of Tenant's business.

7. **Letter of Credit**. Landlord is currently in possession of Tenant's L-C in the amount of $500,000.00 (the "**Existing L-C Amount**"). Notwithstanding any contrary provision of the Lease, the Existing L-C Amount is hereby increased by $2,194,136.00 (the "**Expansion L-C Amount**"), so that the new L-C Amount under the Lease shall equal $2,694,136.00. Within thirty (30) days following the Effective Date, Tenant shall deliver to Landlord an amendment to the L-C which effectuates an increase in the amount of the L-C to the new L-C Amount (i.e., $2,694,136.00) and extends the expiration date of the L-C to May 30, 2035, and is otherwise in a form reasonably acceptable to Landlord. In the event that the Expansion Commencement Date is a date other than August 1, 2027, then Tenant shall, within thirty (30) days following the occurrence of the Expansion Commencement Date, deliver to Landlord a further amendment to the L-C which effectuates a change in the expiration date of the L-C to the date which is sixty (60) days following the Extended Expiration Date, and is otherwise in a form reasonably acceptable to Landlord. Further notwithstanding any contrary provision of the Lease, effective as of the Effective Date, the tables in Section 21.3.2 of the Original Lease and Section 7 of the First Amendment are hereby replaced with the following:

Date of Reduction	Amount of Reduction	Remaining L-C Amount
May 1, 2029	$1,077,654.00	$1,616,482.00
May 1, 2031	$538,827.00	$1,077,654.00

8. **Option Terms**. Effective as of the Expansion Commencement Date and notwithstanding any contrary provision of Section 2.2 of the Original Lease, Landlord hereby grants to the Original Tenant and its Permitted Assignees two (2) consecutive options to extend the Expansion Term for the entire Premises for a period of five (5) years each (each, an "**Option Term**"), and such option rights shall replace the one (1) option to extend previously granted to Tenant and its Permitted Assignees in Section 2.2.1 of the Original Lease. Except as expressly set forth herein, each the foregoing renewal rights shall be on the same terms and conditions as set forth in Section 2.2 of the Original Lease, provided that (A) all references therein to the "Lease Term" shall be deemed to mean the Expansion Term or the first (1st) Option Term, as applicable, (B) all references therein to the "Premises" shall be deemed to mean the entire then-existing Premises, (C) all references therein to "Lease Expiration Date" or to the "expiration of the initial Lease Term" shall be deemed to mean the date of expiration of the Expansion Term or the first (1st) Option Term, as applicable, (D) all references therein to the "Option Term" shall be deemed to mean the first (1st) Option Term or the second (2nd) Option Term, as applicable, (E) the third (3rd) sentence from the end of Section 2.2.2 of the Original Lease is hereby revised as follows: the phrase which starts with ", provided that" through the end of such sentence is hereby deleted, and (F) in the event that Tenant fails to timely exercise its right to extend the Expansion Term for the first (1st) Option Term, then Tenant's right to further extend the Lease Term for the second (2nd) Option Term shall lapse and be of no further force or effect.

9. Right of First Offer.

The parties acknowledge and agree that although Tenant's right of first offer to lease additional space under Section 6 of the First Amendment previously terminated pursuant to its terms, the parties hereby agree to reinstate Section 6 of the First Amendment, subject to the modifications hereinafter set forth. Notwithstanding any contrary provision of Section 6 of the First Amendment, Tenant's right of first offer to lease additional space shall commence on the Expansion Commencement Date and shall apply to each full floor of the Building (excluding the third (3rd), fourth (4th), sixth (6th) and seventh (7th) floors, but including, without limitation, the second (2nd) and ninth (9th) floors), provided that with respect to the fifth (5th) floor of the Building, Tenant's first offer right shall apply to any portions of such floor which become available (each such full floor or portion(s) of the fifth (5th) floor, "First Offer Space"). For the avoidance of doubt, Tenant's right of first offer for the floors of the Building other than the fifth (5th) floor applies to the entire full floor and not to any portions of such floors. Except as expressly modified by this Section 9, such first offer right shall be subject to all of the terms and conditions set forth in Section 6 of the First Amendment, including, without limitation, the provisions regarding Superior Right Holders.

9.1 The following modifications are hereby made to Section 6 of the First Amendment:

(i) The right of first offer hereunder is granted to the Original Tenant and its Permitted Assignee, and shall not apply to any other assignee, sublessee, or transferee of the Original Tenant's interest in the Lease.

(ii) In the event that any First Offer Space is currently vacant (e.g., the ninth (9th) floor), then notwithstanding any contrary provision of Section 6 of the First Amendment or this Section 9, Tenant's first offer right shall not apply with respect to such First Offer Space until the expiration or earlier termination of the next lease(s) entered into by Landlord for such space(s), and the tenant(s) thereunder shall be deemed to be a Superior Right Holder, provided that the only superior right of such tenant shall be the right to renew the applicable lease, as set forth in the penultimate sentence of Section 6 of the First Amendment.

(iii) The phrase "the full floor(s) of space" in the third (3rd) sentence of Section 6.1 of the First Amendment is hereby replaced with the phrase "First Offer Space".

(iv) The phrase "one (1) full floor of the Building" in the first (1st) sentence of Section 6.2 of the First Amendment is hereby replaced with the phrase "the First Offer Space".

(v) The phrase "one (1) entire full floor of the Building" in the third (3rd) sentence of Section 6.2 of the First Amendment is hereby replaced with the phrase "the entire First Offer Space".

(vi) The phrase "all or a portion of" is hereby added to the penultimate sentence of Section 6.2 of the First Amendment, between the words "third party for" and "such First Offer Space".

(vii) The right of first offer hereunder is a one-time right with respect to each floor of the Building other than the fifth (5th) floor, and with respect to the multi-tenant spaces on the fifth (5th) floor, Tenant's right of first offer shall be a one-time right with respect to each particular space. Therefore, once Landlord delivers a First Offer Notice to Tenant for any First Offer Space, and assuming that Tenant fails to timely exercise its first offer right thereto, then subject to Landlord's obligation to re-offer such First Offer Space to Tenant in certain circumstances, as set forth in the last two (2) sentences of Section 6.2 of the First Amendment, Tenant shall no longer have a right of first offer for the First Offer Space as set forth in the applicable First Offer Notice, but subject to the last sentence of Section 6.5 of the First Amendment, Tenant shall continue to have a first offer right for the remaining portions of the Building (excluding the Premises) that have not been previously offered to, and declined by, Tenant hereunder.

10. **Termination Right**.

10.1 **Exercise of Termination Right**. The Original Tenant is hereby granted a one-time right to terminate and cancel the Lease, effective as of the last day of the sixty-eighth

(68th) month of the Expansion Term (the "**Termination Date**"), provided that (i) not later than twelve (12) months prior to the Termination Date Landlord receives written notice from Tenant (the "**Termination Notice**") that Tenant elects to terminate the Lease pursuant to the terms of this Section 10.1, and (ii) not later than thirty (30) days following Tenant's delivery of the Termination Notice to Landlord, Tenant pays the "Termination Fee," as that term is defined hereinbelow, to Landlord, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, as consideration for such early termination. Upon Tenant's delivery of the Termination Notice to Landlord, all of Tenant's rights under Sections 8 and 9 above shall automatically terminate and be of no further force and effect regardless of whether the Lease thereafter shall be terminated in accordance with the terms of this Section 10.1. As used in this Section 10, the "**Termination Fee**" shall be an amount equal to (a) the unamortized portion (as of the Termination Date) of the Tenant Improvement Allowance and the Aggregate Base Rent Abatement, and all real estate commissions paid by Landlord in connection with this Third Amendment, amortized on a straight-line basis over the Expansion Term at an annual interest rate of eight percent (8%), plus (b) an amount equal to three (3) months of Rent (i.e., Base Rent and Tenant's Share of Direct Expenses) at the rates which would have otherwise been payable by Tenant for the three (3) month period immediately following the Termination Date.

10.2 **Termination of Lease**. Provided that Tenant timely elects to terminate the Lease and timely pays the Termination Fee to Landlord in accordance with Section 10.1, above, then the Lease shall automatically terminate and be of no further force or effect, and Landlord and Tenant shall be relieved of their respective obligations under the Lease as of the Termination Date, except with respect to those obligations set forth in the Lease which specifically survive the expiration or earlier termination of the Lease (including, without limitation, the payment by Tenant of all amounts owed by Tenant under the Lease for the period on and prior to the Termination Date). The termination right set forth in this Section 10 shall be personal to the Original Tenant, and may only be exercised by the Original Tenant (and not by any assignee, sublessee or other transferee of Tenant's interest in the Lease) if the Original Tenant occupies the entire Premises.

10.3 **No Tenant Default**. Notwithstanding anything to the contrary set forth in this Section 10, Tenant shall have no right to exercise the termination right set forth in this Section 10 if Tenant is in default under the Lease as of the date of Tenant's delivery to Landlord of the Termination Notice or, at Landlord's option, at any time prior to the Termination Date. If Tenant is in default under the Lease following Tenant's delivery to Landlord of the Termination Notice but prior to the Termination Date, then, at Landlord's option, Tenant's exercise of its termination right hereunder shall be null and void and of no further force or effect.

11. **Parking**.

11.1 **Expansion Premises Parking Passes**. Commencing as of the Expansion Commencement Date, and in addition to Tenant's right to use the parking passes previously allotted to Tenant with respect to the Existing Premises under the Original Lease and the First Amendment (collectively, the "**Existing Premises Passes**"), Tenant shall have the right to use up to three (3) unreserved parking passes per one thousand (1,000) rentable square feet of the Expansion Premises (i.e., 148 unreserved parking passes in the aggregate) and up to five (5) reserved parking passes in the locations designated by Landlord (collectively, the "**Expansion Passes**"), all at the prevailing rates charged from time to time at the location of such parking passes. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the Parking Structure by Tenant. Effective as of the Expansion Commencement Date, the fifth (5th) sentence of Article 28 of the Original Lease shall be deleted, and the following shall be substituted in its place: "Notwithstanding any contrary provision of the Lease, following the

Expansion Commencement Date, the parking rates payable by Tenant for unreserved and reserved parking passes allotted as part of the Existing Premises Passes and the Expansion Passes shall not increase by more than Five Percent (5%) per year on a cumulative and compounded basis. Tenant shall have the right from time to time to elect to increase, subject to availability (as determined by Landlord in its sole discretion), or to decrease the amount of Expansion Passes rented by Tenant, upon at least thirty (30) days prior written notice to Landlord, provided that in no event shall Tenant be entitled to rent more than 148 unreserved parking passes nor more than 5 reserved parking passes as Expansion Passes. Such additional parking passes shall otherwise be subject to the terms of Article 28 of the Original Lease.

11.2 **Abated Parking Charges**. Provided that Tenant is not then in default of the Lease, then during the period commencing on the Expansion Commencement Date and continuing through and including the date immediately preceding the first (1st) anniversary of the Expansion Commencement Date (the "**Parking Charge Abatement Period**"), Tenant shall not be obligated to pay any monthly parking charges and applicable taxes for the lesser of (i) the number of unreserved parking passes then being utilized by Tenant, or (ii) one hundred (100) unreserved parking passes (the "**Parking Charge Abatement**"). Tenant acknowledges and agrees that the foregoing Parking Charge Abatement has been granted to Tenant as additional consideration for entering into this Third Amendment, and for agreeing to pay the Rent and performing the terms and conditions otherwise required under this Lease. If Tenant shall be in default under Lease and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to terms and conditions of the Lease, or if the Lease is terminated for any reason other than Landlord's breach of the Lease, then the dollar amount of the unapplied portion of the Parking Charge Abatement as of the date of such default or termination, as the case may be, shall be converted to a credit to be applied to Tenant's parking charges applicable at the end of the Expansion Term and Tenant shall immediately be obligated to begin paying parking charges for the entire Premises in full.

12. **Additional Lease Modifications**.

12.1 **Signage Fees**. Effective as of the Expansion Commencement Date, notwithstanding any contrary provision of Section 9 of the First Amendment and Section 2 of the Second Amendment, the monthly Signage Fee under Section 9 of the First Amendment and the monthly Signage Fee for South Facing Sign under Section 2 of the Second Amendment shall be waived, provided that (i) the Original Tenant (and not any assignee, sublessee, or other transferee of Tenant's interest in the Lease) continuously occupies the entirety of the Existing Premises and the Expansion Premises, and (ii) Tenant is not in default under the Lease. In the event that the foregoing signage fees are no longer waived hereunder as a result of Tenant no longer satisfying both of the foregoing conditions to such waiver, then Tenant shall be required to commence paying the signage fees to Landlord as otherwise set forth in Section 9 of the First Amendment and Section 2 of the Second Amendment, effective immediately.

12.2 **Landlord's Options as to Subject Space**. Section 14.4 of the Original Lease is hereby deleted and of no further force or effect.

12.3 **Building Access Control**.

12.3.1 **Tenant's Security System**. Subject to the terms of the Lease (including the Tenant Work Letter and/or Article 8 of the Original Lease, as the case may be), Tenant may, at its own expense, install its own security system (the "**Tenant's Security System**") in the Premises, conditioned upon Tenant providing Landlord with the ability to disarm Tenant's Security System or otherwise access the Premises when Tenant's Security System is operational, without the need for a Tenant escort. Tenant may coordinate Tenant's Security System to provide that the Building's system and Tenant's Security System will operate

on the same type of key card, so that Tenant's employees are able to use a single card for both systems, but shall not otherwise integrate Tenant's Security System with the Building systems without Landlord's prior written consent. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the installation, monitoring, maintenance, repair, operation and, prior to the expiration or earlier termination of the Lease, removal of Tenant's Security System (and the performance of all work to repair any resulting damage and restore the affected areas to their condition existing prior to Tenant's installation of Tenant's Security System).

12.3.2 **Turnstile Installation.** Subject to the parties' mutual approval of the "Security Enhancements" (as that term is defined hereinbelow) as set forth below, Landlord shall install a turnstile (or a similar turnstile-like access control equipment reasonably acceptable to Tenant) for the ground floor elevator lobby of the Building (the "**Security Enhancements**"). All aspects relating to the Security Enhancements, including, without limitation, the equipment therefor, the design and configuration thereof, the extent and nature of any upgrades or modifications required to the Building's access card system to accommodate and integrate the Security Enhancements, the extent and nature of additional Building improvements required for the Security Enhancements to be properly operated and maintained, and the extent and nature of future maintenance, repair and replacement work which is reasonably anticipated to be necessary to maintain the Security Enhancements in first-class condition, and the costs of the foregoing shall be reasonably determined and approved by Landlord and reasonably agreed to by Tenant. The requirements in this Section 12.3.2 above, to the extent applicable to Landlord, are hereinafter referred to collectively as the "**Landlord's Turnstile Requirements**".

Tenant shall be responsible for all costs relating to the Security Enhancements, including, without limitation, the costs to purchase, design, construct, and install the Security Enhancements, the costs of any upgrades or modifications required to the Building's access card system which are reasonably required to accommodate and integrate the Security Enhancements, and the costs of any Building improvements which are reasonably required for the Security Enhancements to be properly operated and maintained. Notwithstanding the foregoing, following installation and completion of the Security Enhancements and all work related thereto, and Landlord's reasonable approval of all such work (which shall not be unreasonably conditioned, withheld or delayed), Landlord shall be responsible (at Landlord's cost) for the ongoing operation, maintenance, repair, and replacement of the Security Enhancements for the remainder of the Expansion Term, as the same may be extended. Landlord shall use commercially reasonable efforts to satisfy Landlord's Turnstile Requirements in a commercially reasonable timeframe following the Effective Date.

12.4 **Subordination, Non-Disturbance and Attornment Agreement**. Due to the amendment of the Lease by this Third Amendment, Landlord shall use commercially reasonable efforts to cause its existing lender, at Tenant's sole cost, to provide Tenant with a subordination, non-disturbance and attornment agreement, or an amendment to Tenant's existing subordination, non-disturbance and attornment agreement, if any, with such existing lender, in favor of Tenant, on such lender's standard form, within ninety (90) days after the full execution and delivery of this Third Amendment.

12.5 **Interconnecting Stairwells**. Section 2.1 of the Tenant Work Letter attached hereto, and Section 2.1 of the Tenant Work Letter attached to the First Amendment as Exhibit B set forth Tenant's obligations relating to the removal of the interconnecting stairwells at the end of the Lease Term.

12.6 **Dog Policy**. Effective as of the Effective Date, that certain letter agreement dated as of March 9, 2023 between Landlord and Tenant regarding Tenant's Dogs (the "**Dog Letter Agreement**") is hereby amended as follows: (a) the limitation of "up to a total of eight (8)" dogs in the Premises at any given time is hereby revised to "up to a total of thirty

(30)" and (b) of "no more than seventy-five (75) pounds each" is hereby revised to "no more than seventy-five (75) pounds each, provided that up to five (5) dogs may be up to one hundred (100) pounds each". All other terms and conditions of the Dog Letter Agreement shall remain in full force and effect.

13. **Brokers**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Third Amendment other than CBRE, Inc**.**, representing Landlord, and Cresa, representing Tenant (collectively, the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Third Amendment other than the Brokers. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent other than the Brokers occurring by, through, or under the indemnifying party. The terms of this Section 13 shall survive the expiration or earlier termination of the Lease Term, as hereby amended.

14. **CASp**. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Expansion Premises have not undergone inspection by a Certified Access Specialists (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp designated by Landlord, subject to Landlord's reasonable rules and requirements; (b) Tenant, at its sole cost and expense, shall be responsible for making any improvements or repairs within the Expansion Premises to correct violations of construction-related accessibility standards relating to the Tenant Improvements or any Alterations; and (c) if Tenant in fact requests such CASp inspection and the results of such CASp inspection shall require any improvements or repairs to the Building or Project (outside the Expansion Premises) to correct violations of construction-related accessibility standards, then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such improvements or repairs.

15. **Counterparts**. This Third Amendment may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single Third Amendment.

16. **Signatures**. The parties hereto consent and agree that this Third Amendment may be signed and/or transmitted by e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (1) to the extent a party signs this Third Amendment using electronic signature technology, by clicking "SIGN", such party is signing this Third Amendment electronically, and (2) the electronic

signatures appearing on this Third Amendment shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

17. **No Further Modification**. Except as specifically set forth in this Third Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect. In the event of any conflict between the terms and conditions of the Lease, and the terms and conditions of this Third Amendment, the terms and conditions of this Third Amendment shall prevail.

17.1 [signatures follow on next page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Third Amendment to be executed the day and date first above written.

"**LANDLORD**"**:**

177 COLORADO OWNER LLC,
a Delaware limited liability company

By:/s/ Joseph A. Goldman

Name: Joseph A. Goldman
Its: Vice President

"**TENANT**"**:**

ARROWHEAD PHARMACEUTICALS, INC.,
a Delaware corporation

By: /s/Dan Apel
Name: Dan Apel
Its: CFO

Exhibit 31.1

CERTIFICATION PURSUANT SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Anzalone, Chief Executive Officer of Arrowhead Pharmaceuticals, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arrowhead Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ CHRISTOPHER ANZALONE

Christopher Anzalone
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Apel, Chief Financial Officer of Arrowhead Pharmaceuticals, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arrowhead Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ Daniel Apel

Daniel Apel
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Anzalone, Chief Executive Officer of Arrowhead Pharmaceuticals, Inc. (the "Company"), certify, pursuant to Rule 13(a)-14(b) or Rule 15(d)-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, that (i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of the Company.

Date: August 4, 2026

/s/ CHRISTOPHER ANZALONE

Christopher Anzalone
Chief Executive Officer

A signed original of these written statements required by 18 U.S.C. Section 1350 has been provided to Arrowhead Pharmaceuticals, Inc. and will be retained by Arrowhead Pharmaceuticals, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Apel, Chief Financial Officer of Arrowhead Pharmaceuticals, Inc. (the "Company"), certify, pursuant to Rule 13(a)-14(b) or Rule 15(d)-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, that (i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of the Company.

Date: August 4, 2026

/s/ Daniel Apel

Daniel Apel
Chief Financial Officer

A signed original of these written statements required by 18 U.S.C. Section 1350 has been provided to Arrowhead Pharmaceuticals, Inc. and will be retained by Arrowhead Pharmaceuticals, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.