



ArQule Announces Pricing of \$60.5 Million Public Offering of Common Stock

July 11, 2018

BURLINGTON, Mass.--(BUSINESS WIRE)--Jul. 11, 2018-- ArQule, Inc. (Nasdaq: ARQL) today announced the pricing of an underwritten public offering of 11 million shares of its common stock at a price to the public of \$5.50 per share. ArQule has granted the underwriters a 30-day option to purchase up to an additional 1.65 million shares of its common stock. The offering is expected to close on or about July 13, 2018, subject to satisfaction of customary closing conditions. The gross proceeds to ArQule from the offering, excluding any exercise by the underwriters of their 30-day option to purchase additional shares, are expected to be \$60.5 million, before deducting underwriting discounts and commissions and other offering expenses payable by ArQule.

The Company intends to use the net proceeds of the offering to fund its core clinical programs and for general corporate purposes.

Leerink Partners is acting as sole book-running manager for the offering. Needham & Company, LLC is acting as lead co-manager, and Roth Capital Partners, B. Riley FBR and JonesTrading Institutional Services LLC are acting as co-managers for the offering.

The securities described above are being offered by ArQule pursuant to an effective shelf registration statement on Form S-3 (File No. 333-213456), including a base prospectus, that was previously filed by ArQule with the Securities and Exchange Commission ("SEC"). A final prospectus supplement and accompanying prospectus relating to the offering will be filed with the SEC and will be available on the SEC's website located at www.sec.gov or on ArQule's website, www.arqule.com. Copies of the final prospectus supplement and the accompanying prospectus relating to the offering, when available, may be obtained from Leerink Partners LLC, Attention: Syndicate Department, One Federal Street, 37th Floor, Boston, MA 02110, by telephone at (800) 808-7525, ext. 6132 or by email at syndicate@leerink.com.

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor will there be any sales of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

About ArQule

ArQule is a biopharmaceutical company engaged in the research and development of targeted therapeutics to treat cancers and rare diseases. ArQule's mission is to discover, develop and commercialize novel small molecule drugs in areas of high unmet need that will dramatically extend and improve the lives of our patients. Our clinical-stage pipeline consists of five drug candidates, all of which are in targeted, biomarker-defined patient populations, making ArQule a leader among companies our size in precision medicine. ArQule's pipeline includes: ARQ 531, an orally bioavailable, potent and reversible inhibitor of both wild type and C481S-mutant BTK, in a Phase 1 trial for patients with B-cell malignancies refractory to other therapeutic options; Miransertib (ARQ 092), a selective inhibitor of the AKT serine/threonine kinase, in a phase 1/2 company-sponsored trial for Overgrowth Diseases, in a Phase 1 trial for ultra-rare Proteus syndrome conducted by the National Institutes of Health (NIH), and in a Phase 1b trial in combination with the hormonal therapy, anastrozole, in patients with advanced endometrial cancer; ARQ 751 a next generation AKT inhibitor, in a Phase 1 trial for patients with AKT1 and PI3K mutations; Derazantinib, a multi-kinase inhibitor designed to preferentially inhibit the fibroblast growth factor receptor (FGFR) family, in a registrational trial for iCCA; and ARQ 761, a β -lapachone analog being evaluated as a promoter of NQO1-mediated programmed cancer cell necrosis, in a Phase 1/2 trial in multiple oncology indications in partnership with the University of Texas Southwestern Medical Center. ArQule's current discovery efforts are focused on the identification and development of novel kinase inhibitors, leveraging the Company's proprietary library of compounds.

Forward Looking Statements

This press release contains forward-looking statements including, without limitation, statements about ArQule's expectations regarding the completion, timing and size of the proposed offering, and its expectations with respect to granting the underwriters a 30-day option to purchase additional shares. These statements are based on ArQule's current beliefs and expectations, and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties, which include, without limitation, risks associated with market conditions and the satisfaction of closing conditions related to the proposed public offering, as well as risks and uncertainties associated with ArQule's drug development and other activities. For more detailed information about these risks and uncertainties, see ArQule's periodic reports filed with the SEC. ArQule does not undertake any obligation to publicly update any forward-looking statements.

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