



Rhythm Pharmaceuticals Announces New Employment Inducement Grants

May 5, 2022

BOSTON, May 05, 2022 (GLOBE NEWSWIRE) -- Rhythm Pharmaceuticals, Inc. (Nasdaq: RYTM), a commercial-stage biopharmaceutical company committed to transforming the care of people living with rare genetic diseases of obesity, today announced that on May 3, 2022, the Compensation Committee of Rhythm's board of directors granted inducement equity grants covering an aggregate of 50,730 shares of its common stock to 10 new employees, consisting of inducement stock options to purchase an aggregate of 16,915 shares of common stock and inducement restricted stock units, or RSUs, covering an aggregate of 33,815 shares of its common stock. These inducement stock options and inducement RSUs are subject to the terms of the Rhythm Pharmaceuticals, Inc. 2022 Employment Inducement Plan (the "Inducement Plan").

The Inducement Plan is used exclusively for the grant of equity awards to individuals as an inducement material to the employees entering into employment with Rhythm pursuant to Nasdaq Listing Rule 5635(c)(4). The Inducement Plan was adopted by Rhythm's board of directors on February 9, 2022.

The stock options have an exercise price of \$6.13 per share. Each option will vest as to 25% of the shares underlying such option on the first anniversary of the applicable date of hire of each individual, with the remaining 75% vesting in 12 equal quarterly installments over the three years thereafter, subject to each such employee's continued employment on each vesting date. The RSUs vest over four years, with 25% of the shares vesting on each anniversary of the applicable date of hire, subject to each such employee's continued employment on each vesting date.

About Rhythm Pharmaceuticals

Rhythm is a commercial-stage biopharmaceutical company committed to transforming the treatment paradigm for people living with rare genetic diseases of obesity. Rhythm's precision medicine, IMCIVREE (setmelanotide), was approved in November 2020 by the U.S. Food and Drug Administration (FDA) for chronic weight management in adult and pediatric patients 6 years of age and older with obesity due to POMC, PCSK1 or LEPR deficiency confirmed by genetic testing and in July and September 2021, respectively, by the European Commission (EC) and Great Britain's Medicines & Healthcare Products Regulatory Agency (MHRA) for the treatment of obesity and the control of hunger associated with genetically confirmed loss-of-function biallelic POMC, including PCSK1, deficiency or biallelic LEPR deficiency in adults and children 6 years of age and above. IMCIVREE is the first-ever FDA-approved and EC- and MHRA-authorized therapy for patients with these rare genetic diseases of obesity. The Company submitted a supplemental New Drug Application (sNDA) to the FDA, which was accepted for filing in November 2021 and assigned a Prescription Drug User Fee Act (PDUFA) goal date of June 16, 2022, and submitted a Type II variation application to the European Medicines Agency in October 2021 seeking regulatory approval and authorization for setmelanotide to treat obesity and control of hunger in adult and pediatric patients 6 years of age and older with BBS or Alström syndrome in both the United States and European Union. Additionally, Rhythm is advancing a broad clinical development program for setmelanotide in other rare genetic diseases of obesity and is leveraging the Rhythm Engine and the largest known obesity DNA database -- now with approximately 45,000 sequencing samples -- to improve the understanding, diagnosis and care of people living with severe obesity due to certain genetic deficiencies. Rhythm's headquarters is in Boston, MA.

IMCIVREE® (setmelanotide) Indication

In the United States, IMCIVREE is indicated for chronic weight management in adult and pediatric patients 6 years of age and older with obesity due to proopiomelanocortin (POMC), proprotein convertase subtilisin/kexin type 1 (PCSK1), or leptin receptor (LEPR) deficiency, confirmed by an FDA-approved genetic test demonstrating variants in *POMC*, *PCSK1*, or *LEPR* genes that are interpreted as pathogenic, likely pathogenic, or of uncertain significance (VUS).

In the EU and Great Britain, IMCIVREE is indicated for the treatment of obesity and the control of hunger associated with genetically confirmed loss-of-function biallelic POMC, including PCSK1, deficiency or biallelic LEPR deficiency in adults and children 6 years of age and above. IMCIVREE should be prescribed and supervised by a physician with expertise in obesity with underlying genetic etiology.

Limitations of Use

IMCIVREE is not indicated for the treatment of patients with the following conditions as IMCIVREE would not be expected to be effective:

- Obesity due to suspected POMC, PCSK1, or LEPR deficiency with *POMC*, *PCSK1*, or *LEPR* variants classified as benign or likely benign;
- Other types of obesity not related to POMC, PCSK1 or LEPR deficiency, including obesity associated with other genetic

syndromes and general (polygenic) obesity.

Important Safety Information

WARNINGS AND PRECAUTIONS

Disturbance in Sexual Arousal: Sexual adverse reactions may occur in patients treated with IMCIVREE. Spontaneous penile erections in males and sexual adverse reactions in females occurred in clinical studies with IMCIVREE. Instruct patients who have an erection lasting longer than 4 hours to seek emergency medical attention.

Depression and Suicidal Ideation: Some drugs that target the central nervous system, such as IMCIVREE, may cause depression or suicidal ideation. Monitor patients for new onset or worsening of depression. Consider discontinuing IMCIVREE if patients experience suicidal thoughts or behaviors.

Skin Pigmentation and Darkening of Pre-Existing Nevi: IMCIVREE may cause generalized increased skin pigmentation and darkening of pre-existing nevi due to its pharmacologic effect. This effect is reversible upon discontinuation of the drug. Perform a full body skin examination prior to initiation and periodically during treatment with IMCIVREE to monitor pre-existing and new skin pigmented lesions.

Risk of Serious Adverse Reactions Due to Benzyl Alcohol Preservative in Neonates and Low Birth Weight

Infants: IMCIVREE is not approved for use in neonates or infants.

ADVERSE REACTIONS

- The most common adverse reactions (incidence $\geq 23\%$) were injection site reactions, skin hyperpigmentation, nausea, headache, diarrhea, abdominal pain, back pain, fatigue, vomiting, depression, upper respiratory tract infection, and spontaneous penile erection.

USE IN SPECIFIC POPULATIONS

Discontinue IMCIVREE when pregnancy is recognized unless the benefits of therapy outweigh the potential risks to the fetus.

Treatment with IMCIVREE is not recommended for use while breastfeeding.

To report SUSPECTED ADVERSE REACTIONS, contact Rhythm Pharmaceuticals at +1 (833) 789-6337 or FDA at 1-800-FDA-1088 or www.fda.gov/medwatch.

See [Full Prescribing Information](#), [EU SmPC](#) and [MHRA SmPC](#) for IMCIVREE.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding the potential, safety, efficacy, and regulatory and clinical progress of setmelanotide. Statements using words such as “expect”, “anticipate”, “believe”, “may”, “will” and similar terms are also forward-looking statements. Such statements are subject to numerous risks and uncertainties, including, but not limited to, our ability to enroll patients in clinical trials, the design and outcome of clinical trials, the impact of competition, the ability to achieve or obtain necessary regulatory approvals, risks associated with data analysis and reporting, our ability to successfully commercialize setmelanotide, our liquidity and expenses, the impact of the COVID-19 pandemic on our business and operations, including our preclinical studies, clinical trials and commercialization prospects, and general economic conditions, and the other important factors discussed under the caption “Risk Factors” in our Annual Report on Form 10-Q for the three months ended March 31, 2022 and our other filings with the Securities and Exchange Commission. Except as required by law, we undertake no obligations to make any revisions to the forward-looking statements contained in this release or to update them to reflect events or circumstances occurring after the date of this release, whether as a result of new information, future developments or otherwise.

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Source: Rhythm Pharmaceuticals, Inc.