May 12, 2015

Ardelyx Reports First Quarter 2015 Financial Results

FREMONT, Calif., May 12, 2015 /PRNewswire/ -- Ardelyx, Inc. (NASDAQ: ARDX), a clinical-stage biopharmaceutical company focused on cardio-renal, gastrointestinal and metabolic diseases, today announced financial results for the first quarter ended March 31, 2015.

Recent Clinical & Corporate Developments

- Following the completion of two Phase 2b clinical trials in constipation-predominant irritable bowel syndrome (IBS-C) and hyperphosphatemia, as well as a recent Phase 2a clinical trial in chronic kidney disease (CKD) patients, AstraZeneca is now assessing the results from all of the tenapanor trials. Under the terms of the Company's agreement with AstraZeneca, AstraZeneca is obligated to communicate to Ardelyx, on or before June 29, 2015, whether it will continue the development of tenapanor.
- Ardelyx announced the appointment of Dr. Annalisa Jenkins to the Company's Board of Directors.

"Our recently announced Phase 2a CKD trial, though it missed the primary endpoint, showed that tenapanor can have an effect on stool form and reduce phosphate absorption, which further support the potential for tenapanor in the treatment of IBS-C and for the management of hyperphosphatemia in dialysis patients," said Mike Raab, President and Chief Executive Officer. "We continue to work with AstraZeneca as they evaluate the data in totality from the tenapanor development program, and we are prepared to move forward in IBS-C and hyperphosphatemia either independently or with AstraZeneca."

Upcoming Clinical & Corporate Milestones

- In June, Ardelyx is scheduled to have an End of Phase 2 meeting with the Food and Drug Administration (FDA) in order to obtain agreement on pivotal study designs, and safety and efficacy endpoints for Phase 3 studies for tenapanor to treat IBS-C.
- Ardelyx is preparing for the continuation of the development of tenapanor under a variety of scenarios, and intends to be in a position to initiate a Phase 3 clinical program for tenapanor in IBS-C in the fourth quarter of 2015 and to continue the development of tenapanor for the treatment of hyperphosphatemia in CKD patients on dialysis should it regain the worldwide rights to the program.
- Data from the IBS-C study will be presented at Digestive Disease Week from May 16-19, 2015 in Washington D.C. An oral presentation entitled, "Efficacy and Safety of Tenapanor in Patients with Constipation Predominant Irritable Bowel Syndrome: A 12-Week, Double-Blind, Placebo-Controlled, Randomized Phase 2b Trial" will be presented on Tuesday, May 19, at 2:45 pm ET to provide additional information about the study.

First Quarter Ended March 31, 2015 Financial Results

Net loss for the first quarter of 2015 was $3.5 million, or $0.19 per basic and diluted share, compared to a net loss of $3.1 million, or $2.44 per basic and diluted share for the first quarter of 2014.

Total revenue is comprised of licensing revenue and collaborative development revenue. Licensing revenue for the first quarter of 2015 increased to $3.9 million from $3.2 million for the first quarter of 2014. The increase was primarily due to the amortization of deferred revenue from a milestone payment of $25.0 million that the Company received in May 2014.

Collaborative development revenue is comprised of revenue received from AstraZeneca as reimbursement for development expenses for tenapanor incurred by Ardelyx. Collaborative development revenue for the first quarter of 2015 decreased to $2.0 million from $5.3 million for the first quarter of 2014. The decrease was primarily attributable to a decrease in the development activities performed by Ardelyx under the collaboration agreement with AstraZeneca.

Discovery research expense for the first quarter of 2015 increased to $4.2 million from $2.4 million for the first quarter of 2014. The increase was driven by an increase in personnel costs resulting from increased headcount, consultant service fees, lab

supply expenses and process development expenses resulting from increased research activities for unpartnered programs.

AstraZeneca collaboration development expense for the first quarter of 2015 decreased to $2.0 million from $5.3 million for the first quarter of 2014. The decrease was driven by a decrease in expenses primarily related to the completion of certain clinical trial activities that are a part of the AstraZeneca agreement.

General and administrative expense was $3.2 million for the first quarter of 2015 as compared to $1.4 million for first quarter of 2014. The increase was primarily due to higher personnel related costs, public company expenses and additional costs to support the Company's infrastructure.

Cash and cash equivalents were $98.3 million as of March 31, 2015 as compared to $107.3 million as of December 31, 2014. The decrease in cash and cash equivalents compared to December 31, 2014 was primarily due to operational expenses as well as changes in working capital and purchases of property and equipment.

About Ardelyx, Inc.

Ardelyx is a clinical-stage biopharmaceutical company focused on the discovery, development and commercialization of innovative, minimally-systemic, small molecule therapeutics that work in the gastrointestinal tract to treat cardio-renal, gastrointestinal and metabolic diseases. Ardelyx has developed a proprietary drug discovery and design platform enabling it, in a rapid and cost-efficient manner, to discover and design novel drug candidates. Utilizing this platform, the Company has discovered and designed tenapanor. Ardelyx formed a partnership with AstraZeneca in October 2012 to develop and commercialize tenapanor. In addition to tenapanor, Ardelyx has discovered small molecule NaP2b inhibitors for the treatment of hyperphosphatemia in patients on dialysis, a program licensed to Sanofi, and independently is advancing several additional research programs focused in cardio-renal, gastrointestinal and metabolic diseases. Ardelyx is located in Fremont, California. For more information, please visit Ardelyx's website at www.ardelyx.com.

Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts regarding Ardelyx, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor of the Private Securities Reform Act of 1995, including statements regarding the potential for tenapanor in treating IBS-C patients, the potential of tenapanor in treating hyperphosphatemia in CKD patients on dialysis, the timing of AstraZeneca's decisions regarding its future plans for tenapanor, the potential receipt and timing of milestone payments from AstraZeneca in connection with any decision by it to continue the development of tenapanor and our future development plans and the timing thereof, if the rights to tenapanor are returned to us. Such forward-looking statements involve substantial risks and uncertainties that could cause the development of tenapanor, or Ardelyx's future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the uncertainties inherent in the clinical development process, Ardelyx's reliance upon AstraZeneca for the development of tenapanor, AstraZeneca's right under the license agreement to choose which indication or indications for which tenapanor will be developed, and AstraZeneca's right under the license agreement to terminate the agreement upon written notice to Ardelyx. Ardelyx undertakes no obligation to update or revise any forward-looking statements. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to Ardelyx's business in general, please refer to Ardelyx's annual report filed on Form 10-Q filed with the Securities and Exchange Commission on May 12, 2015.

ARDELYX, INC.
CONDENSED BALANCE SHEETS
(in thousands)

	March 31, 2015 (Unaudited)	December 31, 2014 (1)
Assets		
Cash and cash equivalents	$ 98,318	$ 107,286
Accounts receivable	2,043	2,584
Property and equipment, net	3,289	2,131
Prepaid and other assets	1,749	1,413
Total Assets	$ 105,399	$ 113,414
Liabilities and stockholders' equity		
Accounts payable and accrued liabilities	$ 3,959	$ 5,557
Deferred license revenue	43,143	47,053
Other liabilities	297	122
Shareholders' equity	58,000	60,682
Total liabilities and stockholders' equity	$ 105,399	$ 113,414

(1) Derived from the audited financial statements included on Form 10-K for the year ended December 31, 2014.

ARDELYX, INC.
CONDENSED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2015	**2014**
	(Unaudited)	**(Unaudited)**
Revenues:		
Licensing revenue	$ 3,884	$ 3,236
Collaborative development revenue	1,999	5,314
Total revenues	5,883	8,550
Operating expenses:		
Research and development expense:		
Discovery research expense	4,179	2,360
AstraZeneca collaboration development expense	2,019	5,277
Total research and development expense	6,198	7,637
General and administrative expense	3,175	1,377
Total operating expenses	9,373	9,014
Loss from operations	(3,490)	(464)
Other expense, net	(12)	(4)
Change in fair value of preferred stock warrant liability	-	(2,603)
Provision for income taxes	-	-
Net loss	$ (3,502)	$ (3,071)
Basic and diluted net loss per share	$ (0.19)	$ (2.44)
Shares used in computing basic and diluted net loss per share	18,606,760	1,256,245

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