



Adverum Biotechnologies Reports Second Quarter 2019 Financial Results and Provides Corporate Update

August 8, 2019

-- Phase 1 OPTIC trial: 24-week data from first cohort to be presented at Retina Society in September; 52-week data to be presented in 1H20 --

-- Dosing of second cohort completed; 24-week data to be presented in 1H20 --

-- IND submission for ADVM-022 in diabetic retinopathy planned in 1H20 --

-- Company to host conference call today at 1:30 pm PT / 4:30 pm ET--

MENLO PARK, Calif., Aug. 08, 2019 (GLOBE NEWSWIRE) -- Adverum Biotechnologies, Inc. (Nasdaq: ADVM), a clinical-stage gene therapy company targeting unmet medical needs in ocular and rare diseases, today reported financial results for the second quarter ended June 30, 2019 and provided a corporate update.

"We are extremely pleased with the clinical and regulatory progress made with our lead clinical candidate, ADVM-022, including acceptance of OPTIC data in wet AMD for oral presentation at the Retina Society meeting, completion of patient dosing of the second cohort of the OPTIC trial, and plans to submit an IND for ADVM-022 in diabetic retinopathy in the first half of 2020," said Leone Patterson, chief executive officer, Adverum Biotechnologies. "We have also made important strides in building our team, adding senior professionals with deep functional expertise as we prepare for future growth. We are dedicated to the development of ADVM-022 and our mission to make an impact in the lives of patients with ocular and rare diseases."

Recent Program Updates and Future Outlook

- Adverum will report 24-week primary and secondary outcomes from the first cohort of patients (n=6; dose of 6×10^{11} vg/eye) in the Phase 1 OPTIC trial during a podium presentation at the Retina Society Annual Meeting on September 12, 2019. 52-week data are expected to be presented in the first half of 2020.
- Dosing of the second cohort of patients (n=6; lower dose of 2×10^{11} vg/eye) was recently completed, and 24-week data are expected to be presented in the first half of 2020. The company will provide an update on further plans for the OPTIC trial in the fourth quarter of 2019.
- Adverum plans to advance ADVM-022 into the clinic for the treatment of patients with diabetic retinopathy (DR), a key VEGF-driven cause of vision loss among working-age adults, and intends to submit an IND in the first half of 2020.
- For the company's rare disease programs, Adverum has discontinued development of its gene therapy program targeting A1AT deficiency (ADVM-043) and has moved its gene therapy program targeting hereditary angioedema (ADVM-053) back into early development.

Recent Corporate Updates and Future Outlook

- In August 2019, Adverum announced that board member and co-founder Mitchell Finer, Ph.D. retired from the Board of Directors to focus on a new industry role.
- Additionally, Mehdi Gasmi, Ph.D. will retire from his position as president and chief scientific officer of Adverum, effective September 16, 2019, and will join Adverum's Board of Directors at that time.
- As Adverum builds a team of senior professionals with deep functional expertise to support future growth, the company recently announced the appointments of several vice presidents: Angela Thedinga, MBA, MPH as vice president, program management and strategy; Dena House as vice president, human resources; Myesha Lacy as vice president, investor relations and corporate communications; Carol Hoang, Pharm.D, MBA as vice president, medical affairs; and James Shahbazian as vice president, finance.
- In June 2019, Adverum and Cornell University reached a settlement regarding a Master Service Agreement (MSA) under which Cornell provided assistance in regulatory affairs, project management, and parameter development. Adverum has made a settlement payment to Cornell of \$2.0 million. There was no current period expense from the settlement, as the estimated costs associated with the termination of the MSA were previously accrued during the year ended December 31, 2017. Adverum recognizes Cornell's time, effort, and professionalism in working through this process.
- Adverum is focused on scaling up its manufacturing process to support the product requirements for later-stage development and commercial use. Its new corporate headquarters in Redwood City will allow for the expansion of in-house process development capabilities to the 1000-liter scale. Adverum expects to be able to occupy its new facility by the end of this year.

Financial Results for the Three Months Ended June 30, 2019

- **Cash, cash equivalents and short-term investments** were \$177.6 million as of June 30, 2019, compared to \$205.1 million as of December 31, 2018. Adverum expects this quarter-end cash position to fund operations into 2021.
- There was no revenue for the three months ended June 30, 2019, compared to \$0.5 million for the same period in 2018. Revenue, consisting of revenue from collaborative research, decreased as no research activities were performed under collaboration agreements for the three-month period in 2019.
- **Research and development expenses** were \$9.0 million for the three months ended June 30, 2019, compared to \$11.2 million for the same period in 2018. Research and development expenses decreased primarily due to reduced activities related to the development of product candidates ADVM-043 and ADVM-053, partially offset by an increase in facilities cost related to the company's new facility.
- **General and administrative expenses** were \$7.1 million for the three months ended June 30, 2019, compared to \$9.2 million for the same period in 2018. General and administrative expenses decreased primarily due to higher severance expenses in the prior period, partially offset by higher spend on consulting, professional services, and facility costs related to the company's new facility in the current period.
- **Net loss attributable to common stockholders** was \$15.0 million, or \$0.23 per basic and diluted share, for the three months ended June 30, 2019, compared to \$18.8 million, or \$0.30 per basic and diluted share, for the same period in 2018.

Conference Call Information

Individuals can participate in today's conference call at 1:30 pm PT (4:30 pm ET) by dialing 1-866-420-8347 (domestic) or 1-409-217-8241 (international), and refer to the "Adverum Biotechnologies Second Quarter 2019 Conference Call." The webcast will be accessible under [Events and Presentations](#) in the Investors section of the company's website. The archived audio webcast will be available on the Adverum website following the call, and will be available for 30 days.

About Adverum Biotechnologies, Inc.

Adverum is a clinical-stage gene therapy company targeting unmet medical needs in ocular and rare diseases. Adverum develops gene therapy product candidates designed to provide durable efficacy by inducing sustained expression of a therapeutic protein. Adverum's core capabilities include clinical development, novel vector discovery and in-house manufacturing expertise, specifically in scalable process development, assay development, and current Good Manufacturing Practices quality control. For more information, please visit www.adverum.com.

Forward-looking Statements

Statements contained in this press release regarding events or results that may occur in the future are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to statements regarding: Adverum's plans for advancing ADVM-022; the expected timing of reporting clinical data; the expected timing of filing an IND for diabetic retinopathy; expected timing of occupying Adverum's new facility; and Adverum's expectations that its current cash position will fund its operations into 2021, all of which are based on certain assumptions made by Adverum on current conditions, expected future developments and other factors Adverum believes are appropriate in the circumstances. Adverum may not achieve any of these in a timely manner, or at all, or otherwise carry out the intentions or meet the expectations disclosed in its forward-looking statements, and you should not place undue reliance on these forward-looking statements. 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 inherent with conducting clinical trials which may delay or cancel the reporting of data or filing an IND; the incurrence of unexpected expenses; and the risk of a delay in the enrollment of patients in Adverum's clinical studies or in the manufacturing of products to be used in such clinical studies. Risks and uncertainties facing Adverum are described more fully in Adverum's Form 10-Q filed with the SEC on May 8, 2019, and August 8, 2019, particularly under the heading "Risk Factors." All forward-looking statements contained in this press release speak only as of the date on which they were made. Adverum undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

ADVERUM BIOTECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	<u>June 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 97,808	\$ 154,949
Short-term investments	79,834	50,130
Prepaid expenses and other current assets	2,919	3,675

Total current assets	180,561	208,754
Operating lease right-of-use asset	22,053	—
Property and equipment, net	6,097	3,586
Restricted cash	999	999
Deposits and other long-term assets	174	156
Total assets	<u>\$ 209,884</u>	<u>\$ 213,495</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 740	\$ 1,707
Accrued expenses and other current liabilities	5,467	8,784
Lease liability, current portion	3,942	—
Deferred rent, current portion	—	228
Total current liabilities	10,149	10,719
Deferred rent, less current portion	—	1,366
Lease liability, less current portion	21,804	—
Other non-current liabilities	191	243
Total liabilities	32,144	12,328
Stockholders' equity	177,740	201,167
Total liabilities and stockholders' equity	<u>\$ 209,884</u>	<u>\$ 213,495</u>

ADVERUM BIOTECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Collaboration and license revenue	\$ —	\$ 493	\$ —	\$ 709
Operating expenses:				
Research and development	8,970	11,217	19,101	24,011
General and administrative	7,132	9,179	12,708	14,547
Total operating expenses	16,102	20,396	31,809	38,558
Operating loss	(16,102)	(19,903)	(31,809)	(37,849)
Other income (expense), net	1,148	1,093	2,366	1,839

Net loss	\$ (14,954)	\$ (18,810)	\$ (29,443)	\$ (36,010)
Net loss per share, basic and diluted	\$ (0.23)	\$ (0.30)	\$ (0.46)	\$ (0.60)
Weighted-average common shares outstanding, basic and diluted	63,740	62,366	63,429	59,907

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