



Adverum Biotechnologies Reports Recent Business Progress and Third Quarter 2019 Financial Results

November 7, 2019

-- OPTIC phase 1 trial in wet AMD progressing well with dosing of third cohort underway--

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

MENLO PARK, Calif., Nov. 07, 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 third quarter ended September 30, 2019 and provided a corporate update. The company will host a conference call and webcast today at 1:30 pm PT/4:30 pm ET to discuss the results and recent business progress.

"The third quarter was important for Adverum, as we reported sustained benefits from a single intravitreal injection of ADVM-022 in our first cohort of treatment-experienced patients with wet AMD," said Leone Patterson, chief executive officer, Adverum Biotechnologies. "This is the first time that a single intravitreal injection gene therapy has provided sustained efficacy for these patients, who previously required frequent ocular anti-VEGF injections to maintain their vision. We are very encouraged by these early data, particularly that none of the six patients in the first cohort, who received ADVM-022 at a dose of 6×10^{11} vg/eye, required any anti-VEGF rescue injections through a median follow-up of 34 weeks. We are now dosing patients in the third cohort of OPTIC with ADVM-022 at a dose of 2×10^{11} vg/eye using prophylactic steroid eye drops instead of prophylactic oral steroids. Our goal is to provide wet AMD patients with a life-changing treatment that removes the need for frequent anti-VEGF injections."

Recent Updates

- Announced the appointment of Peter Soparkar as chief legal officer in October 2019
- Began dosing patients in the third cohort (n=9, dose of 2×10^{11} vg/eye) of the OPTIC phase 1 trial of ADVM-022 in October 2019
- Presented additional data from the first cohort of patients (n=6, dose of 6×10^{11} vg/eye) during a podium presentation at the American Academy of Ophthalmology (AAO) Annual Meeting in October 2019. In treatment-experienced patients previously requiring frequent anti-VEGF injections to maintain vision, data demonstrated that a single intravitreal injection of ADVM-022 was sufficient to maintain vision and improve retinal anatomy, with zero rescue injections required for any of the six patients with a median follow-up of 34 weeks
- Presented 24-week data for the first cohort of patients in the OPTIC phase 1 trial in a podium presentation at the Retina Society Annual Meeting in September 2019

Future Plans

- In the first quarter of 2020, begin enrollment in the fourth cohort of patients in the OPTIC trial (n=9, dose of 6×10^{11} vg/eye) using prophylactic steroid eye drops instead of prophylactic oral steroids
- Present 52-week data from the first cohort of patients (n=6, dose of 6×10^{11} vg/eye) in the OPTIC trial as well as 24-week data from the second cohort of patients (n=6, dose of 2×10^{11} vg/eye) in the first half of 2020
- Submit an IND application for the treatment of ADVM-022 in diabetic retinopathy (DR), a key VEGF-driven cause of vision loss among working-age adults, in the first half of 2020
- Expects to be able to occupy its new corporate headquarters in Redwood City, CA, by the end of this year, allowing for the expansion of in-house process development capabilities to the 1000-liter production scale

Financial Results for the Three Months Ended September 30, 2019

- **Cash, cash equivalents and short-term investments** were \$162.0 million as of September 30, 2019, compared to \$205.1 million as of December 31, 2018. Adverum expects this quarter-end cash position to fund operations into 2021
- **Revenue** of \$0.3 million for the three months ended September 30, 2019 related to a development milestone that was achieved under an existing license agreement
- **Research and development expenses** were \$9.9 million for the three months ended September 30, 2019, compared to \$14.5 million for the same period in 2018. Research and development expenses decreased primarily due to reduced activities for the development of product candidates ADVM-043 (for A1AT deficiency) and ADVM-053 (for hereditary angioedema), lower material production costs for ADVM-022 and ADVM-053 and lower personnel expenses, partially offset primarily by increased facilities costs related to the company's new facility
- **General and administrative expenses** were \$7.4 million for the three months ended September 30, 2019, compared to

\$4.8 million for the same period in 2018. General and administrative expenses increased primarily due to higher consultant and professional service expenses, personnel costs, and increased facilities costs related to the company's new facility

- **Net loss** was \$16.1 million, or \$0.25 per basic and diluted share, for the three months ended September 30, 2019, compared to \$21.0 million, or \$0.34 per basic and diluted share, for the same period in 2018. The 2018 period included a \$5.0 million non-cash charge for the impairment of an intangible asset related to the discontinued development of ADVM-043. The in-process research and development (IPR&D) asset originated from the Annapurna acquisition in May 2016

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 Third Quarter 2019 Earnings 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 Biotechnologies (Nasdaq: ADVM) is a clinical-stage gene therapy company targeting unmet medical needs for serious ocular and rare diseases. Adverum is evaluating its novel gene therapy candidate, ADVM-022, as a one-time, intravitreal injection for the treatment of its lead indication, wet age-related macular degeneration. 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 being able to occupy Adverum's new facility; and Adverum's expectations that its current cash position will fund its operations into 2021. All of these statements 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 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 November 7, 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.

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Adverum Biotechnologies, Inc.
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	September 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 73,171	\$ 154,949
Short-term investments	88,814	50,130
Prepaid expenses and other current assets	5,617	3,675

Total current assets	167,602	208,754
Operating lease right-of-use asset	21,511	-
Property and equipment, net	15,249	3,586
Restricted cash	999	999
Deposit and other long-term assets	164	156
Total assets	<u>\$ 205,525</u>	<u>\$ 213,495</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,382	\$ 1,707
Accrued expenses and other current liabilities	10,320	8,784
Lease liability, current portion	4,044	-
Deferred rent, current portion	-	228
Total current liabilities	<u>17,746</u>	<u>10,719</u>
Deferred rent, net of current portion	-	1,366
Lease liability, net of current portion	23,380	-
Other noncurrent liabilities	185	243
Total liabilities	<u>41,311</u>	<u>12,328</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	-	-
Common stock	7	6
Additional paid-in capital	531,056	522,503
Accumulated other comprehensive loss	(745)	(799)
Accumulated deficit	(366,104)	(320,543)
Total stockholders' equity	<u>164,214</u>	<u>201,167</u>
Total liabilities and stockholders' equity	<u>\$ 205,525</u>	<u>\$ 213,495</u>

Adverum Biotechnologies, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(In thousands except per share data)

(unaudited)

	Three Months Ended September		Nine Months Ended September	
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	2019	2018	2019	2018
Collaboration and license revenue	\$ 250	\$ 833	\$ 250	\$ 1,542
Operating expenses:				
Research and development	9,944	14,480	29,045	38,491
General and administrative	7,389	4,826	20,097	19,373
Impairment of intangible asset	-	5,000	-	5,000
Total operating expenses	<u>17,333</u>	<u>24,306</u>	<u>49,142</u>	<u>62,864</u>
Operating loss	(17,083)	(23,473)	(48,892)	(61,322)
Other income, net	965	1,265	3,331	3,104
Net loss before income tax benefit	<u>(16,118)</u>	<u>(22,208)</u>	<u>(45,561)</u>	<u>(58,218)</u>
Income tax benefit	-	1,250	-	1,250
Net loss	<u>(16,118)</u>	<u>(20,958)</u>	<u>(45,561)</u>	<u>(56,968)</u>
Other comprehensive loss:				

Net unrealized gain on marketable securities	4	53	27	129
Foreign currency translation adjustment	(11)	-	27	(21)
Comprehensive loss	<u>\$ (16,125)</u>	<u>\$ (20,905)</u>	<u>\$ (45,507)</u>	<u>\$ (56,860)</u>
Net loss per share — basic and diluted	<u>\$ (0.25)</u>	<u>\$ (0.34)</u>	<u>\$ (0.71)</u>	<u>\$ (0.94)</u>
Weighted-average common shares used to compute net loss per share - basic and diluted	<u>64,484</u>	<u>62,454</u>	<u>63,764</u>	<u>60,856</u>

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Source: Adverum Biotechnologies, Inc.