



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

March 12, 2020

*-- Cohort 3 dosing complete and cohort 4 screening underway in OPTIC Phase 1 trial of ADV-022 in wet AMD --
-- New OPTIC data to be presented in May 2020 --
-- Data from all four cohorts of OPTIC planned in 2020 --*

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

REDWOOD CITY, Calif., March 12, 2020 (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 fourth quarter ended December 31, 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.

"2020 is poised to be an exciting year of execution as we rapidly advance our development efforts for our lead programs ADV-022 for wet AMD and for diabetic retinopathy," said Leone Patterson, president and chief executive officer, Adverum Biotechnologies. "Development progress in the OPTIC Phase 1 trial continues as we recently completed patient enrollment in cohort 3 and screening is underway in cohort 4. Our goal is to develop and commercialize our novel intravitreal gene therapy to help the large number of patients living with wet AMD and diabetic retinopathy, the two leading causes of vision impairment and blindness in the elderly and working-age populations, in the U.S."

Recent Progress

- Completed patient dosing in cohort 3 (n=9, three-fold lower dose compared to cohort 1, 2×10^{11} vg/eye) of the OPTIC Phase 1 clinical trial of ADV-022 in wet age-related macular degeneration (wet AMD). Patients are being screened in cohort 4 (n=9, dose 6×10^{11}).
 - In cohorts 3 and 4, patients are receiving prophylactic topical steroid eye drops for a total of 6 weeks instead of prophylactic oral steroids for 13 days used in cohorts 1 and 2.
- At the Angiogenesis, Exudation, and Degeneration 2020 Annual Meeting in February 2020, presented new data from OPTIC cohorts 1 and 2. Results demonstrated that in treatment-experienced patients previously requiring frequent anti-VEGF injections to maintain vision, ADV-022 demonstrated a robust efficacy signal and evidence of a dose response:
 - Cohort 1 (6×10^{11} vg/eye): 6 of 6 patients remained rescue-injection-free at a median follow up of 50 weeks, with 3 patients at 52 weeks.
 - Cohort 2 (three-fold lower dose 2×10^{11} vg/eye): 4 of 6 patients remained rescue injection free at 24 weeks.
 - In both cohorts combined, 10 of 12 (83%) patients remained rescue injection free. For these patients:
 - Vision was generally maintained as demonstrated by stable mean best corrected visual acuity (BCVA) compared to baseline.
 - Retinal anatomy improvements were achieved and maintained as demonstrated by mean central subfield thickness (CST) compared to baseline.
 - ADV-022 continued to demonstrate a favorable safety profile and be well tolerated.
- Raised approximately \$140.8 million in net proceeds from an underwritten public offering in February 2020
- Moved to the company's new Redwood City corporate headquarters in January 2020, which includes approximately 81,000 square feet of office, laboratory, and manufacturing space to advance the development of Adverum's novel gene therapies
- Appointed Angela Thedinga as chief technology officer. Ms. Thedinga previously served as Adverum's vice president, program management, and has deep experience transitioning and expanding viral vector gene therapy manufacturing and analytical capabilities from academic to commercial scale, which will be important as ADV-022 advances in development toward potential commercialization.

Future Plans

Second Quarter of 2020:

- Present new clinical data from the OPTIC trial in May 2020
- Submit an investigational new drug application for ADV-022 in diabetic retinopathy, a key VEGF-driven cause of vision loss among working-age adults

Second Half of 2020:

- Present clinical data from cohorts 1-4 of the OPTIC trial
- Begin enrolling patients in a planned Phase 1/2 clinical trial for ADVM-022 in diabetic retinopathy

Financial Results for the Three Months Ended December 31, 2019

- **Cash, cash equivalents and short-term investments** were \$166.0 million as of December 31, 2019, of which \$25.8 million in net proceeds was raised through an at-the-market program during this quarter, compared to \$162.0 million at September 30, 2019 and \$205.1 million as of December 31, 2018. Adverum expects this year-end cash position, together with approximately \$140.8 million in net proceeds raised in February 2020, to fund operations into 2022.
- **Research and development expenses** were \$11.4 million for the three months ended December 31, 2019, compared to \$11.6 million for the same period in 2018.
- **General and administrative expenses** were \$8.3 million for the three months ended December 31, 2019, compared to \$5.2 million for the same period in 2018. General and administrative expenses increased primarily due to higher consultant and professional service expenses and increased facilities costs related to the company's new facility, partially offset by lower stock-based compensation expenses.
- **Net loss** was \$18.9 million, or \$0.29 per basic and diluted share, for the three months ended December 31, 2019, compared to \$15.7 million, or \$0.25 per basic and diluted share, for the same period in 2018.
- **Shares of common stock outstanding** were 79.7 million as of February 28, 2020.

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' Fourth 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

Adverum Biotechnologies (Nasdaq: ADVM) is a clinical-stage gene therapy company targeting unmet medical needs in 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 to advance ADVM-022 in 2020, all other statements under the caption "Future Plans", Adverum's expectations that its current cash will fund operations into 2022, and the potential benefits of ADVM-022, 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 risks inherent to, without limitation: Adverum's novel technology, which makes it difficult to predict the time and cost of product candidate development and obtaining regulatory approval; the results of early clinical trials not always being predictive of future results; the potential for future complications or side effects in connection with use of ADVM-022; obtaining regulatory approval for gene therapy product candidates; enrolling patients in clinical trials; reliance on third parties for conducting the OPTIC trial and vector production; and ability to fund operations through completion of the OPTIC trial and thereafter. Risks and uncertainties facing Adverum are described more fully in Adverum's Form 10-K filed with the SEC on March 12, 2020 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.

Consolidated Balance Sheets

(In thousands)

December 31, December 31,

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 65,897	\$ 154,949
Short-term investments	100,138	50,130
Prepaid expenses and other current assets	9,835	3,675
Total current assets	<u>175,870</u>	<u>208,754</u>
Operating lease right-of-use asset	20,963	-
Property and equipment, net	24,884	3,586
Restricted cash	999	999
Deposit and other long-term assets	11	156
Total assets	<u><u>\$ 222,727</u></u>	<u><u>\$ 213,495</u></u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,103	\$ 1,707
Accrued expenses and other current liabilities	11,271	8,784
Lease liability, current portion	4,034	-
Deferred rent, current portion	-	228
Total current liabilities	<u>19,408</u>	<u>10,719</u>
Deferred rent, net of current portion	-	1,366
Lease liability, net of current portion	28,214	-
Other noncurrent liabilities	148	243
Total liabilities	<u>47,770</u>	<u>12,328</u>
Stockholders' equity:		
Common stock	7	6
Additional paid-in capital	560,704	522,503
Accumulated other comprehensive loss	(725)	(799)
Accumulated deficit	(385,029)	(320,543)
Total stockholders' equity	<u>174,957</u>	<u>201,167</u>
Total liabilities and stockholders' equity	<u><u>\$ 222,727</u></u>	<u><u>\$ 213,495</u></u>

Adverum Biotechnologies, Inc.

Consolidated Statements of Operations and Comprehensive Loss
(In thousands except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
	(Unaudited)			
Collaboration and license revenue	\$ -	\$ 70	\$ 250	\$ 1,612
Operating expenses:				
Research and development	11,374	11,642	40,419	50,133
General and administrative	8,279	5,187	28,376	24,560
Impairment of goodwill and intangible asset	-	-	-	5,000
Total operating expenses	<u>19,653</u>	<u>16,829</u>	<u>68,795</u>	<u>79,693</u>
Operating loss	<u>(19,653)</u>	<u>(16,759)</u>	<u>(68,545)</u>	<u>(78,081)</u>
Other income, net	728	1,100	4,059	4,204
Net loss before income taxes	<u>(18,925)</u>	<u>(15,659)</u>	<u>(64,486)</u>	<u>(73,877)</u>
Income tax benefit	-	-	-	1,250

Net loss	<u>(18,925)</u>	<u>(15,659)</u>	<u>(64,486)</u>	<u>(72,627)</u>
Other comprehensive income				
Net unrealized gain on marketable securities	6	39	33	168
Foreign currency translation adjustment	14	17	41	(4)
Comprehensive loss	<u>\$ (18,905)</u>	<u>\$ (15,603)</u>	<u>\$ (64,412)</u>	<u>\$ (72,463)</u>
Net loss per share — basic and diluted	<u>\$ (0.29)</u>	<u>\$ (0.25)</u>	<u>\$ (1.01)</u>	<u>\$ (1.18)</u>
Weighted-average common shares outstanding - basic and diluted	<u>65,104</u>	<u>62,915</u>	<u>64,102</u>	<u>61,375</u>



Source: Adverum Biotechnologies, Inc.