



Avalanche Biotechnologies, Inc. Reports Third Quarter 2015 Financial Results

November 9, 2015

MENLO PARK, Calif., Nov. 9, 2015 (GLOBE NEWSWIRE) -- Avalanche Biotechnologies, Inc. (Nasdaq:AAVL), a biopharmaceutical company committed to improving or preserving the sight of people suffering from serious eye diseases with an unmet medical need, today reported financial results for the third quarter ended September 30, 2015.

"We continue to make progress in our pre-clinical work across multiple disease states and in the development of our next-generation vector technology to enable new therapies," said Hans Hull, interim chief executive officer of Avalanche. "We're also looking forward to attending the upcoming American Academy of Ophthalmology annual meeting where two clinicians will be presenting AVA-101 Phase 1 36-month data and Phase 2a 52-week data for the potential treatment of wet age-related macular degeneration."

Third Quarter 2015 Financial Results

- **Cash, cash equivalents and marketable securities as of September 30, 2015 were \$268.9 million**, compared to \$159.4 million as of December 31, 2014.
- **Revenues**, consisting of revenue from collaborative research, were \$953,000 for the quarter ended September 30, 2015, compared to \$204,000 for the quarter ended September 30, 2014.
- **Research and development expenses** were \$7.5 million for the quarter ended September 30, 2015, compared to \$5.7 million for the quarter ended September 30, 2014.
- **General and administrative expenses** were \$7.6 million for the quarter ended September 30, 2015, compared to \$2.4 million for the quarter ended September 30, 2014. This included a one-time non-cash charge of \$2.4 million in stock-based compensation expense related to the departure of former chief executive officer Thomas Chalberg in July 2015.
- **Net loss attributable to common stockholders** was \$14.1 million, or \$0.55 per basic and diluted share, for the quarter ended September 30, 2015, compared to a net loss attributable to common stockholders of \$8.3 million, or \$0.50 per basic and diluted share, for the quarter ended September 30, 2014.

About Avalanche Biotechnologies, Inc.

Avalanche is a biopharmaceutical company committed to improving or preserving the sight of people suffering from serious eye diseases with an unmet medical need. We are leveraging our next-generation Ocular BioFactory™ gene therapy platform to discover and develop novel medicines with the potential to offer life-changing therapeutic benefit. For more information, please visit www.avalanchebiotech.com

Forward-Looking Statements

Except for the historical information contained herein, the matters set forth in this press release, including statements regarding Avalanche's plans, potential opportunities, expectations, projections, goals, objectives, milestones, strategies, product pipeline, clinical studies, product development and the potential benefits of its products under development, are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve substantial risks and uncertainties that could cause our product development program, 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 product development process, the uncertainties inherent in the regulatory approval process, the timing of our regulatory filings and other matters that could affect the availability or commercial potential of our product candidates. Avalanche undertakes no obligation to update or revise any forward-looking statements. For a further description of the risks and uncertainties relating to the business of Avalanche, see our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission on March 5, 2015, and our subsequent periodic reports filed with the Securities and Exchange Commission.

AVALANCHE BIOTECHNOLOGIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

| | September 30, | December 31, |
|--|---------------|--------------|
| | 2015 | 2014 |

| ASSETS | <i>(unaudited)</i> | |
|--|--------------------|-------------------|
| Current assets: | | |
| Cash, cash equivalents and marketable securities | \$ 268,886 | \$ 159,404 |
| Prepaid expenses and other current assets | <u>1,475</u> | <u>874</u> |
| Total current assets | 270,361 | 160,278 |
| Property and equipment, net | 3,330 | 1,085 |
| Deposits and other long-term assets | <u>138</u> | <u>543</u> |
| Total assets | <u>\$ 273,829</u> | <u>\$ 161,906</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--|-------------------|-------------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 4,875 | \$ 4,658 |
| Current portion of deferred rent | 58 | -- |
| Current portion of deferred revenue | <u>1,563</u> | <u>813</u> |
| Total current liabilities | 6,496 | 5,471 |
| Deferred revenue, less current portion | 4,537 | 6,646 |
| Other liabilities | <u>466</u> | <u>306</u> |
| Total liabilities | 11,499 | 12,423 |
| Stockholders' equity | <u>262,330</u> | <u>149,483</u> |
| Total liabilities and stockholders' equity | <u>\$ 273,829</u> | <u>\$ 161,906</u> |

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

| | <u>Three Months Ended</u> <u>September 30,</u> | | <u>Nine Months</u> <u>Ended September 30,</u> | |
|-----------------------------------|---|-------------|--|-------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Collaboration and license revenue | \$ 953 | \$ 204 | \$ 1,359 | \$ 369 |

Operating expenses:

| | | | | |
|--|--------------------|-------------------|--------------------|--------------------|
| Research and development | 7,523 | 5,746 | 18,270 | 9,750 |
| General and administrative | <u>7,631</u> | <u>2,398</u> | <u>16,733</u> | <u>4,618</u> |
| Total operating expenses | <u>15,154</u> | <u>8,144</u> | <u>35,003</u> | <u>14,368</u> |
| Operating loss | (14,201) | (7,940) | (33,644) | (13,999) |
| Other income (expense), net | <u>117</u> | <u>(316)</u> | <u>285</u> | <u>(1,014)</u> |
| Net loss | (14,084) | (8,256) | (33,359) | (15,013) |
| Deemed dividend | <u>--</u> | <u>--</u> | <u>--</u> | <u>(3,230)</u> |
| Net loss attributable to common stockholders | <u>\$ (14,084)</u> | <u>\$ (8,256)</u> | <u>\$ (33,359)</u> | <u>\$ (18,243)</u> |
| Net loss per share attributable to common stockholders, basic and diluted | <u>\$ (0.55)</u> | <u>\$ (0.50)</u> | <u>\$ (1.31)</u> | <u>\$ (2.29)</u> |
| Weighted-average common shares outstanding, basic and diluted | <u>25,685</u> | <u>16,394</u> | <u>25,378</u> | <u>7,960</u> |

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