

## **Regeneron and Avalanche Biotechnologies Announce Collaboration to Develop Next-Generation Gene Therapy Products in Ophthalmology**

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**Tarrytown, New York and Menlo Park, Calif., (May 5, 2014)** -- Regeneron Pharmaceuticals, Inc. (NASDAQ: **REGN**) and Avalanche Biotechnologies, Inc., today announced the formation of a broad collaboration to discover, develop and commercialize novel gene therapy products for the treatment of ophthalmologic diseases. The collaboration covers novel gene therapy vectors and proprietary molecules, discovered jointly by Avalanche and Regeneron, and developed using the Avalanche Ocular BioFactory™, an adeno-associated virus (AAV)-based, proprietary, next-generation platform for the discovery and development of gene therapy vectors for ophthalmology.

Under the terms of the agreement, Avalanche will receive an upfront cash payment, contingent payments of up to \$640 million upon achievement of certain development and regulatory milestones, plus a royalty on worldwide net sales of collaboration products. The collaboration covers up to eight distinct therapeutic targets, and Regeneron will have exclusive worldwide rights for each product it moves forward in clinical development. In addition, Avalanche has the option to share in development costs and profits for products directed toward two collaboration therapeutic targets selected by Avalanche.

As part of the agreement, Regeneron has a time-limited right of first negotiation for certain rights to AVA-101, Avalanche's gene therapy product targeting vascular endothelial growth factor (VEGF) currently under development for the treatment of wet age-related macular degeneration (AMD), upon completion of the ongoing Phase 2a trial.

"We look forward to the opportunity to collaborate with Avalanche, a leader in the field of next-generation gene therapy technologies," said George D. Yancopoulos, M.D., Ph.D., Chief Scientific Officer of Regeneron and President of Regeneron Laboratories. "This collaboration highlights the commitment by Regeneron to invest in potentially breakthrough therapies that could benefit patients with sight-threatening diseases."

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