

September 17, 2021



Avalo Therapeutics, Inc. Announces Closing of a \$31.5 Million Public Offering of Common Stock, Including Proceeds from Exercise of Option to Purchase Additional Shares

WAYNE, Pa. and ROCKVILLE, Md., Sept. 17, 2021 (GLOBE NEWSWIRE) -- Avalo Therapeutics, Inc. ("Avalo" or the "Company") (Nasdaq: AVTX), a leading clinical-stage precision medicine company that discovers, develops, and commercializes targeted therapeutics for patients with significant unmet clinical need in immunology, immuno-oncology, and rare genetic diseases, announced today the closing of the previously announced underwritten offering of common stock, including the purchase of 1,808,878 additional shares pursuant to the exercise by the underwriters of their option to purchase additional shares at a public offering price of \$2.20 per share. The exercise of the option to purchase additional shares brought the total number of shares of common stock sold by Avalo to 14,308,878 shares and increased the amount of gross proceeds raised in the offering, before underwriting discounts and estimated expenses of the offering payable by Avalo, to approximately \$31.5 million.

Jefferies and RBC Capital Markets are acting as joint book-running managers for the offering.

The shares of common stock described above are being offered by Avalo pursuant to an effective shelf registration statement on Form S-3 (File No. 333-254000), previously filed with the U.S. Securities and Exchange Commission (the "SEC") on March 8, 2021 and declared effective by the SEC on March 19, 2021, and the accompanying prospectus contained therein. The offering of the shares of common stock is being made only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. A final prospectus supplement and the accompanying prospectus relating to and describing the terms of the offering has been filed with the SEC. Copies of the final prospectus supplement and the accompanying prospectus relating to this offering may be obtained on the SEC's website at <http://www.sec.gov> or by contacting Jefferies LLC at 520 Madison Avenue, 2nd Floor, New York, NY 10022, Attention: Equity Syndicate Prospectus Department, by e-mail at prospectus_department@jefferies.com or by calling (877) 547-6340; and RBC Capital Markets, LLC, Attention: Equity Syndicate, 200 Vesey Street, 8th Floor, New York, NY 10281-8098 or by telephone at 877-822-4089 or by email at equityprospectus@rbccm.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any

of the shares of common stock described herein, nor shall there be any sale of these shares of common stock in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Avalo Therapeutics

Avalo Therapeutics is a leading clinical-stage precision medicine company that discovers, develops, and commercializes targeted therapeutics for patients with significant unmet clinical need in immunology, immuno-oncology, and rare genetic diseases. The Company has built a diverse portfolio of innovative therapies to deliver meaningful medical impact for patients in urgent need. The Company's clinical candidates commonly have a proven mechanistic rationale, biomarkers and/or an established proof-of-concept to expedite and increase the probability of success.

Forward-Looking Statements

This press release may include forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond Avalo's control), which could cause actual results to differ from the forward-looking statements. Such statements may include, without limitation, statements with respect to Avalo's plans, objectives, projections, expectations and intentions and other statements identified by words such as "projects," "may," "might," "will," "could," "would," "should," "continue," "seeks," "aims," "predicts," "believes," "expects," "anticipates," "estimates," "intends," "plans," "potential," or similar expressions (including their use in the negative), or by discussions of future matters such as: the development of product candidates or products; timing and success of trial results and regulatory review; potential attributes and benefits of product candidates; and other statements that are not historical. These statements are based upon the current beliefs and expectations of Avalo's management but are subject to significant risks and uncertainties, including: drug development costs, timing and other risks, including reliance on investigators and enrollment of patients in clinical trials, which might be slowed by the COVID-19 pandemic; regulatory risks; Avalo's cash position and the potential need for it to raise additional capital; general economic and market risks and uncertainties, including those caused by the COVID-19 pandemic; and those other risks detailed in Avalo's filings with the SEC. Actual results may differ from those set forth in the forward-looking statements. Except as required by applicable law, Avalo expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Avalo's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

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