

February 2, 2023



Avalo Therapeutics, Inc. Announces Pricing of \$15 Million Public Offering of Common Stock and Warrants

WAYNE, Pa. and ROCKVILLE, Md., Feb. 02, 2023 (GLOBE NEWSWIRE) -- Avalo Therapeutics, Inc. (NASDAQ: AVTX) (Avalo) announced today the pricing of an underwritten public offering of 3,770,000 shares of its common stock and warrants to purchase up to an aggregate of 3,770,000 shares of common stock, at a price to the public of \$3.98 per share and warrant. The warrants have a one-year term and an exercise price of \$5.00 per share. The offering is expected to close on February 7, 2023, subject to customary closing conditions.

The gross proceeds to Avalo from the public offering, before deducting underwriting discounts and commissions and offering expenses payable by Avalo, are expected to be approximately \$15 million.

SVB Securities and RBC Capital Markets are acting as joint bookrunning managers for the offering.

The offering is being made pursuant to a shelf registration statement on Form S-3 (File No. 333-254000) that was declared effective by the Securities and Exchange Commission (the "SEC") on March 19, 2021. The offering is being made only by means of a prospectus and prospectus supplement that form a part of the registration statement. A final prospectus supplement relating to the offering will be available on the SEC's website, located at www.sec.gov. Copies of the final prospectus supplement and the accompanying prospectus relating to the offering, when available, may also be obtained from SVB Securities LLC, Attention: Syndicate Department, 53 State Street, 40th Floor, Boston, MA 02109, by phone at (800) 808-7525, ext. 6105, or by email at syndicate@svbsecurities.com; or RBC Capital Markets, LLC, Attention: Equity Capital Markets, 200 Vesey Street, 8th Floor, New York, NY 10281, 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 a solicitation of an offer to buy these securities nor shall there be any offer or sale of these securities 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 is a clinical stage biotechnology company focused on the treatment of immune dysregulation by developing therapies that target the LIGHT network.

LIGHT (Lymphotoxin-like, exhibits Inducible expression, and competes with HSV Glycoprotein D for Herpesvirus Entry Mediator (HVEM), a receptor expressed by T lymphocytes; also referred to as TNFSF14) is an immunoregulatory cytokine. LIGHT and its signaling receptors, HVEM (TNFRSF14), and lymphotoxin β receptor (TNFRSF3), form an immune regulatory network with two co-receptors of herpesvirus entry mediator, checkpoint inhibitor B and T Lymphocyte Attenuator (BTLA), and CD160 (the LIGHT-signaling network). Accumulating evidence points to the dysregulation of the LIGHT network as a disease-driving mechanism in autoimmune and inflammatory reactions in barrier organs. Therefore, we believe reducing LIGHT levels can moderate immune dysregulation in many acute and chronic inflammatory disorders.

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; the future financial and operational outlook; 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: risks related to the satisfaction of customary closing conditions for the offering; Avalo's expected use of the net proceeds from the offering; Avalo's debt and cash position and its need to raise additional capital even after this offering; 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; reliance on key personnel; regulatory risks; general economic and market risks and uncertainties, including those caused by the COVID-19 pandemic and the war in Ukraine; 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.

For media and investor inquiries

Christopher Sullivan, CFO
Avalo Therapeutics, Inc.
ir@avalotx.com
410-803-6793

Or

Chris Brinzey
ICR Westwicke
Chris.brinzey@westwicke.com
339-970-2843



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