

Avalo Therapeutics, Inc. (AVTX)

Corporate Presentation



October 2024

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Forward-Looking Statements

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Executive Summary



AVTX-009 (anti-IL-1 β mAb) has the potential for a best-in-disease profile in hidradenitis suppurativa (HS) with:

- Clinically validated and derisked MOA
- Highly potent anti-inflammatory properties with favorable half-life that may allow for improved efficacy and convenient dosing
- Favorable safety profile



Phase 2 LOTUS trial initiated

- Topline Data expected 2026



HS is anticipated to become a \$10B market



AVTX-009 has the potential to treat multiple immune-mediated diseases



Expected cash runway into 2027

Avalo Management Team

175+ Years of Experience in Biotech/Pharma

A proven track record of successful leadership, product development, and commercialization in pharma and biotech



Garry A. Neil, MD
Chief Executive Officer
Chairman of the Board



Mittie Doyle, MD
Chief Medical Officer



Chris Sullivan
Chief Financial Officer



Paul Varki
Chief Legal Officer



Colleen Matkowski
SVP, Global Regulatory Affairs,
Quality Assurance



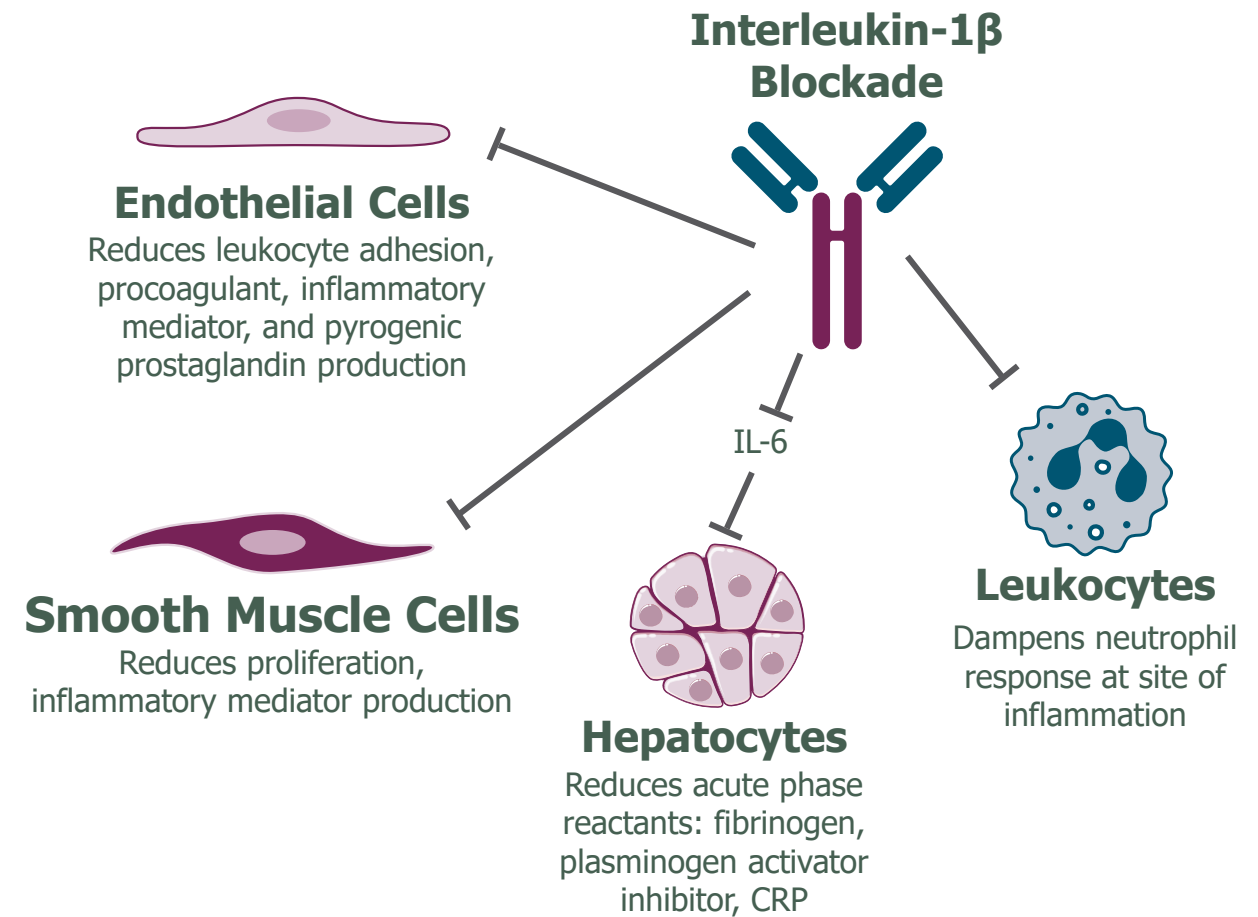
Dino C. Miano, PhD
SVP, CMC,
Technical Operations



Lisa Hegg, PhD
SVP, Program Management, Corporate
Infrastructure, Clinical Operations

IL-1 β Is Increasingly Recognized as a Master Regulator of Inflammation

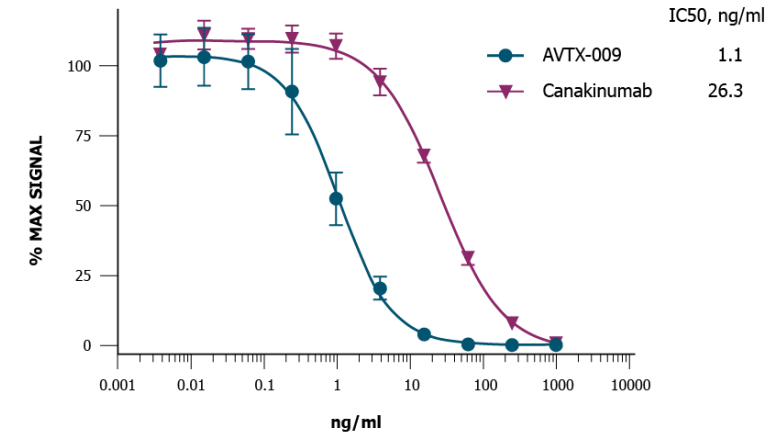
- IL-1 β is a central driver of the inflammatory process¹ and activates immune cells that generate proinflammatory cytokines including:
 - IL-6
 - TNF- α
 - IL-17
- IL-1 β is involved in the pathogenesis of many autoimmune and autoinflammatory diseases
- Inhibition of IL-1 β has been shown to be effective and safe in a variety of inflammatory diseases, including hidradenitis suppurativa¹⁻³



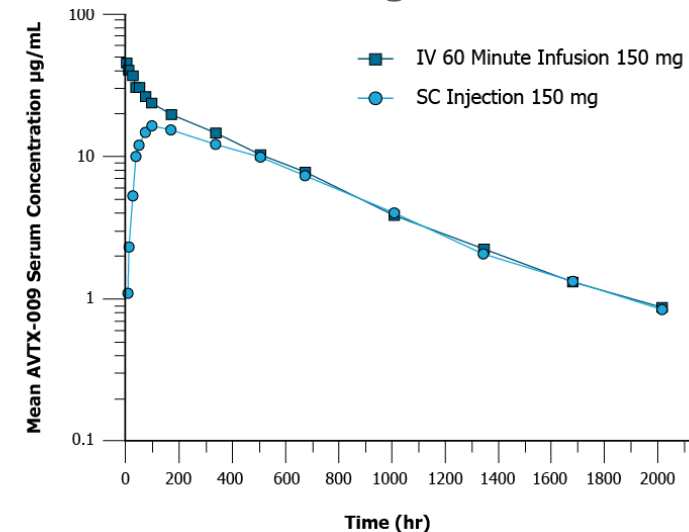
AVTX-009 Is a Highly Potent and Specific Inhibitor of IL-1 β

- Originally developed by Eli Lilly^{1,2}
- AVTX-009 exhibits superior potency compared to ILARIS[®] (canakinumab) in vitro
 - Higher affinity for IL-1 β : K_D of <3 pM vs. 60 pM canakinumab³
- Stable 150 mg/mL dosage formulation⁴
 - Suitable for subcutaneous and intravenous administration
 - Initial presentation will be a prefilled syringe, post-approval plan to provide as an autoinjector
- Clinical experience: 245 patients studied in phase 1 and phase 2 trials^{2,4-7}
 - Significant and rapid lowering of inflammatory biomarkers after a single dose in clinical trials
 - Excellent tolerability and safety at all doses up to 180 mg weekly
- Potency and half-life expected to support Q4W or less frequent dosing

AVTX-009 Has Higher Potency than Canakinumab



AVTX-009 Has a Strong Pharmacokinetic Profile

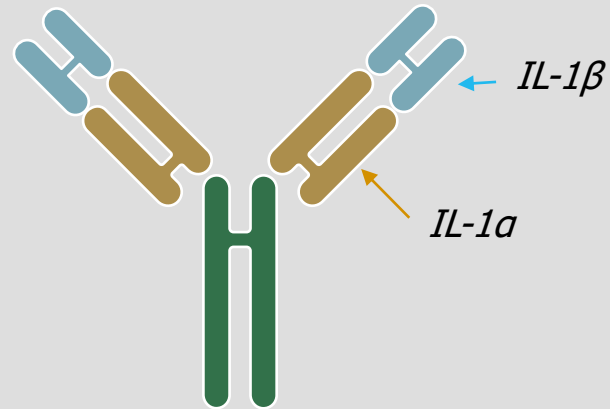


IL, interleukin; IV, intravenous; K_D , dissociation constant; Q4W, every 4 weeks; SC, subcutaneous.

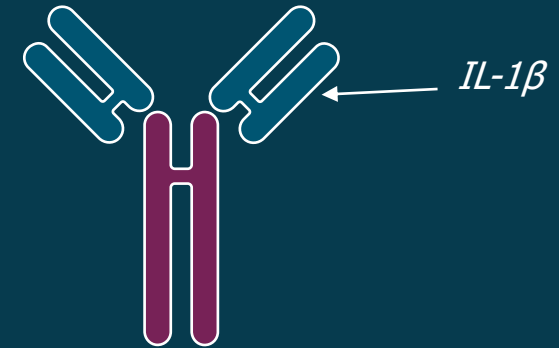
1. Bihorel S, et al. *AAPS J.* 2014;16(5):1009-1017; 2. Sloan-Lancaster J, et al. *Diabetes Care.* 2013;36(8):2239-2246; 3. Chakraborty A, et al. *Clin Pharmacokinet.* 2012;51(6):e1-e18; 4. Data on file; 5. NCT04983732. Clinicaltrials.gov. Accessed September 5, 2024. <https://clinicaltrials.gov/study/NCT04983732>; 6. NCT00942188. Clinicaltrials.gov. Accessed September 5, 2024. <https://clinicaltrials.gov/study/NCT00942188>; 7. NCT00380744. Clinicaltrials.gov. Accessed September 5, 2024. <https://clinicaltrials.gov/study/NCT00380744>.

AVTX-009 Has High Affinity, High Bioavailability, and Long Half-Life

Lutikizumab^{1,2}



AVTX-009³



IL-1 β K_D (pM)

21

<3

Subcutaneous bioavailability

46%

73%

Half-life

10-14 days

19 days

K_D, dissociation constant; pM, picomolar.

1. Lacy SE, et al. *mAbs*. 2015;7(3):605-619.

2. Wang SX, et al. *Osteoarthritis Cartilage*. 2017;25(12):1952-1961.

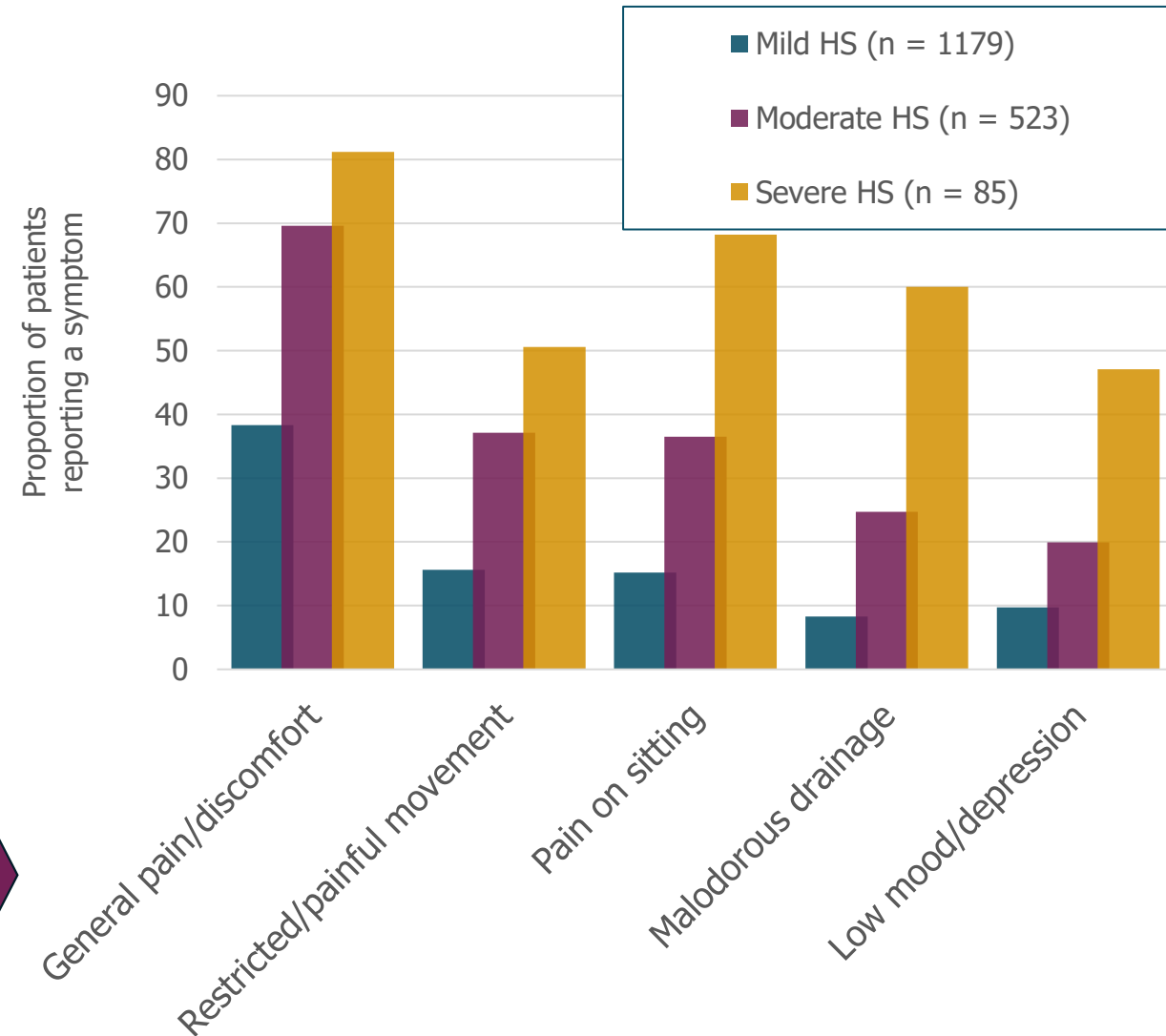
3. Bihorel S, et al. *AAPS J*. 2014;16(5):1009-1017.

Hidradenitis Suppurativa (HS)

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Hidradenitis Suppurativa: a Chronic Disease with a High Unmet Need

- Hidradenitis suppurativa is a chronic, often debilitating inflammatory skin disease that causes painful lumps, abscesses, and tunnels to form under the skin
- **Current treatments include:**
 - Antibiotics
 - Retinoids
 - Steroids
 - Cosentyx, Humira



Despite treatment, a large proportion of patients still report significant and life-disrupting symptoms¹

HS Causes Severe Pain and High Patient Burden

- Pain is a frequently overlooked aspect of HS^{1,2}
- Even patients with “mild” disease report high levels of pain^{3,4}
- This pain interferes with everyday life, sleep, and even movement²
- IL-1 β blockade has been shown to reduce pain in multiple inflammatory conditions⁵

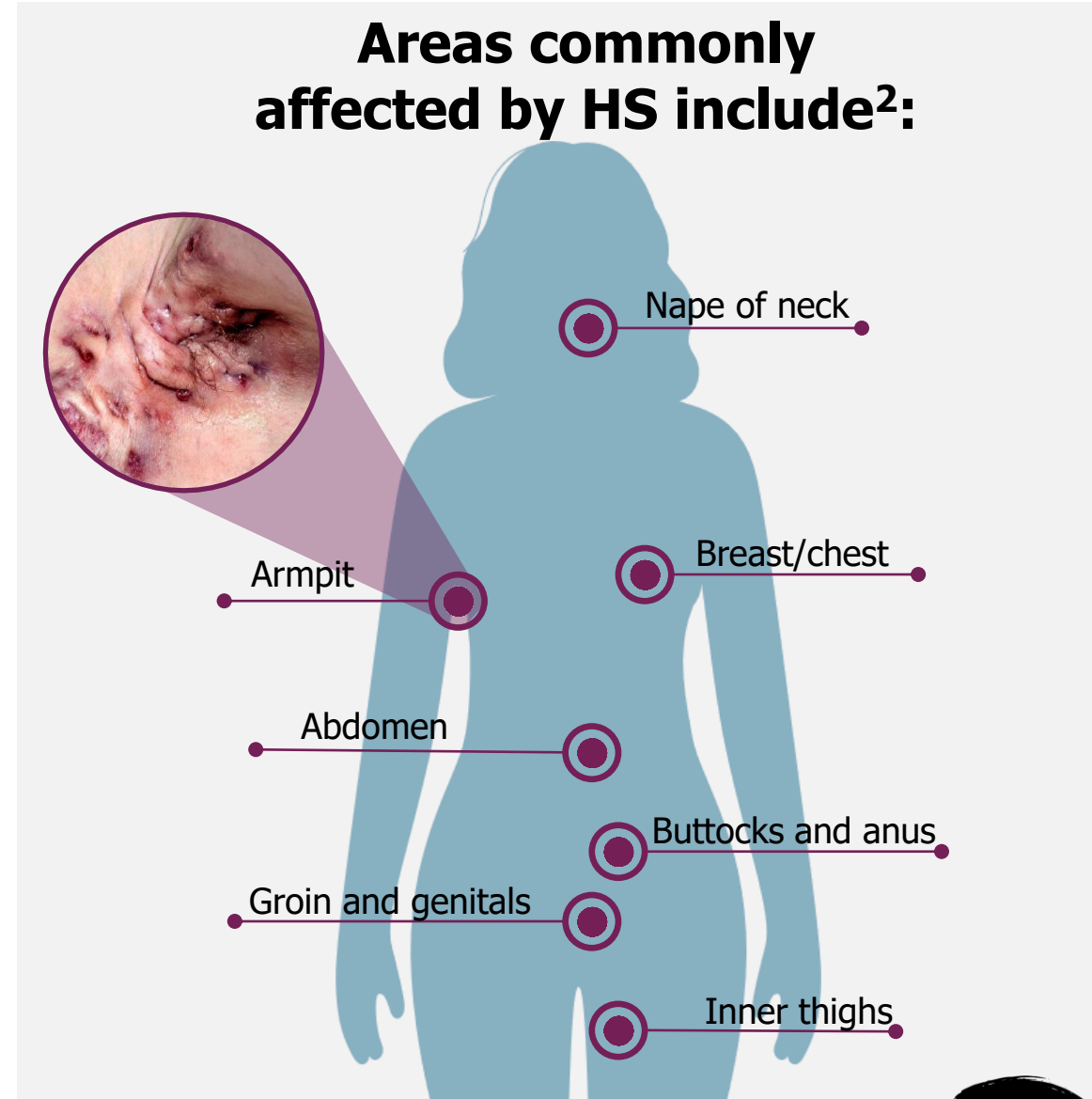
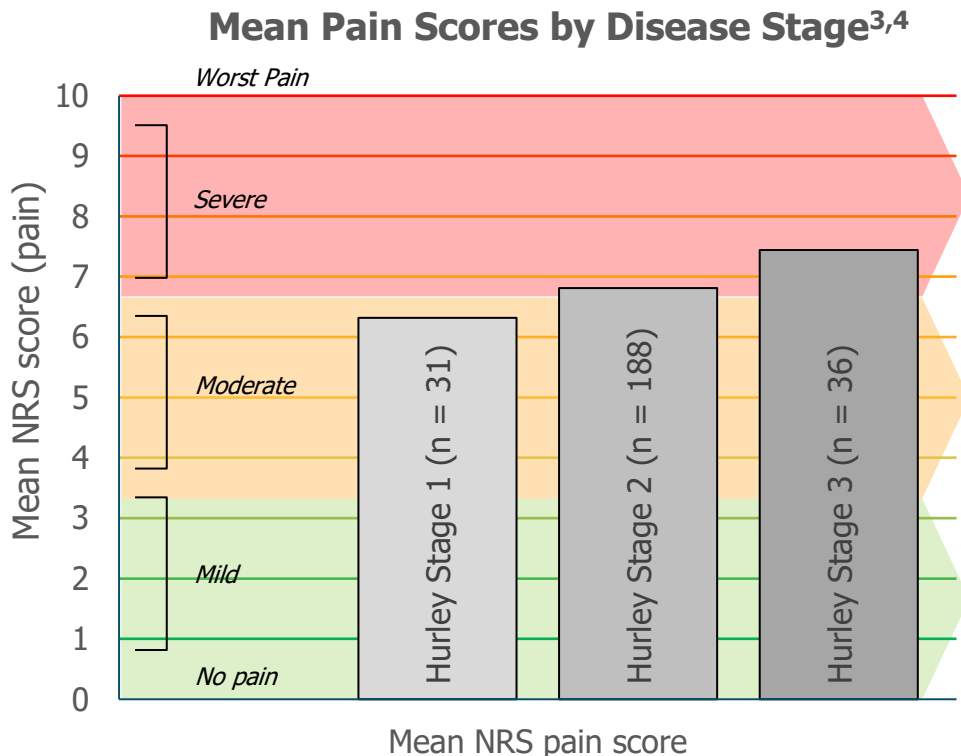


Photo from Cotter C, Walsh S. *Skin Health and Disease*. 2021;1(1):e7. CC-BY-4.0 License.

HS, hidradenitis suppurativa; IL, interleukin.

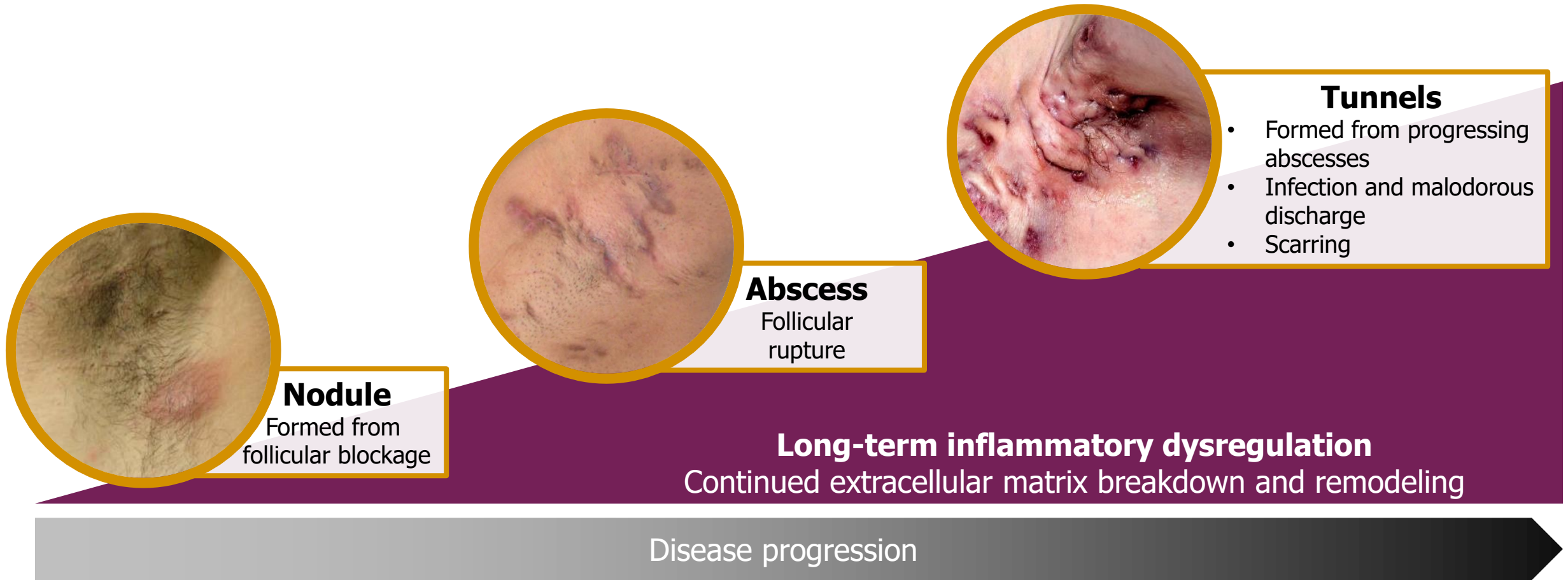
1. Johnston L, et al. *J Cutaneous Med Surg*. 2023;27(5):487-492; 2. Ingram JR, et al. *J Eur Acad Dermatol Venereol*. 2022;36(9):1597-1605; 3. Kimball AB, et al. *Dermatol Ther*. 2024;14:83-98;

4. Grimstad Ø, et al. *J Eur Acad Dermatol Venereol*. 2019;33(6):1164-1171; 5. Ren K, Torres R. *Brain Res Rev*. 2009;60(1):57-64.



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Chronic Inflammation in Hidradenitis Suppurativa Progresses to Tissue Destruction



Hidradenitis suppurativa patients need a potent and targeted anti-inflammatory treatment

Diagnosed and Treated HS Population is Projected to Grow Substantially into a \$9.5B+ Market by 2035¹

2023

US Base Data

2035

US Projected

MARKET DRIVERS

Overall HS prevalence²

3.3 million

3.5 million
(0.5% US population CAGR)

Potential Market Opportunity
Overall prevalence of HS of 3.3M expected to grow to 3.5M

HS diagnosed and treated³

1.0 million

1.6 million
(4% HS diagnosis CAGR)^a

Total Addressable Market
Number of patients with HS diagnosed and treated will grow significantly from 30% to 45% of the total population, driven by new development and visibility with HCPs and patients

Moderate-to-severe HS⁴

320,000

513,000

Segment Addressable Market
Increased recognition of disease leads to 60% growth of identified moderate to severe HS

Receiving biologics⁵

105,000
(33% on biologics in 2023)

205,000
(40% on biologics in 2030)^a

Treated Addressable Market
New approvals will lead to more patients being given biologics, increasing from 30% to 40% share of segment, evidenced by the recent quickly growing use of Cosentyx in HS post-approval

^aHS diagnosis and treatment rates and biologic treatment rates are expected to increase over time.

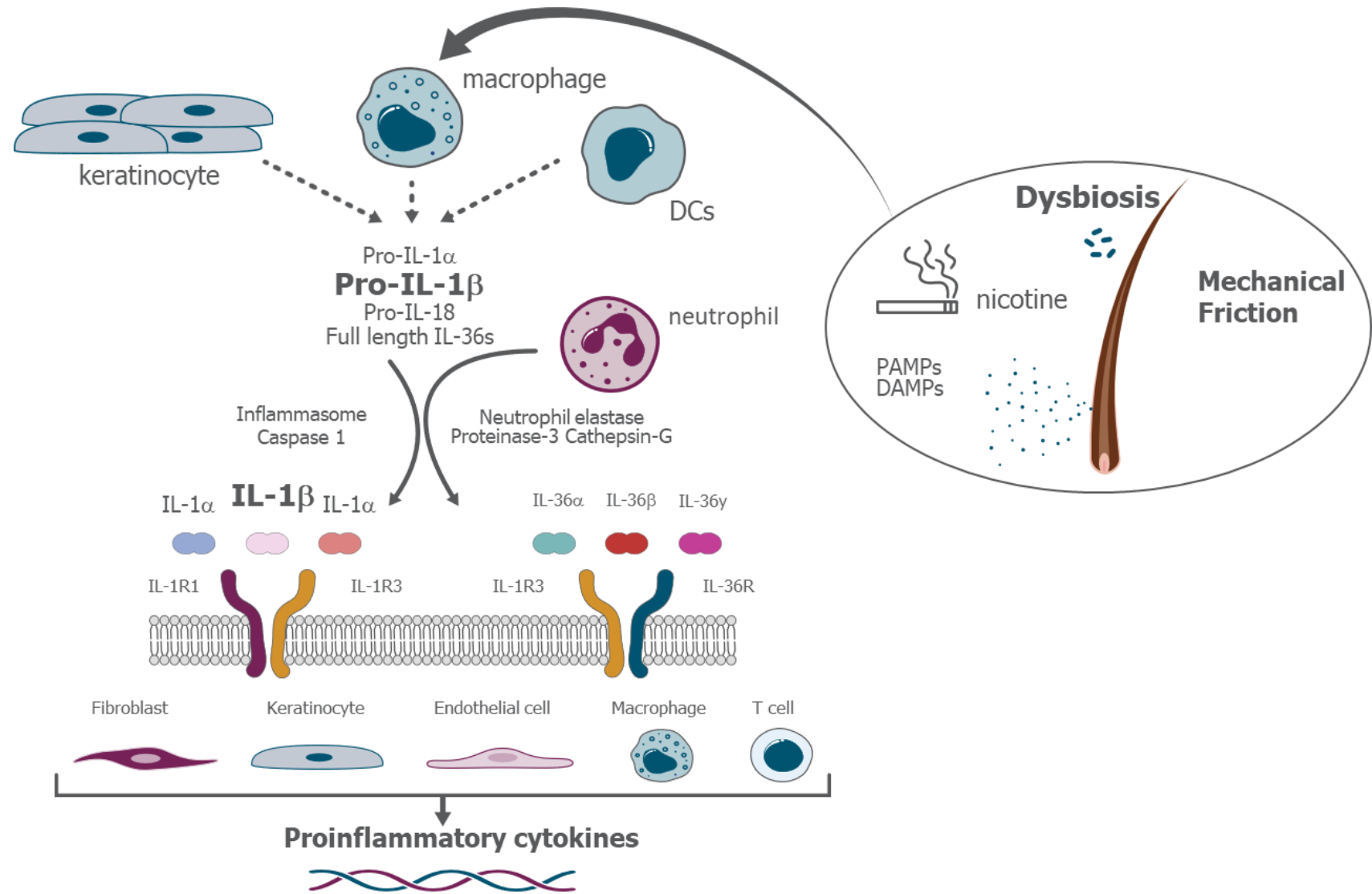
CAGR, compound annual growth rate; HCP, healthcare provider; HS, hidradenitis suppurativa; US, United States.

1. HS Market Research 2024. Avalo Therapeutics Data on File; 2. Garg A, et al. *Am J Clin Dermatol.* 2023;24:977-990; 3. Garg AX, et al. *Dermatol Ther.* 2022;3:581-594; 4. Ingram JR, et al. *J Eur Acad Dermatol Venereol.* 2022;36(9):1597-1605; 5. Rinderknecht FB, Naik HB. *Int J Womens Dermatol.* 2024;10(1):e130.



IL-1 β is Strongly Implicated in the Pathophysiology of HS¹

- The inflammatory cascade in HS is triggered by various external stimuli including:
 - Smoking
 - Dysbiosis
 - Mechanical stress
- IL-1 β is a key driver of the inflammatory cascade that leads to the destruction of the pilosebaceous unit
- HS patients exhibit increased IL-1 β levels in lesional skin^{2,3}
- Clinical benefit for HS has been observed with anti-IL-1 drugs⁴



DAMP, damage-associated molecular pattern molecule; DC, dendritic cell; HS, hidradenitis suppurativa; IL, interleukin; R, receptor; PAMP, pathogen-associated molecular pattern molecule.

1. Calabrese L, et al. *Biomolecules*. 2024;14(2):175; 2. Vossen ARJV, et al. *J Invest Dermatol*. 2020;140(7):1463-1466.e2; 3. Kelly G, et al. *Br J Dermatol*. 2015;173(6):1431-1439; 4. Kimball AB, et al. Presented at: American Academy of Dermatology; March 8-12, 2024; San Diego, CA.

Hidradenitis Suppurativa Patients Often Have Other Comorbidities That Could Impact Treatment



Patients have a **~2-6x** increased risk of inflammatory bowel disease¹



Patients have a **~2x** increased risk of myocardial infarction, acute embolism, or deep vein thrombosis²



Patients have a **~1.5x** increased risk of cancer (overall) and a **~2.6x** increased risk of cutaneous squamous cell carcinoma³



22-50% of patients are obese and nearly **1 in 3** have diabetes^{2,3}

Warnings and Precautions in Commonly Used Immunologic Drugs



JAK1 Inhibitor¹

- Serious infection
- Opportunistic infection
- Risk of malignancy
- Thrombosis
- Blackbox warning: All-cause mortality



- Serious infection
- Opportunistic infection
- Risk of malignancy
- Thrombosis



Anti-IL-17^{3,4}

- Serious infection
- IBD exacerbation
- Suicidal ideation (Bimzelx)



Anti-IL-1 β ⁵/IL-1^{6,7}

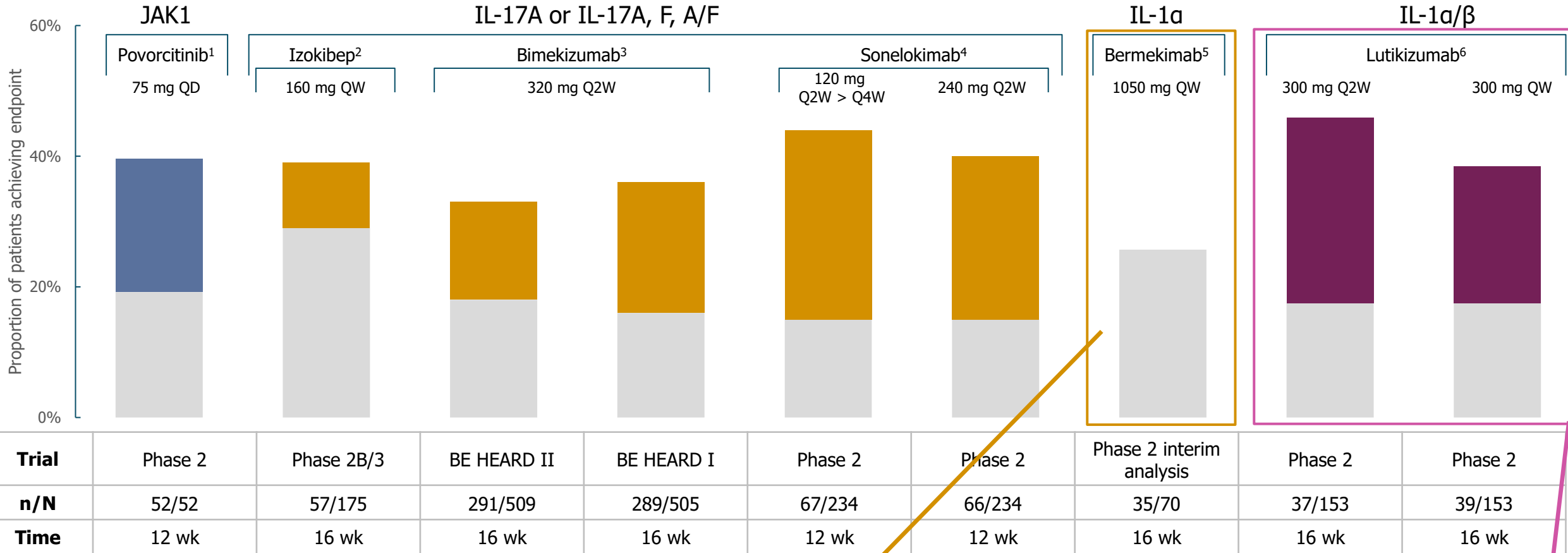
- Serious infection
- Opportunistic infection (isolated cases with Ilaris)

HS, hidradenitis suppurativa; IBD, inflammatory bowel disease; IL, interleukin; JAK1, janus kinase 1; MOA, mechanism of action; TNF, tumor necrosis factor.

1. Rinvoq. Package insert. AbbVie Inc.; 2024; 2. Humira. Package insert. AbbVie Inc.; 2024; 3. Cosentyx. Package insert. Novartis Pharmaceuticals Corporation; 2024; 4. Bimzelx. Package insert. UCB Inc.; 2023; 5. Ilaris. Package insert. Novartis Pharmaceuticals Corporation; 2023; 6. Arcalyst. Package insert. Kiniksa Pharmaceuticals (UK), Ltd.; 2021; 7. Kineret. Package insert. Swedish Orphan Biovitrum AB; 2000.

Previous Clinical Trials Validate and Derisk Our MOA

HiSCR75



Placebo
 Investigational drug (placebo adjusted)

Failure in phase 2 validates focusing on IL-1β

Comparable efficacy in a sicker population (65%-74% Hurley stage III) that had already failed anti-TNF therapy

HiSCR, hidradenitis suppurativa clinical response; IL, interleukin; JAK1, janus kinase 1; MOA, mechanism of action, TNF, tumor necrosis factor; wk, week; QD, daily; QW, weekly, Q2W, every other week; Q4W, ever 4 weeks.
 1. Kirby JS, et al. *JAAD*. 2024;90(3):P521-529; 2. Acelyrin Press Release. September 11, 2023. Accessed September 10, 2024. <https://investors.acelyrin.com/news-releases/news-release-details/acelyrin-inc-announces-top-line-results-placebo-controlled>; 3. Kimball AB, et al. *Lancet*. 2024;403(10443):2504-2519; 4. Kimball AB, Kirby B, et al. Presented at: American Academy of Dermatology; March 8-12, 2024; San Diego, CA; 5. ClinicalTrials.gov identifier: NCT04988308. Accessed September 5, 2024. <https://clinicaltrials.gov/study/NCT04988308>; 6. Kimball AB, Ackerman L, et al. Presented at: American Academy of Dermatology; March 8-12, 2024; San Diego, CA.



Phase 2 LOTUS Trial in Hidradenitis Suppurativa (AVTX-009-HS-201, NCT06603077)

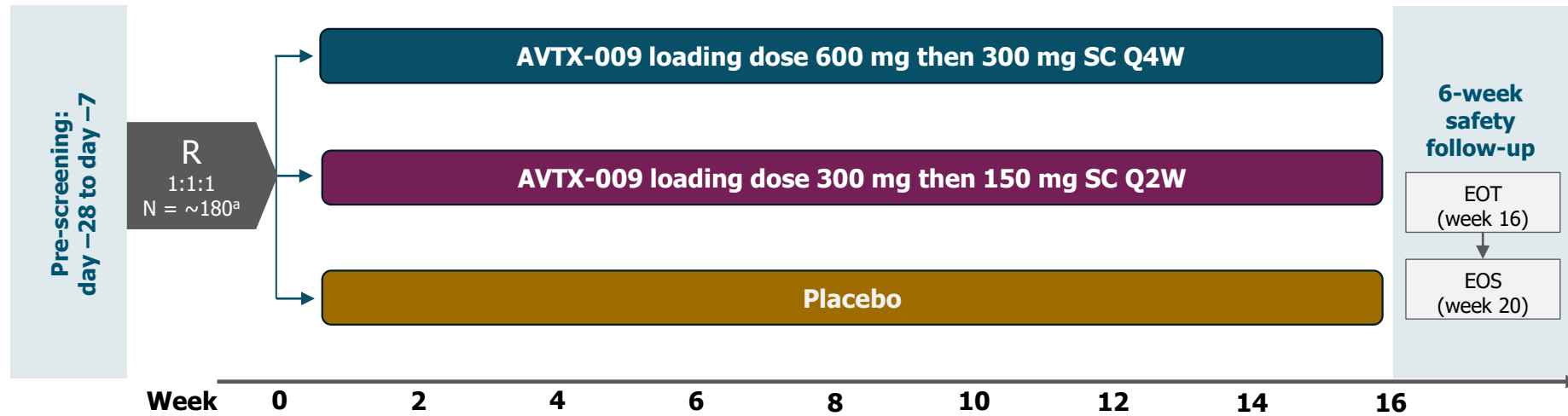
Efficacy and Safety of AVTX-009 Treatment in Participants With Hidradenitis Suppurativa

Primary Study Endpoint

Primary Endpoint: Percentage of participants achieving HiSCR75 at 16 weeks

Key Inclusion Criteria

- HS for at least 6 months prior to baseline
- Total AN count of ≥ 5 at baseline
- HS lesions must be present in at least 2 distinct anatomic areas
- At least one HS lesion that is Hurley stage II or III
- Enrollment of patients who have not failed anti-TNF therapy (naive or exposed) will be capped at 40%



Key Secondary/Exploratory Endpoints

Key Secondary Endpoints:

- TEAEs
- HiSCR50, HiSCR90
- International HS Severity Score System (IHS4)
- AN count, draining fistula count
- Patient's Global Assessment of Skin Pain (PGA Skin Pain) (NRS30)
- Percentage of subjects with flares
- ADA

Exploratory Endpoints:

- PK
- HiSQOL, DLQI, PHQ-9
- Biomarkers:
 - CRP
 - IL-6
 - Potentially other biomarkers

^aTrial has 80% power to show a HiSCR75 response for each individual arm (based on lutikizumab phase 2 HiSCR75).

ADA, antidrug antibody; AN, abscess and inflammatory nodule; CRP, C-reactive protein; DLQI, dermatology life quality index; EOS, end of study; EOT, end of treatment; HiSCR, Hidradenitis Suppurativa Clinical Response; HiSQOL, hidradenitis suppurativa quality of life; HS, hidradenitis suppurativa; NRS30, numerical rating scale 30; PHQ-9, patient health questionnaire-9; PK, pharmacokinetics; Q2W, every 2 weeks; Q4W, every 4 weeks; R, randomize; SC, subcutaneous; TEAE, treatment emergent adverse event; TNF, tumor necrosis factor.

Timelines: Looking Forward

March 2024
Merger with
AlmataBio

July 2024
Active IND for
AVTX-009

2H 2024
First patient
enrolled in phase
2 LOTUS (Ph 2)

Q1 2025
Final site activated
for LOTUS^a

2026
LOTUS (Ph 2)
readout^a

2027+
Initiate Ph 2b/3^b

^aProjected; ^bPending readout from phase 2. IND, investigational new drug application.



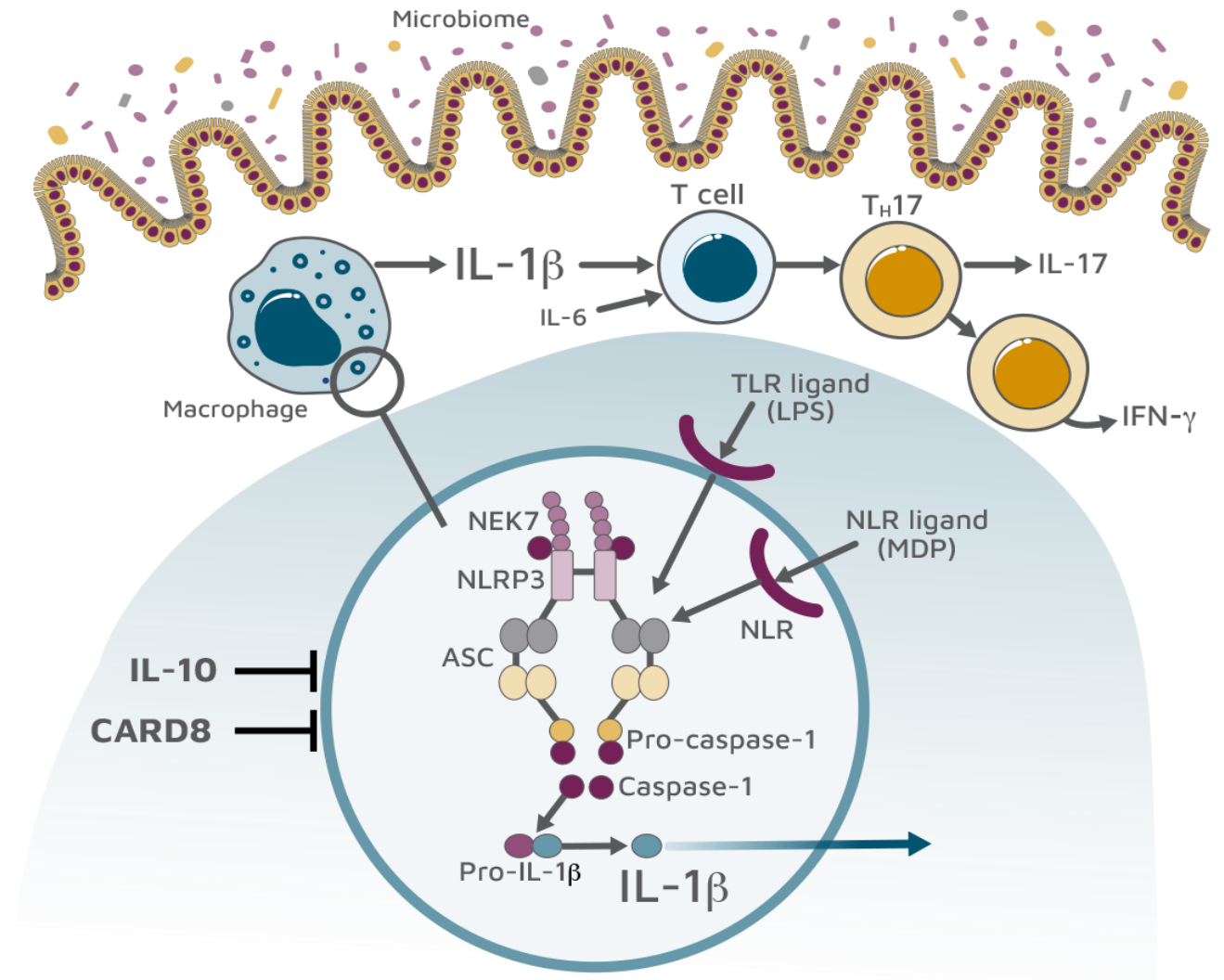
Potential Additional Indications

The logo for Avalo Therapeutics, featuring the word "avalo" in a lowercase, white, sans-serif font, with "THERAPEUTICS" in a smaller, uppercase, white, sans-serif font directly below it. The logo is positioned in the bottom right corner of the slide, partially overlapping a large, dark teal brushstroke that forms a partial circle on the right side of the image.

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Role of IL-1 β in IBD

- IL-1 β plays a central role in inflammation in IBD¹
 - IL-1 β is a key cytokine produced upon inflammasome activation
 - Dysregulated inflammasome activation has been implicated in the pathogenesis of Crohn's disease
- IL-1-driven stromal–neutrophil interactions define a subset of patients who do not respond to current therapies^{2,3}
- There is an observed overlap of patients that have IBD and HS^{4,5}



Recent IL-1 Trial Initiations in IBD

- The goal of IBD therapeutics is remission, yet only a minority of IBD patients obtain remission with current therapies
- AbbVie is currently conducting studies to evaluate lutikizumab, a dual variable domain IL-1 α /1 β antagonist as monotherapy in ulcerative colitis and in combination with Skyrizi in Crohn's Disease

“...we believe lutikizumab has the potential to be used in combinations to provide transformational levels of efficacy in IBD. We plan to evaluate combo approaches with lutikizumab and Skyrizi...in Crohn's. Our Phase 2 studies in IBD are expected to begin later this year.”

- Roopal Thakkar, MD
SVP, Global Therapeutics
Chief Medical Officer
AbbVie 4Q23 Earnings Call Transcript

There is an opportunity for greater efficacy for patients with IBD with AVTX-009 as a monotherapy and in combination with anti-IL-23

Executive Summary

The logo for Avalo Therapeutics, featuring the word "avallo" in a lowercase, white, sans-serif font, with "THERAPEUTICS" in a smaller, uppercase, white, sans-serif font directly below it. The logo is positioned in the bottom right corner of the slide, partially overlapping a large, dark teal brushstroke that forms a partial circle on the right side of the page.

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NASDAQ: AVTX

www.avalotx.com

The logo for Avalo Therapeutics features the word "avalotx" in a lowercase, white, sans-serif font. The letter "o" is stylized with a circular brushstroke effect. Below "avalotx" is the word "THERAPEUTICS" in a smaller, uppercase, white, sans-serif font. The logo is positioned in the bottom right corner of the slide, which has a dark blue background with a large, light blue brushstroke graphic on the right side.

avalotx
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Appendix



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Avalo Capitalization

As of August 13, 2024

Number of shares

Common Stock

- Common shares outstanding¹ 9.7M

Assuming Conversion of Preferred Stock and Exercise of Warrants

- Preferred stock¹ 13.7M
- Warrants issued on March 28, 2024² 12.0M

Adjusted Share Count³

- Adjusted common shares outstanding³ 35.4M

Adjusted Market Capitalization

- Stock price⁴ \$9.88
- **Adjusted market capitalization \$349.4M**

¹8.6M shares of preferred stock automatically converted to common stock subject to beneficial ownership limitations on August 13, 2024, the date of Avalo's Annual Stockholder Meeting; ²The warrants are exercisable for ~\$5.80 per underlying share of common stock and expire on the earlier of (i) the fifth anniversary of the date of issuance or (ii) the thirty-first day following the public announcement of the first patient dosed in a Phase 2 trial of AVTX-009 in hidradenitis suppurativa; ³Does not include 2.6M stock options and restricted stock units outstanding resulting in a fully dilutive share count of ~38M; ⁴Reported closing price of our common stock on August 13, 2024

