AVEO Oncology Announces Restructuring of Existing Term Loan with Closing of New Tranched, $35 Million Debt Facility

August 10, 2020

BOSTON--(BUSINESS WIRE)--Aug. 10, 2020-- AVEO Oncology (Nasdaq: AVEO) today announced the closing of a tranched, $35 million debt facility with Hercules Capital, Inc. (NYSE: HTGC) and its affiliates. The new facility has a maturity of 36 months, extendable up to 48 months, and an interest-only period of 12 months, extendable up to 30 months upon the achievement of performance milestones related to the approval and commercialization of tivozanib.

Under the terms of the agreement, the initial tranche of $15 million fully refinanced AVEO's existing Hercules term loan facility, which had an outstanding principal amount of approximately $9.7 million, providing net new proceeds of $5.3 million. A second $10 million tranche is contingent upon the approval of the tivozanib New Drug Application (NDA) by the U.S. Food and Drug Administration (FDA) as a treatment for renal cell carcinoma (RCC), and certain other terms and conditions. An additional two $5 million tranches will become available after that time – one if product revenues from net sales of tivozanib reach $20.0 million within a specified time frame, and the other at the lender's consent. As previously announced, the FDA has assigned AVEO's NDA a Prescription Drug User Fee Act target action date of March 31, 2021.

"The refinancing of our debt facility with Hercules Capital is expected to provide us with access to capital that funds planned operations well into the anticipated launch of tivozanib," said Michael Bailey, president and chief executive officer of AVEO. "We continue to work closely with the FDA in their review of our NDA, as we build out our commercial organization, explore potentially pivotal immunotherapy-combination studies for tivozanib, and advance our pipeline."

"We are excited and pleased to be extending and expanding our financing partnership with AVEO as they prepare for the potential approval and launch of tivozanib. Our relationship with AVEO spans nearly 15 years and this most recent financing is another example of our ability to support innovative life sciences companies at all stages of development and through multiple value inflection points," said Bryan Jadot, Senior Managing Director and Life Sciences Group Head for Hercules.

About AVEO Pharmaceuticals, Inc.

AVEO is developing an oncology pipeline designed to provide a better life for patients with cancer. AVEO's strategy is to focus its resources toward development and commercialization of its product candidates in North America, while leveraging partnerships to support development and commercialization in other geographies. AVEO's lead candidate, tivozanib (FOTIVDA ®) is approved in the European Union and other countries by AVEO's partner EUSA for the treatment of adult patients with advanced renal cell carcinoma. AVEO is working to develop and commercialize tivozanib in North America as a treatment for renal cell carcinoma and hepatocellular carcinoma. AVEO has previously reported promising early clinical data on ficlatuzumab (anti-HGF mAb) in head and neck cancer, acute myeloid leukemia and pancreatic cancer and is conducting a randomized Phase 2 confirmatory clinical trial of ficlatuzumab in head and neck cancer. AVEO's earlier-stage pipeline includes several monoclonal antibodies in oncology development, including AV-203 (anti-ErbB3 mAb), AV-380 (anti-GDF15 mAb) and AV-353 (anti-Notch 3 mAb). AVEO is committed to creating an environment of diversity and inclusion as a foundation for innovation.

Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements of AVEO within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this press release are forward-looking statements. The words "anticipate," "believe," "expect," "hope," "intend," "may," "plan," "potential," "could," "should," "would," "seek," "look forward," "advance," "goal," "strategy," or the negative of these terms or other similar expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among others, statements about: the potential for tivozanib as a treatment option for patients with advanced HCC or relapsed/refractory or advanced RCC, and following earlier TKI and immunotherapy treatment; the potential efficacy, safety, and tolerability of tivozanib, both as a stand-alone drug candidate and in combination with other therapies in several indications; AVEO's execution of its clinical and regulatory strategy for tivozanib; AVEO's plans and strategies for current and future clinical trials of tivozanib, ficlatuzumab and AV-380 and for commercialization of tivozanib in the United States; the period in which AVEO expects to have cash to fund its operations and the contingencies upon which such guidance is dependent; and AVEO's strategy, prospects, plans and objectives for its product candidates and for the Company generally. AVEO has based its expectations and estimates on assumptions that may prove to be incorrect. As a result, readers are cautioned not to place undue reliance on these expectations and estimates. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that AVEO makes due to a number of important factors, including risks relating to: whether the results of TIVO-3 are sufficient to obtain marketing approval for tivozanib in the U.S., which turns on the ability of AVEO to demonstrate to the satisfaction of the FDA the safety and efficacy of tivozanib based upon the findings of tivozanib's clinical trials, including its data with respect to PFS, the rate of adverse events, OS and other information that the FDA may determine to be relevant to approvability; AVEO's ability, and the ability of its licensees, to demonstrate to the satisfaction of applicable regulatory agencies such as the FDA the safety, efficacy and clinically meaningful benefit of AVEO's product candidates; and AVEO's ability to enter into and maintain its third party collaboration and license agreements, and its ability, and the ability of its strategic partners, to achieve development and commercialization objectives under these arrangements. AVEO faces other risks relating to its business as well, including risks relating to the timing and costs of seeking and

obtaining regulatory approval; AVEO's and its collaborators' ability to successfully enroll and complete clinical trials; AVEO's ability to maintain compliance with regulatory requirements applicable to its product candidates; AVEO's ability to obtain and maintain adequate protection for intellectual property rights relating to its product candidates; AVEO's ability to successfully implement its strategic plans, including its ability to successfully launch and commercialize tivozanib if it may be approved for commercialization by the FDA; AVEO's ability to raise the substantial additional funds required to achieve its goals, including those goals pertaining to the development and commercialization of tivozanib; unplanned capital requirements; AVEO's ability to access up to $20.0 million of the Hercules loan facility, which turns on the achievement of milestones related to the approval and commercialization of tivozanib in the U.S., which milestones may not be achieved; AVEO's ability to comply with various financial and operational covenants contained in its debt facilities; adverse general economic and industry conditions; the potential adverse effects of the COVID-19 pandemic on AVEO's business continuity, financial condition, results of operations, liquidity and ability to successfully and timely enroll, complete and read-out data from its clinical trials; competitive factors; and those risks discussed in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included in AVEO's quarterly and annual reports on file with the Securities and Exchange Commission (SEC) and in other filings that AVEO makes with the SEC. The forward-looking statements in this press release represent AVEO's views as of the date of this press release, and subsequent events and developments may cause its views to change. While AVEO may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. You should, therefore, not rely on these forward-looking statements as representing AVEO's views as of any date other than the date of this press release.

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