Atea Pharmaceuticals Reports Full Year 2020 Financial Results and Provides Corporate Update

March 30, 2021

– Rapid advancement of AT-527 for COVID-19 –

– Strategic collaboration with Roche to develop and commercialize AT-527 for COVID-19 –

– Initiation of Phase 1a trial of AT-752 for dengue fever –

– Crossover financing and IPO –

BOSTON, March 30, 2021 (GLOBE NEWSWIRE) -- Atea Pharmaceuticals, Inc. (Nasdaq: AVIR) ("Atea"), a clinical-stage biopharmaceutical company, today reported financial results for the year ended December 31, 2020 and provided a corporate update.

"For Atea, 2020 was a transformational year that placed our direct acting antiviral platform at the forefront of the fight against COVID-19. Not only did we act quickly to advance our lead product candidate AT-527 in response to the global pandemic, but we also signed a strategic partnership agreement with Roche, effected a significant crossover financing, and became a publicly traded company," said Jean-Pierre Sommadossi, Ph.D., Chief Executive Officer and Founder of Atea Pharmaceuticals. "With Roche, which has unparalleled global capabilities in antiviral development and commercialization, we have been able to accelerate the late-stage development of AT-527. With the upcoming initiation of the global Phase 3 program, we are one step closer to achieving our goal of providing an easily administered and widely generalizable, oral, direct-acting antiviral to assist in the fight against this global pandemic."

"Looking ahead, during the second quarter of 2021, in addition to starting the Phase 3 clinical trial of AT-527 for the treatment of outpatients with mild or moderate COVID-19, we expect to report interim virology data from two ongoing Phase 2 trials of AT-527. We also have recently made significant progress in further understanding AT-527's unique mechanism of action. Our work has elucidated for the first time the impairment of the NiRAN domain, a critical part of the viral RNA polymerase complex, which is essential for the transcription and replication of SARS-CoV-2. Given this preferential conserved target site, we believe that AT-527 will maintain its antiviral activity even in the presence of naturally-evolving variants which are now emerging," said Dr. Sommadossi. "We entered 2021 in a strong position to advance our strategy, as we've built an experienced and talented leadership team, and we are well-funded to support the important work of bringing oral antiviral products as quickly as possible to patients worldwide who are facing difficult to treat, severe viral diseases."

AT-527 Recent Clinical Development Highlights

Phase 2 Trial of AT-527 in Outpatient Setting

- In February 2021, Atea announced the first patient dosed in a Phase 2 clinical trial evaluating AT-527 in mild or moderate COVID-19 patients in an outpatient setting. The trial, which is being conducted in collaboration with Roche, will enroll up to 220 patients in the United Kingdom, Ireland, and other countries. The randomized, double-blind, multi-center, placebo-controlled Phase 2 trial will evaluate the antiviral activity, safety, and pharmacokinetics of AT-527 550 mg administered twice-daily in adult patients with mild or moderate COVID-19 in an outpatient setting. The primary endpoint of this trial is change from baseline in amount of SARS-CoV-2 virus RNA as measured by reverse transcription polymerase chain reaction (RT-PCR) at specified timepoints.

Phase 2 Trial of AT-527 in Hospitalized Setting

- The ongoing Phase 2 trial in the hospitalized setting is a randomized, double-blind, placebo-controlled, multi-center, global trial of AT-527, which is expected to enroll approximately 190 hospitalized patients with moderate COVID-19. The primary efficacy endpoint of this trial is the change in level of respiratory insufficiency. Other important outcomes to be assessed are the effect of AT-527 versus placebo on the viral kinetics of the infection and the elucidation of the safety and tolerability of AT-527 at the dose of 550 mg administered twice-daily.

Presentation of Positive AT-527 Phase 1 Healthy Volunteer Data at CROI

- In March 2021, the Company presented favorable results from a Phase 1 study of AT-527 in healthy volunteers at the 28th Annual Conference on Retroviruses and Opportunistic Infections (CROI). The study results showed AT-527 was well tolerated with no discontinuations or serious adverse events and no clinically significant changes in vital signs or electrocardiograms were observed. The data also demonstrated that AT-511 (the free base of AT-527) was rapidly absorbed followed by fast and extensive stepwise metabolic activation to the active triphosphate AT-9010, reflected by plasma AT-273. Steady state levels were quickly achieved by the third dose of AT-527. The Phase 1 study results validate the modeling from our preclinical animal models which predict that lung levels will consistently be above the EC_{90} level of

0.5 uM.

AT-527 Overview of AT-527 at ICAR

- In March 2021, at the invitation of the organizers of the 34th International Conference on Antiviral Research (ICAR), Atea presented an overview of AT-527, including the Phase 1 study data as well as preclinical data and the underlying mechanistic rationale supporting the use of AT-527 for the treatment of COVID-19.

Publication of Preclinical Data Highlighting Potency of AT-527 Against SARS-CoV-2

- In February 2021, the Company announced the publication of new data highlighting the highly potent *in vitro* antiviral activity of AT-527 against SARS-CoV-2. The new findings were made available in a manuscript published online in *Antimicrobial Agents and Chemotherapy*. These data underscore key mechanistic features enabling AT-527 to inhibit SARS-CoV-2 viral replication and support Atea's current late-stage clinical development program.

AT-752 Recent Clinical Development Highlights

Phase 1a Trial for Dengue Fever

- In December 2020, Atea filed a Clinical Trial Application for AT-752 in Australia. In March 2021, the Company initiated a randomized, double-blind, placebo-controlled, single- and multiple-ascending dose Phase 1a study that will evaluate the safety, tolerability, and pharmacokinetics of AT-752 in healthy subjects. The Phase 1a study is expected to enroll up to 60 subjects. The objective of the study is to establish the safety and tolerability of AT-752 and also to support dose selection for future studies of AT-752 as a treatment for dengue fever.

Recent Corporate Highlights

Added to the Russell 2000® Index

- Effective December 21, 2020, Atea was added to the Russell 2000® Index as part of the index's quarterly initial public offering (IPO) additions.

Closing of Initial Public Offering

- In November 2020, Atea announced the closing of its IPO of 14,375,000 shares of common stock, including the exercise in full by the underwriters of their option to purchase up to 1,875,000 additional shares of common stock, at a public offering price of $24.00 per share. The aggregate net proceeds to Atea from the offering were $317.6 million after deducting underwriting discounts and commissions and other offering expenses.

Strategic Collaboration with Roche to Develop and Commercialize AT-527 for COVID-19

- In October 2020, Atea entered into an agreement with Roche (SIX: RO, ROG; OTCQX: RHHBY) pursuant to which Atea licensed to Roche the exclusive rights to research, develop, and distribute AT-527 as an antiviral treatment for COVID-19 in territories outside of the United States. Under the terms of the agreement, Atea received an upfront payment of $350 million in cash from Roche with the potential for future milestone payments and royalties.

- In February 2021, Atea announced that Chugai Pharmaceutical Co., Ltd. (TOKYO: 4519) in-licensed from Roche the rights to develop and market AT-527 for the treatment of COVID-19 in Japan.

Senior Management Appointments

In January 2021, Atea announced the expansion of its senior management team with the appointments of Jayanthi Wolf, Ph.D., Senior Vice President of Regulatory Affairs and Jonae Barnes, Senior Vice President of Investor Relations and Corporate Communications. Dr. Wolf has had an extensive career in research and development at Merck over a 19-year period. Ms. Barnes has more than 20 years of experience in the pharmaceutical and biotechnology industry.

Full Year 2020 Financial Results

Cash and Cash Equivalents*:* $850.1 million at December 31, 2020 compared to $21.7 million at December 31, 2019.

Revenue*:* Collaboration revenue for the year ended December 31, 2020 in the amount of $48.6 million was derived from the Roche License Agreement that was executed in October 2020.

Research and Development Expenses*:* Research and development expenses for the year ended December 31, 2020 in the amount of $38.0 million increased by $27.8 million from $10.2 million for the year ended December 31, 2019. The increase in research and development expenses was primarily due to an increase in external expenses incurred related to contract research organization and contract manufacturing organization services in connection with the advancement of product candidates for the treatment of COVID-19 and dengue and an increase in personnel-related expenses, including salaries and bonuses, benefits and stock-based compensation expense for our research and development employees and consulting fees.

***General and Administrative Expenses**:* General and administrative expenses for the year ended December 31, 2020 in the amount of $21.6 million increased by $17.2 million from $4.4 million for the year ended December 31, 2019 primarily due to the expansion of our organization resulting in an increase in payroll and personnel-related expenses, including salaries, benefits, and stock-based compensation expense. Additionally, general and administrative expenses for the year ended December 31, 2020 include consulting fees in the amount $7.0 million paid to a financial advisor in connection with the Roche License Agreement.

***Net loss**:* Net loss for the year ended December 31, 2020 in the amount of $10.9 million decreased by $3.1 million from $14.0 million for the year ended December 31, 2019.

Consolidated Statement of Operations
(in thousands, except share and per share data)

	Year Ended December 31,	
	2020	2019
Collaboration revenue	$ 48,633	$ —
Operating expenses:		
Research and development	38,023	10,170
General and administrative	21,640	4,438
Total operating expenses	59,663	14,608
Loss from operations	(11,030)	(14,608)
Interest income and other, net	83	574
Net and comprehensive loss	$ (10,947)	$ (14,034)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.51)	$ (1.39)
Weighted-average shares outstanding, basic and diluted	21,592,441	10,091,100

Selected Consolidated Balance Sheet Data
(in thousands)

	December 31,	
	2020	2019
Cash and cash equivalents	$ 850,117	$ 21,661
Working capital(1)	$ 547,682	$ 19,475
Total assets	$ 863,632	$ 22,073
Deferred revenue	$ 301,367	$ -
Convertible preferred stock	$ -	$ 69,114
Total stockholders' equity (deficit)	$ 547,801	$ (49,571)

(1) The Company defines working capital as current assets less current liabilities. See the Company's consolidated financial statements in its Annual Report on Form 10K for the year ended December 31, 2020 for further detail regarding its current assets and current liabilities.

Conference Call and Webcast

Atea will host a conference call and live audio webcast to discuss full-year 2020 financial results and provide a corporate update today at 4:30 p.m. ET. To access the live conference call, please dial (833) 301-1150 (domestic) or (914) 987-7391 (international) at least five minutes prior to the start time and refer to conference ID 3282077.

A live audio webcast of the call with accompanying slide presentation will also be available in the Investors' Events & Presentations section of the Company's website, https://ir.ateapharma.com/news-and-events/events-and-presentations. An archived webcast will be available on the Atea website approximately two hours after the event.

About AT-527

AT-527 is an orally administered, direct-acting developmental antiviral agent derived from Atea's nucleotide prodrug platform. AT-527 is currently under evaluation as a treatment for patients with COVID-19. In collaboration with Roche, AT-527 is currently being evaluated in a global Phase 2 study for hospitalized patients with moderate COVID-19 and a Phase 2 virology study in patients with mild or moderate COVID-19 in an outpatient setting. A pivotal Phase 3 trial is planned in the outpatient setting.

A direct-acting antiviral aims to prevent disease progression by minimizing or eliminating viral replication and thereby reducing the severity of the disease, preventing or shortening hospitalization, and also potentially preventing transmission of the virus to others. This makes it well suited for potential use in both pre- and post-exposure prophylactic settings and complementary to vaccines.

About Atea Pharmaceuticals

Atea Pharmaceuticals is a clinical stage biopharmaceutical company focused on discovering, developing and commercializing therapies to address the unmet medical needs of patients with life-threatening viral diseases. Leveraging the Company's deep understanding of antiviral drug development, nucleos(t)ide chemistry, biology, biochemistry and virology, Atea has built a proprietary nucleotide prodrug platform to develop novel product

candidates to treat single stranded ribonucleic acid, or ssRNA, viruses, which are a prevalent cause of severe viral diseases. Currently, Atea is focused on the development of orally-available, potent, and selective nucleotide prodrugs for difficult-to-treat, life-threatening viral infections, including severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), the virus that causes COVID-19, dengue virus, hepatitis C virus (HCV) and respiratory syncytial virus (RSV). For more information, please visit www.ateapharma.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding our expectations surrounding the safety, efficacy and demand for our product candidates, in particular AT-527; plans and timing for clinical trials and data; our strategic collaboration with Roche; our leadership; the sufficiency of our cash and cash equivalents to fund our operations; our competitive position and our participation in upcoming presentations and conferences. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: uncertainty around and costs associated with the development of AT-527 as a potential treatment for COVID-19; dependence on management, directors and other key personnel; the impact of the COVID-19 pandemic on our business; our limited operating history and significant losses since inception; our need for substantial additional funding; our ability to use our net operating loss carryforwards; our dependence on the success of our most advanced product candidates; risks related to the regulatory approval process; risks associated with the clinical development process; risks related to healthcare laws and other legal compliance matters; risks related to potential commercialization; risks related to manufacturing and our dependence on third parties; risks relating to intellectual property; our ability to maintain effective internal control over financial reporting and the significant costs as a result of operating as a public company. These and other important factors discussed under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 and our other filings with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management’s estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

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