Axovant Announces Formation of Arvelle Therapeutics and Strategic Transition of Legacy Small Molecule Team Into Newly Formed Company

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- *Transition of small molecule expertise to Arvelle completes transformation of Axovant into a company focused exclusively on gene therapies*
- *Axovant will receive a preferred equity stake in Arvelle, which has received commitments of over $100 million in capital from prominent biotechnology investors*
- *Arvelle has licensed exclusive European rights to develop and commercialize cenobamate, an anti-epileptic drug developed by SK Biopharmaceuticals*
- *SK Biopharmaceuticals' New Drug Application (NDA) for cenobamate was accepted by the FDA in February 2019; Arvelle plans to file a Marketing Authorization Application (MAA) for cenobamate*

NEW YORK and BASEL, Switzerland, Feb. 14, 2019 (GLOBE NEWSWIRE) -- Axovant Sciences (NASDAQ: AXGT), a clinical-stage company developing innovative gene therapies, today announces the formation of Arvelle Therapeutics and the strategic transition of its legacy small molecule team into the newly-formed company.

Arvelle has licensed European rights to cenobamate, a novel investigational anti-epileptic drug for the potential treatment of focal (partial-onset) seizures, from SK Biopharmaceuticals. Axovant will receive a 5% preferred equity stake in Arvelle following the completion of the planned initial capital raise of over $100 million from a global syndicate of biotechnology investors.

SK Biopharmaceuticals filed a new drug application (NDA) with the U.S. Food and Drug Administration (FDA) in November 2018 and this filing was accepted by the agency in February 2019, with a PDUFA date of November 21, 2019. Arvelle plans to file a Marketing Authorization Application (MAA) based on the data generated from SK Biopharmaceutical's global clinical trial program.

Axovant's chief commercial officer Mark Altmeyer will step down from his current role at Axovant to become president and chief executive officer of Arvelle. Greg Weinhoff will remain at Axovant as chief financial officer and transition to the role of chief financial and business officer at Arvelle later in 2019. In addition to receiving reimbursement for direct costs associated with the creation of Arvelle, Axovant will reduce its headcount by approximately 25% with the transition to Arvelle of employees with expertise in small molecule development and commercialization and the wind-down of other small molecule activities.

Axovant was involved in the origination, diligence and structuring of the cenobamate license. Axovant is not contributing any capital to the initial financing of Arvelle, and the financing will be non-dilutive to Axovant's shareholders.

"Throughout the past year, my goal at Axovant was to build a strong pipeline and leadership team with a singular focus on gene therapies. We learned about cenobamate last year as we were defining the company's new strategic direction, and we formed a unique relationship with SK Biopharmaceuticals through that process. The transition of Axovant's small molecule team to Arvelle completes our transformation into a company focused exclusively on the development of innovative gene therapies, while offering us an opportunity to reduce costs and realize long-term value from our legacy small molecule platform," said Pavan Cheruvu, M.D., chief executive officer of Axovant. "We wish Mark well in his new role, and are excited about the potential for cenobamate to offer a new treatment option to millions of patients suffering from epilepsy."

About Axovant

Axovant Sciences is a clinical-stage gene therapy company focused on developing a pipeline of innovative product candidates for debilitating neurological and neuromuscular diseases. The company's current pipeline of gene therapy candidates targets GM1 gangliosidosis, GM2 gangliosidosis (including Tay-Sachs disease and Sandhoff disease), Parkinson's disease, oculopharyngeal muscular dystrophy (OPMD), amyotrophic lateral sclerosis (ALS) and frontotemporal dementia. Axovant is focused on accelerating product candidates into and through clinical trials with a team of experts in gene therapy development and through external partnerships with leading gene therapy organizations. For more information, visit www.axovant.com.

About Cenobamate

Cenobamate (YKP3089) was discovered by SK Biopharmaceuticals and SK life science and is being investigated for the potential treatment of partial-onset seizures (also known as "focal seizures") in adult patients. Cenobamate's mechanism of action is not fully understood, but it is believed to work through two separate mechanisms: enhancing inhibitory currents through positive modulation of GABA-A receptors and decreasing excitatory currents by inhibiting the persistent sodium current.

Global trials for adults with partial-onset seizures are ongoing to evaluate cenobamate safety. An additional clinical trial is investigating cenobamate safety and efficacy for another form of epilepsy in adult patients.

The U.S. Food and Drug Administration (FDA) accepted the filing of the New Drug Application for cenobamate for the potential treatment of partial-onset seizures in adults in February 2019.

Cenobamate is not approved by the FDA, European Medicines Agency (EMA) or any other regulatory authorities. Safety and efficacy have not been

established.

Forward Looking Statements and Information

This press release contains forward-looking statements for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995 and other federal securities laws. The use of words such as "may," "might," "will," "expect," "plan," "anticipate," "believe," "intend," "future," or "continue" and other similar expressions are intended to identify forward-looking statements. For example, all statements Axovant makes regarding the potential efficacy or safety of cenobamate; the ability of Arvelle to advance its product candidates into and successfully initiate, enroll, and complete clinical trials; the timing or likelihood of Arvelle's regulatory filings and approvals; and Axovant's ability to realize long term value of its equity investment in Arvelle, are forward-looking. All forward-looking statements are based on estimates and assumptions by Axovant's management that, although Axovant believes to be reasonable, are inherently uncertain. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that Axovant expected. Such risks and uncertainties include, among others, the initiation and conduct of preclinical studies and clinical trials; the availability of data from clinical trials; the expectations for regulatory submissions and approvals; and the availability or commercial potential of product candidates. These statements are also subject to a number of material risks and uncertainties that are described in Axovant's most recent Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2018, filed with the Securities and Exchange Commission on February 7, 2019, as updated by its subsequent filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it was made. Axovant undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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