
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 7, 2022

AVALO THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-37590
(Commission File Number)

45-0705648
(IRS Employer Identification No.)

540 Gaither Road, Suite 400, Rockville, Maryland 20850

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (410) 522-8707

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value	AVTX	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 3.03 Material Modifications to Rights of Security Holders.

To the extent required by Item 3.03 of Form 8-K, the information set forth in Item 5.03 is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Avalo Therapeutics, Inc. (the “Company”) filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation, as amended (the “Certificate of Amendment”) with the Secretary of State of Delaware for the purpose of effecting a reverse stock split (the “Reverse Stock Split”) of the outstanding shares of the Company’s common stock at a ratio of one (1) share for every twelve (12) shares outstanding, so that every twelve (12) outstanding shares of common stock before the Reverse Stock Split represents one (1) share of common stock after the Reverse Stock Split. The Reverse Stock Split, which was approved by our stockholders at the annual meeting of stockholders held on June 14, 2022, was effective at 5:00 p.m. on July 7, 2022.

Immediately prior to the Reverse Stock Split, there were approximately 112,868,677 shares of common stock outstanding. After the Reverse Split, there will be approximately 9,405,724 shares outstanding. Each stockholder’s percentage ownership interest in the Company and proportional voting power will remain unchanged after the Reverse Stock Split except for minor changes and adjustments resulting from rounding of fractional interests. No fractional shares will be issued in connection with the Reverse Stock Split. Each stockholder who would otherwise be entitled to receive a fraction of a share of the Company’s common stock will instead receive one whole share of common stock. Because the Certificate of Amendment did not reduce the number of authorized shares of common stock, the effect of the Reverse Stock Split was to increase the number of shares of common stock available for issuance relative to the number of shares issued and outstanding. The Reverse Stock Split did not alter the par value of the common stock and the rights and privileges of the holders of common stock are unaffected by the Reverse Stock Split other than any impact on proportional voting power due to rounding up of fractional shares.

The Reverse Stock Split was effected primarily to enable the Company to meet the continued listing criteria for Nasdaq’s Capital Market.

The Company’s transfer agent, American Stock Transfer & Trust Company (“AST”), will serve as the exchange agent for the Reverse Stock Split and will provide instructions to stockholders of record regarding the Reverse Stock Split. AST will be issuing, automatically and without the need for stockholder action, all of the post-split shares in paperless, “book-entry” form and AST will hold the shares in an account set up for the stockholder. Stockholders who currently hold certificates need not exchange their certificates to receive their “book-entry” accounts at AST; those current certificates do not need to be submitted to AST for exchange in order to receive the “book-entry” accounts. Those stockholders holding common stock in “street name” will receive instructions from their brokers.

Pursuant to their terms, a proportionate adjustment will be made to the per share exercise price and number of shares issuable under all of the Company’s outstanding options and warrants, and the number of shares authorized and reserved for issuance pursuant to the Company’s equity incentive plan will be reduced proportionately.

Copies of the Certificate of Amendment and the press release are attached to this Current Report on Form 8-K as Exhibits 3.1 and 99.1, respectively.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
3.1	<u>Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation, as amended, dated July 5, 2022 and effective July 7, 2022.</u>
99.1	<u>Press release, dated July 6, 2022.</u>
104	The cover pages of this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVALO THERAPEUTICS, INC.

Date: July 7, 2022

By: /s/ Christopher Sullivan

Christopher Sullivan
Chief Financial Officer

**CERTIFICATE OF AMENDMENT
TO
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED
OF
AVALO THERAPEUTICS, INC.**

The undersigned, for purposes of amending the Amended and Restated Certificate of Incorporation, as amended (the “**Certificate**”), of Avalo Therapeutics, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the “**Corporation**”), does hereby certify as follows:

FIRST: Article IV of the Certificate is hereby amended by adding the following Section D:

“D. The issued and outstanding Common Stock of the Corporation, \$0.001 par value, shall, at 5:00 p.m., Eastern Standard Time, on July 7, 2022 (the “2022 Effective Time”), be deemed to be “reverse stock split,” and in furtherance thereof, there shall, after the 2022 Effective Time, be deemed to be issued and outstanding one (1) share of the Common Stock of the Corporation for and instead of each twelve (12) shares of the Common Stock of the Corporation issued and outstanding immediately prior to the 2022 Effective Time. Shares of Common Stock that were outstanding prior to the 2022 Effective Time and that are not outstanding after the 2022 Effective Time shall resume the status of authorized but unissued shares of Common Stock. To the extent that any stockholder shall be deemed after the 2022 Effective Time as a result of this Amendment to own a fractional share of Common Stock, such fractional share shall be deemed to be one whole share.

Each stock certificate that, immediately prior to the 2022 Effective Time, represented shares of Common Stock shall, after the 2022 Effective Time, represent that number of whole shares of Common Stock into which the shares of Common Stock represented by such certificate shall have been reclassified (as well as the right to receive a whole share in lieu of any fractional share of Common Stock as set forth above); provided, however, that each holder of record of a certificate that represented shares of Common Stock prior to the 2022 Effective Time shall receive, upon surrender of such certificate, a new certificate representing the number of whole shares of Common Stock into which the shares of Common Stock represented by such certificate shall have been reclassified, as well as any whole share in lieu of a fractional share of Common Stock to which such holder may be entitled pursuant to the immediately preceding paragraph.”

SECOND: Except as expressly amended herein, all provisions of the Certificate filed with the Office of the Secretary of State of the State of Delaware on May 17, 2018, and amended on April 27, 2017, December 26, 2018, and August 26, 2021, shall remain in full force and effect.

THIRD: That said amendment was duly adopted by the Board of Directors and the stockholders of the Corporation in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the Corporation’s number of shares of authorized capital stock of all classes, and the par value thereof, shall not be changed or affected under or by reason of said amendment.

FIFTH: That said amendment shall be effective at 5:00 p.m., Eastern Standard Time, on July 7, 2022.

IN WITNESS WHEREOF, the undersigned, being a duly authorized officer of the Corporation, does hereby execute this Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, this 5th day of July, 2022.

AVALO THERAPEUTICS, INC.

By: /s/ Christopher Sullivan

Name: Christopher Sullivan

Title: Chief Financial Officer



Avalo Therapeutics Announces One-for-Twelve Reverse Stock Split

WAYNE, PA AND ROCKVILLE, MD, July 06, 2022 — Avalo Therapeutics, Inc. (Nasdaq: AVTX) today announced a one-for-twelve reverse stock split of the Company's common stock, par value \$0.001, which will be effective at 5:00 pm Eastern Time tomorrow, July 7, 2022. The Company's common stock will trade on the Nasdaq Capital Market on a split-adjusted basis beginning on July 8, 2022, under the Company's existing trading symbol "AVTX".

The Company is implementing the reverse stock split as planned to increase the per share price of its common stock to regain compliance with the listing requirements of the Nasdaq Capital Market. The new CUSIP number following the reverse stock split will be 05338F207.

The reverse stock split will affect all stockholders uniformly and will not alter any stockholder's percentage ownership interest in the Company, except to the extent that the reverse stock split results in any of the Company's stockholders owning a fractional share as described below.

The reverse stock split will reduce the number of shares of common stock issued and outstanding from approximately 112,868,677 to approximately 9,405,724. No fractional shares will be issued in connection with the reverse stock split. Each stockholder who would otherwise be entitled to receive a fraction of a share of the Company's common stock will instead receive one whole share of common stock.

As of the effective date of the reverse stock split, the number of shares of common stock available for issuance under the Company's equity incentive plans and issuable upon the exercise of stock options and warrants outstanding immediately prior to the reverse stock split will be proportionately affected by the reverse stock split. The exercise prices of the Company's outstanding options and warrants will be adjusted in accordance with their respective terms.

There will be no change to the number of authorized shares or the par value per share.

American Stock Transfer & Trust Company, LLC ("AST") is acting as the exchange agent for the reverse stock split and will provide instructions to stockholders of record regarding the reverse stock split. AST will be issuing, automatically and without the need for stockholder action, all of the post-split shares in paperless, "book-entry" form, and AST will hold the shares in an account set up for the stockholder. Stockholders who currently hold certificates need not exchange their certificates to receive their "book-entry" accounts at AST; those current certificates do not need to be submitted to AST for exchange in order to receive the "book-entry" accounts. Those stockholders holding common stock in "street name" will receive instructions from their brokers.

About Avalo Therapeutics

Avalo Therapeutics is a leading clinical-stage precision medicine company that discovers, develops, and commercializes targeted therapeutics for patients with significant unmet clinical need in immunology and rare genetic diseases. The Company has built a diverse portfolio of innovative therapies to deliver meaningful medical impact for patients in urgent need. The Company's clinical

candidates commonly have a proven mechanistic rationale, biomarkers and/or an established proof-of-concept to expedite and increase the probability of success.

For more information about Avalo, please visit www.avalotx.com.

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 relating to the effectiveness of the reverse stock split; risks relating to the effect of the reverse stock split on the Company's stock price; Avalo's cash position and the potential need for it to raise additional capital; 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, including as a result of recent management changes; regulatory risks; general economic and market risks and uncertainties, including those caused by the COVID-19 pandemic and tensions 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

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