



Dynavax Reports 2010 Third Quarter Financial Results

BERKELEY, CA -- (MARKET WIRE) -- 11/04/10 -- Dynavax Technologies Corporation (NASDAQ: DVAX) today reported financial results for the third quarter ended September 30, 2010, including \$47.2 million in cash, cash equivalents and marketable securities. This compared to \$57.4 million at June 30, 2010. In November 2010, the Company received \$42.7 million from the successful completion of a public offering and a grant covering certain research costs, resulting in current cash, cash equivalents and marketable securities in excess of \$83 million as of the date of this release.

In particular, the \$47.2 million in reported cash at September 30, 2010 does not reflect the net proceeds of \$42.0 million from the Company's public offering and \$0.7 million in grants under The Patient Protection and Affordable Care Act of 2010 covering research and development costs from 2009 and 2010 for three of the Company's qualified therapeutic discovery projects including HEPLISAV?. The \$10.2 million net cash usage reported for the third quarter 2010 included a \$2.0 million initial purchase of the Company's common stock by Aspire Capital Fund, LLC that the Company received upon executing its September 2010 financing arrangement.

Total revenues of \$11.6 million for the third quarter 2010 included recognition of the \$10.0 million upfront payment received from AstraZeneca in 2006 following the recent amendment of our collaboration agreement. This compared to \$2.9 million reported for the third quarter in 2009.

Total operating expenses of \$18.4 million for the third quarter 2010, driven by continued clinical and manufacturing activities for HEPLISAV, were consistent with the \$18.5 million reported for the second quarter 2010. Total operating expenses for the third quarter 2009 of \$13.6 million were lower prior to restarting the HEPLISAV clinical program in September 2009.

The tables included as part of this press release provide a reconciliation of GAAP revenues and operating expenses to pro forma revenues and operating expenses.

About Dynavax

Dynavax Technologies Corporation, a clinical-stage biopharmaceutical company, discovers and develops novel products to prevent and treat infectious diseases. The company's lead product candidate is HEPLISAV, a Phase 3 investigational adult hepatitis B vaccine designed to enhance protection more rapidly and with fewer doses than current licensed vaccines. For more information visit www.dynavax.com.

- tables to follow -

DYNNAVAX TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

Three Months Ended		Nine Months Ended	
September 30,		September 30,	

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2010	2009	2010	2009
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Revenues :

Collaboration revenue	\$ 10,402	\$ 1,791	\$ 19,164	\$ 34,079
Grant revenue	1,218	887	2,697	2,921
Service and license revenue	29	223	323	1,129
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Total revenues	11,649	2,901	22,184	38,129
Operating expenses:				
Research and development	14,204	9,631	40,729	29,202
General and administrative	3,951	3,736	12,694	11,693
Amortization of intangible assets	245	245	735	735
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Total operating expenses	18,400	13,612	54,158	41,630
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Loss from operations	(6,751)	(10,711)	(31,974)	(3,501)
Interest income	12	18	53	174
Interest expense	(399)	(93)	(1,229)	(120)
Other income (expense)	2,140	80	(9,036)	(40)
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Net loss	(4,998)	(10,706)	(42,186)	(3,487)
Add: Losses attributed to				
noncontrolling interest in SDI	--	1,200	--	3,192
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Net loss attributable to				
Dynavax	\$ (4,998)	\$ (9,506)	\$ (42,186)	\$ (295)
	=====	=====	=====	=====

Basic and diluted net loss per
share attributable to Dynavax
stockholders

	\$	(0.06)	\$	(0.24)	\$	(0.57)	\$	(0.01)
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Shares used to compute basic
and diluted net loss per share
attributable to Dynavax

stockholders	86,826	40,153	74,519	39,990
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DYNAVAX TECHNOLOGIES CORPORATION

RECONCILIATION OF GAAP REVENUES TO PRO FORMA REVENUES

(In thousands)

(Unaudited)

Three Months		Nine Months	
Ended		Ended	
September 30,		September 30,	
-----		-----	
2010	2009	2010	2009
-----		-----	

GAAP revenues	\$	11,649	\$	2,901	\$	22,184	\$	38,129
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ADD:

Collaboration funding incurred

under SDI programs	--	1,009	--	2,551
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LESS:

Non-cash deferred revenue from

collaborations	10,000	--	10,000	28,485
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Pro forma revenues (1)	\$ 1,649	\$ 3,910	\$ 12,184	\$ 12,195
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(1) These pro forma amounts are intended to illustrate the Company's revenues including collaboration funding provided for the SDI programs and excluding certain non-cash items. The collaboration funding is reflected in the amount attributed to the noncontrolling interest in SDI in the Company's consolidated statement of operations, but would have been reported as revenue if SDI's results of operations were not consolidated with those of the Company. Management of the Company believes the pro forma results are a more useful measure of the Company's revenues because it provides investors the ability to evaluate the Company's operations in the manner that management uses to assess the continued progress of operating programs. These pro forma results are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from pro forma measures used by other companies.

DYNAVAX TECHNOLOGIES CORPORATION

RECONCILIATION OF GAAP OPERATING EXPENSES TO PRO FORMA OPERATING EXPENSES

(In thousands)

(Unaudited)

	Three Months		Nine Months	
	Ended		Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
GAAP operating expenses	\$ 18,400	\$ 13,612	\$ 54,158	\$ 41,630
LESS:				
Stock-based compensation expense	586	916	1,552	2,102
Amortization of intangible assets	245	245	735	735
Pro forma operating expenses (2)	\$ 17,569	\$ 12,451	\$ 51,871	\$ 38,793

(2) These pro forma amounts are intended to illustrate the Company's operating expenses excluding certain non-cash charges in accordance with the financial statements that management uses to evaluate the Company's operations. These pro forma results are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from pro forma measures used by other companies.

DYNAVAX TECHNOLOGIES CORPORATION

SELECTED BALANCE SHEET DATA

(In thousands)

(Unaudited)

September 30, December 31,

2010 2009

Assets

Cash and cash equivalents and marketable

securities \$ 47,231 \$ 36,720

Property and equipment, net 6,634 7,997

Goodwill 2,312 2,312

Other intangible assets, net 544 1,279

Other assets 5,069 2,162

Total assets \$ 61,790 \$ 50,470

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Liabilities and stockholders' equity

Accounts payable \$ 2,067 \$ 1,686

Accrued liabilities 17,530 7,507

Warrant liability to Holdings -- 2,567

Current portion of deferred revenue 1,429 2,718

Noncurrent portion of deferred revenue 6,012 17,083

Long-term note payable to Holdings 10,540 9,342

Long-term contingent liability to Holdings 944 3,040

Other long-term liabilities 60 151

Stockholders' equity 23,208 6,376

Total liabilities and stockholders' equity \$ 61,790 \$ 50,470

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