

March 10, 2014

## **SIGA Technologies Reports Financial Results for the Fourth Quarter and Year Ended 2013**

NEW YORK, March 10, 2014 (GLOBE NEWSWIRE) -- SIGA Technologies, Inc. (Nasdaq:SIGA), a company specializing in the development and commercialization of solutions for serious unmet medical needs and biothreats, today reported its financial results for the quarter and year ended December 31, 2013.

Revenue for the three months ended December 31, 2013 was \$0.9 million, compared to \$2.5 million in the fourth quarter of 2012, and the operating loss for the quarter was \$6.5 million, compared to \$5.3 million for the comparable quarter last year. Net loss per share, which included a \$1.7 million income tax benefit, was \$0.08 for the three months ended December 31, 2013. In comparison, net loss per share, which included a \$1.8 million income tax benefit, was \$0.04 for the three months ended December 31, 2012.

Revenue for the year ended December 31, 2013 was \$5.5 million, compared to \$9.0 million for 2012. The operating loss for the year was \$23.5 million; in comparison, there was an operating loss of \$22.5 million in 2012. Net loss per share, which included a \$7.6 million income tax benefit, was \$0.33 for the year ended December 31, 2013, compared to \$0.27 in 2012. Net loss per share for 2012 included a \$7.8 million income tax benefit.

Per share calculations include non-operational items such as adjustments to the fair value of warrants and benefit from income taxes.

In 2013, SIGA delivered approximately 920,000 courses of Arestvyr to the U.S. Strategic National Stockpile, of which approximately 195,000 courses were delivered at no cost to the Biomedical Advanced Research and Development Authority (BARDA) in accordance with the BARDA contract. For deliveries of product, and other related activities, SIGA received \$109.7 million from BARDA in 2013. In accordance with generally accepted accounting principles, substantially all of the cash received from BARDA has been classified as deferred revenue in SIGA's financial statements.

In February 2014, SIGA delivered approximately 256,000 courses of Arestvyr to the U.S. Strategic National Stockpile, of which approximately 192,000 courses will be invoiced and the remainder will be at no cost to BARDA.

### **2013 Key Financial Results**

#### **Revenues**

For the years ended December 31, 2013 and 2012, revenue was \$5.5 million and \$9.0 million, respectively. The \$3.5 million decline in revenue is due to \$3.0 million decrease in revenues from our federal contracts supporting the development of Arestvyr<sup>TM</sup> (also known as ST-246®), and a \$455,000 decrease in grant revenues related to Lassa fever.

#### **Research and Development**

For the years ended December 31, 2013 and 2012, we incurred research and development expenses of \$13.9 million and \$18.2 million, respectively, resulting in a decrease of approximately \$4.4 million. \$2.4 million of the decrease relates to lower direct vendor-related expenses supporting the development of Arestvyr, dengue antivirals, broad-spectrum antivirals and high-throughput screening. An additional \$1.2 million of the decrease is attributable to a \$775,000 reduction in employee compensation and a \$468,000 inventory write-off in 2012.

#### **Selling, General and Administrative Expenses**

For the years ended December 31, 2013 and 2012, selling, general and administrative expenses were \$13.2 million and \$11.4 million, respectively, an increase of approximately \$1.8 million. The increase in expense primarily relates to a \$920,000 increase in employee compensation, which is related to an increase in corporate headcount and an increase in non-cash stock compensation expense, and to an increase of \$413,000 in facilities expense.

#### **Patent Preparation Expenses**

Patent preparation expenses were \$1.4 million and \$1.9 million for the years ended December 31, 2013 and 2012, respectively. These expenses reflect our ongoing efforts to protect our lead drug candidates in varied geographic territories.

## **Restructuring Charges**

In 2013, restructuring charges of \$513,000 were incurred. These charges are related to the Optimization Program that was announced in November 2013. The Optimization Program is intended to align SIGA's resources, staff and efforts with the most promising growth opportunities.

## **Financial Condition and Liquidity**

Cash, cash equivalents and short-term investments on December 31, 2013 were \$91.3 million, compared to \$32.0 million on December 31, 2012. During the year ended December 31, 2013, the Company received approximately \$109.7 million from BARDA under the HHSO10020110001C Contract of which approximately \$96.1 million was for the aggregate delivery of approximately 725,000 courses of Arestvyr™ to the Strategic Stockpile, approximately \$5.4 million was for reimbursement of expenses related to research and development expenses and supportive activities, and \$8.2 million was for a milestone payment for successfully completing the milestone requirements for the Final Drug Product Commercial Validation batches and report. In addition to the 725,000 courses of Arestvyr delivered to the Strategic Stockpile for which we received payment, 195,000 courses were delivered at no cost to BARDA in accordance with the BARDA Contract.

## **Annual Report on Form 10-K**

SIGA is filing today with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ended December 31, 2013. SIGA urges its investors to read this Annual Report on Form 10-K for further details concerning the Company. The Annual Report on Form 10-K is also available on the Company's website, at [www.siga.com](http://www.siga.com).

## **About SIGA Technologies, Inc.**

We are a company specializing in the development and commercialization of solutions for serious unmet medical needs and biothreats. Our lead product is Arestvyr,™ (tecovirimat), also known as SZ46®, an orally administered antiviral drug that targets orthopoxviruses. While Arestvyr is not yet licensed as safe or effective by the U.S. Food & Drug Administration, it is a novel small-molecule drug that is being delivered to the Strategic National Stockpile under Project BioShield. For more information about SIGA, please visit SIGA's web site at [www.siga.com](http://www.siga.com).

The SIGA Technologies, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=4504>

## **Forward-looking Statements**

This press release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including statements relating to the progress of its development programs and timelines for bringing products to market, the enforceability of the BARDA Contract and the resolution of our ongoing litigation with PharmAthene, Inc. Such forward-looking statements are subject to various known and unknown risks and uncertainties and SIGA cautions you that any forward-looking information provided by or on behalf of SIGA is not a guarantee of future performance. SIGA's actual results could differ materially from those anticipated by such forward-looking statements due to a number of factors, some of which are beyond SIGA's control, including, but not limited to, (i) the risk that potential products that appear promising to SIGA or its collaborators cannot be shown to be efficacious or safe in subsequent pre-clinical or clinical trials, (ii) the risk that SIGA or its collaborators will not obtain appropriate or necessary governmental approvals to market these or other potential products, (iii) the risk that SIGA may not be able to obtain anticipated funding for its development projects or other needed funding, including from anticipated governmental contracts and grants (iv) the risk that SIGA may not complete performance under the BARDA Contract on schedule or in accordance with contractual terms, (v) the risk that SIGA may not be able to secure or enforce sufficient legal rights in its products, including intellectual property protection, (vi) the risk that any challenge to SIGA's patent and other property rights, if adversely determined, could affect SIGA's business and, even if determined favorably, could be costly, (vii) the risk that regulatory requirements applicable to SIGA's products may result in the need for further or additional testing or documentation that will delay or prevent seeking or obtaining needed approvals to market these products, (viii) the risk that one or more protests could be filed and upheld in whole or in part or other governmental action taken, in either case leading to a delay of performance under the BARDA Contract or other governmental contracts, (ix) the risk that the BARDA Contract is modified or canceled at the request or requirement of the U.S. government, (x) the risk that the volatile and competitive nature of the biotechnology industry may hamper SIGA's efforts to develop or market its products, (xi) the risk that the changes in domestic and foreign economic and market conditions may affect SIGA's ability to advance its research or its products adversely, (xii) the effect of federal, state, and foreign regulation, including drug regulation and international trade regulation, on SIGA's businesses, (xiii) the risk that our outstanding indebtedness may make it more difficult to obtain additional financing, (xiv) the risk that the U.S. government's responses (including inaction) to the national and global economic situation, may affect SIGA's business adversely, (xv) the risk that our internal controls will not be effective in detecting or preventing a misstatement in our financial statements, (xvi) the risk that some amounts received and recorded as deferred revenue ultimately may not be recognized revenue, (xvii) the risk that the recent remand to the Delaware Court of Chancery could result in a burdensome award of damages, which could materially and adversely affect the Company, (xviii) the risk that

the remand may result in extended and expensive litigation, (xix) the risk that our litigation with PharmAthene may impede our efforts to continue to grow the Company, and (xx) the risk that we may not be able to establish our intended positions or otherwise not prevail in any further court proceedings. More detailed information about SIGA and risk factors that may affect the realization of forward-looking statements, including the forward-looking statements in this presentation, is set forth in SIGA's filings with the Securities and Exchange Commission, including SIGA's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and in other documents that SIGA has filed with the SEC. SIGA urges investors and security holders to read those documents free of charge at the SEC's Web site at <http://www.sec.gov>. Interested parties may also obtain those documents free of charge from SIGA. Forward-looking statements are current only as of the date on which such statements were made, and except for our ongoing obligations under the United States of America federal securities laws, we undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

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