November 6, 2013

SIGA Technologies Reports Financial Results for the Third Quarter 2013

NEW YORK, Nov. 6, 2013 (GLOBE NEWSWIRE) -- SIGA Technologies, Inc. (Nasdaq:SIGA) today reported its financial results for the three and nine months ended September 30, 2013.

Revenue for the three months ended September 30, 2013 was $2.3 million, matching the revenue level in the third quarter of 2012, and the operating loss for the quarter was $5.6 million, compared to $5.4 million for the comparable quarter last year. Net loss per share was $0.09 per share and $0.06 per share for the three months ended September 30, 2013 and 2012, respectively.

Revenue for the nine months ended September 30, 2013 was $4.6 million compared to $6.5 million for the corresponding 2012 period. The operating loss for the period was $17.0 million compared to $17.3 million in the corresponding nine months of 2012. Net loss per share was $0.25 per share and $0.22 per share for the nine months ended September 30, 2013 and 2012, respectively.

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

In the third quarter of 2013, SIGA received approximately $101 million from the Biomedical Advanced Research and Development Authority (BARDA), of which approximately $96 million was for the aggregate delivery of approximately 725,000 courses of SIGA's antiviral drug for smallpox -- Arestvyr™ to the U.S. Strategic National Stockpile (SNS) and approximately $5 million was for reimbursement of expenses related to research and development services and supportive activities. 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 the fourth quarter of 2013, SIGA began an optimization program to sharpen focus and increase efficiencies within its operations. This program, which includes a reduction in employee headcount, is intended to align the Company's resources, staff and efforts with the most promising growth opportunities. Eric A. Rose, CEO and Chairman of SIGA, noted, "The Arestvyr business is performing well and has established a strong competitive position. We are building on the successes of the Arestvyr business by laying the groundwork for the next phase of our innovation and growth." With the implementation of the optimization program, the Company is targeting a $6 million reduction in annual operating expenses.

Key Financial Results for Third Quarter and Nine Months 2013

Revenues

For both quarters ended September 30, 2013 and 2012, revenue was $2.3 million. A decrease of $287,500 in revenues from our federal contracts supporting the development of Arestvyr was offset by a $290,000 increase in revenues related to higher usage of the dengue and Lassa fever federal grants.

For the first nine months of 2013 and 2012, revenue was $4.6 million and $6.5 million, respectively. The decline in revenue is due to a $1.4 million decrease in revenues from federal contracts supporting the development of Arestvyr, including the conclusion of a federal grant supporting the development of Arestvyr in conjunction with vaccine, and a $440,000 decrease in revenues related to lower usage of dengue and Lassa fever federal grants.

Research and Development ("R&D") Expenses

R&D expenses were $4.3 million for the three months ended September 30, 2013, an increase of $91,000 from the $4.2 million incurred for the three months ended September 30, 2012. The increase was mostly attributable to an increase in direct vendor-related expenses supporting the development of Arestvyr.

R&D expenses were $11.0 million for the nine months ended September 30, 2013, a decrease of $2.8 million from the $13.8 million incurred for the nine months ended September 30, 2012. The decrease was mostly attributable to a decrease in direct vendor-related expenses supporting the development of Arestvyr.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses for the three months ended September 30, 2013 and 2012 were $3.3 million and $3.1 million, respectively, reflecting an increase of $127,000. The net increase primarily relates to an increase of $184,000 in non-cash stock compensation expense and an increase of $140,000 in facilities expense, partially offset by a $223,000 decrease in professional fees.

For the nine months ended September 30, 2013 and 2012, SG&A expenses were $9.5 million and $8.8 million, respectively, reflecting an increase of approximately $636,000. The increase in SG&A expenses is mainly attributable to an $828,000 increase in employee compensation, which is related to an uptick in corporate headcount and an increase in non-cash stock compensation expense, partially offset by a $261,000 decrease in loss contingency expense and lower professional fees.

Patent Preparation Expenses

Patent preparation expenses were $329,000 and $1.1 million for the three and nine months ended September 30, 2013, respectively. This represents a decrease of $48,000 over the comparable three-month period in 2012 and no change from the comparable-nine month period in 2012. These expenses reflect our ongoing efforts to protect our lead drug candidates in expanded geographic territories.

Financial Condition and Liquidity

Cash, cash equivalents and short-term investments on September 30, 2013 were $105.2 million, compared to $32.0 million on December 31, 2012.

Quarterly Report on Form 10-Q

SIGA is filing today with the Securities and Exchange Commission (the SEC) its Quarterly Report on Form 10-Q for the quarter ended September 30, 2013. SIGA urges its investors to read this quarterly filing as well as its Annual Report on Form 10-K and its amended filing on Form 10-K/A for the year ended December 31, 2012, also filed with the SEC, for further details concerning the Company. The Third Quarter Report on Form 10-Q, the Annual Report on Form 10-K and the amended filing on Form 10-K/A are also available on the Company's website, at www.siga.com.

About SIGA Technologies, Inc.

In the United States and around the globe, populations face a serious but unmet need for new drugs to protect against potentially catastrophic emerging viral pathogens and biological weapons of mass destruction. We are a pharmaceutical company specializing in discovering and developing pharmaceutical solutions for some of the most lethal disease causing pathogens - smallpox, Ebola, dengue, Lassa fever and other dangerous viruses. Our objective is to discover, develop, and commercialize drugs to prevent and treat these high-priority threats. Our mission is to disarm dreaded viral diseases and create robust, modern biodefense countermeasures. For more information about SIGA, please visit SIGA's web site at 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 performance under SIGA's contract with the Biomedical Advanced Research and Development Authority (BARDA), and plans and objectives for SIGA's optimization program. Forward-looking statements are based on management's estimates, assumptions and projections, and are subject to uncertainties, many of which are beyond our control. Actual results may differ materially from those anticipated in any forward-looking statement. Factors that may cause such differences include (i) the risk that potential products that appear promising to us or our collaborators cannot be shown to be efficacious or safe in subsequent animal, pre-clinical or clinical trials, (ii) the risk that we or our collaborators will not obtain appropriate or necessary governmental approvals to market these or other potential products, (iii) the risk that we may not be able to obtain anticipated funding for our development projects or other needed funding, (iv) the risk that we may not complete performance under the BARDA contract on schedule or in accordance with the contractual terms, (v) the risk that we may not be able to secure or enforce sufficient legal rights in our products, including intellectual property protection, (vi) the risk that any challenge to our patent and other property rights, if adversely determined, could affect our business and, even if determined favorably, could be costly, (vii) the risk that regulatory requirements applicable to our 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 our contract with BARDA, or other governmental contracts, (ix) the risk that our 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 our efforts to develop or market our products, (xi) the risk that changes in domestic and foreign economic and market conditions may affect

our ability to advance our research or products adversely, (xii) the effect of federal, state or foreign regulation, including drug regulation and international trade regulation, on our business, (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, including possible courses of action related to the so-called "sequester" or related to any future government shutdown (partial or complete) may affect our 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 as revenue, (xvii) the risk that the recent remand to the Delaware Chancery Court could result in a burdensome new award of damages, (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 our company, (xx) the risk that we may not be able to establish our intended positions or otherwise not prevail in any further court proceedings, and (xxi) the risk that our optimization program may not produce the targeted focus, efficiencies, and objectives, including a reduction in annual operating expenses and the risk that it may impair our ability to achieve our intended growth. More detailed information about our company and risk factors that may affect the realization of forward-looking statements, including the forward-looking statements set forth here, is set forth in our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as amended by our Form 10-K/A as filed on May 15, 2013, and in other documents that we have filed with the SEC. We urge investors and security holders to read those documents free of charge at the SEC's website at http://www.sec.gov. Interested parties may also obtain those documents free of charge directly from us. Forward-looking statements speak only as of the date they are made, and except for our ongoing obligations under the federal securities laws, we undertake no obligation to update publicly any forward-looking statement whether as a result of new information, future events or otherwise.

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