

Armata Pharmaceuticals Announces Second Quarter 2024 Results and Provides Corporate Update

LOS ANGELES, Aug. 13, 2024 [/PRNewswire/](#) -- Armata Pharmaceuticals, Inc. (NYSE American: ARMP) ("Armata" or the "Company"), a biotechnology company focused on high-purity, pathogen-specific bacteriophage therapeutics for antibiotic-resistant and difficult-to-treat bacterial infections, today announced financial results for its second quarter ended June 30, 2024, and provided a corporate update.

Second Quarter 2024 and Recent Developments:

- Announced completion of enrollment in its *Tailwind* Phase 2 clinical study of inhaled AP-PA02 in patients with Non-Cystic Fibrosis Bronchiectasis (NCFB) and chronic pulmonary *Pseudomonas aeruginosa* (*P. aeruginosa*) infection. The last patient final follow-up visit occurred on August 7. Armata anticipates topline data from the *Tailwind* study in the second half of 2024.
- Received \$5.25 million of additional non-dilutive funding from the U.S. Department of Defense pursuant to a previously-announced grant. The award is partially supporting advancement of the Phase 2a portion of the diSArm study of intravenous AP-SA02 as a potential treatment for *Staphylococcus aureus* (*S. aureus*) bacteremia.
- Further advanced bacteriophage science through presentations and publications:
 - Delivered a presentation on advancing bacteriophage therapy at Viruses of Microbes 2024, which was held July 15-19, 2024, in Cairns, Australia.
- Completed the build-out of its advanced biologics manufacturing facility with five current good manufacturing practice ("cGMP") clean rooms, including a state-of-the-art automated fill and finish suite.

"During the second quarter and subsequent period, we made meaningful progress across both of our clinical programs, keeping us on track to potentially initiate pivotal studies next year," stated Dr. Deborah Birx, Chief Executive Officer of Armata. "Regarding AP-PA02, which we are developing as an inhaled treatment for chronic *P. aeruginosa* lung infections, I am pleased to report that we recently completed enrollment and the last patient visit in our Phase 2 *Tailwind* study in subjects with NCFB, and we plan to announce topline data later this year."

"For AP-SA02, we continued to advance our Phase 2a diSArm study of intravenous AP-SA02 as a potential treatment for *S. aureus* bacteremia. We are grateful to the Department of Defense for its ongoing financial support, which provides us with critical non-dilutive funding. We look forward to completing the diSArm study later this year and identifying the optimal dose of AP-SA02 to be tested in a larger definitive study."

"Also, during the second quarter, we completed the build-out of our state-of-the-art cGMP manufacturing facility, giving us the ability to support our late-stage clinical trials, potential partnerships, and potential commercial production."

"Our mission has long been the execution of rigorously designed, randomized clinical studies that demonstrate the safety and efficacy of our multi-phage candidates to support eventual registration, and I am very pleased with our sustained progress during the second quarter and through the first half of the year," Dr. Birx concluded.

Second Quarter 2024 Financial Results

Grant Revenue. The Company recognized no grant revenue for the three months ended June 30, 2024. The Company recognized approximately \$1.0 million of grant revenue in the comparable period in 2023 which represents Medical Technology Enterprise Consortium's share of the costs incurred for the Company's AP-SA02 program for the treatment of *Staphylococcus aureus* bacteremia.

Research and Development. Research and development expenses for the three months ended June 30, 2024 were approximately \$8.5 million as compared to approximately \$8.3 million for the comparable period in 2023. The Company continues to invest in clinical related expenses associated with its primary development programs.

General and Administrative. General and administrative expenses for the three months ended June 30, 2024 were approximately \$3.4 million as compared to approximately \$2.4 million for the comparable period in 2023. The increase was mainly related to an increase of \$1.0 million in stock-based compensation as a result of increased awards granted during the first quarter of 2024.

Loss from Operations. Loss from operations for the three months ended June 30, 2024 was \$11.9 million as compared to a loss from operations of approximately \$9.6 million for the comparable period in 2023.

Cash and Equivalents. As of June 30, 2024, Armata held approximately \$26.4 million of unrestricted cash and cash equivalents, as compared to \$13.5 million as of December 31, 2023.

As of August 13, 2024, there were approximately 36.2 million common shares outstanding.

About Armata Pharmaceuticals, Inc.

Armata is a clinical-stage biotechnology company focused on the development of pathogen-specific bacteriophage therapeutics for the treatment of antibiotic-resistant and difficult-to-treat bacterial infections using its proprietary bacteriophage-based technology. Armata is developing and advancing a broad pipeline of natural and synthetic phage candidates, including clinical candidates for *Pseudomonas aeruginosa*, *Staphylococcus aureus*, and other pathogens. Armata is committed to advancing phage therapy with drug development expertise that spans bench to clinic including in-house phage specific cGMP manufacturing.

Forward Looking Statements

This communication contains "forward-looking" statements as defined by the Private Securities Litigation Reform Act of 1995. These statements relate to future events, results or to Armata's future financial performance and involve known and unknown risks, uncertainties and other factors which may cause Armata's actual results, performance or events to be materially different from any future results, performance or events expressed or implied by the forward-looking statements. In some cases, you can identify these statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or the negative of those terms, and similar expressions. These forward-looking statements reflect management's beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this communication and are subject to risks and uncertainties including risks related to Armata's development of bacteriophage-based therapies; ability to staff and maintain its production facilities under fully compliant current Good Manufacturing Practices; ability to meet anticipated milestones in the development and testing of the relevant product; ability to be a leader in the development of phage-based therapeutics; ability to achieve its vision, including improvements through engineering and success of clinical trials; ability to successfully complete preclinical and clinical development of, and obtain regulatory approval of its product candidates and commercialize any approved products on its expected timeframes or at all; and Armata's estimates regarding anticipated operating losses, capital requirements and needs for additional funds. Additional risks and uncertainties relating to Armata and its business can be found under the caption "Risk Factors" and elsewhere in Armata's filings and reports with the SEC, including in Armata's Annual Report on Form 10-K, filed with the SEC on March 21, 2024, and in its subsequent filings with the SEC.

Armata expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Armata's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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Armata Pharmaceuticals, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|---|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 26,405 | \$ 13,523 |
| Prepaid expenses and other current assets | 3,256 | 2,265 |
| Other receivables | 1,242 | 3,363 |
| Total current assets | <u>30,903</u> | <u>19,151</u> |
| Property and equipment, net | 13,474 | 12,559 |

| | | |
|---|-------------------|------------------|
| Operating lease right-of-use asset | 43,671 | 44,717 |
| Intangible assets, net | 13,746 | 13,746 |
| Other long term assets | 6,519 | 8,190 |
| Total assets | <u>\$ 108,313</u> | <u>\$ 98,363</u> |
| Liabilities and stockholders' deficit | | |
| Total current liabilities | \$ 123,181 | \$ 16,461 |
| Long-term debt | — | 82,307 |
| Operating lease liabilities, net of current portion | 28,156 | 28,583 |
| Deferred tax liability | 3,077 | 3,077 |
| Total liabilities | <u>154,414</u> | <u>130,428</u> |
| Stockholders' deficit | <u>(46,101)</u> | <u>(32,065)</u> |
| Total liabilities and stockholders' deficit | <u>\$ 108,313</u> | <u>\$ 98,363</u> |

Armata Pharmaceuticals, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-------------------|------------------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Grant revenue | \$ — | \$ 980 | \$ 966 | \$ 1,776 |
| Operating expenses: | | | | |
| Research and development | 8,475 | 8,259 | 16,491 | 17,863 |
| General and administrative | 3,439 | 2,350 | 6,617 | 4,888 |
| Total operating expenses | <u>11,914</u> | <u>10,609</u> | <u>23,108</u> | <u>22,751</u> |
| Operating loss | <u>(11,914)</u> | <u>(9,629)</u> | <u>(22,142)</u> | <u>(20,975)</u> |
| Interest income | 221 | 46 | 273 | 64 |
| Interest expense | (2,718) | — | (4,538) | — |
| Change in fair value of convertible debt | 23,397 | 6,036 | 10,372 | 2,874 |
| Net income (loss) | <u>\$ 8,986</u> | <u>\$ (3,547)</u> | <u>\$ (16,035)</u> | <u>\$ (18,037)</u> |
| Per share information: | | | | |
| Net income (loss) per share, basic | <u>\$ 0.25</u> | <u>\$ (0.10)</u> | <u>\$ (0.44)</u> | <u>\$ (0.50)</u> |
| Weighted average shares outstanding, basic | <u>36,154,521</u> | <u>36,068,130</u> | <u>36,139,873</u> | <u>36,056,649</u> |
| Net loss per share, diluted | <u>\$ (0.25)</u> | <u>\$ (0.17)</u> | <u>\$ (0.45)</u> | <u>\$ (0.50)</u> |
| Weighted average shares outstanding, diluted | <u>58,246,626</u> | <u>56,544,698</u> | <u>58,231,978</u> | <u>36,056,649</u> |

Armata Pharmaceuticals, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

| | Six Months Ended June 30, | |
|--|------------------------------|-------------|
| | 2024 | 2023 |
| Operating activities: | | |
| Net loss | \$ (16,035) | \$ (18,037) |
| Adjustments required to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization expense | 632 | 458 |
| Stock-based compensation expense | 1,869 | 1,118 |
| Change in fair value of convertible debt | (10,372) | (2,874) |

| | | |
|---|------------------|------------------|
| Non-cash interest expense | 4,538 | — |
| Change in right-of-use asset | 960 | — |
| Changes in operating assets and liabilities: | (2,353) | (10,295) |
| Net cash used in operating activities | (20,761) | (29,630) |
| Investing activities: | | |
| Purchases of property and equipment | (1,616) | (2,232) |
| Net cash used in investing activities | (1,616) | (2,232) |
| Financing activities: | | |
| Proceeds from issuance of convertible debt, net of issuance costs | — | 29,226 |
| Proceeds from issuance of long-term debt, net of issuance costs | 34,889 | — |
| Proceeds from exercise of stock options | 130 | — |
| Net cash provided by financing activities | 35,019 | 29,226 |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 12,642 | (2,636) |
| Cash, cash equivalents and restricted cash, beginning of period | 19,243 | 20,812 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 31,885</u> | <u>\$ 18,176</u> |

| | Six Months Ended June 30, | |
|---------------------------|----------------------------------|------------------|
| | 2024 | 2023 |
| Cash and cash equivalents | \$ 26,405 | \$ 12,456 |
| Restricted cash | 5,480 | 5,720 |
| Cash and restricted cash | <u>\$ 31,885</u> | <u>\$ 18,176</u> |

SOURCE Armata Pharmaceuticals, Inc.

<https://investor.armatapharma.com/2024-08-13-Armata-Pharmaceuticals-Announces-Second-Quarter-2024-Results-and-Provides-Corporate-Update>