



NEWS RELEASE

Savara Reports Third Quarter 2020 Financial Results and Provides Business Update

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Company Outlines Near-Term Priorities

AUSTIN, Texas--(BUSINESS WIRE)--Nov. 5, 2020-- **Savara Inc.** (Nasdaq: SVRA), an orphan lung disease company, today reported financial results for the third quarter ending September 30, 2020 and provided a business update.

"After recently joining the management team, it's clear that we must focus on three priorities in the near-term," said Matthew Pauls, Chairman and Interim CEO, Savara. "The first is advancing our lead program, Molgradex in aPAP and the Phase 3 IMPALA 2 trial, as quickly and as safely as we can given the ongoing COVID-19 pandemic. The well-being of patients and clinical staff are of highest importance as we work to initiate the trial across approximately 50 sites and 15 countries. Our second priority is providing clarity on our other pipeline programs. Specifically, we now expect to disclose top line results from AeroVanc's Phase 3 AVAIL trial by the end of 2020 and will communicate our next steps with Apulmiq as soon as possible. Finally, we are focusing on reducing and prioritizing the use of our capital to ensure efficient operations."

Third Quarter Financial Results (Unaudited)

Savara's net loss attributable to common stockholders for the three months ended September 30, 2020 was \$11.1 million, or \$(0.18) per share, compared with a net loss attributable to common stockholders of \$12.4 million, or \$(0.30) per share, for the three months ended September 30, 2019.

Research and development expenses decreased by \$4.0 million, or 41.5%, to \$5.6 million for the three months ended September 30, 2020 from \$9.6 million for the three months ended September 30, 2019. This was primarily related to approximately \$2.1 million in decreased development costs associated with Molgradex for the treatment

of aPAP as the Company's Phase 3 IMPALA trial activities have concluded and preparations for IMPALA 2, the next Phase 3 trial of Molgradex in aPAP, have begun. Decreased development costs were also attributed to approximately \$1.9 million in decreased clinical trial costs for the Phase 3 AVAIL trial due to the cessation of enrollment, focus on database management and lock, and a corresponding winddown in CMC and clinical operations activities.

General and administrative expenses increased by \$2.6 million, or 91.2%, to \$5.4 million for the three months ended September 30, 2020 from \$2.8 million for the three months ended September 30, 2019. The increase was primarily due to the recognition of a one-time nonrecurring charge in the amount of \$0.8 million in noncash stock-based compensation and approximately \$1.5 million of paid and accrued severance payments to certain former members of executive management during the three months ended September 30, 2020.

As of September 30, 2020, Savara had cash, cash equivalents, and short-term investments of approximately \$94.3 million and debt of approximately \$25.0 million.

About Savara

Savara is an orphan lung disease company with a pipeline comprised of three investigational compounds, all of which use an inhaled delivery route. Our lead program, Molgradex, is an inhaled granulocyte-macrophage colony-stimulating factor (GM-CSF) in Phase 3 development for autoimmune pulmonary alveolar proteinosis (aPAP). AeroVanc (vancomycin hydrochloride inhalation powder) is in Phase 3 development for persistent methicillin-resistant *Staphylococcus aureus* (MRSA) lung infection in people living with cystic fibrosis (CF). Apulmiq is a Phase 3-ready inhaled ciprofloxacin for non-CF bronchiectasis (NCFB). Savara's strategy is to develop its pipeline products with the goal of becoming a leading company in its field. Our management team has significant experience in orphan drug development and pulmonary medicine, identifying unmet needs, and effectively advancing product candidates to approval and commercialization. More information can be found at www.savarapharma.com. (Twitter: @SavaraPharma, LinkedIn: www.linkedin.com/company/savara-pharmaceuticals/).

Forward-Looking Statements

Savara cautions you that statements in this press release that are not a description of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words referencing future events or circumstances such as "expect," "intend," "plan," "anticipate," "believe," and "will," among others. Such statements include, but are not limited to, statements regarding the Company's near-term priorities and planned activities; the expected timing of the start of the IMPALA 2 trial; that we are working to initiate the IMPALA 2 trial across approximately 50 sites and 15 countries; the expected timing of top line results from the AVAIL trial; and that the Company will communicate next steps for

the Aplumiq program as soon as possible. Savara may not actually achieve any of the matters referred to in such forward-looking statements, and you should not place undue reliance on these forward-looking statements. These forward-looking statements are based upon Savara's current expectations and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties, which include, without limitation, the risks and uncertainties relating to the impact of the COVID-19 pandemic on our business and operations, the outcome of our ongoing and planned clinical trials for our product candidates, the ability to project future cash utilization and reserves needed for contingent future liabilities and business operations, the availability of sufficient resources for Savara's operations and to conduct or continue planned clinical development programs, the ability to obtain the necessary patient enrollment for our product candidates in a timely manner, the ability to successfully develop our product candidates, the risks associated with the process of developing, obtaining regulatory approval for and commercializing drug candidates such as Molgradex, AeroVanc, and Apulmiq that are safe and effective for use as human therapeutics, and the timing and ability of Savara to raise additional capital as needed to fund continued operations. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. For a detailed description of our risks and uncertainties, you are encouraged to review our documents filed with the SEC including our recent filings on Form 8-K, Form 10-K and Form 10-Q. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they were made. Savara undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made, except as may be required by law.

Financial Information to Follow

Savara Inc. and Subsidiaries Condensed Consolidated Statements of Operations (in thousands, except for share and per share amounts) (Unaudited)

| | Three months ended September 30, (Unaudited) | | Six months ended September 30, (Unaudited) | |
|-------------------------------|--|----------|--|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| Milestone revenue | \$ 256 | \$ - | \$ 256 | \$ - |
| Operating expenses: | | | | |
| Research and development | \$ 5,603 | \$ 9,575 | \$ 24,881 | \$ 30,058 |
| General and administration | 5,375 | 2,811 | 11,474 | 9,785 |
| Impairment of goodwill | - | - | - | 7,420 |
| Depreciation and amortization | 63 | 56 | 189 | 253 |

| | | | | |
|--|------------|-------------|-------------|---------------|
| Total operating expenses | 11,041 | 12,442 | 36,544 | 47,516 |
| Loss from operations | \$ (10,785 |)\$ (12,442 |)\$ (36,288 |)\$ (47,516) |
| Other income (expense), net | (278 |) 39 | 414 | 1,062 |
| Net loss attributable to common stockholders | \$ (11,063 |)\$ (12,403 |)\$ (35,874 |)\$ (46,454) |
| Net loss per share - basic and diluted | \$ (0.18 |)\$ (0.30 |)\$ (0.61 |)\$ (1.20) |
| Weighted average shares - basic and diluted | 60,288,993 | 41,727,259 | 58,842,436 | 38,749,002 |
| Other comprehensive income (loss) | 133 | (448 |) 270 | (436) |
| Total comprehensive loss | \$ (10,930 |)\$ (12,851 |)\$ (35,604 |)\$ (46,890) |

Savara Inc. and Subsidiaries
Condensed Consolidated Balance Sheet data
(in thousands)
(Unaudited)

| | September 30, 2020 | December 31, 2019 |
|--|-----------------------|----------------------|
| Cash, cash equivalents, and short-term investments | \$ 94,335 | \$ 121,761 |
| Working capital | 88,691 | 113,187 |
| Total assets | 109,342 | 136,203 |
| Total liabilities | 32,716 | 34,505 |
| Stockholders' equity | 76,626 | 101,698 |

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