

March 26, 2018



Matinas BioPharma Reports 2017 Financial Results

BEDMINSTER, N.J., March 26, 2018 (GLOBE NEWSWIRE) -- [Matinas BioPharma Holdings, Inc.](#) (NYSE AMER:MTNB), a clinical-stage biopharmaceutical company focused on developing innovative anti-infectives for orphan indications, today formally announced its financial results for the year ended December 31, 2017.

“During 2017, we made solid progress in our clinical development and the understanding of our proprietary cochleate platform delivery technology. We firmly believe in the potential of our lead product, MAT2203, and our streamlined development path moving forward towards addressing a significant unmet medical need in the prevention of invasive fungal infections (“IFIs”). In parallel, we continue to be aggressive in advancing our strategy to collaborate with established pharmaceutical companies to expand the utilization of our delivery technology,” commented [Jerome D. Jabbour, Chief Executive Officer of Matinas](#)

“In addition to recently articulating our short-term goals and milestones, we have also taken steps to properly focus our financial and human resources accordingly. Importantly, and as a direct result of this disciplined allocation of resources, we have successfully extended our cash runway into September 2018, which is at least an additional quarter beyond guidance provided with our third quarter 2017 results. We believe this will position the Company to execute through and beyond key value inflection points. Additionally, we plan to be opportunistic when, and if, we choose to access the capital markets,” added Mr. Jabbour.

SUMMARY OF FINANCIAL RESULTS FOR 2017

For the twelve months ended December 31, 2017, the Company reported a net loss of approximately \$15.5 million, or a net loss per share basic and diluted of \$0.36, compared to a net loss of approximately \$7.6 million, or a net loss per share basic and diluted of \$0.21, for the twelve months ended December 31, 2016. The net loss for the year ended December 31, 2017 is attributable to the ongoing research and development activities related to the Company’s MAT2203 antifungal and MAT2501 antibacterial product candidates as well as the costs associated with operating as a public company.

The Company ended the year with cash and cash equivalents of approximately \$7.3 million. Based on Management’s current projections the Company believes that cash on hand is sufficient to fund operations into September 2018.

Receipt of Audit Opinion with Going Concern Qualification

As previously disclosed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which was filed with the Securities and Exchange Commission on March 16, 2018, the Company’s audited financial statements contained a going concern

explanatory paragraph in the audit opinion from its independent registered public accounting firm. This announcement does not represent any change or amendment to the Company's financial statements or to its Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

About Matinas BioPharma

Matinas BioPharma is a clinical-stage biopharmaceutical company focused on developing innovative anti-infectives for orphan indications. The Company's proprietary, disruptive technology utilizes lipid-crystal nano-particle cochleates to nano-encapsulate existing drugs, making them safer, more tolerable, less toxic and orally bioavailable.

The Company's lead anti-infective product candidates, MAT2203 and MAT2501, position Matinas BioPharma to become a leader in the safe and effective delivery of anti-infective therapies utilizing its proprietary lipid-crystal nano-particle cochleate formulation technology.

For more information, please visit www.matinasbiopharma.com and connect with the Company on [Twitter](#), [LinkedIn](#), [Facebook](#), and [Google+](#).

Forward Looking Statements: *This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including those relating to the Company's anticipated capital and liquidity needs, strategic focus and the future development of its product candidates, including MAT2203, the anticipated timing of regulatory submissions, the anticipated timing of clinical studies, the anticipated timing of regulatory interactions, the Company's ability to identify and pursue development and partnership opportunities for its products or platform delivery technology on favorable terms, if at all, and the ability to obtain required regulatory approval and other statements that are predictive in nature, that depend upon or refer to future events or conditions. All statements other than statements of historical fact are statements that could be forward-looking statements. Forward-looking statements include words such as "expects," "anticipates," "intends," "plans," "could," "believes," "estimates" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from any future results expressed or implied by the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including, but not limited to, our ability to obtain additional capital to meet our liquidity needs on acceptable terms, or at all, including the additional capital which will be necessary to complete the clinical trials of our product candidates; our ability to successfully complete research and further development and commercialization of our product candidates; the uncertainties inherent in clinical testing; the timing, cost and uncertainty of obtaining regulatory approvals; our ability to maintain and derive benefit from the Qualified Infectious Disease Product (QIDP), Orphan and/or Fast Track designations for MAT2203, which does not change the standards for regulatory approval or guarantee regulatory approval on an expedited basis, or at all; our ability to protect the Company's intellectual property; the loss of any executive officers or key personnel or consultants; competition; changes in the regulatory landscape or the imposition of regulations that affect the Company's products; and the other factors listed under "Risk Factors" in our filings with the SEC, including Forms 10-K, 10-Q and 8-K. Investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this release. Except as may be required by law, the Company does not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or*

circumstances after the date hereof or to reflect the occurrence of unanticipated events. Matinas BioPharma's product candidates are all in a development stage and are not available for sale or use.

**Matinas BioPharma Holdings Inc.
Consolidated Balance Sheets**

| | <u>December 31, 2017</u> | <u>December 31, 2016</u> |
|--|------------------------------|------------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 7,306,507 | \$ 4,105,451 |
| Restricted cash | 155,431 | 155,610 |
| Prepaid expenses | 502,032 | 304,427 |
| Total current assets | <u>7,963,970</u> | <u>4,565,488</u> |
| Leasehold Improvements and equipment - net | 1,569,858 | 356,143 |
| In-process research and development | 3,017,377 | 3,017,377 |
| Goodwill | 1,336,488 | 1,336,488 |
| Other assets including long term security deposit | <u>535,999</u> | <u>540,845</u> |
| TOTAL ASSETS | <u><u>\$ 14,423,692</u></u> | <u><u>\$ 9,816,341</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 582,867 | \$ 475,602 |
| Note payable | 170,236 | 118,046 |
| Accrued expenses | 959,147 | 829,724 |
| Deferred revenue | 29,937 | - |
| Deferred rent liability | 455,554 | 11,485 |
| Lease liability | 26,975 | 9,936 |
| Total current liabilities | <u>2,224,716</u> | <u>1,444,793</u> |
| LONG TERM LIABILITIES | | |
| Deferred tax liability | 848,185 | 1,205,141 |
| Lease liability - net of current portion | 67,683 | 16,446 |
| Stock Dividends Payable - Long Term | <u>601,143</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>3,741,727</u> | <u>2,666,380</u> |
| STOCKHOLDERS' EQUITY | | |
| Series A Convertible preferred stock, stated value \$5.00 per share, 1,600,000 shares authorized as of December 31, 2017 and December 31, 2016; 1,502,858 and 1,600,000 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively, (liquidation preference - \$8,248,190 at September 30, 2017) | 5,716,825 | 6,086,350 |

Common stock par value \$0.0001 per share, 250,000,000 and 250,000,000 shares authorized at December 31, 2017 and December 31, 2016, respectively; 93,371,129 issued and outstanding as of December 31, 2017; 58,159,495 issued and outstanding as of December 31, 2016

| | | |
|---|----------------------|----------------------|
| | 9,336 | 5,817 |
| Additional paid in capital | 56,230,347 | 36,237,504 |
| Accumulated deficit | (51,274,542) | (35,179,710) |
| Total stockholders' equity | 10,681,965 | 7,149,961 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 14,423,692 | \$ 9,816,341 |

Matinas BioPharma Holdings, Inc.
Consolidated Statements of Operations

| | For the Year Ended December 31 , | | |
|---|---|--------------------------|--------------------------|
| | 2017 | 2016 | 2015 |
| Revenue: | | | |
| Contract research revenue | \$ 149,687 | \$ - | \$ 194,494 |
| Costs and Expenses: | | | |
| Research and development | 9,010,499 | 3,947,644 | 5,292,193 |
| General and administrative | 7,641,592 | 4,309,489 | 4,813,800 |
| Total costs and expenses | 16,652,091 | 8,257,133 | 10,105,993 |
| Loss from operations | (16,502,404) | (8,257,133) | (9,911,499) |
| Sale of New Jersey net operating loss | 636,927 | 674,901 | 756,472 |
| Other income/(expense), net | 22,032 | (16,505) | 19,627 |
| Provision for Income Taxes | 356,956 | - | - |
| Net loss | \$ (15,486,489) | \$ (7,598,737) | \$ (9,135,400) |
| Dividend to preferred shareholders | (608,343) | - | - |
| Convertible preferred stock beneficial conversion feature accreted as a deemed dividend | - | (4,393,809) | - |
| Inducement Charge from exercise of warrants | (16,741,356) | - | - |
| Net Loss attributable to common shareholders | <u>\$ (32,836,188)</u> | <u>\$ (11,992,546)</u> | <u>\$ (9,135,400)</u> |
| Net loss available for common shareholders per share: Basic and diluted | <u>\$ (0.36)</u> | <u>\$ (0.21)</u> | <u>\$ (0.18)</u> |
| Weighted average common shares outstanding: | | | |
| Basic and diluted | <u>90,475,035</u> | <u>57,654,830</u> | <u>51,481,002</u> |

Investor Contact

Jenene Thomas

Jenene Thomas Communications, LLC

Phone: +1 (908) 938-1475

Email: jenene@jtcir.com

Source: Matinas BioPharma Holdings, Inc.



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