



Merrimack Reports First Quarter 2020 Financial Results

May 7, 2020

CAMBRIDGE, Mass.--(BUSINESS WIRE)--May 7, 2020-- Merrimack Pharmaceuticals, Inc. (Nasdaq: MACK) [{"Merrimack" or the "Company"}] today announced its first quarter 2020 financial results for the period ended March 31, 2020.

"We are pleased to report that we have significantly reduced our operating expenses and also sold certain of our remaining intellectual property assets during the first quarter of 2020," said Gary Crocker, Chairman of Merrimack's Board of Directors. "As a result of reduced general and administrative costs and the proceeds from the previously announced asset sale we reported a profit of \$249,000 for the first quarter. We are currently focused on making further reductions to legal, accounting and management consulting expenses which we plan to realize during the second half of 2020."

First Quarter 2020 Financial Results

Merrimack reported net income of \$0.25 million for the first quarter ended March 31, 2020, or \$0.02 per basic and diluted share on a fully diluted basis, compared to a net loss of \$10.5 million, or \$0.78 per basic and diluted share on a fully diluted basis, for the same period in 2019.

Merrimack reported a gain on the sale of assets for the first quarter ended March 31, 2020 of \$2.1 million, attributable to the sale of certain of our preclinical nanoliposome programs.

No research and development expenses were recognized for the first quarter ended March 31, 2020 compared to \$6.4 million for the same period in 2019.

General and administrative expenses for the first quarter ended March 31, 2020 were \$1.9 million, compared to \$3.7 million for the same period in 2019.

As of March 31, 2020, Merrimack had cash and cash equivalents and investments of \$18.0 million, compared to \$16.6 million as of December 31, 2019.

As of March 31, 2020, Merrimack had 13.4 million shares of common stock outstanding.

About Merrimack

Merrimack Pharmaceuticals, Inc. is a biopharmaceutical company based in Cambridge, Massachusetts that is entitled to receive up to \$450.0 million in contingent milestone payments related to its sale of ONIVYDE[®] to Ipsen S.A. in April 2017. Merrimack's agreement with Ipsen does not require Ipsen to provide Merrimack with any information on the progress of ONIVYDE clinical trials that is not publicly available. Merrimack is also entitled to receive up to \$54.5 million in contingent milestone payments related to its sale of anti-HER3 programs to Elevation Oncology (formerly 14ner Oncology, Inc.) in July 2019. The Company is seeking potential acquirers for its remaining preclinical and clinical assets.

Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements include any statements about Merrimack's strategy, future operations, future financial position, future revenues and future expectations and plans and prospects for Merrimack, and any other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue" and similar expressions. In this press release, Merrimack's forward-looking statements include, among others, statements about Merrimack's plans to seek to divest its preclinical and clinical assets, Merrimack's rights to receive payments related to certain milestone events or whether such milestones will be achieved, if at all, the sufficiency of Merrimack's cash resources and Merrimack's strategic plan, including any potential distribution of additional cash. Such forward-looking statements involve substantial risks and uncertainties that could cause Merrimack's future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, expectations for achievement of contractual milestones and the availability of funding sufficient for Merrimack's foreseeable and unforeseeable operating expenses and capital expenditure requirements. Merrimack undertakes no obligation to update or revise any forward-looking statements. Forward-looking statements should not be relied upon as representing Merrimack's views as of any date subsequent to the date hereof. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to Merrimack's business in general, see the "Risk Factors" section of Merrimack's Quarterly Report on Form 10-K filed with the SEC on March 12, 2020 and the other reports Merrimack files with the Securities and Exchange Commission.

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