SIGA TECHNOLOGIES INC
Form 10-K/A
May 15, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K/A
(Amendment No. 1)
(Mark One)

x Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2012
Or

¨ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File No. 0-23047
SIGA Technologies, Inc.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware | 13-3864870 |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification. No.) |
| 660 Madison Avenue, Suite 1700 | 10065 |
| New York, NY | (zip code) |
| (Address of principal executive offices) | |

Registrant's telephone number, including area code: (212) 672-9100
Securities registered pursuant to Section 12(b) of the Act:

| | |
|---|---|
| Title of each class | Name of each exchange on which registered |
| common stock, $.0001 par value | Nasdaq Global Market |

Securities registered pursuant to Section 12(g) of the Act:
None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ¨ No x.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act Yes ¨ No x.

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K/A or any amendment to this Form 10-K/A. ¨.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one): Large Accelerated Filer ¨ Accelerated Filer x Non-Accelerated Filer ¨ Smaller Reporting Company ¨.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ¨ No x.

---

Table of Contents

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant, based upon the closing sale price of the common stock on June 30, 2012 as reported on the Nasdaq Global Market was approximately $147,685,687.

As of February 15, 2013 the registrant had outstanding 51,642,520 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

The following document is incorporated herein by reference:

| Document | Parts Into Which Incorporated |
| --- | --- |
| Proxy Statement for the Company's 2013 Annual Meeting of Stockholders | Part III |

Table of Contents

SIGA TECHNOLOGIES, INC.
FORM 10-K/A
EXPLANATORY NOTE

We are filing this Amended Annual Report on Form 10-K/A (the "Amended Filing" or "Form 10-K/A") to our Annual Report on Form 10-K for the year ended December 31, 2012 (the "Original Filing") to amend and restate our audited consolidated financial statements and related disclosures as of and for the years ended December 31, 2011 and 2010 included in Item 8, Note 3, "Revision and Restatement of Consolidated Financial Statements", as well as selected quarterly financial data (excluding footnotes) for the periods from March 31, 2011 through December 31, 2011 included in Item 8, Note 15 - "Revised and Restated Financial Information By Quarter (Unaudited)." The audited consolidated financial statements and related disclosures as of and for the year ended December 31, 2012 and the selected quarterly financial data for each of the quarters therein have also been revised to conform with the restated financial statements referred to herein; the conclusion to revise rather restate the amounts for 2012 resulted from the immaterial nature of the adjustments based on quantitative and qualitative considerations. The Original Filing was filed with the Securities and Exchange Commission ("SEC") on March 6, 2013.

Background of the Restatement

On May 8, 2013, the Company concluded, based on the recommendation of management, that the previously issued consolidated financial statements as of and for the years ended December 31, 2011 and 2010 included in the Company's most recently filed Form 10-K are no longer appropriate to rely upon because they failed to account for certain outstanding warrants to purchase common stock of the Company (the "Warrants") as liabilities rather than equity and to account for non-cash charges resulting from the periodic "mark-to-market" adjustments of the Warrants. The Company has determined that the aforementioned financial statements should be restated to reflect the aforementioned liabilities and non-cash charges.

The Company accounts for the Warrants in accordance with ASC 815, Derivatives and Hedging. ASC 815 requires that free-standing derivative financial instruments that contain certain anti-dilution provisions be classified as assets or liabilities at the time of the transaction, and be recorded at their fair value. ASC 815 also requires that any subsequent change in the fair value of the derivative instruments be reported in earnings or loss for so long as the derivative contracts are classified as assets or liabilities.

The cumulative effect of these non-cash adjustments on the Company's financial statements is an approximate decrease in the equity balance and a corresponding increase in total liabilities of $700,000 at December 31, 2012. Refer to Item 8, Note 3 for further details regarding the amounts of the adjustments. These adjustments neither impact the net cash used in operating activities nor change the cash and cash equivalents account balances for the applicable financial statements. As of and for the years ended December 31, 2011 and 2010, the quantitative impact of the non-cash adjustments on net income and net loss, respectively, were material. As of and for the year ended December 31, 2012, the quantitative and qualitative impact of the non-cash adjustments on net loss were not material.

For the convenience of the reader, this Amended Filing sets forth the Original Filing as modified and superseded where necessary to reflect the restatement. The following items have been amended principally as a result of, and to reflect, the restatement and revision:

- Part I - Item 1A. Risk Factors
- Part II - Item 6. Selected Financial Data
- Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations;
- Part II - Item 8. Financial Statements and Supplementary Data;
- Part II - Item 9A. Controls and Procedures; and

In accordance with applicable SEC rules, this Amended Filing includes certifications from our Chief Executive Officer and Chief Financial Officer dated as of the date of this filing.

The sections of the Form 10-K which were not amended are unchanged and continue in full force and effect as originally filed. This Amended Filing is as of the date of the Original Filing on the Form 10-K and has not been updated to reflect events occurring subsequent to the Original Filing date other than those associated with the restatement of the Company's audited consolidated financial statements.

Table of Contents

SIGA TECHNOLOGIES, INC.
FORM 10-K/A

Table of Contents

Table of Contents

Item 1. Business

There are no changes to Item 1 as disclosed in our originally filed Annual Report on Form 10-K for the year ended December 31, 2012.

Item 1A. Risk Factors

There are no changes to Item 1A as disclosed in our originally filed Annual Report on Form 10-K for the year ended December 31, 2012 except for the following risk factors.

This report contains forward-looking statements and other prospective information relating to future events. These forward-looking statements and other information are subject to risks and uncertainties that could cause our actual results to differ materially from our historical results or currently anticipated results including the following:

Risks Related to Our Financial Position and Need for Additional Financing

We have incurred operating losses since our inception and expect to incur net losses for the foreseeable future.

We incurred net operating losses of approximately $22.5 million and $31.4 million for the years ended December 31, 2012 and 2011, respectively. As of December 31, 2012, 2011 and 2010, our accumulated deficit was approximately $139.4 million (revised), $125.3 million (restated) and $154.4 million (restated), respectively. We expect to continue to have significant operating expenses and will need to generate significant revenues to achieve and maintain profitability.

Our ability to fund operations is substantially dependent on cash flows from delivery of Arestvyr. If we do not achieve positive cash flows, we cannot guarantee that we can sustain or enhance our current level of operations. We expect that cash flows will fluctuate significantly and could be delayed from one quarter to another based on several factors. If cash flows grow slower than we anticipate, or if operating expenses or expenses resulting from the post-trial ruling in the litigation commenced by PharmAthene exceed our expectations or cannot be adjusted accordingly, then our business, results of operations, financial condition and cash flows will be materially and adversely affected. Because our strategy may include the acquisition of other businesses, acquisition and integration expenses and any cash required to fund these acquisitions will reduce our available cash.

Risks Related to Our Common Stock

We have identified a material weakness in our internal control over financial reporting that resulted in the restatement of our consolidated financial statements included in this Annual Report on Form 10-K/A. This material weakness, uncorrected, could continue to affect adversely our ability to report our results of operations and financial condition accurately and in a timely manner.

Our management is responsible for maintaining internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2012, and identified a material weakness related to the failure to ensure timely application of anti-dilution provisions contained in certain outstanding warrant arrangements. As a result of this material weakness, our management concluded that our internal control over financial reporting and our disclosure controls and procedures were not effective as of December 31, 2012. See Part II - Item 9A, “Controls and Procedures.”

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The effectiveness of any controls or procedures is subject to certain limitations, and as a result, there can be no assurance that our controls and procedures will detect all errors or fraud. A control can provide only reasonable, not absolute, assurance that the objectives of the control system will be attained. We also cannot assure you that other material weaknesses will not arise as a result of our past failure to maintain adequate internal controls and procedures or that circumvention of those controls and procedures will not occur. Additionally, even improved controls and procedures may not be adequate to prevent or identify errors or irregularities or ensure that our financial statements are prepared in accordance with generally accepted accounting principles. If we cannot maintain and execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, fail to meet our public reporting requirements on a

Table of Contents

timely basis, or be unable to report properly on our business and the results of our operations, and the market price of our securities could be materially adversely affected.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our headquarters are located in New York City, and our research and development facilities are located in Corvallis, Oregon. In New York, we occupy office space under an Office Service Agreement with an affiliate of a shareholder that, as currently amended, is cancelable upon 60 days notice. In January 2013, we entered into a sublease with the aforementioned affiliate to sublet expanded office space in a New York City location to serve as new corporate headquarters. The sublease is expected to commence in the first half of 2013 and expires in 2020.

In Corvallis, we lease approximately 32,700 square feet under an amended lease agreement signed in January 2007, which was amended and extended on June 1, 2011. The Company formerly occupied 5,700 square feet under a sublease agreement signed in January 2010 which expired in September 2011. Our facility in Oregon has been improved to meet the special requirements necessary for the operation of our research and development activities. The facilities leased in Corvallis includes space existing under the prior lease terms and newly constructed space in the same building under the most recent lease amendment. We believe that our current facilities are adequate to our needs.

Item 3. Legal Proceedings

In December 2006, PharmAthene, Inc. (“PharmAthene”) filed an action against us in the Delaware Court of Chancery (the “Court” or “Court of Chancery”) captioned PharmAthene, Inc. v. SIGA Technologies, Inc., C.A. No. 2627-N. In its amended complaint, PharmAthene asked the Court to order us to enter into a license agreement with PharmAthene with respect to ST-246, also known as Arestvyr, to declare that we are obliged to execute such a license agreement, and to award damages resulting from our supposed breach of that obligation. PharmAthene also alleges that we breached an obligation to negotiate such a license agreement in good faith, and sought damages for promissory estoppel and unjust enrichment based on supposed information, capital, and assistance that PharmAthene allegedly provided to us during the negotiation process. The Court tried the case in January 2011.

In September 2011, the Court of Chancery issued its post-trial opinion. The Court denied PharmAthene’s requests for specific performance and expectation damages measured by present value of estimated future profits. Nevertheless, the Court held that we breached our duty to negotiate in good faith and were liable under the doctrine of promissory estoppel. The Court consequently awarded to PharmAthene what the Court described as an equitable payment stream or equitable lien consisting of fifty percent of the net profits that we achieve from sales of ST-246 after we secure $40 million in net profits, for ten years following the first commercial sale. In addition, the Court awarded PharmAthene one-third of its reasonable attorneys’ fees and expert witness expenses.

In May 2012, the Court entered its final order and judgment in this matter, implementing its post-trial opinion. Among other things, the final order and judgment provided that (a) net profits will be calculated in accordance with generally accepted accounting principles applied consistently with how they are applied in the preparation of our financial statements, (b) the net profits calculation will take into account expenses relating to ST-246 commencing with our acquisition of ST-246 in August 2004, and (c) PharmAthene may recover $2.4 million of attorneys’ fees and expenses. As of December 31, 2012, SIGA has recorded a $2.5 million loss contingency with respect to the fee, expense and interest portion of the judgment.

In June 2012, we appealed to the Supreme Court of the State of Delaware the final order and judgment and certain earlier rulings of the Court of Chancery. Shortly thereafter, PharmAthene filed its cross-appeal. We obtained a stay of enforcement of the fee and expense portion of the judgment by filing a surety bond for the amount of the judgment plus post-judgment interest. We posted $1.3 million as collateral for the surety bond which is recorded in other assets as of December 31, 2012.

On July 27, 2012, we filed our opening brief on appeal, identifying the following points of error: (a) the Court of Chancery erred in holding that we breached our obligation to negotiate in good faith following the termination of the PharmAthene merger in 2006; (b) the Court of Chancery erred in holding that PharmAthene's assistance enriched the Company and that PharmAthene is consequently entitled to relief under the doctrine of promissory estoppel; (c) the Court of Chancery erred in awarding relief in

Table of Contents

the form of an equitable payment stream; and (d) the Court of Chancery erred in awarding PharmAthene a portion of its attorneys' fees, expenses and expert witness costs.

On August 26, 2012, PharmAthene filed its opening brief, answering with respect to our appeal and arguing in support of PharmAthene's cross-appeal. With respect to the latter, PharmAthene claimed that the Court of Chancery erred in not finding that there was a binding license agreement and should have awarded either specific performance or expectation damages. On September 27, 2012, we filed a final brief in response. On October 8, 2012, PharmAthene filed its final brief in response. The oral argument on the appeal and cross-appeal was heard before the Supreme Court of Delaware,en banc, on January 10, 2013 and the Court took the arguments under advisement.

We expect that the Court of Chancery's final order and judgment will have a materially adverse impact on the Company and its future results of operations unless the appeal and cross-appeal result in a materially positive change to the portion of the ruling awarding the equitable payment stream or equitable lien. We cannot assure success on the appeal and cross-appeal.

Item 4. Mine Safety Disclosures

No disclosure is required pursuant to this item.

Table of Contents

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Price Range of Common Stock

Our common stock trades under the symbol "SIGA". Our common stock has been traded on the Nasdaq Global Market since September 3, 2009 and, prior to such date, had been traded on the Nasdaq Capital Market since September 9, 1997. Prior to that time there was no public market for our common stock. The following table sets forth, for the periods indicated, the high and low sales prices for the common stock, as reported on the Nasdaq Global Market:

| 2012 | High | Low |
|---|---|---|
| First Quarter | $3.89 | $2.51 |
| Second Quarter | 3.59 | 2.20 |
| Third Quarter | 3.57 | 2.72 |
| Fourth Quarter | 3.38 | 2.33 |

| 2011 | High | Low |
|---|---|---|
| First Quarter | $15.66 | $10.66 |
| Second Quarter | 15.40 | 9.53 |
| Third Quarter | 9.95 | 2.61 |
| Fourth Quarter | 3.58 | 1.78 |

As of February 15, 2013, the closing sale price of our common stock was $3.92 per share. There were 41 holders of record as of February 15, 2013. We believe that the number of beneficial owners of our common stock is substantially greater than the number of record holders, because a large portion of common stock is held in broker "street names".

We have paid no dividends on our common stock and do not expect to pay cash dividends in the foreseeable future. We are not under any restriction as to our present or future ability to pay dividends. We currently intend to retain any future earnings to finance the growth and development of our business.

Performance Graph

The following line graph compares the cumulative total stockholder return through December 31, 2012, assuming reinvestment of dividends, by an investor who invested $100 on December 31, 2007 in each of (i) our common stock; (ii) the Nasdaq National Market-US; and (iii) the Nasdaq Pharmaceutical Index.

Table of Contents

| | December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| SIGA Technologies, Inc. | $100 | $106 | $188 | $455 | $82 | $85 |
| NASDAQ Composite Index | $100 | $59 | $86 | $100 | $98 | $114 |
| NASDAQ Biotech Composite Index | $100 | $87 | $101 | $116 | $130 | $171 |

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this item concerning securities authorized for issuance under equity compensation plans is set forth in Item 12, “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters”.

Item 6. Revised and Restated Selected Financial Data

As discussed in the Explanatory Note to this Amended Filing, the Company is amending and restating its audited consolidated financial statements and related disclosures for the years ended December 2011 and 2010 and amending and revising its audited consolidated financial statements and related disclosures for the year ended December 31, 2012, as included in this Item. The aforementioned revised and restated financial statements include selected consolidated financial data for the quarterly periods included in Item 8, “Revised and Restated Financial Information By Quarter (Unaudited).”

The selected financial data for the years ended December 31, 2012, 2011 and 2010 and the consolidated balance sheet data as of December 31, 2012 and 2011 have been derived from our revised and restated audited consolidated financial information included elsewhere in this Annual Report on Form 10-K. The selected financial data for the years ended December 31, 2009 and 2008 and the consolidated balance sheet data as of December 31, 2010, 2009 and 2008 have been derived from applicable revised and restated audited consolidated financial statements not included in this annual report. The following table should be read in conjunction with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the revised and restated consolidated financial statements and related notes to those statements included elsewhere in this annual report.

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 (Restated) | 2010 (Restated) | 2009 | 2008 |
| | (in thousands, except share and per share data) | | | | |
| Revenues | $8,971 | $12,726 | $19,216 | $13,812 | $8,066 |
| Selling, general and administrative | 11,410 | 23,932 | 8,131 | 7,533 | 4,608 |
| Research and development | 18,213 | 18,367 | 22,659 | 17,423 | 11,613 |
| Patent preparation fees | 1,883 | 1,808 | 1,149 | 734 | 582 |
| Loss from operations | (22,536) | (31,381) | (12,722) | (11,878) | (8,737) |
| Decrease (increase) in fair value of common stock warrants | 805 * | 24,436 * | (38,110) * | (17,476) * | (1,510) |
| Interest expense | (173) | — | — | — | — |
| Other income, net | 1 | 13 | 659 | 1 | 94 |
| Loss before income taxes | (21,904) * | (6,932) * | (50,173) * | (29,354) * | (10,153) |
| Benefit from (provision for) income taxes | 7,844 | 36,032 | (175) | — | — |
| Net income (loss) | $(14,060) * | $29,100 * | (50,348) * | $(29,354) * | $(10,153) |
| Basic earnings (loss) per share | $(0.27) * | $0.57 * | $(1.12) * | $(0.78) * | $(0.29) |
| Diluted earnings (loss) per share | $(0.27) * | $0.09 | $(1.12) * | $(0.78) * | $(0.29) |
| Weighted average shares outstanding: basic | 51,639,622 | 50,929,491 | 45,151,774 | 37,463,255 | 34,732,625 |

| | | | | | |
|---|---|---|---|---|---|
| Weighted average shares outstanding: diluted | 51,639,622 | 54,061,650 | 45,151,774 | 37,463,255 | 34,732,625 |
| Cash and cash equivalents and short-term investments | $32,017 | $49,257 | $21,331 | $19,496 | $2,322 |
| Total assets | 105,836 | 90,380 | 27,032 | 25,915 | 8,797 |
| Long-term obligations | 4,779 * | 1,560 * | 27,188 * | 20,376 * | 4,477 |
| Stockholders' equity | 28,243 * | 40,771 * | (12,913) * | (3,489) * | 1 |
| Net cash provided by (used in) operating activities | (20,223) | 25,574 | (10,825) | (8,471) | (7,198) |

* Represents adjusted amounts for the revision in the year ended December 31, 2012 and the restatement for the years prior to and including December 31, 2011; refer to Note 3 to the Consolidated Financial Statements for further detail.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our consolidated financial statements and notes to those statements and other financial information appearing elsewhere in this Amended Filing on Form 10-K/A. In addition to historical information, the following discussion and other parts of this Annual Report contain forward-looking information that involves risks and uncertainties.

Restatement

As discussed in the Explanatory Note to this Amended Filing, the Company is amending and restating its audited consolidated financial statements and related disclosures as of and for the years ended December 31, 2011 and 2010, as included in Item 8, Note 3, as well as selected consolidated quarterly financial data (excluding footnotes) for the periods from March 31, 2011 through December 31, 2011, as included in Item 8, Note 15. The audited consolidated financial statements and related disclosures as of and for the year ended December 31, 2012 have been revised to conform with the restated financial statements referred to herein. The Original Filing was filed with the Securities and Exchange Commission ("SEC") on March 6, 2013.

The following discussion and analysis of our financial condition and results of operations incorporates the restated and revised amounts. For this reason, the data set forth in this section may not be comparable to discussion and data in our previously filed Annual Report on Form 10-K for the year ended December 31, 2012.

Overview

We are a pharmaceutical company specializing in the development and commercialization of pharmaceutical solutions for some of the most lethal disease-causing pathogens in the world - smallpox, Ebola, dengue, Lassa fever and other dangerous viruses. Our business is to discover, develop, manufacture 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.

Lead Product - Arestvyr

Our lead product, Arestvyr (tecovirimat), also known as ST-246, is an orally administered antiviral drug that targets orthopoxviruses. On May 13, 2011, we signed the BARDA Contract pursuant to which we agreed to deliver two million courses of Arestvyr to the Strategic Stockpile. The base contract, worth approximately $463 million, includes $54 million related to development and supportive activities and contains various options to be exercised at BARDA's discretion. The period of performance for development and supportive activities runs until 2020. As originally issued, the BARDA Contract included an option for the purchase of up to 12 million additional courses of Arestvyr; however, following a protest by a competitor of the Company, BARDA issued a contract modification on June 24, 2011 pursuant to which it deleted the option to purchase the additional courses. Under the BARDA Contract as modified, BARDA has agreed to buy from SIGA 1.7 million courses of Arestvyr. Additionally, SIGA will contribute to

BARDA 300,000 courses manufactured primarily using federal funds provided by HHS under prior development contracts. The BARDA Contract as modified also contains options that will permit SIGA to continue its work on pediatric and geriatric formulations of the drug as well as use Arestvyr for smallpox prophylaxis. As discussed in Item 3, “Legal Proceedings”, the amount of profits we will retain pursuant to the BARDA Contract is subject to the judgment entered by the Delaware Court of Chancery in PharmAthene's action against SIGA and the outcome of the pending appeal and cross-appeal.

We expect Arestvyr will be among the first new small-molecule drugs delivered to the Strategic Stockpile under Project BioShield. Arestvyr is an investigational product that is not currently approved by FDA as a treatment of smallpox or any other indication. FDA has designated Arestvyr for “fast-track” status, creating a path for expedited FDA review and eventual regulatory approval.

Critical Accounting Estimates

The methods, estimates and judgments we use in applying our accounting policies have a significant impact on the results we report in our consolidated financial statements, which we discuss under the heading “Results of Operations” following this section of our Management’s Discussion and Analysis. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Our most critical accounting estimates include the valuation of stock-based awards including options and warrants, revenue recognition, impairment of assets and income taxes. Below, we discuss these policies further, as well as the estimates and judgments involved.

Table of Contents

Critical Accounting Policies

The following is a brief discussion of the significant accounting policies and methods used by us in the preparation of our consolidated financial statements. Note 2 of the Notes to the Consolidated Financial Statements includes a summary of all of the significant accounting policies.

Share-based Compensation

We account for our stock-based compensation using the fair value recognition provisions prescribed by the authoritative guidance, which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options based on estimated fair values.

Stock-based compensation expense for 2012, 2011 and 2010 was $1.8 million, $12.5 million and $1.5 million, respectively. The fair value of share-based awards is determined on the grant date; for options awards, fair value is generally estimated using the Black-Scholes model and for stock appreciation rights, fair value is estimated using a Monte Carlo method. The value of the portion of the award that is ultimately expected to vest is recorded as expense over the requisite periods in our consolidated statement of operations. Determining the fair value of stock-based awards at the grant date requires judgment, including estimating the expected term over which stock awards will be outstanding before they are exercised, the expected volatility of our stock, and the number of stock-based awards that are expected to be forfeited. It is reasonably likely that future assumptions may change, in which case the fair value of future option awards may exceed or fall short of historical calculated fair values. In addition, for stock options with performance conditions, on a quarterly basis we estimate the most probable outcome of the performance conditions in order to determine the amount of compensation costs to be recorded over the remaining vesting period.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, short-term investments, accounts payable and accrued expenses approximates fair value due to the relatively short maturity of these instruments. Common stock warrants, which are classified as liabilities are recorded at their fair market value as of each reporting period.

The measurement of fair value requires the use of techniques based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The inputs create the following fair value hierarchy:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations where inputs are observable or where significant value drivers are observable.
- Level 3 – Instruments where significant value drivers are unobservable to third parties.

We use model-derived valuations where inputs are observable in active markets to determine the fair value of certain common stock warrants on a recurring basis and classify such warrants in Level 2. The Black-Scholes model utilizes inputs consisting of: (i) the closing price of our common stock; (ii) the expected remaining life of the warrants; (iii) the expected volatility using a weighted-average of historical volatilities of SIGA and a group of comparable companies; and (iv) the risk-free market rate. At December 31, 2012 and 2011, the fair value of common stock warrants was as follows:

| | 2012 (Revised) | 2011 (Restated) |
|---|---|---|
| Common stock warrants, current | $333,793 | $125,841 |

| | | |
|---|---|---|
| Common stock warrants, non-current | 657,246 | 1,412,304 |
| | $991,039 | $1,538,145 |

For the years ended December 31, 2012 and 2011, we did not hold any Level 3 securities.

Revenue Recognition
Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed and determinable, collectability is reasonably assured, title and risk of loss have been transferred to the customer and there are no further contractual obligations.

Table of Contents

Certain arrangements may provide for multiple deliverables, in which there may be a combination of: up-front licenses; research, development, regulatory or other services; and delivery of product. Multiple deliverable arrangements can be divided into separate units of accounting if the deliverables in the arrangement meet the following criteria: (i) the delivered item(s) have value to the customer on a standalone basis and (ii) in circumstances in which an arrangement includes a general right of return with respect to delivered items, then performance of the remaining deliverables must be considered probable and substantially in control of the Company. If multiple deliverables cannot be divided into separate units of accounting then the deliverables must be combined into a single unit of accounting.

Total consideration in a multiple deliverable arrangement is allocated to units of accounting on a relative fair value of selling price basis. Consideration allocated to a delivered item or unit of accounting is limited to the amount that is not contingent upon delivery of additional items.

The BARDA Contract is a multiple deliverable arrangement comprising delivery of courses and covered research and development activities. The BARDA Contract provides certain product replacement rights with respect to delivered courses. For this reason, recognition of revenue that might otherwise occur upon delivery of courses is expected to be deferred until our obligations related to potential replacement of delivered courses are satisfied. Furthermore, payment for delivered courses and reimbursement of amounts we spend on covered research services is not contractually due to commence until after we have delivered the first 500,000 courses. Accordingly we have deferred revenue for all amounts received to date. Once we have delivered the first 500,000 courses, we expect to recognize revenue with respect to BARDA’s obligation to reimburse the cost of covered research and development services performed prior to this point.

Subject to the above, payments for development activities are recognized as revenue is earned, over the period of effort. Funding for the acquisition of capital assets under cost-plus-fee contracts and grants is evaluated for appropriate recognition as a reduction to the cost of the acquired asset, a financing arrangement, or revenue, based on the specific terms of the related grant or contract.

Goodwill

The purchase price of an acquired company is allocated between intangible assets and the net tangible assets of the acquired business with the residual of the purchase price recorded as goodwill. The determination of the fair value of the assets acquired and liabilities assumed involves certain judgments and estimates.

At December 31, 2012, our goodwill totaled $898,000. We evaluate goodwill for impairment at least annually or as circumstances warrant. Goodwill is tested for recoverability between annual evaluations whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The impairment review process compares the fair value of the reporting unit in which goodwill resides to its carrying value. In 2012, we operated as one business and one reporting unit. Therefore, the goodwill impairment analysis was performed on the basis of the Company as a whole using our market capitalization as an estimate of our fair value. In the past, our market capitalization has been significantly in excess of our carrying value. It is possible that our future market capitalization may fall short of our current market capitalization, in which case a potential impairment could result. Also, the use of an alternative method, such as the discounted expected future cash flows or market comparables to evaluate the fair value of the Company as a whole will possibly produce different results from our market capitalization.

Income Taxes

Determining the consolidated provision for income tax expense, deferred tax assets and liabilities and related valuation allowance, if any, involves judgment. The recognition of a valuation allowance for deferred taxes requires management to make estimates and judgments about our future profitability which are inherently uncertain. On an on-going basis, we evaluate whether a valuation allowance is needed to reduce our deferred income tax assets to an

amount that is more likely than not to be realized. The evaluation process includes assessing historical and current results in addition to future expected results.

Our assessment that our deferred tax assets will be realized is based on estimates of future taxable income arising from the BARDA Contract. If the current estimates of future taxable income are reduced or not realized, for example, based on an appellate ruling in the PharmAthene litigation described in Item 3 “Legal Proceedings”, our assessment regarding the realization of deferred tax assets could change. Future changes in the estimated amount of deferred taxes expected to be realized will be reflected in our financial statements in the period the estimate is changed with a corresponding adjustment to operating results. Changes in estimates may occur and can have a significant favorable or unfavorable impact on our operating results from period to period.

Recent Accounting Pronouncements

In September 2011, the Financial Accounting Standards Board (the “FASB”) issued updated accounting guidance which amended guidance on how to test goodwill for impairment. This update permits an entity to first assess qualitative factors to

Table of Contents

determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a two-step goodwill impairment test. The updated guidance is effective for annual impairment tests performed in fiscal years beginning after December 15, 2011 with early adoption permitted. This update was adopted for the year ended December 31, 2012 and it did not have a material impact on our consolidated financial statements.

In May 2011, the FASB issued additional guidance on fair value measurements that clarifies the application of existing guidance and disclosure requirements, changes certain fair value measurement principles and requires additional disclosures about fair value measurements. The updated guidance is effective during interim and annual period beginning after December 15, 2011. This update was adopted for the year ended December 31, 2012 and it did not have a material impact on our consolidated financial statements.

In May 2011, the FASB issued guidance that changed the requirement for presenting “Comprehensive Income” in the consolidated financial statements. The update requires an entity to present the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011 and should be applied retrospectively. We adopted this new guidance on January 1, 2012.

Results of Operations

The following table sets forth certain consolidated statements of operations data as a percentage of net revenue for the periods indicated:

| | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| Revenue | 100 | % | 100 | % | 100 | % |
| Selling, general and administrative | 127 | % | 188 | % | 42 | % |
| Research and development | 203 | % | 144 | % | 118 | % |
| Patent preparation fees | 21 | % | 14 | % | 6 | % |
| Operating loss | 251 | % | 247 | % | 66 | % |

Years ended December 31, 2012, 2011, and 2010

Revenues from research and development contracts and grants for the years ended December 31, 2012 and 2011, were $9.0 million and $12.7 million, respectively. The decrease of $3.7 million, or 30%, is primarily attributable to the net impact of a $5.0 million decrease in contract and grant revenues related to Arestvyr, dengue and broad spectrum, offset by a $1.2 million increase in grant revenues related to Lassa fever. The largest portion of the net decrease in revenues comes from the restructuring of an NIH Arestvyr contract in connection with entry into the BARDA Contract in 2011, which impacted the timing of grant usage and the amount of funds available for usage. Additionally, $1.2 million of the revenue decrease is attributable to the conclusion in late 2011 of two federal grants supporting development of a broad spectrum antiviral.

Revenues from research and development contracts and grants for the years ended December 31, 2011 and 2010, were $12.7 million and $19.2 million, respectively. The decrease of $6.5 million, or 34%, relates to a $3.1 million decrease in revenue mainly due to the conclusion of a federal Arestvyr contract in the third quarter of 2011, and to a $3.7 million revenue decrease attributable to the conclusion in 2010 of a federal grant mainly supporting development of a Lassa fever antiviral.

Selling, general and administrative expenses (“SG&A”) for the years ended December 31, 2012 and 2011 were $11.4 million and $23.9 million, respectively, reflecting a decrease of approximately $12.5 million or 52%. The decrease in

SG&A expenses primarily relates to a decrease in non-cash stock-based compensation of approximately $10.7 million and a $1.6 million non-recurring loss contingency expense recorded in 2011 in connection with the PharmAthene litigation.

SG&A for the years ended December 31, 2011 and 2010 were $23.9 million and $8.1 million, respectively, reflecting an increase of approximately $15.8 million or 195%. The increase in SG&A expenses mainly relates to a $13.0 million increase in compensation expense, which includes an increase in non-cash stock-based compensation of approximately $11.1 million, and an increase of $2.0 million for an estimated loss contingency in connection with an ongoing legal dispute.

Research and development ("R&D") expenses were $18.2 million for the year ended December 31, 2012, approximately matching the $18.4 million incurred during the year ended December 31, 2011. Decreases in direct vendor-related expenses supporting the development of Arestvyr, dengue antivirals and broad-spectrum antivirals were offset by increases in expenses
related to various operation initiatives, employee compensation and vendor-related costs supporting the development of Lassa fever antivirals.

R&D expenses were $18.4 million for the year ended December 31, 2011, a decrease of $4.3 million or 19% from the $22.7 million incurred during the year ended December 31, 2010. The decrease was primarily due to direct vendor-related expenses supporting the development of Arestvyr decreasing $4.8 million from the prior year, offset by an increase to employee compensation expenses as a result of hiring additional R&D personnel. As of December 31, 2011 and 2010, we had 61 and 57 full-time R&D personnel, respectively.

During the years ended December 31, 2012, 2011, and 2010, we incurred direct costs of $7.4 million, $7.2 million and $12.2 million, respectively, on the development of Arestvyr. During the year ended December 31, 2012, we spent $1.3 million on internal human resources dedicated to the drug's development and $6.0 million mainly on manufacturing and clinical testing. During the year ended December 31, 2011, we spent $1.4 million on internal human resources dedicated to the drug's development and $5.8 million mainly on packaging and manufacturing. From inception of the ST-246 development program to-date, we invested a total of $52.7 million in the program, of which $9.7 million supported internal human resources, and $43.0 million were used mainly for manufacturing, clinical and pre-clinical work. These resources reflect research and development expenses directly related to the program. They exclude additional expenditures such as patent costs, allocation of indirect expenses, and other services provided by NIH and DoD.

During the years ended December 31, 2012, 2011, and 2010, we incurred direct costs of $2.2 million, $1.7 million and $2.5 million, respectively, to support the development of drug candidates for dengue fever, Lassa fever virus and other drug candidates for certain arenavirus pathogens and hemorrhagic fevers. During the year ended December 31, 2012, $1.2 million was spent on internal human resources and $1.0 million was spent mainly on the optimization and chemistry of lead antiviral compounds. During the year ended December 31, 2011, we spent $1.7 million for dengue fever, Lassa virus and other drug candidates for certain arenavirus pathogens and hemorrhagic fevers, of which $766,000 was mainly for internal human resources and $916,000 for medicinal chemistry and pre-clinical testing of our drug candidates. From inception of these programs to date, we spent a total of $12.5 million related to the programs, of which $4.4 million, $7.7 million and $299,000 were expended on internal human resources, pre-clinical work and equipment, respectively. These resources reflect research and development expenses directly related to the programs. They exclude additional expenditures such as patent costs, allocation of indirect expenses, and other services provided by NIH and DoD.

During the years ended December 31, 2012, 2011, and 2010, we spent $4,000, $981,000 and $1.5 million, respectively, to support the development of a broad-spectrum antiviral drug candidate. During the year ended December 31, 2012, the $4,000 incurred was spent to support medicinal chemistry. During the year ended December 31, 2011, we spent $329,000 on internal human resources and $653,000 mainly on the optimization of lead antiviral

compounds. From the inception of our program to develop a broad-spectrum antiviral drug to-date, we have spent a total of $2.5 million related to the program, of which $1.0 million and $1.5 million were mainly expended on internal human resources and supporting medicinal chemistry and the optimization of lead antiviral compounds, respectively. These resources reflect expenses directly related to the program. They exclude additional expenditures such as patent costs, allocation of indirect expenses, and other services provided by NIH and DoD.

The majority of our product programs are in the early stage of development. As a result, we cannot make reasonable estimates of the potential cost for most of our programs to be completed or the time it will take to complete the programs. There is a high risk of non-completion of any program because of the lead time to program completion, scientific issues that may arise and uncertainty of the costs. However, we could receive additional grants, contracts or technology licenses in the short-term. The potential cash and timing is not known and we cannot be certain if they will ever occur. If we are unable to obtain additional federal funding in the required amounts, the development timeline for these products would slow or possibly be suspended.

Patent preparation expenses for the years ended December 31, 2012, 2011 and 2010 were $1.9 million, $1.8 million and $1.1 million, respectively. These expenses reflect our ongoing efforts to protect our lead drug candidates in expanded geographic territories.

Changes in the fair value of certain warrants to acquire common stock are recorded as gains or losses. For the years ended December 31, 2012, 2011, and 2010, we recorded a gain of $804,516 (revised), a gain of $24.4 million (restated) and a loss of $38.1 million (restated), respectively, reflecting changes in the fair market value of warrants and rights to purchase common stock during the respective years. The warrants and rights to purchase our common stock were recorded at fair market value and classified as liabilities.

Interest expense for the year ended December 31, 2012 was $173,000, reflecting certain vendor payable arrangements.

Table of Contents

Other income for the years ended December 31, 2012, 2011, and 2010, was $500, $13,000 and $659,000, respectively. Other income normalized in 2011, after we received $648,000 from the U.S. government in 2010 for qualified therapeutic drug discovery tax grant. Other income in 2012, 2011 and 2010 consists of interest income on our cash and cash equivalents.

For the year ended December 31, 2012, we incurred net losses for tax purposes and consequently, recognized an income tax benefit of $7.8 million. For the year ended December 31, 2011, the benefit from income taxes of $36.0 million mainly reflects net losses as well as a partial reduction of our valuation allowance as a significant portion of our deferred tax assets became realizable on a more likely than not basis primarily as a result of the execution of the BARDA Contract and forecasts of pre-tax earnings. Prior to June 30, 2011, we provided a tax valuation allowance on our United States federal and state deferred tax assets based on our evaluation that such assets were not “more likely than not” to be realized.

The recognition of a valuation allowance for deferred taxes requires management to make estimates and judgments about our future profitability which are inherently uncertain. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. If the current estimates of future taxable income are reduced or not realized, for example, based on an appellate ruling in the PharmAthene litigation described in Item 3, “Legal Proceedings”, the Company’s assessment regarding the realization of deferred tax assets could change. Future changes in the estimated amount of deferred taxes expected to be realized will be reflected in the Company’s financial statements in the period the estimate is changed with a corresponding adjustment to operating results. Changes in estimates may occur often and can have a significant favorable or unfavorable impact on the Company’s operating results from period to period.

In 2012 and 2011, previously available NOLs of approximately $1.2 and $0.9 million, respectively, expired.The remaining NOLs expire in various years between 2018 and 2032, if not utilized.

Liquidity and Capital Resources

On December 31, 2012, we had $32.0 million in cash and cash equivalents compared with $49.3 million at December 31, 2011. During the year ended December 31, 2012, we received a $12.3 million milestone payment upon receiving FDA concurrence with respect to the product labeling strategy under the BARDA Contract and net proceeds of $4.9 million from the issuance of debt after deducting the discount and issue costs.

In December 2012, we entered into a loan agreement with a lender to provide the Company a term loan of $5.0 million with a fixed interest rate of 9.85% per annum and a revolving line of credit of $7.0 million with a variable interest rate. Borrowings under the revolving line of credit are based on eligible outstanding accounts receivable and will bear interest at a rate per annum equal to 5.25% plus the higher of: (a) 1.50%, and (b) three-month LIBOR divided by a defined factor. The term of the loan is three years. As of December 31, 2012, the full term loan amount of $5 million was outstanding and no amounts were available to borrow against the revolving line of credit as there were no eligible accounts receivable.

Operating activities
Net cash used in operations for the year ended December 31, 2012 was $20.2 million; net cash provided by operations for the year ended December 31, 2011 was $25.6 million and net cash used in operations during the year ended December 31, 2010 was $10.8 million. In 2012, the Company used $17.6 million of cash for the manufacture of Arestvyr and $1.4 million of cash for development and supportive activities for Arestvyr. These cash uses relate to the performance of the BARDA contract. Partially offsetting the above-mentioned items was the receipt of a $12.3 million milestone payment on the BARDA contract relating to FDA concurrence with respect to SIGA’s labeling strategy for Arestvyr. In 2011, operating cash increased with the receipt of a $41 million advance payment on the

BARDA contract.

On December 31, 2012 and 2011, our accounts receivable balance was $4.7 million and $2.6 million, respectively. Our account receivable balances primarily reflect $3.8 million of reimbursable development and support costs incurred as part of the work performed under the BARDA Contract. SIGA will receive reimbursement once the Company meets minimum delivery thresholds. The remaining accounts receivable balance reflects work performed during December 2012 in connection with Arestvyr, dengue fever antiviral and Lassa fever antiviral development contracts. Funds outstanding related to the dengue fever antiviral and Lassa fever antiviral development contracts were collected during January and February 2013. Our accounts payable, accrued expenses and other current liabilities balance were $14.5 million and $6.9 million on December 31, 2012 and 2011, respectively. The increase is mainly due to outstanding payables to contract manufacturing organizations for inventory processed under the BARDA Contract.

Table of Contents

Investing activities
Capital expenditures during the years ended December 31, 2012, 2011, and 2010 were approximately $588,200, $237,000 and $550,000, respectively, reflecting purchases of fixed assets in the ordinary course of business. In addition, for the year ended December 31, 2012, we posted $1.3 million of collateral for a surety bond related to the PharmAthene litigation.

The years ended December 31, 2011 and 2010 included several purchases and maturities of U.S. Treasury bills.

Financing activities
Cash provided by financing activities was $4.9 million, $2.6 million and $13.2 million, during the years ended December 31, 2012, 2011, and 2010, respectively. During the year ended December 31, 2012, we received proceeds of $10,000, from exercises of options to purchase common stock and net proceeds of $4.9 million from the issuance of debt.

During the year ended December 31, 2011, we received proceeds of $3.9 million from exercises of options and warrants to purchase common stock. The amount of proceeds was offset by the repurchase of common stock to meet minimum statutory tax withholding requirements.

During the year ended December 31, 2010, we received proceeds of $13.2 million from exercises of options and warrants to purchase common stock including proceeds under a letter agreement dated June 19, 2008 (as amended, the "Letter Agreement") with MacAndrews & Forbes LLC ("M&F"), a related party.

Other
We have incurred cumulative net losses and expect to incur additional expenses to perform further research and development activities. We anticipate that we will need additional funds, beyond current capital resources, to complete the development of our products. We believe that the funds expected to be generated from our procurement contract with BARDA (see Note 4) together with our existing capital resources and continuing government contracts and grants will be sufficient to support our operations beyond the next twelve months. Payment from BARDA for delivery of courses of Arestvyr will not commence until after delivery of 500,000 courses. We currently expect achievement of this threshold and the resulting receipt of funds from BARDA to occur during 2013. If 500,000 courses are not delivered or if payment for delivery is not received in 2013, then the Company will experience a significant reduction in our forecasted capital resources and cash flows and consequently will need to seek additional capital resources. Such resources might include procurement contracts, collaborative agreements, strategic alliances, research grants and future equity and debt financing. There is no assurance that we will be successful in obtaining additional funding, or whether any funding from an equity or debt financing would be available on commercially reasonable terms, if at all. If we are unable to raise additional capital, future operations might need to be scaled back or discontinued. Furthermore, as discussed in Item 3, "Legal Proceedings", our ability to support our operations may be adversely affected by the resolution of the pending appeal and cross-appeal in the litigation with PharmAthene. The financial statements do not include any adjustment relating to the recoverability of the carrying amount of recorded assets and liabilities that might result from the outcome of these uncertainties.

Contractual Obligations, Commercial Commitments and Purchase Obligations

Future contractual obligations and commercial commitments as of December 31, 2012 are expected to be as follows:

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| | Total | Less than 1 year | 1 to 3 years | 3 to 5 years | Greater than 5 years |
| Operating lease obligations (1) | $4,511,434 | $866,098 | $1,783,332 | $1,862,004 | $— |

| | | | | | |
|---|---|---|---|---|---|
| Long term debt (2) | 5,853,348 | 1,437,459 | 4,415,889 | — | — |
| Purchase obligations | 11,851,104 | 11,851,104 | — | — | — |
| Total contractual obligations | $22,215,886 | $14,154,661 | $6,199,221 | $1,862,004 | $— |

(1) Includes facilities and office space under an operating lease which expires in 2017. These obligations assume non-termination of agreements and represent expected payments, which are subject to change. In January 2013, we entered into a sublease with an affiliate of M&F, which is expected to commence in the first half of 2013 and to expire in 2020; rent payments under the sublease are not included in the above schedule. Refer to Note 9 for further description.

(2) Consists of a $5 million term loan with a fixed interest rate of 9.85%. The amounts in the table above assume the payment of interest on our term loan through its maturity date and the payment amount of the notes in accordance with the loan agreement. Interest is payable monthly.

Table of Contents

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our investment portfolio includes cash, cash equivalents and short-term investments. Our main investment objectives are the preservation of investment capital and the maximization of after-tax returns on our investment portfolio. We believe that our investment policy is conservative, both in the duration of our investments and the credit quality of the investments we hold. We do not utilize derivative financial instruments, derivative commodity instruments or other market risk sensitive instruments, positions or transactions to manage exposure to interest rate changes. Accordingly, we believe that, while the securities we hold are subject to changes in the financial standing of the issuer of such securities and our interest income is sensitive to changes in the general level of U.S. interest rates, we are not subject to any material risks arising from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices or other market changes that affect market risk sensitive instruments.

Table of Contents

Item 8. Revised and Restated Financial Statements and Supplementary Data

Index to the Revised and Restated Consolidated Financial Statements

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of SIGA Technologies, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and comprehensive income/loss, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the financial position of SIGA Technologies, Inc. and its subsidiary at December 31, 2012 and December 31, 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Management and we previously concluded that the Company maintained effective internal control over financial reporting as of December 31, 2012. However, management has subsequently determined that a material weakness in internal control over financial reporting, related to the accounting for anti-dilution provisions contained in certain outstanding warrant agreements, existed as of that date. Accordingly, Management's Report on Internal Control over Financial Reporting appearing under Item 9A has been restated and our present opinion on internal control over financial reporting, as presented herein, is different from that expressed in our previous report. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because a material weakness in internal control over financial reporting relating to the accounting for anti-dilution provisions contained in certain outstanding warrant agreements. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the December 31, 2012 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 3 to the consolidated financial statements, the 2011 and 2010 consolidated financial statements have been restated to correct an error.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Table of Contents

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York
March 6, 2013, except for the restatement described in Note 3 to the consolidated financial statements and the matter described in the penultimate paragraph of Management's Report on Internal Control over Financial Reporting (Restated), as to which the date is May 14, 2013.

Table of Contents

SIGA TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

As of December 31, 2012 and 2011

| | December 31, 2012 | December 31, 2011 (Restated) |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | $32,017,490 | $49,256,930 |
| Accounts receivable | 970,288 | 2,637,103 |
| Inventory | 17,641,922 | — |
| Prepaid expenses and other current assets | 801,149 | 356,898 |
| Deferred tax assets | 33,515,327 | 727,772 |
| Total current assets | 84,946,176 | 52,978,703 |
| | | |
| Property, plant and equipment, net | 987,869 | 818,992 |
| Receivables from long-term contract | 3,771,219 | — |
| Deferred costs | 2,841,534 | 250,072 |
| Goodwill | 898,334 | 898,334 |
| Other assets | 2,181,720 | 285,345 |
| Deferred tax assets, net | 10,209,278 | 35,149,031 |
| Total assets | $105,836,130 | $90,380,477 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | $10,189,917 | $2,278,316 |
| Accrued expenses and other current liabilities | 4,283,849 | 4,644,461 |
| Current common stock warrants | 333,793 | 125,841 |
| Current portion of long term debt | 954,738 | — |
| Total current liabilities | 15,762,297 | 7,048,618 |
| | | |
| Deferred revenue | 57,052,020 | 41,001,110 |
| Common stock warrants | 657,246 | 1,412,304 |
| Long term debt | 3,955,262 | — |
| Other liabilities | 166,303 | 147,586 |
| Total liabilities | 77,593,128 | 49,609,618 |
| Commitments and contingencies (Note 14) | | |
| Stockholders' equity | | |
| Common stock ($.0001 par value, 100,000,000 shares authorized, 51,642,520 and 51,637,352 issued and outstanding at December 31, 2012, and December 31, 2011, respectively) | 5,164 | 5,164 |
| Additional paid-in capital | 167,588,374 | 166,056,692 |
| Accumulated deficit | (139,350,536) | (125,290,997) |
| Total stockholders' equity | 28,243,002 | 40,770,859 |
| Total liabilities and stockholders' equity | $105,836,130 | $90,380,477 |

The accompanying notes are an integral part of these financial statements.
SIGA TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/LOSS

For the Years Ended December 31, 2012, 2011 and 2010

| | 2012 | 2011 (Restated) | 2010 (Restated) |
|---|---|---|---|
| Revenues | | | |
| Research and development | $8,970,835 | $12,725,792 | $19,215,837 |
| | | | |
| Operating expenses | | | |
| Selling, general and administrative | 11,410,131 | 23,931,713 | 8,130,669 |
| Research and development | 18,213,036 | 18,367,348 | 22,658,959 |
| Patent preparation fees | 1,883,405 | 1,808,168 | 1,148,597 |
| Total operating expenses | 31,506,572 | 44,107,229 | 31,938,225 |
| Operating loss | (22,535,737) | (31,381,437) | (12,722,388) |
| Decrease (increase) in fair value of common stock warrants | 804,516 | 24,436,309 | (38,110,030) |
| Interest expense | (172,993) | — | — |
| Other income, net | 522 | 13,061 | 659,292 |
| Loss before income taxes | (21,903,692) | (6,932,067) | (50,173,126) |
| Benefit from (provision for) income taxes | 7,844,153 | 36,031,646 | (175,175) |
| Net income (loss) | $(14,059,539) | $29,099,579 | $(50,348,301) |
| Basic earnings (loss) per share | $(0.27) | $0.57 | $(1.12) |
| Diluted earnings (loss) per share | $(0.27) | $0.09 | $(1.12) |
| Weighted average shares outstanding: basic | 51,639,622 | 50,929,491 | 45,151,774 |
| Weighted average shares outstanding: diluted | 51,639,622 | 54,061,650 | 45,151,774 |
| | | | |
| Net income (loss) | $(14,059,539) | $29,099,579 | $(50,348,301) |
| Change in net unrealized gain (loss) on short-term investments | — | (4,067) | 4,067 |
| Comprehensive income (loss) | $(14,059,539) | $29,095,512 | $(50,344,234) |

The accompanying notes are an integral part of these financial statements.

Table of Contents

SIGA TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Years Ended December 31, 2012, 2011 and 2010

| | Common Stock | | Additional Paid - In | Accumulated | Accumulated Other Comprehensive | Total Stockholders' |
|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Deficit | Income (Loss) | Equity |
| Balances, December 31, 2009 (Restated) | 43,061,635 | $4,306 | $100,548,497 | $(104,042,276) | $ — | $(3,489,473) |
| Net loss | | | | (50,348,301) | | (50,348,301) |
| Change in net unrealized gain (loss) on short-term investments | | | | | 4,067 | 4,067 |
| Comprehensive loss | | | | | | (50,344,234) |
| Issuance of common stock upon exercise of stock options and warrants | 5,957,808 | 596 | 8,880,394 | | | 8,880,990 |
| Stock based compensation | | | 1,483,955 | | | 1,483,955 |
| Fair value of exercised common stock warrants | | | 30,555,845 | | | 30,555,845 |
| Balances, December 31, 2010 (Restated) | 49,019,443 | 4,902 | 141,468,691 | (154,390,577) | 4,067 | (12,912,917) |
| Net income | | | | 29,099,579 | | 29,099,579 |
| Change in net unrealized gain (loss) on short-term investments | | | | | (4,067) | (4,067) |
| Comprehensive income | | | | | | 29,095,512 |
| Issuance of common stock upon exercise of stock options and warrants | 2,123,454 | 213 | 3,946,024 | | | 3,946,237 |
| Stock based compensation | 700,000 | 70 | 12,463,702 | | | 12,463,772 |
| Tax obligation from stock-based compensation | (205,545) | (21) | (1,353,635) | | | (1,353,656) |
| Fair value of exercised common stock warrants | | | 9,531,911 | | | 9,531,911 |
| Balances, December 31, 2011 (Restated) | 51,637,352 | 5,164 | 166,056,693 | (125,290,998) | — | 40,770,859 |
| Net loss | | | | (14,059,539) | | (14,059,539) |
| Change in net unrealized gain (loss) on short-term investments | | | | | | — |
| Comprehensive loss | | | | | | (14,059,539) |
| Issuance of common stock upon exercise of stock options and warrants | 5,168 | — | (247,833) | | | (247,833) |
| Stock based compensation | | | 1,779,515 | | | 1,779,515 |
| Balances, December 31, 2012 | 51,642,520 | $5,164 | $167,588,375 | $(139,350,537) | $ — | $28,243,002 |

The accompanying notes are an integral part of these financial statements.

17

Table of Contents

SIGA TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2012, 2011 and 2010

| | 2012 | 2011 (Restated) | 2010 (Restated) |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net income (loss) | $(14,059,539) | $29,099,579 | $(50,348,301) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation and other amortization | 419,358 | 568,288 | 625,343 |
| Increase (decrease) in fair value of warrants | (804,516) | (24,436,309) | 38,099,969 |
| Stock based compensation | 1,779,515 | 12,463,772 | 1,483,955 |
| Changes in assets and liabilities: | | | |
| Accounts receivable | (2,104,404) | 365,041 | (596,283) |
| Inventory | (17,641,922) | — | — |
| Deferred costs | (2,591,462) | (250,072) | — |
| Prepaid expenses | (444,251) | 12,119 | 1,216,055 |
| Other assets | (548,419) | (4,697) | 24,103 |
| Deferred income taxes, net | (7,847,802) | (36,051,978) | 175,175 |
| Accounts payable, accrued expenses and other current liabilities | 7,550,989 | 2,659,597 | (125,929) |
| Deferred revenue | 16,050,910 | 41,001,110 | — |
| Other liabilities | 18,717 | 147,586 | (1,379,471) |
| Net cash provided by (used in) operating activities | (20,222,826) | 25,574,036 | (10,825,384) |
| Cash flows from investing activities: | | | |
| Capital expenditures | (588,235) | (237,023) | (549,944) |
| Collateral for surety bond | (1,347,956) | — | — |
| Proceeds from maturity of short term investments | — | 40,000,000 | 31,250,000 |
| Purchases of short term investments | — | (25,004,717) | (41,235,922) |
| Net cash provided by (used in) investing activities | (1,936,191) | 14,758,260 | (10,535,866) |
| Cash flows from financing activities: | | | |
| Net proceeds from exercise of warrants and options | 9,577 | 3,946,237 | 13,196,990 |
| Repurchase of common stock | — | (1,353,656) | — |
| Proceeds from the issuance of debt | 4,910,000 | — | — |
| Net cash provided by financing activities | 4,919,577 | 2,592,581 | 13,196,990 |
| Net increase (decrease) in cash and cash equivalents | (17,239,440) | 42,924,877 | (8,164,260) |
| Cash and cash equivalents at beginning of period | 49,256,930 | 6,332,053 | 14,496,313 |
| Cash and cash equivalents at end of period | $32,017,490 | $49,256,930 | $6,332,053 |
| | | | |
| Supplemental disclosure of non-cash financing activities: | | | |
| Reclass of common stock warrant liability to additional paid-in capital upon warrant exercise | $— | $9,531,911 | $30,555,845 |

The accompanying notes are an integral part of these financial statements

SIGA TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

Description of Business
SIGA Technologies, Inc. ("SIGA" or the "Company") is a pharmaceutical company specializing in the development and commercialization of pharmaceutical solutions for some of the most lethal disease-causing pathogens in the world - smallpox, Ebola, dengue, Lassa fever and other dangerous viruses. The Company aims to discover, develop, manufacture and commercialize drugs to prevent and treat these high-priority threats. The Company's mission is to disarm dreaded viral diseases and create robust, modern biodefense countermeasures.

Basis of presentation
The consolidated financial statements are presented in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and reflect the consolidated financial position, results of operations and cash flows for all periods presented.

The consolidated financial statements have been prepared on a basis which assumes that the Company will continue as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Management believes that the funds expected to be generated from its procurement contract with the Biomedical Advance Research and Development Authority ("BARDA") (see Note 4) together with existing capital resources and continuing government grants and contracts will be sufficient to support its operations beyond the next twelve months. As discussed in Note 4, payment from BARDA for delivery of courses of Arestvyr™ (tecovirimat), also known as ST-246®, will not commence until after delivery of 500,000 courses. Management currently expects achievement of this threshold and the resulting receipt of funds from BARDA to occur during 2013. If 500,000 courses are not delivered or if payment for delivery is not received in 2013, then the Company will experience a significant reduction in our forecasted capital resources and cash flows and consequently will need to seek additional capital resources. Such resources may include procurement contracts, collaborative agreements, strategic alliances, research grants, and future equity and debt financing. There is no assurance that the Company will be successful in obtaining additional funding, or whether any funding from either an equity or debt financing would be available on commercially reasonable terms, if at all. If the Company is unable to raise additional capital, future operations might need to be scaled back or discontinued. The financial statements do not include any adjustments relating to the recoverability of the carrying amount of recorded assets and liabilities that might result from the outcome of these uncertainties.

2. Summary of Significant Accounting Policies

Reclassifications
Certain reclassifications have been made to prior year amounts to conform to 2012 presentation.

Use of Estimates
The consolidated financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. The most significant estimates include the variables used in the calculation of fair value of stock-based awards including options and warrants granted or issued by the Company; reported amounts of revenue and expenses; impairment of goodwill; and the realization of deferred tax assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from these estimates.

Cash Equivalents, Short-term Investments and Marketable Securities
The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Highly liquid investments with maturities greater than three months and less than one year are classified as short-term investments. Such investments are generally money market funds, bank certificates of deposit, and U.S. Treasury bills.

The Company classifies short-term investments and marketable securities with readily determinable fair values as "available-for-sale." Investments in securities that are classified as available-for-sale are measured at fair market value in the balance sheet and unrealized holding gains and losses on investments are reported as a separate component of stockholders' equity until realized.

Concentration of Credit Risk
The Company has cash in bank accounts that exceed the Federal Deposit Insurance Corporation insured limits. The Company has not experienced any losses on its cash accounts and no allowance has been provided for potential credit losses because management believes that any such losses would be minimal, if any.

Accounts Receivable
Accounts receivable are recorded net of provisions for doubtful accounts. At December 31, 2012 and 2011, 100% of accounts receivables represented receivables from National Institutes of Health ("NIH") and BARDA. An allowance for doubtful accounts is based on specific analysis of the receivables. At December 31, 2012 and 2011, the Company had no allowance for doubtful accounts.

Inventory
Inventories are stated at the lower of cost or estimated realizable value. The Company capitalizes inventory costs associated with the Company's products when, based on management's judgment, future commercialization is considered probable and the future economic benefit is expected to be realized; otherwise, such costs are expensed as research and development. Inventory is evaluated for impairment periodically to identify inventory that may expire prior to expected sale or has a cost basis in excess of its estimated realizable value. If certain batches or units of product no longer meet quality specifications or become obsolete due to expiration, the Company records a charge to write down such unmarketable inventory to its estimated realizable value.

Property, Plant and Equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided on a straight-line method over the estimated useful lives of the various asset classes. The estimated useful lives are as follows: 5 years for laboratory equipment; 3 years for computer equipment; and 7 years for furniture and fixtures. Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets or the lease term. Maintenance, repairs and minor replacements are charged to expense as incurred.

Revenue Recognition
Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, collectability is reasonably assured, title and risk of loss have been transferred to the customer and there are no further contractual obligations.

Certain arrangements may provide for multiple deliverables, in which there may be a combination of: up-front licenses; research, development, regulatory or other services; and delivery of product. Multiple deliverable arrangements can be divided into separate units of accounting if the deliverables in the arrangement meet the following criteria: (i) the delivered item(s) have value to the customer on a standalone basis and (ii) in circumstances in which an arrangement includes a general right of return with respect to delivered items, then performance of the remaining deliverables must be considered probable and substantially in control of the Company. If multiple deliverables cannot be divided into separate units of accounting then the deliverables must be combined into a single

unit of accounting.

Total consideration in a multiple deliverable arrangement is allocated to units of accounting on a relative fair value of selling price basis. Consideration allocated to a delivered item or unit of accounting is limited to the amount that is not contingent upon delivery of additional items.

Subject to the above, payments for development activities are recognized as revenue as earned, over the period of effort. Funding for the acquisition of capital assets under cost-plus-fee contracts or grants is evaluated for appropriate recognition as a reduction to the cost of the asset, a financing arrangement, or revenue based on the specific terms of the related grant or contract.

For the years ended December 31, 2012, 2011, and 2010, revenues from NIH and BARDA were 100%, 96% and 91%, respectively, of total revenues recognized by the Company.

Research and Development

Research and development expenses include costs directly attributable to the conduct of research and development programs, including employee related costs, materials, supplies, depreciation on and maintenance of research equipment, the cost of services provided by outside contractors, including services related to the Company’s clinical trials and facility costs, such as rent, utilities, and general support services. All costs associated with research and development are expensed as incurred. Costs related to the acquisition of technology rights, for which development work is still in process, and that have no alternative future uses, are expensed as incurred.

Table of Contents

Goodwill

The Company evaluates goodwill for impairment at least annually or as circumstances warrant. The impairment review process compares the fair value of the reporting unit in which goodwill resides to its carrying value. The Company operates as one business and one reporting unit. Therefore, the goodwill impairment analysis is performed on the basis of the Company as a whole, using the market capitalization of the Company as an estimate of its fair value.

Share-based Compensation

Stock-based compensation expense for all share-based payment awards made to employees and directors is determined on the grant date; for options awards, fair value is estimated using the Black-Scholes model and for stock appreciation rights ("SARs"), fair value is estimated using a Monte Carlo method. The value of the portion of the award that is ultimately expected to vest is recorded as expense over the requisite service periods in the Company's consolidated statement of operations.

These compensation costs are recognized net of an estimated forfeiture rate over the requisite service periods of the awards. Forfeitures are estimated on the date of the respective grant and revised if actual or expected forfeiture activity differs from original estimates.

Income Taxes

The Company recognizes income taxes utilizing the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are recorded for temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities at enacted tax rates expected to be in effect for the years in which the differences are expected to reverse. A valuation allowance is established if it is more likely than not that some or the entire deferred tax asset will not be realized. The recognition of a valuation allowance for deferred taxes requires management to make estimates and judgments about the Company's future profitability which are inherently uncertain.

The Company applies the applicable authoritative guidance which prescribes a comprehensive model for the manner in which a company should recognize, measure, present and disclose in its financial statements all material uncertain tax positions that the Company has taken or expects to take on a tax return. The Company has no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within twelve months from December 31, 2012. The Company files federal income tax returns and income tax returns in various state and local tax jurisdictions. The open tax years for U.S. federal, state and local tax returns is generally 2009 - 2012; open tax years relating to unused net operating loss carryforwards ("NOLs") begin in 1998. In the event that the Company concludes that it is subject to interest and/or penalties arising from uncertain tax positions, the Company will present interest and penalties as a component of income taxes. No amounts of interest or penalties were recognized in the Company's consolidated financial statements for each of the years in the three-year period ended December 31, 2012.

Net Loss per Share

The objective of basic earning per share ("EPS") is to measure the performance of an entity over the reporting period by dividing income (loss) by the weighted average shares outstanding. The objective of diluted EPS is consistent with that of basic EPS, except that it also gives effect to all potentially dilutive common shares outstanding during the period.

Table of Contents

The following is a reconciliation of the basic and diluted net income (loss) per share computation:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 (Revised) | 2011 (Restated) | 2010 (Restated) |
| Net (loss) income for basic EPS | $(14,059,539) | $29,099,579 | $(50,348,301) |
| Change in fair value of warrants | — | (24,436,309) | — |
| Net loss (income), adjusted for change in fair value of warrants for diluted EPS | $(14,059,539) | $53,535,888 | $(50,348,301) |
| Weighted-average shares: basic | 51,639,622 | 50,929,491 | 45,151,774 |
| Effect of potential common shares | — | 3,132,159 | — |
| Weighted-average shares: diluted | 51,639,622 | 54,061,650 | 45,151,774 |
| Earnings (loss) per share: basic | $(0.27) | $0.57 | $(1.12) |
| Earnings (loss) per share: diluted | $(0.27) | $0.09 | $(1.12) |
| Anti-dilutive employee share-based awards, excluded | — | 504,668 | — |

The diluted earnings per share calculation reflects the effect of the assumed exercise of outstanding warrants and any corresponding elimination of the benefit included in operating results from the change in fair value of the warrants. Diluted shares outstanding include the dilutive effect of in-the-money options and warrants, unvested restricted stock and restricted stock units. The dilutive effect of such equity awards is calculated based on the average share price for each fiscal period using the treasury stock method. Under the treasury stock method, the amount the employee must pay for exercising stock options, the average amount of compensation cost for future service that the Company has not yet recognized, and the amount of tax benefits that would be recorded in additional paid-in capital when the award becomes deductible, are collectively assumed to be used to repurchase shares.

The Company incurred losses for the years ended December 31, 2012 and 2010 whereas for the year ended December 31, 2011, the Company had net income. For all periods presented, certain equity instruments are excluded from the calculation of diluted earnings (loss) per share as the effect of such shares is anti-dilutive. The weighted average number of equity instruments excluded consist of:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Stock Options | 2,865,861 | 504,668 | 4,649,361 |
| Stock-Settled Stock Appreciation Rights | 421,020 | — | — |
| Restricted Stock Units | 351,011 | — | — |
| Warrants | 2,263,538 | — | 8,052,933 |

As discussed in Note 6, the appreciation of each SSAR was capped at a determined maximum value. As a result, the weighted average number shown in the table above for stock-settled stock appreciation rights reflects the weighted average maximum number of shares that could be issued.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts payable and accrued expenses approximates fair value due to the relatively short maturity of these instruments. Common stock warrants which are classified as liabilities are recorded at their fair market value as of each reporting period.

The measurement of fair value requires the use of techniques based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The inputs create the following fair value hierarchy:

- Level 1 – Quoted prices for identical instruments in active markets.

- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations where inputs are observable or where significant value drivers are observable.

Table of Contents

- Level 3 – Instruments where significant value drivers are unobservable to third parties.

The Company uses model-derived valuations where inputs are observable in active markets to determine the fair value of certain common stock warrants on a recurring basis and classify such warrants in Level 2. The Company utilizes the Black-Scholes model consisting of the following variables: (i) the closing price of SIGA's common stock; (ii) the expected remaining life of the warrant; (iii) the expected volatility using a weighted-average of historical volatilities from a combination of SIGA and comparable companies; and (iv) the risk-free market rate. At December 31, 2012 and 2011, the fair value of such warrants was as follows:

| | 2012 (Revised) | 2011 (Restated) |
|---|---|---|
| Common stock warrants, current | $333,793 | $125,841 |
| Common stock warrants, non-current | 657,246 | 1,412,304 |
| | $991,039 | $1,538,145 |

For the years ended December 31, 2012 and 2011, SIGA did not hold any Level 3 securities.

As of December 31, 2012, the Company had $5.0 million outstanding from a loan entered into on December 31, 2012 (refer to Note 8 for details). The fair value of the loan approximates cost at December 31, 2012.

Segment Information

The Company is managed and operated as one business. The entire business is managed by a single management team that reports to the chief executive officer. The Company does not operate separate lines of business or separate business entities with respect to any of its product candidates. Accordingly, the Company does not prepare discrete financial information with respect to separate product areas or by location and only has one reportable segment.

Recent Accounting Pronouncements

In September 2011, the Financial Accounting Standards Board (the "FASB") issued updated accounting guidance, which amended guidance on how to test goodwill for impairment. This update permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a two-step goodwill impairment test. The updated guidance is effective for annual impairment tests performed in fiscal years beginning after December 15, 2011 with early adoption permitted. SIGA adopted this update for the year ended December 31, 2012 and the update did not have a material impact on the Company's consolidated financial statements.

In May 2011, the FASB issued additional guidance on fair value measurements that clarifies the application of existing guidance and disclosure requirements, changes certain fair value measurement principles and requires additional disclosures about fair value measurements. The updated guidance is effective during interim and annual period beginning after December 15, 2011. SIGA adopted this update for the year ended December 31, 2012 and the update did not have a material impact on the Company's consolidated financial statements.

In May 2011, the FASB issued guidance that changed the requirement for presenting Comprehensive Income in the consolidated financial statements. The update requires an entity to present the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011 and should be applied retrospectively. SIGA adopted this new guidance on January 1, 2012.

Table of Contents

3. Restatement and Revision of Consolidated Financial Statements

On May 8, 2013, the Company concluded, based on the recommendation of management, that the previously issued consolidated financial statements as of and for the years ended December 31, 2011 and 2010 included in the Company's most recently filed Form 10-K are no longer appropriate to rely upon because they failed to account for certain outstanding warrants to purchase common stock of the Company (the “Warrants”) as liabilities rather than equity and to account for non-cash charges resulting from the periodic “mark-to-market” adjustments of the Warrants. The Company has determined that the aforementioned financial statements should be restated to correct this error and reflect the aforementioned liabilities and non-cash charges.

The audited consolidated financial statements and related disclosures as of and for the year ended December 31, 2012 have also been revised to correct this error and conform with the restated financial statements referred to herein. The impact to the financial statements as of and for the year ended December 31, 2012 was not material.

The effects of the revision and restatement on the consolidated balance sheets are summarized in the following table:

| | December 31, 2012 | | | December 31, 2011 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustment | Revised | As Originally Reported | Adjustment | Restated |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | $32,017,490 | | $32,017,490 | $49,256,930 | | $49,256,930 |
| Accounts receivable | 970,288 | | 970,288 | 2,637,103 | | 2,637,103 |
| Inventory | 17,641,922 | | 17,641,922 | — | | — |
| Prepaid expenses and other current assets | 801,149 | | 801,149 | 356,898 | | 356,898 |
| Deferred tax assets, net | 33,515,327 | | 33,515,327 | 727,772 | | 727,772 |
| Total current assets | 84,946,176 | — | 84,946,176 | 52,978,703 | — | 52,978,703 |
| Property, plant and equipment, net | 987,869 | | 987,869 | 818,992 | | 818,992 |
| Receivables from long-term contract | 3,771,219 | | 3,771,219 | — | | — |
| Deferred costs | 2,841,534 | | 2,841,534 | 250,072 | | 250,072 |
| Goodwill | 898,334 | | 898,334 | 898,334 | | 898,334 |
| Other assets | 2,181,720 | | 2,181,720 | 285,345 | | 285,345 |
| Deferred tax assets, net | 10,209,278 | | 10,209,278 | 35,149,031 | | 35,149,031 |
| Total assets | $105,836,130 | $— | $105,836,130 | $90,380,477 | $— | $90,380,477 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable | $10,189,917 | | $10,189,917 | $2,278,316 | | $2,278,316 |
| Accrued expenses and other current liabilities | 4,283,849 | | 4,283,849 | 4,644,461 | | 4,644,461 |
| Current common stock warrants | 287,036 | 46,757 | 333,793 | — | 125,841 | 125,841 |
| Current portion of long term debt | 954,738 | | 954,738 | — | | — |
| Total current liabilities | 15,715,540 | 46,757 | 15,762,297 | 6,922,777 | 125,841 | 7,048,618 |
| Deferred revenue | 57,052,020 | | 57,052,020 | 41,001,110 | | 41,001,110 |
| Common stock warrants | — | 657,246 | 657,246 | 622,938 | 789,366 | 1,412,304 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Long term debt | 3,955,262 | | 3,955,262 | — | | — |
| Other liabilities | 166,303 | | 166,303 | 147,586 | | 147,586 |
| Total liabilities | 76,889,125 | 704,003 | 77,593,128 | 48,694,411 | 915,207 | 49,609,618 |
| Stockholders' equity | | | | | | |
| Common stock | 5,164 | | 5,164 | 5,164 | | 5,164 |
| Additional paid-in capital | 152,340,303 | 15,248,071 | 167,588,374 | 150,551,211 | 15,505,481 | 166,056,692 |
| Accumulated deficit | (123,398,462 ) | (15,952,074 | (139,350,536 ) | (108,870,309) | (16,420,688 | (125,290,997) |
| Total stockholders' equity | 28,947,005 | (704,003) | 28,243,002 | 41,686,066 | (915,207) | 40,770,859 |
| Total liabilities and stockholders' equity | $105,836,130 | $— | $105,836,130 | $90,380,477 | $— | $90,380,477 |

Table of Contents

The effects of the revision and restatement on the consolidated statements of operations and comprehensive income/loss are summarized in the following tables:

| | Year Ended December 31, 2012 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Revised |
| Revenues | | | |
| Research and development | $8,970,835 | | $8,970,835 |
| Operating expenses | | | |
| Selling, general and administrative | 11,410,131 | | 11,410,131 |
| Research and development | 18,213,036 | | 18,213,036 |
| Patent preparation fees | 1,883,405 | | 1,883,405 |
| Total operating expenses | 31,506,572 | — | 31,506,572 |
| Operating loss | (22,535,737) | — | (22,535,737) |
| Decrease (increase) in fair value of common stock warrants | 335,902 | 468,614 | 804,516 |
| Interest expense | (172,993) | | (172,993) |
| Other income, net | 522 | | 522 |
| Loss before benefit from income taxes | (22,372,306) | 468,614 | (21,903,692) |
| Benefit from income taxes | 7,844,153 | | 7,844,153 |
| Net income (loss) | $(14,528,153) | $468,614 | $(14,059,539) |
| Basic earnings (loss) per share | $(0.28) | $0.01 | $(0.27) |
| Diluted earnings (loss) per share | $(0.28) | $0.01 | $(0.27) |
| Weighted average shares outstanding: basic | 51,639,622 | — | 51,639,622 |
| Weighted average shares outstanding: diluted | 51,639,622 | — | 51,639,622 |

| | Year Ended December 31, 2011 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Restated |
| Revenues | | | |
| Research and development | $12,725,792 | | $12,725,792 |
| Operating expenses | | | |
| Selling, general and administrative | 23,931,713 | | 23,931,713 |
| Research and development | 18,367,348 | | 18,367,348 |
| Patent preparation fees | 1,808,168 | | 1,808,168 |
| Total operating expenses | 44,107,229 | — | 44,107,229 |
| Operating loss | (31,381,437) | — | (31,381,437) |
| Decrease (increase) in fair value of common stock warrants | 8,930,906 | 15,505,403 | 24,436,309 |
| Other income, net | 13,061 | | 13,061 |
| Loss before benefit from income taxes | (22,437,470) | 15,505,403 | (6,932,067) |
| Benefit from income taxes | 36,031,646 | | 36,031,646 |
| Net income (loss) | $13,594,176 | $15,505,403 | $29,099,579 |
| Basic earnings (loss) per share | $0.27 | $0.30 | $0.57 |
| Diluted earnings (loss) per share | $0.09 | $— | $0.09 |
| Weighted average shares outstanding: basic | 50,929,491 | — | 50,929,491 |
| Weighted average shares outstanding: diluted | 54,061,650 | — | 54,061,650 |

Table of Contents

| | Year Ended December 31, 2010 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Restated |
| Revenues | | | |
| Research and development | $19,215,837 | | $19,215,837 |
| Operating expenses | | | |
| Selling, general and administrative | 8,130,669 | | 8,130,669 |
| Research and development | 22,658,959 | | 22,658,959 |
| Patent preparation fees | 1,148,597 | | 1,148,597 |
| Total operating expenses | 31,938,225 | — | 31,938,225 |
| Operating loss | (12,722,388) | — | (12,722,388) |
| Decrease (increase) in fair value of common stock warrants | (15,957,068) | (22,152,962) | (38,110,030) |
| Other income, net | 659,292 | | 659,292 |
| Loss before benefit from income taxes | (28,020,164) | (22,152,962) | (50,173,126) |
| Benefit from income taxes | (175,175) | | (175,175) |
| Net income (loss) | $(28,195,339) | $(22,152,962) | $(50,348,301) |
| Basic earnings (loss) per share | $(0.62) | $(0.50) | $(1.12) |
| Diluted earnings (loss) per share | $(0.62) | $(0.50) | $(1.12) |
| Weighted average shares outstanding: basic | 45,151,774 | — | 45,151,774 |
| Weighted average shares outstanding: diluted | 45,151,774 | — | 45,151,774 |

Table of Contents

The effects of the revision and restatement on the consolidated statements of cash flows are summarized in the following tables:

| | December 31, 2012 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Revised |
| Cash flows from operating activities: | | | |
| Net loss | $(14,528,153) | $468,614 | $(14,059,539) |
| Adjustments to reconcile net loss to net cash used in operating activities | | | |
| Depreciation and other amortization | 419,358 | | 419,358 |
| Increase in fair value of warrants | (335,902) | (468,614) | (804,516) |
| Stock based compensation | 1,779,515 | | 1,779,515 |
| Changes in assets and liabilities: | | | |
| Accounts receivable | (2,104,404) | | (2,104,404) |
| Inventory | (17,641,922) | | (17,641,922) |
| Deferred costs | (2,591,462) | | (2,591,462) |
| Prepaid expenses | (444,251) | | (444,251) |
| Other assets | (548,419) | | (548,419) |
| Deferred revenue | 16,050,910 | | 16,050,910 |
| Accounts payable, accrued expenses and other current liabilities | 7,550,989 | | 7,550,989 |
| Deferred income taxes, net | (7,847,802) | | (7,847,802) |
| Other liabilities | 18,717 | | 18,717 |
| Net cash used in operating activities | (20,222,826) | — | (20,222,826) |
| Cash flows from investing activities: | | | |
| Capital expenditures | (588,235) | | (588,235) |
| Collateral for surety bond | (1,347,956) | | (1,347,956) |
| Net cash provided by (used in) investing activities | (1,936,191) | — | (1,936,191) |
| Cash flows from financing activities: | | | |
| Net proceeds from exercise of warrants and options | 9,577 | | 9,577 |
| Proceeds from issuance of debt | 4,910,000 | | 4,910,000 |
| Net cash provided by financing activities | 4,919,577 | — | 4,919,577 |
| Net increase (decrease) in cash and cash equivalents | (17,239,440) | — | (17,239,440) |
| Cash and cash equivalents at beginning of period | 49,256,930 | | 49,256,930 |
| Cash and cash equivalents at end of period | $32,017,490 | $— | $32,017,490 |
| | | | |
| Supplemental disclosure of non-cash financing activities: | | | |
| Reclass of common stock warrant liability to additional paid-in capital upon exercise | $— | | $— |

Table of Contents

| | December 31, 2011 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Restated |
| Cash flows from operating activities: | | | |
| Net loss | $13,594,176 | $15,505,403 | $29,099,579 |
| Adjustments to reconcile net loss to net cash used in operating activities | | | |
| Depreciation and other amortization | 568,288 | | 568,288 |
| Increase in fair value of warrants | (8,930,906) | (15,505,403) | (24,436,309) |
| Stock based compensation | 12,463,772 | | 12,463,772 |
| Changes in assets and liabilities: | | | |
| Accounts receivable | 365,041 | | 365,041 |
| Deferred costs | (250,072) | | (250,072) |
| Prepaid expenses | 12,119 | | 12,119 |
| Other assets | (4,697) | | (4,697) |
| Deferred revenue | 41,001,110 | | 41,001,110 |
| Accounts payable, accrued expenses and other current liabilities | 2,659,597 | | 2,659,597 |
| Deferred income taxes, net | (36,051,978) | | (36,051,978) |
| Other liabilities | 147,586 | | 147,586 |
| Net cash used in operating activities | 25,574,036 | — | 25,574,036 |
| Cash flows from investing activities: | | | |
| Capital expenditures | (237,023) | | (237,023) |
| Proceeds from maturity of short term investments | 40,000,000 | | 40,000,000 |
| Purchases of short term investments | (25,004,717) | | (25,004,717) |
| Net cash provided by (used in) investing activities | 14,758,260 | — | 14,758,260 |
| Cash flows from financing activities: | | | |
| Net proceeds from exercise of warrants and options | 3,946,237 | | 3,946,237 |
| Repurchase of common stock | (1,353,656) | | (1,353,656) |
| Net cash provided by financing activities | 2,592,581 | — | 2,592,581 |
| Net increase (decrease) in cash and cash equivalents | 42,924,877 | — | 42,924,877 |
| Cash and cash equivalents at beginning of period | 6,332,053 | | 6,332,053 |
| Cash and cash equivalents at end of period | $49,256,930 | $— | $49,256,930 |
| | | | |
| Supplemental disclosure of non-cash financing activities: | | | |
| Reclass of common stock warrant liability to additional paid-in capital upon exercise | $970,816 | $8,561,095 | $9,531,911 |

27

Table of Contents

| | December 31, 2010 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Restated |
| Cash flows from operating activities: | | | |
| Net loss | $(28,195,339) | $(22,152,962) | $(50,348,301) |
| Adjustments to reconcile net loss to net cash used in operating activities | | | |
| Depreciation and other amortization | 625,343 | | 625,343 |
| Increase in fair value of warrants | 15,947,007 | 22,152,962 | 38,099,969 |
| Stock based compensation | 1,483,955 | | 1,483,955 |
| Changes in assets and liabilities: | | | |
| Accounts receivable | (596,283) | | (596,283) |
| Prepaid expenses | 1,216,055 | | 1,216,055 |
| Other assets | 24,103 | | 24,103 |
| Accounts payable, accrued expenses and other current liabilities | (125,929) | | (125,929) |
| Deferred income taxes, net | 175,175 | | 175,175 |
| Other liabilities | (1,379,471) | | (1,379,471) |
| Net cash used in operating activities | (10,825,384) | — | (10,825,384) |
| Cash flows from investing activities: | | | |
| Capital expenditures | (549,944) | | (549,944) |
| Proceeds from maturity of short term investments | 31,250,000 | | 31,250,000 |
| Purchases of short term investments | (41,235,922) | | (41,235,922) |
| Net cash provided by (used in) investing activities | (10,535,866) | — | (10,535,866) |
| Cash flows from financing activities: | | | |
| Net proceeds from exercise of warrants and options | 13,196,990 | | 13,196,990 |
| Net cash provided by financing activities | 13,196,990 | — | 13,196,990 |
| Net increase (decrease) in cash and cash equivalents | (8,164,260) | — | (8,164,260) |
| Cash and cash equivalents at beginning of period | 14,496,313 | | 14,496,313 |
| Cash and cash equivalents at end of period | $6,332,053 | $— | $6,332,053 |
| | | | |
| Supplemental disclosure of non-cash financing activities: | | | |
| Reclass of common stock warrant liability to additional paid-in capital upon exercise | $18,426,278 | $12,129,567 | $30,555,845 |

Table of Contents

4. Procurement Contract and Research Agreements

Procurement Contract

In May 2011, the Company signed a contract with BARDA (the "BARDA Contract") pursuant to which SIGA agreed to deliver two million courses of Arestvyr to the U.S. Strategic National Stockpile (the "Strategic Stockpile"). The base contract, worth approximately $463 million, includes $54 million related to development and supportive activities and contains various options to be exercised at BARDA's discretion. The period of performance for development and supportive activities runs until 2020. As originally issued, the BARDA Contract included an option for the purchase of up to 12 million additional courses of Arestvyr; however, following a protest by a competitor of the Company, BARDA issued a contract modification on June 24, 2011 pursuant to which it deleted the option to purchase the additional courses. Under the BARDA Contract as modified, BARDA has agreed to buy from SIGA 1.7 million courses of Arestvyr. Additionally, SIGA will contribute to BARDA 300,000 courses manufactured primarily using federal funds provided by the U.S. Department of Health and Human Services ("HHS") under prior development contracts. The BARDA Contract as modified also contains options that will permit SIGA to continue its work on pediatric and geriatric versions of the drug as well as use Arestvyr for smallpox prophylaxis. As described in Note 14, the amount of profits SIGA will retain pursuant to the BARDA Contract is subject to the judgment entered by the Delaware Court of Chancery in PharmAthene's action against SIGA and the outcome of the pending appeal and cross-appeal.

In the fourth quarter of 2011, SIGA received approximately $41 million in advance payments under the BARDA Contract. In October 2012, SIGA received FDA concurrence with respect to its product labeling strategy in accordance with the BARDA Contract and during the fourth quarter of 2012, it received a milestone payment of approximately $12.3 million.

The BARDA Contract is a multiple deliverable arrangement comprising delivery of courses and covered research and development activities. The BARDA Contract provides certain product replacement rights with respect to delivered courses. For this reason, recognition of revenue that might otherwise occur upon delivery of courses is expected to be deferred until the Company's obligations related to potential replacement of delivered courses are satisfied. Furthermore, payment for delivered courses and reimbursement of amounts the Company spends on covered research services are not contractually due to commence until after the Company has delivered the first 500,000 courses. Accordingly the Company has deferred revenue for all amounts received to date. Once the Company has delivered the first 500,000 courses, the Company expects to recognize revenue with respect to BARDA's obligation to reimburse the cost of covered research and development services performed prior to this point.

In addition, direct costs incurred by the Company to fulfill the requirements under the BARDA Contract are being deferred and will be recognized as expenses over the same period that the related deferred revenue is recognized as revenue. As of December 31, 2012 and December 31, 2011, deferred direct costs under the BARDA Contract of approximately $2.8 million and $250,000, respectively, are included in deferred costs on the consolidated balance sheets. As of December 31, 2012, the Company recorded $3.8 million as receivables from long term contract and deferred revenue, respectively, for services provided under the BARDA Contract.

Research Agreements

The Company obtains funding from the contracts and grants it obtains from various agencies of the U.S. Government to support its research and development activities. Currently, the Company has one contract and two grants with varying expiration dates through July 2016 that provide for potential future aggregate research and development funding for specific projects of approximately $19.0 million. This amount includes, among other things, options that may or may not be exercised at the U.S. government's discretion. Moreover, the contract and grants contain customary

terms and conditions including the U.S. Government's right to terminate or restructure a grant for convenience at any time.

5. Stockholders' Equity

On December 31, 2012, the Company's authorized share capital consisted of 110,000,000 shares, of which 100,000,000 are designated common shares and 10,000,000 are designated preferred shares. The Company's Board of Directors is authorized to issue preferred shares in series with rights, privileges and qualifications of each series determined by the Board.

2008 Financing
On June 19, 2008, SIGA entered into a letter agreement (as amended, the "Letter Agreement") that expired on June 19, 2010, with MacAndrews & Forbes LLC ("M&F"), a related party, for M&F's commitment to invest, at SIGA's discretion or at M&F's option, up to $8 million in exchange for (i) SIGA common stock and (ii) warrants to purchase 40% of the number of SIGA shares acquired by M&F. In consideration for the commitment of M&F reflected in the Letter Agreement, on June 19, 2008, M&F received warrants to purchase 238,000 shares of SIGA common stock, initially exercisable at $3.06 (the "Commitment Warrants"). The Commitment

Table of Contents

Warrants were exercisable until June 19, 2012. On June 19, 2012, the Commitment Warrants were amended to extend expiration to June 19, 2014. Due to certain anti-dilution provisions, the Commitment Warrants are recorded as a liability, and consequently the "mark-to-market" adjustment to the fair value from the extended term was accounted immediately upon modification.

In 2009, SIGA issued to M&F 816,993 shares of common stock and 326,797 warrants to acquire common stock in exchange for total proceeds of $2.5 million. The warrants are exercisable for a term of four years from issuance for an exercise price of $3.519 per share.

On June 18, 2010, M&F notified SIGA of its intention to exercise its right to invest $5.5 million, the remaining amount available under the Letter Agreement following earlier investments and entered into a Deferred Closing and Registration Rights Agreement dated as of June 18, 2010 with the Company. On July 26, 2010, upon satisfaction of certain customary closing conditions, including the expiration of the applicable waiting period pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, M&F funded the $5.5 million purchase price to SIGA in exchange for the issuance of (i) 1,797,386 shares of common stock and (ii) warrants to purchase 718,954 shares of SIGA common stock at an exercise price of $3.519 per share.

The number of shares issuable pursuant to the warrants granted under the Letter Agreement, as well as the exercise price of those warrants, may be subject to adjustment as a result of the effect of future equity issuances on certain anti-dilution provisions in the related warrant agreements.

2006 and 2005 Placements
In 2006 and 2005 the Company sold shares of its common stock and warrants to purchase shares of common stock. In 2006, the Company issued 1,000,000 warrants with an initial exercise price of $4.99 per share (the "2006 Warrants"). In 2005, the Company issued 1,000,000 warrants with an initial exercise price of $1.18 per share (the "2005 Warrants"). As of December 31, 2010, all of the 2005 Warrants have been exercised and issued. The 2006 Warrants may be exercised through and including October 19, 2013. Due to the effect of certain anti-dilution provisions in such warrants, the Company adjusted the number of shares issuable under the 2006 Warrants by 337,594 through December 31, 2012. The exercise prices of the warrants issued in these placements were also adjusted. At December 31, 2012, 815,568 of the 2006 Warrants at an exercise price of $2.92 were outstanding. The number of shares issuable pursuant to the Warrants may be subject to further adjustment as a result of the effect of future equity issuances on anti-dilution provisions in the related warrant agreements.

The Company accounted for the 2006 and 2005 Warrants in accordance with the authoritative guidance which requires that free-standing derivative financial instruments that require net cash settlement be classified as assets or liabilities at the time of the transaction, and recorded at their fair value. Any changes in the fair value of the derivative instruments are reported in earnings or loss as long as the derivative contracts are classified as assets or liabilities.

At December 31, 2012, the fair market value of outstanding warrants was $991,039 (revised). The Company applied the Black-Scholes model to calculate the fair values of the respective derivative instruments using the contractual term of the warrants. Management estimates the expected volatility using a combination of the Company's historical volatility and the volatility of a group of comparable companies. For the year ended December 31, 2012, the Company recorded a gain of $804,516 (revised) as a result of a net decrease in fair value in outstanding warrants.

6. Stock Compensation Plans

The Company's 2010 Stock Incentive Plan (the "2010 Plan") was initially adopted in May 2010. The 2010 Plan provided for the issuance of stock options, restricted stock and unrestricted stock with respect to an aggregate of 2,000,000 shares of the Company's Common Stock to employees, consultants and outside directors of the Company. On May 17,

2011, the 2010 Plan was amended to provide for the issuance of restricted stock units ("RSUs") and on February 2, 2012, the 2010 Plan was amended to provide for the issuance of SARs. Effective April 25, 2012, the 2010 Plan was amended to increase the maximum number of shares of Common Stock available for issuance to an aggregate of 4,500,000 shares. During the year ended December 31, 2012, the Company granted RSUs and SARs under the 2010 Plan in addition to stock options. The vesting period for awards granted under the 2010 Plan, except those granted to outside directors, is determined by the Compensation Committee of the Board of Directors. The Compensation Committee also determines the expiration date of each equity award, however, stock options and SARs may not be exercisable more than ten years after the date of grant. as the maximum term of equity awards issued under the 2010 Plan is ten years.

For the years ended December 31, 2012, 2011 and 2010, the Company recorded stock-based compensation expense, including stock options, SARs and RSUs, of approximately $1.8 million, $12.5 million and $1.5 million, respectively.

Table of Contents

Stock Options

Stock option awards provide holders the right to purchase shares of Common Stock at prices determined by the Compensation Committee and must have an exercise price equal to or in excess of the fair market value of the Company's common stock at the date of grant.

The fair value of option grants were estimated at the date of grant during the years ended December 31, 2012, 2011, and 2010 based upon the following range of assumptions:

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Expected volatility | 77 % | 76 % | 80 % |
| Expected dividend yield | — % | — % | — % |
| Risk-free interest rate | 0.98% - 1.24% | 1.94 % | 2.16 % |
| Expected life | 6 years | 6 years | 5 years |

Expected volatility has been estimated using a combination of the Company's historical volatility and the historical volatility of a group of comparable companies, both using historical periods equivalent to the options' expected lives. The expected dividend yield assumption is based on the Company's intent not to issue a dividend in the foreseeable future. The risk-free interest rate assumption is based upon observed interest rates for securities with maturities approximating the options' expected lives. The expected life was estimated based on historical experience and expectation of employee exercise behavior in the future giving consideration to the contractual terms of the award.

A summary of the Company's stock option activity is as follows:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Life (in years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding at January 1, 2012 | 2,799,793 | $4.39 | | |
| Granted | 157,350 | 2.67 | | |
| Exercised | (4,168) | 1.89 | | |
| Canceled/Expired | (50,267) | 5.95 | | |
| Outstanding at December 31, 2012 | 2,902,708 | $4.28 | 5.35 | $917,283 |
| Vested and expected to vest at December 31, 2012 | 2,867,115 | $4.28 | 5.35 | $912,441 |
| Exercisable at December 31, 2012 | 2,084,125 | $4.48 | 4.83 | $805,913 |

As of December 31, 2012, $734,000 of total remaining unrecognized stock-based compensation cost related to stock options is expected to be recognized over the weighted-average remaining requisite service period of 0.97 years. The total fair value of vested stock options was $0.7 million, $2.5 million and $1.5 million for the years ended December 31, 2012, 2011 and 2010, respectively.

The total intrinsic value of stock options exercised was $3,000, $315,000 and $19.6 million for the years ended December 31, 2012, 2011 and 2010, respectively. The intrinsic value represents the amount by which the market price of the underlying stock exceeds the exercise price of an option.

As of December 31, 2012 and 2011, 500,000 of the Company's outstanding options, respectively, were subject to specific performance conditions consisting of minimum cash receipts thresholds and regulatory approval of our lead drug candidate. As of December 31, 2012, the performance conditions have not been achieved, thus these options are not exercisable at December 31, 2012.

Stock Appreciation Rights

Stock-settled stock appreciation rights ("SSARs") provide holders the right to purchase shares of Common Stock at prices determined by the Compensation Committee and must have an exercise price equal to or in excess of the fair market value of the Company's common stock at the date of grant. Upon exercise, the gain, or intrinsic value, is settled by the delivery of SIGA stock to the employee.

During the year ended December 31, 2012, the Company granted 1.4 million shares of SSARs at a weighted average grant-date fair value of $0.68 per share. The exercise price of a SSAR is equal to the closing market price on the date of grant. The granted SSARs vest in equal annual installments over a period of three years and expire no later than seven years from the date of grant.

Table of Contents

Moreover, the appreciation of each SSAR was capped at a determined maximum value. At December 31, 2012, due to the cap on value the maximum number of shares that could be issued in the future is 453,465.

The fair value of granted SSARs has been estimated utilizing a Monte Carlo method. The Monte Carlo method is a statistical simulation technique used to provide the grant-date fair value of an award. As the issued SSARs were capped at maximum values, such attribute was considered in the simulation. The following table presents the weighted-average assumptions utilized in the valuations:

| | | |
|---|---|---|
| Expected volatility | 71 | % |
| Expected life from grant date | 4.5 years | |
| Expected dividend yield | — | % |
| Risk-free interest rate | 0.61 | % |

The Company calculates the expected volatility using a combination of SIGA's historical volatility and the volatility of a group of comparable companies. The expected life from grant date was estimated based on the expectation of exercise behavior in consideration of the maximum value and contractual term of the SSARs. The dividend yield assumption is based on the Company's intent not to issue a dividend in the foreseeable future. The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected life of the SSARs.

A summary of the Company's SSAR activity is as follows:

| | Number of SARs | Weighted Average Exercise Price | Weighted Average Remaining Life (in years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding at January 1, 2012 | — | $— | | |
| Granted | 1,446,802 | 3.53 | | |
| Exercised | — | — | | |
| Canceled/Expired | (25,851) | 3.53 | | |
| Outstanding at December 31, 2012 | 1,420,951 | $3.53 | 6.09 | $— |
| Vested and expected to vest at December 31, 2012 | 1,359,167 | $3.53 | 6.09 | $— |
| Exercisable at December 31, 2012 | — | $— | 0 | $— |

As of December 31, 2012, $666,000 of total remaining unrecognized stock-based compensation cost related to SSARs is expected to be recognized over the weighted-average remaining requisite service period of 2.09 years.

Restricted Stock Awards/Restricted Stock Units

RSUs awarded to employees vest in equal annual installments over a three-year period and RSUs awarded to directors of the Company vest over a one-year period. A summary of the Company's RSU activity is as follows:

| | Number of Shares | Weighted Average Grant-Date Fair Value |
|---|---|---|
| Outstanding at January 1, 2012 | — | $— |
| Granted | 460,000 | 2.82 |
| Vested | — | — |
| Canceled/Expired | — | — |
| Outstanding at December 31, 2012 | 460,000 | $2.82 |

As of December 31, 2012, $812,000 of total remaining unrecognized stock-based compensation cost related to RSUs is expected to be recognized over the weighted-average remaining requisite service period of 1.54 years. The total fair value of restricted stock and restricted stock units vested during the years ended December 31, 2012, 2011 and 2010 was $0, $10.0 million and $0.

Table of Contents

During the year ended December 31, 2011, the Company granted 700,000 shares of restricted stock and restricted stock units at a weighted-average grant-date fair value of $14.26. There were no grants of restricted stock or restricted stock units in previous years.

Warrants
A summary of the Company's warrant activity is as follows:

| | Number of Warrants | Weighted Average Exercise Price |
|---|---|---|
| Outstanding at January 1, 2012 | 2,311,852 | $2.16 |
| Granted | — | — |
| Exercised | (1,000) | 1.69 |
| Canceled / Expired | (56,950) | 1.69 |
| Outstanding at December 31, 2012 | 2,253,902 | $3.30 |

Warrants represent the right to purchase shares of Common Stock at contractual exercise prices. As of December 31, 2012, all outstanding warrants are exercisable.

7. Comprehensive Income

Comprehensive income includes net loss adjusted for the change in net unrealized gain (loss) on short-term investments. For the years ended December 31, 2012 and 2011, the components of comprehensive income were:

| | Year Ended December 31, | |
|---|---|---|
| | 2012 (Revised) | 2011(Restated) |
| Net income (loss) | $(14,059,539) | $29,099,579 |
| Unrealized (loss) gain on securities | — | (4,067) |
| Total comprehensive income (loss) | $(14,059,539) | $29,095,512 |

8. Debt

In December 2012, the Company entered into a loan agreement ("Loan Agreement") with General Electric Capital Corporation ("GE Capital") to provide the Company a term loan of $5.0 million with a fixed interest rate of 9.85% per annum and a revolving line of credit of $7 million with a variable interest rate. Borrowings under the revolving line of credit are based on eligible outstanding accounts receivable and will bear interest at a rate per annum equal to 5.25% plus the higher of: (a) 1.50%, and (b) three-month LIBOR divided by a defined factor. The term of the loan is three years.

As of December 31, 2012, the full term loan amount of $5.0 million was outstanding. Under the Loan Agreement, the Company may draw down from the revolving line of credit up to 85% of qualified eligible accounts receivable as described in the Loan Agreement. As of December 31, 2012, no amounts were available to borrow against the revolving line of credit as there were no eligible accounts receivable.

Under the Loan Agreement, the Company is required to make monthly payments of interest from February 2013 through June 2013. The term loan requires monthly payments of $167,000 in principal plus accrued interest beginning on July 1, 2013. Payments of principal on the term loan may be delayed until October 1, 2013 upon meeting certain conditions.

The loan is collateralized by substantially all of the Company's assets other than Arestvyr or any intellectual property related to Arestvyr. The Loan Agreement contains affirmative and negative covenants including certain customary

financial covenants. The Company was in compliance with all financial debt covenants as of December 31, 2012.

In connection with securing the Loan Agreement, the Company incurred approximately $386,000of debt issue costs which are recorded as deferred costs and allocated between other current assets and other assets. Furthermore, the Company incurred $90,000 of costs which were accounted for as a debt discount and thus, are recorded as a direct reduction of the face amount of the debt. The debt issue costs and debt discount will be amortized to interest expense over the term of the Loan Agreement.

Table of Contents

The aggregate amount of required principal payments at December 31, 2012 is expected to be as follows:

| | |
|---|---|
| 2013 | 1,000,000 |
| 2014 | 2,000,000 |
| 2015 | 2,000,000 |
| Total | $5,000,000 |

9. Related Party Transactions

On December 1, 2009, the Company entered into an Office Services Agreement with an affiliate of M&F to occupy office space for approximately $8,000 per month. In June 2011, the Office Services Agreement was amended due to expanded use of space by the Company. This amendment increased the Company's monthly payment to $11,000 per month. An amendment in February 2012 increased the monthly payment to $12,000 to appropriately reflect expanded use of space. The Office Services Agreement is cancelable upon 60 days notice by SIGA or the affiliate.

In October 2012, the Company funded a letter of credit and deposit to take advantage of a lease for office space secured by an affiliate of M&F from a third party landlord on behalf of the Company. Pursuant to such letter of credit, in January 2013 the Company entered into a sublease in which the Company will pay all costs associated with the lease, including rent. All payments made by the Company pursuant to the sublease will either be directly or indirectly made to the third-party landlord and not retained by M&F or any affiliate. The new sublease is expected to replace the current Office Services Agreement that is described in the previous paragraph, and occupancy is expected to commence once certain building improvements are completed by the landlord in early 2013. Upon commencement, the sublease allows for a free rent period of five months; subsequent to the free rent period, monthly rent payments are scheduled to be $60,000 for the first five years and $63,000 for the next two years. Rent payments under the lease and sublease are subject to customary rent escalation clauses.

A member of the Company's Board of Directors is a member of the Company's outside counsel. During the years ended December 31, 2012, 2011 and 2010, the Company incurred costs of $2.0 million, $3.1 million and $2.7 million, respectively, related to services provided by the outside counsel. On December 31, 2012, the Company's outstanding payables included $563,000 payable to the outside counsel.

10. Inventory

As of December 31, 2012, the Company has $17.6 million of work-in-process inventory. The value of such in-process inventory represents the costs incurred to manufacture Arestvyr under the BARDA Contract. Certain of the existing units of Arestvyr were initially manufactured prior to the point at which future commercialization was probable; thus, such cost was expensed as research and development in those respective periods. Additional costs incurred to complete production of courses of Arestvyr will be recorded as inventory. In 2012, research and development expense included inventory write-downs of $0.5 million.

11. Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31, 2012 and 2011:

| | 2012 | 2011 |
|---|---|---|
| Laboratory equipment | $2,305,410 | $2,578,662 |
| Leasehold improvements | 2,817,123 | 3,187,415 |
| Computer equipment | 458,421 | 375,195 |
| Furniture and fixtures | 345,287 | 332,427 |
| | 5,926,241 | 6,473,699 |

| | | |
|---|---|---|
| Less - accumulated depreciation | (4,938,372) | (5,654,707) |
| Property, plant and equipment, net | $987,869 | $818,992 |

Table of Contents

12. Accrued Expenses

Accrued expenses and other current liabilities consisted of the following at December 31, 2012 and 2011:

| | 2012 | 2011 |
|---|---|---|
| Loss contingency | $2,491,981 | $2,050,000 |
| Bonus | 250,000 | 1,067,000 |
| Professional fees | 579,609 | 339,200 |
| Vacation | 328,463 | 222,706 |
| Other | 633,796 | 965,555 |
| Accrued expenses and other current liabilities | $4,283,849 | $4,644,461 |

13. Income Taxes

At December 31, 2012 and 2011, the Company's deferred tax assets and liabilities are comprised of the following:

| | 2012 | 2011 |
|---|---|---|
| Deferred income tax assets: | | |
| Net operating losses | $36,764,901 | $32,109,373 |
| Deferred research and development costs | 2,950,555 | 3,674,469 |
| Amortization of intangible assets | 1,572,281 | 1,814,271 |
| Share-based compensation | 1,768,990 | 1,417,093 |
| Depreciation | 709,184 | 777,957 |
| Deferred revenue | 4,403,266 | — |
| Other | 1,104,612 | 896,251 |
| Deferred income tax assets | 49,273,789 | 40,689,414 |
| Less: valuation allowance | (4,328,233) | (4,629,238) |
| Deferred income tax assets, net of valuation allowance | $44,945,556 | $36,060,176 |
| Deferred income tax liabilities: | | |
| Amortization of goodwill | (203,682) | (183,373) |
| Capitalized contract costs | (1,017,269) | — |
| Deferred income tax assets (liabilities), net | $43,724,605 | $35,876,803 |

As of December 31, 2012, the Company generated federal net operating loss carryforwards of $103.8 million to offset future taxable income of which $0.7 million were attributable to excess tax deductions on stock option activity that will be realized as a benefit to Additional Paid-in Capital when they reduce income taxes payable. In 2012 and 2011, previously available NOLs of approximately $1.2 million and $0.9 million, respectively, expired. The remaining NOLs expire in various years between 2018 and 2031. As a result of a cumulative change in stock ownership occurring in a prior year, the annual utilization of the net operating loss carryforwards for years prior to 2004 may be subject to limitation.

For the year ended December 31, 2012, the Company incurred net losses for tax purposes and consequently, recognized an income tax benefit of $7.8 million. For the year ended December 31, 2011, the benefit from income taxes of $36.0 million mainly reflects net losses as well as a partial reduction of its valuation allowance as a significant portion of the Company's deferred tax assets became realizable on a "more likely than not" basis primarily as a result of the execution of the BARDA Contract and forecasts of pre-tax earnings. Prior to June 30, 2011, the Company provided a tax valuation allowance on our United States federal and state deferred tax assets based on the Company's evaluation that such assets were not "more likely than not" to be realized.

The recognition of a valuation allowance for deferred taxes requires management to make estimates and judgments about the Company's future profitability which are inherently uncertain. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax

assets will not be realized. If the current estimates of future taxable income are reduced or not realized, for example, based on an appellate ruling in the PharmAthene litigation described in Note 14, the Company's assessment regarding the realization of deferred tax assets could change. Future changes in the estimated amount of deferred taxes expected to be realized will be reflected in the Company's financial statements

Table of Contents

in the period the estimate is changed with a corresponding adjustment to operating results. Changes in estimates may occur often and can have a significant favorable or unfavorable impact on the Company's operating results from period to period.

The Company's effective tax rate differs from the U.S. Federal Statutory income tax rate of 35% as follows:

| | 2012 (Revised) | 2011 (Restated) | 2010 (Restated) |
|---|---|---|---|
| Statutory federal income tax rate | (35.0)% | (35.0)% | (34.0)% |
| State tax benefit | (1.4)% | 0.3 % | — % |
| Loss from fair value of common warrants | (1.3)% | (123.4)% | 25.8 % |
| Share-based compensation | 0.8 % | 24.8 % | — % |
| Other | 0.5 % | 1.4 % | 1.0 % |
| Valuation allowance on deferred tax assets | 0.5 % | (387.6)% | 7.5 % |
| Effective tax rate | (35.9)% | (519.5)% | 0.3 % |

For the year ended December 31, 2012, the Company's effective tax rate differs from the statutory rate principally due to state and local taxes and other permanent differences. For the year ended December 31, 2011, the Company's effective tax rate differs from the federal statutory rate due to the partial reversal of its valuation allowance as certain deferred tax assets became realizable on a more-likely-than basis as well as the decrease in the fair value of common stock warrants which is not deductible for tax purposes. For the year ended December 31, 2010, the Company's effective tax rate differs from the statutory rate principally due to losses for which no tax benefit was provided.

Other Income, net, for the year ended December 31, 2010, includes $648,000 awarded to the Company under the U.S. government's Qualified Discovery Tax Credit program.

14. Commitments and Contingencies

Operating lease commitments

The Company leases its Corvallis, Oregon, facilities and office space under an operating lease, most recently amended in November 2012, which expires in 2017 and includes a renewal option for an extension of five years. This lease contains annual escalation clauses, renewal provisions and generally requires us to pay utilities, insurance, taxes and other operating expenses. Rental expense, including charges for maintenance, utilities, real estate taxes and other operating expenses, totaled $1.0 million, $827,000 and $737,000 for the years ended December 31, 2012, 2011 and 2010, respectively.

Future minimum rental commitments under non-cancelable operating leases as of December 31, 2012 are expected to be as follows:

| | |
|---|---|
| 2013 | $866,098 |
| 2014 | 881,832 |
| 2015 | 901,500 |
| 2016 | 921,168 |
| 2017 | 940,836 |
| Total | $4,511,434 |

In January 2013, we entered into a sublease with an affiliate of M&F which is expected to commence in the first half of 2013 and to expire in 2020; rent payments under the sublease are not included in the above schedule. Refer to Note 9 for further description.

Other

In December 2006, PharmAthene, Inc. (“PharmAthene”) filed an action against SIGA in the Delaware Court of Chancery (the “Court” or “Court of Chancery”) captioned PharmAthene, Inc. v. SIGA Technologies, Inc., C.A. No. 2627-N. In its amended complaint, PharmAthene asked the Court to order the Company to enter into a license agreement with PharmAthene with respect to ST-246, now also known as Arestvyr, to declare that the Company is obliged to execute such a license agreement, and to award damages resulting from the Company’s supposed breach of that obligation. PharmAthene also alleged that the Company breached an obligation to negotiate such a license agreement in good faith, and sought damages for promissory estoppel and unjust enrichment

Table of Contents

based on supposed information, capital, and assistance that PharmAthene allegedly provided to the Company during the negotiation process. The Court tried the case in January 2011.

In September 2011, the Court issued its post-trial opinion. The Court denied PharmAthene's requests for specific performance and expectation damages measured by the present value of estimated future profits. Nevertheless, the Court held that the Company breached its duty to negotiate in good faith and was liable under the doctrine of promissory estoppel. The Court consequently awarded to PharmAthene what the Court described as an equitable payment stream or equitable lien consisting of fifty percent of the net profits that the Company achieves from sales of ST-246 after the Company secures $40 million in net profits, for ten years following the first commercial sale. In addition, the Court awarded PharmAthene one-third of its reasonable attorneys' fees and expert witness expenses.

In May 2012, the Court entered its final order and judgment in this matter, implementing its post-trial opinion. Among other things, the final order and judgment provides that (a) net profits will be calculated in accordance with generally accepted accounting principles applied consistently with how they are applied in the preparation of the Company's financial statements, (b) the net profits calculation will take into account expenses relating to ST-246 commencing with the Company's acquisition of ST-246 in August 2004, and (c) PharmAthene may recover $2.4 million of attorneys' fees and expenses. As of December 31, 2012, SIGA has recorded a $2.5 million loss contingency with respect to the fee, expense and interest portion of the judgment.

In June 2012, the Company appealed to the Supreme Court of the State of Delaware the final order and judgment and certain earlier rulings of the Court of Chancery. Shortly thereafter, PharmAthene filed its cross-appeal. The Company obtained a stay of enforcement of the fee and expense portion of the judgment by filing a surety bond for the amount of the judgment plus post-judgment interest. The Company posted $1.3 million as collateral for the surety bond which is recorded in other assets as of December 31, 2012.

On July 27, 2012, the Company filed its opening brief on appeal, identifying the following points of error: (a) the Court of Chancery erred in holding that the Company breached its obligation to negotiate in good faith following the termination of the PharmAthene merger in 2006; (b) the Court of Chancery erred in holding that PharmAthene's assistance enriched the Company and that PharmAthene is consequently entitled to relief under the doctrine of promissory estoppel; (c) the Court of Chancery erred in awarding relief in the form of an equitable payment stream; and (d) the Court of Chancery erred in awarding PharmAthene a portion of its attorneys' fees, expenses and expert witness costs.

On August 26, 2012, PharmAthene filed its opening brief, answering with respect to the Company's appeal and arguing in support of PharmAthene's cross appeal. With respect to the latter, PharmAthene claimed that the Court of Chancery erred in not finding that there was a binding license agreement and should have awarded either specific performance or expectation damages. On September 27, 2012, the Company filed its final brief in response. On October 8, 2012, PharmAthene filed its final brief in response. The oral argument on the appeal and cross-appeal was heard before the Supreme Court of Delaware, en banc, on January 10, 2013 and the Court took the arguments under advisement.

We expect that the Court of Chancery's final order and judgment will have a materially adverse impact on the Company and its future results of operations unless the appeal and cross-appeal result in a materially positive change to the portion of the ruling awarding the equitable payment stream or equitable lien. The Company cannot assure success on the appeal and cross-appeal.

From time to time, the Company is involved in disputes or legal proceedings arising in the ordinary course of business. The Company believes that there is no dispute or litigation pending, except as discussed above, that could have, individually or in the aggregate, a material adverse effect on its financial position, results of operations or cash

flows.

Table of Contents

15. Revised and Restated Financial Information By Quarter (Unaudited)

As previously discussed in Note 3, the Company concluded that the previously issued quarterly periods in the year ended December 31, 2011 included in the Company's quarterly reports on Forms 10-Q are no longer appropriate to rely upon and have been restated and that the previously issued quarterly periods in the year ended December 31, 2012 have been revised.

| 2012 | Three Months Ended | | | |
|---|---|---|---|---|
| | March 31 (Revised) | June 30 (Revised) | September 30 (Revised) | December 31 (Revised) |
| | (in thousands, except for per share data) | | | |
| Revenues | $1,466 | $2,701 | $2,290 | $2,514 |
| Selling, general and administrative | 2,214 | 3,475 | 3,139 | 2,583 |
| Research and development | 4,465 | 5,183 | 4,170 | 4,396 |
| Patent preparation fees | 336 | 376 | 377 | 794 |
| Operating loss | (5,549) | (6,332) | (5,396) | (5,259) |
| Net income (loss) | (4,616) | (3,767) | (3,059) | (2,618) |
| Earnings (loss) per share: basic | $(0.09) | $(0.07) | $(0.06) | $(0.04) |
| Earnings (loss) per share: diluted | $(0.09) | $(0.07) | $(0.06) | $(0.04) |

| 2011 | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | March 31 (Restated) | June 30 (Restated) | September 30 (Restated) | December 31 As Originally Reported | Restated |
| | (in thousands, except for per share data) | | | | |
| Revenues | $1,697 | $2,491 | $3,578 | $4,960 | $4,960 |
| Selling, general and administrative | 4,250 | 9,351 | 3,969 | 6,362 | 6,363 |
| Research and development | 3,566 | 3,835 | 5,170 | 5,796 | 5,795 |
| Patent preparation fees | 342 | 413 | 482 | 571 | 571 |
| Operating loss | (6,461) | (11,108) | (6,043) | (7,769) | (7,769) |
| Net income (loss) | (1,512) | 27,346 | 8,326 | (5,757) | (5,061) |
| Earnings (loss) per share: basic | $(0.03) | $0.54 | $0.16 | $(0.11) | $(0.11) |
| Earnings (loss) per share: diluted | $(0.03) | $0.40 | $0.11 | $(0.11) | $(0.11) |

38

Table of Contents

The effects of the revision and restatement on the unaudited consolidated balance sheets are summarized in the following tables:

| | September 30, 2012 | | | September 30, 2011 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustments | Revised | As Originally Reported | Adjustments | Restated |
| Total current assets | 42,540,233 | | 42,540,233 | 14,538,719 | | 14,538,719 |
| Total noncurrent assets | 49,511,759 | | 49,511,759 | 36,245,375 | | 36,245,375 |
| Total assets | 92,051,992 | | 92,051,992 | 50,784,094 | | 50,784,094 |
| Common stock warrants, current | — | 235,046 | 235,046 | — | 233,499 | 233,499 |
| Common stock warrants, non-current | 749,771 | 1,038,911 | 1,788,682 | 1,024,987 | 1,377,733 | 2,402,720 |
| Other liabilities | 59,562,651 | — | 59,562,651 | 3,779,449 | — | 3,779,449 |
| Total liabilities | 60,312,422 | 1,273,957 | 61,586,379 | 4,804,436 | 1,611,232 | 6,415,668 |
| Common stock | 5,164 | | 5,164 | 5,142 | | 5,142 |
| Additional paid-in capital | 151,944,558 | 15,248,071 | 167,192,629 | 149,087,836 | 15,505,481 | 164,593,317 |
| Accumulated deficit | (120,210,152) | (16,522,028) | (136,732,180) | (103,113,320) | (17,116,713) | (120,230,033) |
| Total stockholders' equity | 31,739,570 | (1,273,957) | 30,465,613 | 45,979,658 | (1,611,232) | 44,368,426 |
| Total liabilities and stockholders' equity | 92,051,992 | — | 92,051,992 | 50,784,094 | — | 50,784,094 |

| | June 30, 2012 | | | June 30, 2011 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustments | Revised | As Originally Reported | Adjustments | Restated |
| Total current assets | 46,578,955 | | 46,578,955 | 17,240,832 | | 17,240,832 |
| Total noncurrent assets | 46,062,035 | | 46,062,035 | 34,727,750 | | 34,727,750 |
| Total assets | 92,640,990 | | 92,640,990 | 51,968,582 | | 51,968,582 |
| Common stock warrants, current | — | 100,637 | 100,637 | — | 1,686,760 | 1,686,760 |
| Common stock warrants, non-current | 734,739 | 1,054,977 | 1,789,716 | 5,751,035 | 8,040,268 | 13,791,303 |
| Other liabilities | 57,661,062 | — | 57,661,062 | 3,268,952 | — | 3,268,952 |
| Total liabilities | 58,395,801 | 1,155,614 | 59,551,415 | 9,019,987 | 9,727,028 | 18,747,015 |
| Common stock | 5,164 | | 5,164 | 5,131 | | 5,131 |
| Additional paid-in capital | 151,509,784 | 15,248,071 | 166,757,855 | 146,267,297 | 15,505,481 | 161,772,778 |
| Accumulated deficit | (117,269,759) | (16,403,685) | (133,673,444) | (103,323,833) | (25,232,509) | (128,556,342) |
| Total stockholders' equity | 34,245,189 | (1,155,614) | 33,089,575 | 42,948,595 | (9,727,028) | 33,221,567 |
| Total liablities and stockholders' equity | 92,640,990 | — | 92,640,990 | 51,968,582 | — | 51,968,582 |

| | March 31, 2012 | | | March 31, 2011 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustments | Revised | As Originally Reported | Adjustments | Restated |
| Total current assets | 46,636,330 | | 46,636,330 | 20,423,847 | | 20,423,847 |
| Total noncurrent assets | 42,391,291 | | 42,391,291 | 2,203,499 | | 2,203,499 |
| Total assets | 89,027,621 | | 89,027,621 | 22,627,346 | | 22,627,346 |
| Common stock warrants, current | — | 157,014 | 157,014 | — | — | — |

| | | | | | | |
|---|---|---|---|---|---|---|
| Common stock warrants, non-current | 1,059,751 | 1,320,909 | 2,380,660 | 7,790,886 | 13,487,647 | 21,278,533 |
| Other liabilities | 50,017,901 | — | 50,017,901 | 3,474,238 | — | 3,474,238 |
| Total liabilities | 51,077,652 | 1,477,923 | 52,555,575 | 11,265,124 | 13,487,647 | 24,752,771 |
| Common stock | 5,164 | | 5,164 | 5,038 | | 5,038 |
| Additional paid-in capital | 150,868,007 | 15,505,481 | 166,373,488 | 138,522,944 | 15,248,732 | 153,771,676 |
| Accumulated deficit | (112,923,202) | (16,983,404) | (129,906,606) | (127,165,760) | (28,736,379) | (155,902,139) |
| Total stockholders' equity | 37,949,969 | (1,477,923) | 36,472,046 | 11,362,222 | (13,487,647) | (2,125,425) |
| Total liablities and stockholders' equity | 89,027,621 | — | 89,027,621 | 22,627,346 | — | 22,627,346 |

Table of Contents

The effects of the revision and restatement on the unaudited consolidated statements of operations and comprehensive income/loss are summarized in the following tables:

| | Three months ended September 30, 2012 | | | Nine months ended September 30, 2012 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustments | Revised | As Originally Reported | Adjustments | Revised |
| Revenues | $2,289,820 | | $2,289,820 | $6,456,736 | | $6,456,736 |
| Total operating expenses | 7,685,619 | | 7,685,619 | 23,733,861 | | 23,733,861 |
| Operating loss | (5,395,799) | | (5,395,799) | (17,277,125) | | (17,277,125) |
| Decrease (increase) in fair value of common stock warrants | (15,032) | $(118,343) | (133,375) | (126,833) | $(101,340) | (228,173) |
| Interest expense and other income (loss) | 94 | | 94 | 330 | | 330 |
| Benefit from (provision for) income taxes | 2,470,346 | | 2,470,346 | 6,063,785 | | 6,063,785 |
| Net income (loss) | $(2,940,391) | $(118,343) | $(3,058,734) | $(11,339,843) | $(101,340) | $(11,441,183) |
| Diluted earnings (loss) per share | $(0.06) | $— | $(0.06) | $(0.22) | $— | $(0.22) |
| Weighted average shares outstanding, diluted | 51,639,811 | | 51,639,811 | 51,638,648 | | 51,638,648 |

| | Three months ended June 30, 2012 | | | Six months ended June 30, 2012 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustments | Revised | As Originally Reported | Adjustments | Revised |
| Revenues | $2,701,164 | | $2,701,164 | $4,166,916 | | $4,166,916 |
| Total operating expenses | 9,033,527 | | 9,033,527 | 16,048,240 | | 16,048,240 |
| Operating loss | (6,332,363) | | (6,332,363) | (11,881,324) | | (11,881,324) |
| Decrease (increase) in fair value of common stock warrants | 325,012 | $579,719 | 904,731 | (111,801) | $17,003 | (94,798) |
| Interest expense and other income (loss) | 74 | | 74 | 236 | | 236 |
| Benefit from (provision for) income taxes | 1,660,720 | | 1,660,720 | 3,593,439 | | 3,593,439 |
| Net income (loss) | $(4,346,557) | $579,719 | $(3,766,838) | $(8,399,450) | $17,003 | $(8,382,447) |
| Earnings (loss) per share: basic and diluted | $(0.08) | $0.01 | $(0.07) | $(0.16) | $— | $(0.16) |
| Weighted average shares outstanding: basic and diluted | 51,638,352 | | 51,638,352 | 51,638,061 | | 51,638,061 |

| | Three months ended March 31, 2012 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Revised |
| Revenues | $1,465,752 | | $1,465,752 |
| Total operating expenses | 7,014,713 | | 7,014,713 |
| Operating loss | (5,548,961) | | (5,548,961) |
| Decrease (increase) in fair value of common stock warrants | (436,813) | $(562,716) | (999,529) |
| Interest expense and other income (loss) | 162 | | 162 |
| | 1,932,719 | | 1,932,719 |

| | | | |
|---|---|---|---|
| Benefit from (provision for) income taxes | | | |
| Net income (loss) | $(4,052,893) | $(562,716) | $(4,615,609) |
| Earnings (loss) per share: basic and diluted | $(0.08) | $(0.01) | $(0.09) |
| Weighted average shares outstanding: basic and diluted | 51,637,770 | | 51,637,770 |

Table of Contents

| | Three months ended September 30, 2011 | | | Nine months ended September 30, 2011 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustments | Restated | As Originally Reported | Adjustments | Restated |
| Revenues | $3,577,948 | | $3,577,948 | $7,765,725 | | $7,765,725 |
| Total operating expenses | 9,621,092 | | 9,621,092 | 31,378,228 | | 31,378,228 |
| Operating loss | (6,043,144) | | (6,043,144) | (23,612,503) | | (23,612,503) |
| Decrease (increase) in fair value of common stock warrants | 4,726,054 | $8,115,795 | 12,841,849 | 8,528,863 | $14,809,377 | 23,338,240 |
| Interest expense and other income (loss) | 329 | | 329 | 12,429 | | 12,429 |
| Benefit from (provision for) income taxes | 1,527,275 | | 1,527,275 | 34,422,376 | | 34,422,376 |
| Net income (loss) | $210,514 | $8,115,795 | $8,326,309 | $19,351,165 | $14,809,377 | $34,160,542 |
| Basic earnings (loss) per share | $— | $0.16 | $0.16 | $0.38 | $0.29 | $0.67 |
| Diluted earnings (loss) per share | $— | $0.11 | $0.11 | $0.20 | $— | $0.20 |
| Weighted average shares outstanding, basic | 50,806,284 | | 50,806,284 | 50,739,475 | | 50,739,475 |
| Weighted average shares outstanding, diluted | 51,987,253 | | 51,987,253 | 54,234,977 | | 54,234,977 |

| | Three months ended June 30, 2011 | | | Six months ended June 30, 2011 | | |
|---|---|---|---|---|---|---|
| | As Originally Reported | Adjustments | Restated | As Originally Reported | Adjustments | Restated |
| Revenues | $2,491,056 | | $2,491,056 | $4,187,777 | | $4,187,777 |
| Total operating expenses | 13,598,975 | | 13,598,975 | 21,757,135 | | 21,757,135 |
| Operating loss | (11,107,919) | | (11,107,919) | (17,569,358) | | (17,569,358) |
| Decrease (increase) in fair value of common stock warrants | 2,039,851 | $3,503,870 | 5,543,721 | 3,802,809 | $6,693,582 | 10,496,391 |
| Interest expense and other income (loss) | 2,006 | | 2,006 | 12,100 | | 12,100 |
| Benefit from (provision for) income taxes | 32,907,988 | | 32,907,988 | 32,895,101 | | 32,895,101 |
| Net income (loss) | $23,841,926 | $3,503,870 | $27,345,796 | $19,140,652 | $6,693,582 | $25,834,234 |
| Basic earnings (loss) per share | $0.47 | $0.07 | $0.54 | $0.38 | $0.13 | $0.51 |
| Diluted earnings (loss) per share | $0.40 | $— | $0.40 | $0.28 | $— | $0.28 |
| Weighted average shares outstanding, basic | 50,879,599 | | 50,879,599 | 50,422,014 | | 50,422,014 |
| Weighted average shares outstanding, diluted | 54,671,403 | | 54,671,403 | 54,507,838 | | 54,507,838 |

| | Three months ended March 31, 2011 | | |
|---|---|---|---|
| | As Originally Reported | Adjustments | Restated |
| Revenues | $1,696,721 | | $1,696,721 |
| Total operating expenses | 8,158,161 | | 8,158,161 |
| Operating loss | (6,461,440) | | (6,461,440) |
| Decrease (increase) in fair value of common stock warrants | 1,762,958 | $3,189,712 | 4,952,670 |
| Interest expense and other income (loss) | (2,793) | | (2,793) |

| | | | |
|---|---|---|---|
| Net income (loss) | $(4,701,275) | $3,189,712 | $(1,511,563) |
| Earnings (loss) per share: basic and diluted | $(0.09) | $0.06 | $(0.03) |
| Weighted average shares outstanding: basic and diluted | 49,959,345 | | 49,959,345 |

Table of Contents

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Restatement of Consolidated Financial Statements

On May 8, 2013, the Company concluded, based on the recommendation of management, that the previously issued consolidated financial statements for the years ended December 31, 2011 and 2010 included in the Company's most recently filed Form 10-K are no longer appropriate to rely upon because the financial statements failed to account for certain outstanding warrants to purchase common stock of the Company (the “Warrants”) as liabilities rather than equity and to account for non-cash charges resulting from the periodic “mark-to-market” adjustments of the Warrants. The Company has determined that the aforementioned financial statements should be restated as described in Note 3 to the consolidated financial statements.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, previously evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2012 in connection with our annual report on Form 10-K as filed on March 6, 2013. Subsequently, our management, with participation of our Chief Executive Officer and Chief Financial Officer, reevaluated the effectiveness of our disclosure controls and procedures as of December 31, 2012. The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended. Management recognizes that any disclosure controls and procedures no matter how well designed and operated, can only provide reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on that reevaluation, our Chief Executive Office and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of December 31, 2012 because of the identification of a material weakness in our internal control over financial reporting, as described below.

Management’s Report on Internal Control over Financial Reporting (Restated)

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) or Rule 15d-15(f) of the Securities and Exchange Act of 1934. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the Company’s assets;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and the directors of the Company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the restatement discussed above and in Note 3 to our consolidated financial statements in this Annual Report on Form 10-K/A, management, including our Chief Executive Officer and Chief Financial Officer, reassessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2012. Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control-Integrated Framework. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements

will not be prevented or detected on a timely basis. Based on management's reassessment, management is restating its report on internal control over financial reporting and has concluded that the Company's internal control over financial reporting was not effective as of December 31, 2012, because of the material weakness described below.

We did not maintain effective controls over the accounting for certain anti-dilution provisions contained in certain outstanding warrant agreements. Specifically, the control did not operate effectively relating to the accuracy and presentation and disclosure of the accounting for certain outstanding warrant agreements. This control deficiency resulted in the misstatement of liability warrants initially classified as equity and the misstatement of non-cash expense resulting from required periodic “mark-to-market” adjustments of the aforementioned warrants. The control deficiency described above resulted in a restatement of the Company's consolidated financial statements as discussed above and in Note 3 to the consolidated financial statements included in this Annual Report on Form 10-K/A. If not remediated, this control deficiency could result in future material misstatements of these accounts and disclosures that would not be prevented or detected on a timely basis. Accordingly, our management has determined that this control deficiency constitutes a material weakness.

The effectiveness of our internal control over financial reporting as of December 31, 2012 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2012 that materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Remediation Plan

Management has developed a remediation plan to address the material weakness. Implementation of the remediation plan consists of redesigning existing quarterly control procedures to enhance management's accounting for warrants issued by the Company.

Management believes the foregoing efforts will effectively remediate the material weakness. As the Company continues to evaluate and work to improve its internal control over financial reporting, management may execute additional measures to address potential control deficiencies or modify the remediation plan described above. Management will continue to review and make necessary changes to the overall design of the Company's internal control environment, as well as to policies and procedures to improve the overall effectiveness of internal control over financial reporting.

Item 9B. Other Information

None.

Table of Contents

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Information required by this item is incorporated herein by reference from our definitive proxy statement for the 2013 Annual Meeting of Stockholders.

Item 11. Executive Compensation

Information required by this item is incorporated herein by reference from our definitive proxy statement for the 2013 Annual Meeting of Stockholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this item is incorporated herein by reference from our definitive proxy statement for the 2013 Annual Meeting of Stockholders.

Equity Compensation Plan Information
The following table sets forth certain compensation plan information with respect to compensation plans as of December 31, 2012:

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (1) | Weighted-average Exercise Price of Outstanding Options, Warrants and Rights | Number of Securities Available for Future Issuance under Equity Compensation Plans (2) |
|---|---|---|---|
| Equity compensation plans approved by security holders | 5,610,075 | $3.84 | 2,660,558 |
| Equity compensation plans not approved by security holders | — | N/A | — |
| Total | 5,610,075 | | 2,660,558 |

(1) Consists of the 1996 Incentive and Non-Qualified Stock Option Plan and the 2010 Stock Incentive Plan.
(2) Consists of the 2010 Stock Incentive Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item is incorporated herein by reference from our definitive proxy statement for the 2013 Annual Meeting of Stockholders.

Item 14. Principal Accountant Fees and Services

Information required by this item is incorporated herein by reference from our definitive proxy statement for the 2012 Annual Meeting of Stockholders.

Table of Contents

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) and (2). Financial Statements and Financial Statements Schedule.

See Index to Financial Statements under Item 8 in Part II hereof where these documents are listed.

(a) (3). Exhibits.

The following is a list of exhibits:

| Exhibit No. | Description |
|---|---|
| 3(a) | Restated Articles of Incorporation of the Company (incorporated by reference to the Form S-3 Registration Statement of the Company dated May 10, 2000 (No. 333-36682)). |
| 3(b) | Form of Certificate of Amendment of the Restated Certificate of Incorporation of SIGA Technologies, Inc. (incorporated by reference to the Proxy Statement on Schedule 14A of the Company dated June 15, 2007). |
| 3(c) | Amended and Restated Bylaws of the Company (incorporated by reference to the Annual Report on Form 10-K of the Company for the year ended December 31, 2008), as amended by the Amendment to the Bylaws of the Company (incorporated by reference to the Current Report on Form 8-K of the Company filed March 12, 2009). |
| 4(a) | Form of Common Stock Certificate (incorporated by reference to the Form SB-2 Registration Statement of the Company dated March 10, 1997 (No. 333-23037)). |
| 4(b) | Registration Rights Agreement, dated as of August 13, 2003, between the Company and MacAndrews & Forbes Holdings Inc. (incorporated by reference to the Current Report on Form 8-K of the Company filed on August 18, 2003). |
| 4(c) | Form of Warrant to purchase shares of common stock of the Company, issued to MacAndrews & Forbes, LLC on June 19, 2008 (incorporated by reference to the Current Report on Form 8-K of the Company filed on June 23, 2008). |
| 10(a) | Securities Purchase Agreement, dated as of August 13, 2003, between the Company and MacAndrews & Forbes Holdings Inc. (incorporated by reference to the Current Report on Form 8-K of the Company filed on August 18, 2003). |
| 10(b) | Letter Agreement dated October 8, 2003 among the Company, MacAndrews & Forbes Holdings Inc. and TransTech Pharma, Inc. (incorporated by reference to the Current Report on Form 8-K of the Company filed on August 18, 2003). |
| 10(c) | Director Compensation Program, effective April 21, 2005 (incorporated by reference to the Current Report on Form 8-K of the Company filed on April 26, 2005). |
| 10(d) | Securities Purchase Agreement, dated as of November 2, 2005, between Iroquois Master Fund Ltd., Cranshire Capital, L.P., Omicron Master Trust, Smithfield Fiduciary LLC and the Company (incorporated |

| | |
|---|---|
| | by reference to the Current Report on Form 8-K of the Company filed on November 4, 2005). |
| 10(e) | Securities Purchase Agreement, dated as of October 18, 2006, between the Company, Iroquois Master Fund Ltd., Cranshire Capital, L.P., Omicron Master Trust, Rockmore Investment Master Fund, Ltd., and Smithfield Fiduciary LLC (incorporated by reference to the Current Report on Form 8-K of the Company filed on October 20, 2006). |
| 10(f) | Amended and Restated Employment Agreement, dated as of January 22, 2007, between the Company and Dennis E. Hruby (incorporated by reference to the Current Report on Form 8-K of the Company filed on January 22, 2007). |
| 10(g) | Amended Employment Agreement dated December 31, 2011, to January 27, 2007 Employment Agreement (as amended) between the Company and Dr. Hruby (incorporated by reference to the Current Report on Form 8-K of the Company filed on December 27, 2011). |
| 10(h) | Securities Purchase Agreement, dated as of October 18, 2006, between the Company, Iroquois Master Fund Ltd., Cranshire Capital, L.P., Omicron Master Trust, Rockmore Investment Master Fund, Ltd., and Smithfield Fiduciary LLC (incorporated by reference to the Current Report on Form 8-K of the Company filed on October 20, 2006). |

| | |
|---|---|
| 10(i) | Amended and Restated Employment Agreement, dated as of January 22, 2007, between the Company and Dennis E. Hruby (incorporated by reference to the Current Report on Form 8-K of the Company filed on January 22, 2007). |
| 10(j) | Amended Employment Agreement dated December 31, 2011, to January 27, 2007 Employment Agreement (as amended) between the Company and Dr. Hruby (incorporated by reference to the Current Report on Form 8-K of the Company filed on December 27, 2011). |
| 10(k) | Letter Agreement, dated as of June 19, 2008, between the Company and MacAndrews & Forbes, LLC (incorporated by reference to the Current Report on Form 8-K of the Company filed on June 23, 2008). |
| 10(l) | Contract, dated September 1, 2008, between the Company and the National Institutes of Health, DHHS (incorporated by reference to the Quarterly Report on Form 10-Q of the Company for the quarter ending September 30, 2008). |
| 10(m) | Modification of Contract, dated September 17, 2008, between the Company and the National Institute of Allergy and Infectious Diseases of the National Institutes of Health (incorporated by reference to the Quarterly Report on Form 10-Q of the Company for the quarter ending September 30, 2008). |
| 10(n) | Employment Agreement, dated as of January 31, 2007, between the Company and Eric A. Rose (incorporated by reference to the Current Report on Form 8-K of the Company filed on January 31, 2007), as amended and restated (as set forth in the Current Report on Form 8-K of the Company filed on November 17, 2008). |
| 10(o) | Amendment to Employment Agreement, dated March 11, 2009, between the Company and Dennis E. Hruby (incorporated by reference to the Current Report on Form 8-K of the Company filed on March 12, 2009). |
| 10(p) | Employment Agreement dated as of February 10, 2011, between SIGA and Daniel J. Luckshire (incorporated by reference to the Current Report on Form 8-K of the Company filed on February 16, 2011). |
| 10(q) | Extension Letter Agreement, dated April 29, 2009, between MacAndrews & Forbes LLC and the Company (incorporated by reference to the Current Report on Form 8-K of the Company filed on April 30, 2009). |
| 10(r) | Form of Consideration Warrants (incorporated by reference to the Current Report on Form 8-K of the Company filed on April 30, 2009). |
| 10(s) | Form of Subscription Agreement (incorporated by reference to the Current Report on Form 8-K of the Company filed on December 10, 2009). |
| 10(t) | 2010 Stock Incentive Plan dated May 13, 2010 (incorporated by reference to the Definitive Proxy Statement on Schedule 14A of the Company filed on April 12, 2010). |
| 10(u) | Amendment to the SIGA Technologies, Inc. 2010 Stock Incentive Plan (incorporated by reference to the Current Report on Form 8-K of the Company filed on May 17, 2011). |
| 10(v) | |

| | |
|---|---|
| | Deferred Closing and Registration Rights Agreement, dated as of June 18, 2010, between MacAndrews & Forbes LLC and the Company (incorporated by reference to the Current Report on Form 8-K of the Company filed on June 22, 2010). |
| 10(w) | Separation and Consulting Agreement dated as of February 25, 2011, between SIGA and Ayelet Dugary (incorporated by reference to the Current Report on Form 8-K of the Company filed on March 3, 2011). |
| 10(x) | Contract dated as of May 13, 2011, between SIGA and the Biomedical Advanced Research and Development Authority of the United States Department of Health and Human Services (portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment) (incorporated by reference to the Current Report on Form 8-K of the Company filed on May 17, 2011). |
| 10(y) | Amendment of Solicitation/Modification of Contract dated as of June 24, 2011, to Agreement dated as of May 13, 2011, between SIGA and the Biomedical Advanced Research and Development Authority of the United States Department of Health and Human Services (portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment) (incorporated by reference to the Current Report on Form 8-K of the Company filed on June 28, 2011). |
| 10(z) | Amendment to Employment Agreement, dated January 22, 2007, between the Company and Dr. Dennis Hruby (incorporated by reference to the Current Report on Form 8-K of the Company filed on December 27, 2011). |

| | |
|---|---|
| 10(aa) | Amendment to Employment Agreement, dated November 17, 2008, between the Company and Dr. Eric Rose (incorporated by reference to the Current Report on Form 8-K of the Company filed on January 13, 2012). |
| 10(bb) | Amendment to the SIGA 2010 Stock Incentive Plan (incorporated by reference to the Current Report on Form 8-K of the Company filed on February 2, 2012). |
| 10(cc) | Amendment of Solicitation/Modification of Contract dated as of September 28, 2011, to Agreement dated as of May 13, 2011, between SIGA and the Biomedical Advanced Research and Development Authority of the United States Department of Health and Human Services (portions of this exhibit have been omitted and separately filed with teh Securities and Exchange Commission with a request for confidential treatment) (incorporated by reference to the Current Report on Form 10-Q of the Company filed on May 7, 2012). |
| 10(dd) | Amendment of Solicitation/Modification of Contract dated as of October 7, 2011, to Agreement dated as of May 13, 2011, between SIGA and the Biomedical Advanced Research and Development Authority of the United States Department of Health and Human Services (portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment) (incorporated by reference to the Current Report on Form 10-Q of the Company filed on May 7, 2012). |
| 10(ee) | Amendment of Solicitation/Modification of Contract dated as of January 25, 2012 to Agreement, dated as of May 13, 2011, between SIGA and the Biomedical Advanced Research and Development Authority of the United States Department of Health and Human Services (portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment) (incorporated by reference to the Current Report on Form 10-Q of the Company filed on May 7, 2012). |
| 10(ff) | Amendment of Solicitation/Modification of Contract dated as of February 7, 2012, to Agreement, dated as of May 13, 2011, between SIGA and the Biomedical Advanced Research and Development Authority of the United States Department of Health and Human Services (incorporated by reference to the Current Report on Form 10-Q of the Company filed on May 7, 2012). |
| 10(gg) | Amendment to the SIGA 2010 Stock Incentive Plan (incorporated by reference to the Current Report on Form 8-K of the Company filed on May 25, 2012). |
| 10(hh) | Employment Agreement dated as of June 4, 2012, between SIGA and William J. Haynes II (incorporated by reference to the Current Report on Form 8-K of the Company filed on June 4, 2012). |
| 10(ii) | Loan and Security Agreement, dated as of December 31, 2012, between General Electric Capital Corporation and the Company (incorporated by reference to the Current Report on Form 8-K of the Company filed on January 1, 2013). |
| 10(jj) | Amendment of Solicitation/Modification of Contract dated as of December 19, 2012, to Agreement, dated as of May 13, 2011, between SIGA and the Biomedical Advanced Research and Development Authority of the United States Department of Health and Human Services (portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment). |

| | |
|---|---|
| | The Company's Code of Ethics and Business Conduct (incorporated by reference to the Annual Report on Form 10-KSB of the Company for the year ended December 31, 2003). |
| 21 | Subsidiaries of the Registrant. |
| 23.1 | Consent of Independent Registered Public Accounting Firm. |
| 31.1 | Certification pursuant to Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Chief Executive Officer. |
| 31.2 | Certification pursuant to Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Chief Financial Officer. |
| 32.1 | Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Chief Executive Officer. |
| 32.2 | Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Chief Financial Officer. |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIGA TECHNOLOGIES, INC.
(Registrant)

Date: May 14, 2013

By:
Eric A. Rose, M.D.
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature | Title of Capacities | Date |
|---|---|---|
| Eric A. Rose, M.D. | Chairman and Chief Executive Officer<br>(Principal Executive Officer) | May 14, 2013 |
| Daniel J. Luckshire | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) | May 14, 2013 |
| James J. Antal | Director | May 14, 2013 |
| Michael J. Bayer | Director | May 14, 2013 |
| William C. Bevins | Director | May 14, 2013 |
| Thomas E. Constance | Director | May 14, 2013 |
| Jeffrey Kindler | Director | May 14, 2013 |
| Joseph Marshall | Director | May 14, 2013 |
| Paul G. Savas | Director | May 14, 2013 |
| Bruce Slovin | Director | May 14, 2013 |

| | | |
|---|---|---|
| Andrew Stern | Director | May 14, 2013 |
| Frances Fragos Townsend | Director | May 14, 2013 |
| Michael Weiner, M.D. | Director | May 14, 2013 |