Larimar Therapeutics Announces $95 Million Private Placement Financing

May 21, 2021

BALA CYNWYD, Pa., May 21, 2021 (GLOBE NEWSWIRE) -- Larimar Therapeutics, Inc. (“Larimar”) (Nasdaq: LRMR), a clinical-stage biotechnology company focused on developing treatments for Friedreich’s ataxia (FA) and other complex rare diseases, today announced that it has executed a securities purchase agreement to raise gross proceeds of approximately $95 million in a private placement financing of common stock (or pre-funded warrants to purchase common stock in lieu thereof). The financing included funds managed by Deerfield Management Company, L.P., Surveyor Capital (a Citadel company) Adage Capital Management, L.P., RA Capital Management, Cowen Healthcare Investments, Verition Fund Management and Vivo Capital, among others. Several members of Larimar senior management and Board of Directors also participated.

Larimar intends to use the net proceeds from the private placement to support the clinical development of CTI-1601, for additional research and development and for working capital and general corporate purposes.

Larimar will issue approximately 7,096,048 shares of common stock (or pre-funded warrants to purchase common stock in lieu thereof) in the private placement. The shares are being sold at a price of $13.43, which represents the closing price for Larimar on the Nasdaq as of May 20, 2021. Pre-funded warrants are being sold at a price of $13.42 per underlying share of common stock. Each pre-funded warrant will have an exercise price of $0.01 per share and will be exercisable immediately. The private placement is expected to close on or about May 25, 2021, subject to customary closing conditions.

Morgan Stanley, Guggenheim Securities and William Blair acted as joint-lead placement agents and JMP Securities acted as co-placement agent.

The securities were offered in a private placement under Section 4(a)(2) of the Securities Act of 1933, as amended (“Securities Act”), and have not been registered under the Securities Act, or applicable state securities laws. Accordingly, the securities may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws. Larimar has agreed to file a registration Statement with the Securities and Exchange Commission registering the resale of the shares of common stock (including the shares of common stock underlying the pre-funded warrants) issued in this private placement.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

About CTI-1601
CTI-1601 is a recombinant fusion protein intended to deliver human frataxin into the mitochondria of patients with Friedreich’s ataxia who are unable to produce enough of this essential protein. Currently in Phase 1 clinical trials in the U.S., CTI-1601 has been granted Rare Pediatric Disease designation, Fast Track designation and Orphan Drug designation by the U.S. Food and Drug Administration (FDA), Orphan Drug designation by the European Commission, and PRIME designation by the European Medicines Agency.

About Larimar Therapeutics
Larimar Therapeutics, Inc. (Nasdaq: LRMR), is a clinical-stage biotechnology company focused on developing treatments for complex rare diseases. Larimar’s lead compound, CTI-1601, is currently being evaluated in a Phase 1 clinical program in the U.S. as a potential treatment for FA. Larimar also plans to use its intracellular delivery platform to design other fusion proteins to target additional rare diseases characterized by deficiencies in intracellular bioactive compounds. For more information, please visit: https://larimartx.com.

Forward-Looking Statements
This press release contains forward-looking statements that are based on Larimar’s management’s beliefs and assumptions and on information currently available to management. All statements contained in this release other than statements of historical fact are forward-looking statements, including but not limited to statements regarding Larimar’s ability to develop and commercialize CTI-1601 and other planned product candidates, Larimar’s planned research and development efforts, and other matters regarding Larimar’s business strategies, use of capital, results of operations and financial position, and plans and objectives for future operations.

In some cases, you can identify forward-looking statements by the words “may,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “ongoing” or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These statements involve risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others, risks and uncertainties associated with market risk and the satisfaction of customary closing conditions with respect to the private placement, the anticipated use of proceeds of the private placement, the success, cost and timing of Larimar’s product development activities, non-clinical studies and clinical trials, including CTI-1601 clinical milestones; that clinical trial results may differ from final clinical trial results, that earlier non-clinical and clinical data and testing of CTI-1601 may not be predictive of the results or success of clinical trials, and assessments; the ongoing impact of the COVID-19 pandemic on Larimar’s future clinical trials, manufacturing, regulatory and nonclinical study timelines, ability to raise additional capital and general economic conditions; Larimar’s ability to optimize and scale CTI-1601’s manufacturing process; Larimar’s ability to obtain regulatory approval for CTI-1601 and future product candidates; Larimar’s ability to develop sales and marketing capabilities, whether alone or with potential future collaborators, and to successfully commercialize any approved product candidates; Larimar’s ability

to raise the necessary capital to conduct its product development activities; and other risks described in the filings made by Larimar with the Securities and Exchange Commission (SEC), including but not limited to Larimar's periodic reports, including the annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, filed with or furnished to the SEC and available at www.sec.gov. These forward-looking statements are based on a combination of facts and factors currently known by Larimar and its projections of the future, about which it cannot be certain. As a result, the forward-looking statements may not prove to be accurate. The forward-looking statements in this press release represent views as of the date hereof. Larimar undertakes no obligation to update any forward-looking statements for any reason, except as required by law.

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