UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

☒

For the quarterly period ended September 30, 2023

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 Number 001-32157

Savara Inc.

(Exact name of registrant as specified in its charter)

Delaware	**84-1318182**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1717 Langhorne Newtown Road , Suite 300 Langhorne , Pennsylvania	**19047**
(Address of principal executive offices)	**(Zip Code)**

(512) 614-1848

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	SVRA	The Nasdaq Global Select Market

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. ☐

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of November 9, 2023, the registrant had

135,341,024
shares of common stock, $0.001 par value per share, outstanding.

Table of Contents

		Page
PART I.	FINANCIAL INFORMATION	1
Item 1.	Financial Statements (Unaudited)	1
	Condensed Consolidated Balance Sheets	1
	Condensed Consolidated Statements of Operations and Comprehensive Loss	2
	Consolidated Statements of Changes in Stockholders' Equity	3
	Condensed Consolidated Statements of Cash Flows	5
	Notes to Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	22
Item 4.	Controls and Procedures	23
PART II.	OTHER INFORMATION	24
Item 1.	Legal Proceedings	24
Item 1A.	Risk Factors	24
Item 2.	Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities	24
Item 3.	Defaults Upon Senior Securities	24
Item 4.	Mine Safety Disclosures	24
Item 5.	Other Information	24
Item 6.	Exhibits	24
Exhibit Index		25
Signatures		26

PART I – FINANCIAL INFORMATION

Item I. Financial Information

Savara Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	September 30, 2023 (Unaudited)	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 27,690	$ 52,100
Short-term investments	140,561	73,776
Prepaid expenses and other current assets	1,845	3,078
Total current assets	170,096	128,954
Property and equipment, net	277	51
In-process R&D	10,497	10,656
Other non-current assets	1,202	116
Total assets	$ 182,072	$ 139,777
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,219	$ 1,334
Accrued expenses and other current liabilities	5,744	4,533
Total current liabilities	8,963	5,867
Long-term liabilities:		
Long-term debt	26,281	26,078
Other long-term liabilities	284	54
Total liabilities	35,528	31,999
Commitments and contingencies (Note 9)		
Stockholders' equity:		

Common stock, $ 0.001 par value, 300,000,000 authorized as of September 30, 2023 and December 31, 2022; 135,339,836 and 114,046,345 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	137	116
Additional paid-in capital	524,619	446,938
Accumulated other comprehensive loss	(942)	(605)
Accumulated deficit	(377,270)	(338,671)
Total stockholders' equity	146,544	107,778
Total liabilities and stockholders' equity	$ 182,072	$ 139,777

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

Savara Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Operating expenses:				
Research and development	$ 13,867	$ 8,151	$ 31,516	$ 20,253
General and administrative	4,147	2,376	10,816	7,687
Depreciation and amortization	30	8	45	24
Total operating expenses	18,044	10,535	42,377	27,964
Loss from operations	(18,044)	(10,535)	(42,377)	(27,964)
Other income (expense)				
Interest income (expense)	1,444	152	2,917	(702)
Foreign currency exchange (loss) gain	1	(8)	64	21
Tax credit income	—	5	797	795
Total other income, net	1,445	149	3,778	114
Net loss	$ (16,599)	$ (10,386)	$ (38,599)	$ (27,850)
Net loss per share:				
Basic and diluted	$ (0.10)	$ (0.07)	$ (0.24)	$ (0.18)
Weighted-average common shares outstanding:				
Basic and diluted	164,342,634	152,773,015	158,444,739	152,771,302
Other comprehensive income (loss):				
Loss on foreign currency translation	(318)	(668)	(286)	(1,621)
Unrealized gain (loss) on short-term investments	(5)	77	(51)	9
Total comprehensive loss	$ (16,922)	$ (10,977)	$ (38,936)	$ (29,462)

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

Savara Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholders' Equity
Periods Ended September 30, 2023 and 2022
(In thousands, except share amounts)
(Unaudited)

	Stockholders' Equity					
	Common Stock					
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance on December 31, 2022	**114,046,345**	**$ 116**	**$ 446,938**	**$ (338,671)**	**$ (605)**	**$ 107,778**
Issuance of common stock upon exercise of stock options	17,129	—	27	—	—	27
Issuance of common stock for settlement of RSUs	1,813	—	—	—	—	—
Repurchase of shares for minimum tax withholdings	(551)	—	(1)	—	—	(1)
Stock-based compensation	—	—	864	—	—	864
Foreign exchange translation adjustment	—	—	—	—	130	130
Unrealized gain on short-term investments	—	—	—	—	14	14
Net loss	—	—	—	(10,557)	—	(10,557)
Balance on March 31, 2023	**114,064,736**	**$ 116**	**$ 447,828**	**$ (349,228)**	**$ (461)**	**$ 98,255**
Issuance of common stock upon exercise of stock options	84,375	—	103	—	—	103
Issuance of common stock for settlement of RSUs	1,812	—	—	—	—	—
Repurchase of shares for minimum tax withholdings	(468)	—	—	—	—	—
Stock-based compensation	—	—	958	—	—	958
Foreign exchange translation adjustment	—	—	—	—	(98)	(98)
Unrealized loss on short-term investments	—	—	—	—	(60)	(60)
Net loss	—	—	—	(11,443)	—	(11,443)
Balance on June 30, 2023	**114,150,455**	**$ 116**	**$ 448,889**	**$ (360,671)**	**$ (619)**	**$ 87,715**

Issuance of common stock and pre-funded warrants in registered direct offering, net of offering costs [1]	21,000,000	21	74,853	—	—	74,874
Issuance of common stock for settlement of RSUs	176,813	—	—	—	—	—
Repurchase of shares for minimum tax withholdings	(51,042)	—	(182)	—	—	(182)
Issuance of common stock upon exercise of stock options	63,610	—	64	—	—	64
Stock-based compensation	—	—	995	—	—	995
Foreign exchange translation adjustment	—	—	—	—	(318)	(318)
Unrealized loss on short-term investments	—	—	—	—	(5)	(5)
Net loss	—	—	—	(16,599)	—	(16,599)
Balance on September 30, 2023	**135,339,836**	**$ 137**	**$ 524,619**	**$ (377,270)**	**$ (942)**	**$ 146,544**

(1) As discussed in *Note 8. Stockholders' Equity*, the Company sold (i) an aggregate of 21,000,000 shares of the Company's common stock, par value $ 0.001 per share and (ii) pre-funded warrants to purchase an aggregate of 5,666,667 shares of the Company's common stock at an exercise price, equal to the par value, of $ 0.001 per share.

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

Savara Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholders' Equity (continued)
Periods Ended September 30, 2023 and 2022
(In thousands, except share amounts)
(Unaudited)

	Stockholders' Equity					
	Common Stock					
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance on December 31, 2021	**114,036,892**	**$ 116**	**$ 444,898**	**$ (300,521)**	**$ 5**	**$ 144,498**
Issuance of common stock for settlement of RSUs	3,688	—	—	—	—	—
Repurchase of shares for minimum tax withholdings	(720)	—	(1)	—	—	(1)
Stock-based compensation	—	—	574	—	—	574
Foreign exchange translation adjustment	—	—	—	—	(208)	(208)
Unrealized loss on short-term investments	—	—	—	—	(88)	(88)
Net loss	—	—	—	(8,300)	—	(8,300)
Balance on March 31, 2022	**114,039,860**	**$ 116**	**$ 445,471**	**$ (308,821)**	**$ (291)**	**$ 136,475**
Issuance of common stock for settlement of RSUs	1,812	—	—	—	—	—
Repurchase of shares for minimum tax withholdings	(401)	—	—	—	—	—
Stock-based compensation	—	—	456	—	—	456
Foreign exchange translation adjustment	—	—	—	—	(745)	(745)
Unrealized gain on short-term investments	—	—	—	—	20	20
Net loss	—	—	—	(9,164)	—	(9,164)
Balance on June 30, 2022	**114,041,271**	**$ 116**	**$ 445,927**	**$ (317,985)**	**$ (1,016)**	**$ 127,042**
Issuance of common stock for settlement of RSUs	1,813	—	—	—	—	—
Repurchase of shares for minimum tax withholdings	(442)	—	(1)	—	—	(1)

Stock-based compensation	—	—	450	—	—	450
Foreign exchange translation adjustment	—	—	—	—	(668)	(668)
Unrealized gain on short-term investments	—	—	—	—	77	77
Net loss	—	—	—	(10,386)	—	(10,386)
Balance on September 30, 2022	**114,042,642**	**$ 116**	**$ 446,376**	**$ (328,371)**	**$ (1,607)**	**$ 116,514**

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

Savara Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	For the nine months ended September 30,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (38,599)	$ (27,850)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	45	24
Amortization of right-of-use assets	64	101
Foreign currency gain	(64)	(21)
Amortization of debt issuance costs	203	266
(Accretion) amortization on premium to short-term investments	(3,345)	432
Stock-based compensation	2,817	1,480
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,142	1,257
Non-current assets	(792)	(828)
Accounts payable and accrued expenses and other current liabilities	3,071	(764)
Net cash used in operating activities	(35,458)	(25,903)
Cash flows from investing activities:		
Purchase of property and equipment	(272)	(9)
Purchase of available-for-sale securities, net	(155,415)	(16,004)
Maturity of available-for-sale securities	92,000	116,593
Sale of available-for-sale securities, net	—	11,276
Net cash provided by (used in) investing activities	(63,687)	111,856
Cash flows from financing activities:		
Repayment of long-term debt [1]	—	(26,350)

Proceeds from long-term debt, net [1]	—	26,438
Issuance of common stock and pre-funded warrants in registered direct offering, net of offering costs	74,874	—
Proceeds from exercise of stock options	194	—
Repurchase of shares for minimum tax withholdings	(183)	(2)
Net cash provided by financing activities	74,885	86
Effect of exchange rate changes on cash and cash equivalents	(150)	(210)
Increase (decrease) in cash and cash equivalents	(24,410)	85,829
Cash and cash equivalents beginning of period	52,100	34,012
Cash and cash equivalents end of period	$ 27,690	$ 119,841
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,504	$ 1,186

(1) As discussed in *Note 6. Long-term Debt* , the Amended Loan Agreement (as defined herein) executed on April 21, 2022 was accounted for as a modification. The Company used the proceeds from the Amended Loan Agreement to repay the outstanding amounts under the Loan Agreement (as defined herein) from Silicon Valley Bank.

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

1. Organization and Nature of Operations

Description of Business

Savara Inc. (together with its subsidiaries "Savara," the "Company," "we" or "us") is a clinical-stage biopharmaceutical company focused on rare respiratory diseases. The Company's lead program, molgramostim nebulizer solution ("molgramostim"), a novel inhaled biologic, is a granulocyte-macrophage colony-stimulating factor in Phase 3 development for autoimmune pulmonary alveolar proteinosis ("aPAP"). The Company and its wholly-owned subsidiaries operate in

one

segment with its principal office in Langhorne, Pennsylvania, though a significant portion of employees work remotely.

Since inception, Savara has devoted its efforts and resources to identifying and developing its product candidates, recruiting personnel, and raising capital. Savara has incurred operating losses and negative cash flow from operations and has

no

product revenue from inception to date. The Company has not yet commenced commercial operations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited interim condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") as defined by the Financial Accounting Standards Board ("FASB"). The unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect, in the opinion of management, all adjustments that are necessary to fairly present the statements of financial position, operations and cash flows for the periods presented. The results of operations for interim periods shown in this report are not necessarily indicative of the results to be expected for the year ending December 31, 2023 or for any other future annual or interim period.

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been omitted from these condensed consolidated financial statements, as permitted by rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). The Company believes the disclosures made in these condensed consolidated financial statements are adequate to make the information herein not misleading. The Company recommends that these condensed consolidated financial statements be read in conjunction with its audited consolidated financial statements and related notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2022. The Company's significant accounting policies are described in Note 2 to the audited consolidated financial statements. There have been no changes to the Company's significant accounting policies since the date of those financial statements.

Principles of Consolidation

The interim condensed consolidated financial statements of the Company are stated in U.S. dollars and are prepared under U.S. GAAP. These condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The financial statements of the Company's wholly-owned subsidiaries are recorded in their functional currency and translated into the reporting currency. The cumulative effect of changes in exchange rates between the foreign entity's functional currency and the reporting currency is reported in *Accumulated other comprehensive loss* in the condensed consolidated balance sheet. All intercompany transactions and accounts have been eliminated in consolidation. The condensed consolidated balance sheet at December 31, 2022 has been derived from the Company's audited consolidated financial statements at that date but does not include all of the information and notes required by U.S. GAAP for complete financial statements.

Liquidity

As of September 30, 2023, the Company had an accumulated deficit of approximately $

377.3

million. The Company used cash in operating activities of approximately $

35.5

million during the nine months ended September 30, 2023. The cost to further develop and obtain regulatory approval for any drug is substantial and, as noted below, the Company may have to take certain steps to maintain a positive cash position. Although the Company has sufficient capital to fund many of its planned activities, it may need to continue to raise additional capital to further fund the development of, and seek regulatory approvals for, its product candidate and begin to commercialize any approved product.

The Company is currently focused on the development of molgramostim for the treatment of aPAP and believes such activities will result in the continued incurrence of significant research and development and other expenses related to this program. If the clinical trial for the Company's product candidate fails or produces unsuccessful results and the product candidate does not gain regulatory approval or, if approved, fails to achieve market acceptance, the Company may never become profitable. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. The Company intends to cover its future operating expenses through cash and cash equivalents on hand, short-term investments and, potentially, through a combination of equity offerings, debt financings, government or other third-party funding, and other collaborations and strategic alliances with partner companies. The Company cannot be sure that additional financing will be available when needed or that, if available, financing will be obtained on terms favorable to the Company or its stockholders.

The Company's cash and cash equivalents of $

27.7

million and short-term investments of $

140.6

million as of September 30, 2023 are sufficient to fund the Company's operations for the twelve months subsequent to the issuance date of these condensed consolidated financial statements. The Company may continue to raise additional capital as needed through the issuance of additional equity securities and potentially through borrowings and strategic alliances with partner companies. However, if such additional financing is not available timely and at adequate levels, the Company will need to reevaluate its long-term operating plans. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company currently maintains depository accounts and has a debt facility with Silicon Valley Bank, as acquired by First Citizens BancShares, Inc. (Nasdaq: FCNCA) on March 27, 2023 through an agreement with the Federal Deposit Insurance Corporation ("FDIC"). The acquisition included all of the assets and liabilities of Silicon Valley Bank, including all bank deposits, and allowed Silicon Valley Bank to continue its operations.

In order to mitigate risks associated with our banking deposits, the Company maintains a significant portion of its liquidity in U.S. Treasury money market funds and other short-term investments with custodial services provided by U.S. Bank, N.A., refer to *Note 5. Short-term Investments* and *Note 7. Fair Value Measurements*. The Company continues to monitor the circumstances surrounding First Citizens BancShares, Inc. and its acquisition of Silicon Valley Bank and has not experienced nor anticipates any material impacts on its financial condition or operations.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires the Company to make certain estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Management's estimates include, but are not limited to, those related to the accrual and prepayment of research and development expenses and general and administrative costs, certain financial instruments recorded at fair value, the valuation of stock-based compensation, and the valuation allowance for deferred tax assets. The Company bases its estimates on historical experience, changes in circumstance and facts, and on various other market-specific and relevant assumptions that it believes to be reasonable under the circumstances. Accordingly, actual results could be materially different from those estimates.

Risks and Uncertainties

The product candidate being developed by the Company requires approval from the U.S. Food and Drug Administration ("FDA") or foreign regulatory agencies prior to commercial sales. There can be no assurance that the Company's product candidate will receive the necessary approvals. If the Company is denied regulatory approval of its product candidate, or if approval is delayed, it may have a material adverse impact on the Company's business, results of operations, and its financial position.

The Company is subject to a number of risks similar to other life science companies, including, but not limited to, risks related to the successful discovery and development of drug candidates, raising additional capital, development of competing drugs and therapies, protection of proprietary technology, and market acceptance of the Company's products. As a result of these and other factors and the related uncertainties, there can be no assurance of the Company's future success.

Concentration of Credit Risk

We are subject to credit risk from our portfolio of cash equivalents and marketable securities. These investments were made in accordance with our investment policy which specifies the categories, allocations, and ratings of securities we may consider for investment. The primary objective of our investment activities is the preservation of principal and maintenance of liquidity that is sufficient to meet cash flow requirements, while at the same time maximizing total return on investments without significantly increasing risk. We maintain our cash and cash equivalents and marketable securities with a limited number of financial institutions. Deposits held with the financial institutions may from time to time exceed the amount of insurance provided on such deposits. We are exposed to credit risk in the event of a default by the financial institutions holding our cash, cash equivalents, and marketable securities to the extent recorded on the consolidated balance sheets. In order to mitigate such risks associated with our banking deposits, the Company maintains a significant portion of its liquidity in U.S. Treasury money market funds and other short-term investments.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief operating decision maker is the Chief Executive Officer. We have

one
operating segment, specialty pharmaceuticals within the respiratory system.

Recent Accounting Pronouncements

There are no recent accounting pronouncements issued by the FASB, the American Institute of Certified Public Accountants, or the SEC that are believed by the Company's management to have a material effect, if any, on the Company's condensed consolidated financial statements.

3. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Prepaid contracted research and development costs	$ 531	$ 1,822
R&D tax credit receivable	780	792
Prepaid insurance	201	231
VAT receivable	171	162
Deposits and other	162	71
Total prepaid expenses and other current assets	**$ 1,845**	**$ 3,078**

Prepaid Contracted Research and Development Costs

As of September 30, 2023, *Prepaid contracted research and development costs* are primarily comprised of contractual prepayments associated with the Company's clinical trial for molgramostim for the treatment of aPAP. This includes prepaid amounts paid under agreements with contract research organizations (“CROs”), contract manufacturing organizations (“CMOs”), contract research and contract development and manufacturing organizations ("CDMOs") and other outside service providers that provide services in connection with the Company's research and development activities.

R&D Tax Credit Receivable

The Company has recorded a Danish tax credit earned by its subsidiary, Savara ApS, as of September 30, 2023. Under Danish tax law, Denmark remits a research and development tax credit equal to

22
% of qualified research and development expenditures, not to exceed established thresholds. During the year ended December 31, 2022, the Company generated a Danish tax credit of $

0.8
million, which is included in *Prepaid expenses and other current assets* and is expected to be received in the fourth quarter of 2023. During the nine months ended September 30, 2023, the Company generated a Danish tax credit of $

0.8
million, which is recorded in *Other non-current assets* in the condensed consolidated balance sheet and is expected to be received in the fourth quarter of 2024.

4. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of (in thousands):

	September 30, 2023	December 31, 2022
Accrued compensation	$ 2,179	$ 2,365
Accrued contracted research and development costs	2,621	1,322
Accrued general and administrative costs	805	782

Lease liability	139	64
Total accrued expenses and other current liabilities	**$ 5,744**	**$ 4,533**

Accrued Contracted Research and Development Costs

As of September 30, 2023, *Accrued contracted research and development costs* are primarily comprised of costs associated with molgramostim for the treatment of aPAP, including expenses resulting from obligations under agreements with CROs, CMOs, and other outside service providers that provide services in connection with the Company's research and development activities.

Accrued Compensation

As of September 30, 2023, *Accrued compensation* includes amounts to be paid to employees for salary, bonuses, vacation and non-equity performance-based compensation. At the end of any period, the amounts accrued for such compensation may vary due to many factors including, but not limited to, timing of payments to employees and vacation usage .

5. Short-term Investments

The Company's investment policy seeks to preserve capital and maintain sufficient liquidity to meet operational and other needs of the business. The following table summarizes, by major security type, the Company's investments (in thousands):

As of September 30, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Short-term investments				
U.S. government securities	$ 140,623	$ —	$ (62)	$ 140,561
Total short-term investments	**$ 140,623**	**$ —**	**$ (62)**	**$ 140,561**

As of December 31, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Short-term investments				
U.S. government securities	$ 73,784	$ 8	$ (16)	$ 73,776
Total short-term investments	**$ 73,784**	**$ 8**	**$ (16)**	**$ 73,776**

The Company has classified its investments as available-for-sale securities. These securities are carried at estimated fair value with the aggregate unrealized gains and losses related to these investments reflected as a part of *Accumulated other comprehensive loss* in the condensed consolidated balance sheet. Classification as short-term or long-term is based upon whether the initial maturity of the debt securities is less than or greater than twelve months.

There were

no

significant realized gains or losses related to investments for the nine months ended September 30, 2023 and 2022.

6. Long-term Debt

On April 28, 2017, the Company and its subsidiary, Aravas Inc. ("Aravas"), entered into a loan and security agreement with Silicon Valley Bank, as amended by the First Amendment on October 31, 2017 , the Second Amendment on December 4, 2018 , the Third Amendment on January 31, 2020 , and the Fourth Amendment on March 30, 2021 (the "Loan Agreement"), pursuant to which Silicon Valley Bank provided a term loan to us in the principal amount of $

25.0
million.

On April 21, 2022 , the Company and Aravas entered into an Amended and Restated Loan and Security Agreement (the "Amended Loan Agreement"), as co-borrowers, and Silicon Valley Bank, as lender (the "Lender"), which amended and restated the Loan Agreement in its entirety. The Amended Loan Agreement provides for a $

26.5
million term loan facility. The Company used the proceeds from the Amended Loan Agreement to repay outstanding amounts under the Loan Agreement, including principal of $

25.0
million, a prepayment fee of $

0.1
million, and an end of term charge of $

1.4
million.

Pursuant to the Amended Loan Agreement, the loan has an interest-only monthly payment through April 21, 2026 (the "Interest-Only Period") and thereafter equal monthly installments of principal plus interest over 12 months until April 21, 2027 (the "Maturity Date"). However, the Company may elect to extend the Interest-Only Period until the Maturity Date if it maintains cash and cash equivalents equal to at least

1.75
times the outstanding principal amount of the loan during the fifth year. If the Interest-Only Period is extended, all principal and unpaid interest is due and payable on the Maturity Date.

The loan bears interest at a floating rate equal to the greater of (i)

3
% and (ii) the prime rate reported in The Wall Street Journal, minus a spread of

0.5
%. Savara is obligated to pay customary closing fees and a final payment of

2.75
% of the principal amount advanced under the facility. The Company may prepay the loan in whole or in part at any time, subject to a prepayment fee of

1.0
% if prepaid between the first and second anniversaries of the closing date. Following the second anniversary, there is no prepayment fee.

The Lender was granted a perfected first priority lien in all of the Company's assets with a negative pledge on intellectual property. The Amended Loan Agreement contains customary affirmative and negative covenants, including among others, covenants that limit the Company's and its subsidiaries' ability to dispose of assets, permit a change in control, merge or consolidate, make acquisitions, incur indebtedness, grant liens, make investments, make certain restricted payments, and enter into transactions with affiliates, in each case subject to certain exceptions. Additionally, the Amended Loan Agreement contains an affirmative covenant providing that if the Company's balance of cash and cash equivalents falls below $

40.0

million, the Company is required to maintain cash and cash equivalents equal to at least (i) six months of operating expenses and (ii) 1.2 times the outstanding principal amount of the loan (or 1.75 in the final year of the loan if the Interest-Only Period is extended).

In accordance with FASB ASC Topic 470-50, *Debt – Modifications and Extinguishments*, the Company evaluated the Amended Loan Agreement to determine whether it should be accounted for as a modification or extinguishment. As a result of this analysis, the Amended Loan Agreement was accounted for as a modification. Accordingly,

no

gain or loss is recognized. Approximately $

0.1

million of fees paid to the Lender were capitalized and will be amortized over the term of the Amended Loan Agreement. Expenses paid to third parties associated with the Amended Loan Agreement were immediately expensed and recorded in the *Interest income (expense)* line item in our consolidated statement of operations.

On March 10, 2023, the FDIC took control and was appointed receiver of Silicon Valley Bank, and on March 27, 2023, First Citizens BancShares, Inc. announced that it had entered into an agreement with the FDIC to purchase all of the assets and liabilities of Silicon Valley Bank. As such, the Company is monitoring the impact on the Amended Loan Agreement and does not expect any material impacts to its facility or operations.

Summary of Carrying Value

The following table summarizes the components of the long-term debt carrying value, which approximates the fair value (in thousands):

Future minimum payments due during the year ended December 31,	September 30, 2023	December 31, 2022
2023	—	—
2024	—	—
2025	—	—
2026	17,667	17,667
2027	9,562	9,562
Total future minimum payments	27,229	27,229
Unamortized end of term charge	(519)	(630)
Debt issuance costs	(394)	(478)
Debt discount related to warrants	(35)	(43)
Total debt	26,281	26,078
Current portion of long-term debt	—	—
Long-term debt	$ 26,281	$ 26,078

7. Fair Value Measurements

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value.

The three tiers are defined as follows:

- Level 1 – Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 – Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis, but are subject to fair value adjustments annually or whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. These assets and liabilities can include acquired in-process research and development ("IPR&D") and other long-lived assets that are written down to fair value if they are impaired.

IPR&D is considered an indefinite-lived intangible asset and is assessed for impairment annually, or more frequently if impairment indicators exist. In accordance with ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350)*, the Company utilizes a two-step method, which allows the Company to first assess qualitative factors before performing a quantitative assessment of the fair value of a reporting unit. If it is determined on the basis of qualitative factors that the fair value of the IPR&D is more likely than not less than the carrying value, a quantitative impairment test is required.

During the nine months ended September 30, 2023 and 2022, the Company experienced a decrease of approximately $

0.2
million and a decrease of approximately $

1.5
million, respectively, in the carrying value of IPR&D due to foreign currency translation.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company determined that certain investments in debt securities classified as available-for-sale securities were Level 1 financial instruments.

From time to time, the Company also invests in corporate debt securities, commercial paper, and asset-backed securities which are considered Level 2 financial instruments because the Company has access to quoted prices but does not have visibility to the volume and frequency of trading for all of these investments. For the Company's investments, a market approach is used for recurring fair value measurements and the valuation techniques use inputs that are observable, or can be corroborated by observable data, in an active marketplace.

The fair value of these instruments as of September 30, 2023 and December 31, 2022 was as follows (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2023				
Cash equivalents:				
U.S. Treasury money market funds	$ 27,025	$ —	$ —	$ 27,025
Short-term investments:				
U.S. government securities	140,561	—	—	140,561
As of December 31, 2022				
Cash equivalents:				
U.S. Treasury money market funds	$ 48,804	$ —	$ —	$ 48,804
Short-term investments:				
U.S. government securities	73,776	—	—	73,776

8. Stockholders' Equity

Registered Direct Offering of Common Stock

On July 17, 2023, the Company sold (i) an aggregate of

21,000,000
shares of the Company's common stock (the "Common Stock") for $

3.00
per share which represented a

1
% premium over the closing price on that date and (ii) pre-funded warrants to purchase an aggregate of

5,666,667
shares of Common Stock at an exercise price of $

0.001
per share (the "2023 Pre-Funded Warrants") for $

2.999
per warrant pursuant to a Registered Direct Offering (the "July 2023 Offering"). The Common Stock and 2023 Pre-Funded Warrants were offered by the Company pursuant to its existing shelf registration statement (File No. 333-257709) filed with the SEC on July 6, 2021 and declared effective on July

16, 2021.

The Company determined that the securities issued in the July 2023 Offering were free-standing and that the 2023 Pre-Funded Warrants meet the equity classification requirements pursuant to ASC 480, *Distinguishing Liability from Equity*, ASC 815, *Derivatives and Hedging* and Subtopic 815-40, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The 2023 Pre-Funded Warrants were sold at the same price as the underlying common stock, less $

0.001
(which represents the exercise price of the warrants).

The July 2023 Offering resulted in net proceeds to the Company of approximately $

74.9

million, after deducting final underwriting discounts, commissions, and other estimated offering expenses, as follows (in thousands):

Financial instruments	Proceeds
Common stock	63,000
Pre-funded warrants	16,994
Total	79,994
Offering expenses	(5,120)
Net proceeds	$ 74,874

The Company intends to use the net proceeds for working capital and general corporate purposes, which include, but are not limited to, the funding of clinical development of and pursuing regulatory approval for molgramostim, investing in our commercialization infrastructure, commercial launch preparation activities in the United States and European Union, and administrative expenses.

Evercore Common Stock Sales Agreement

On July 6, 2021, the Company entered into a Common Stock Sales Agreement with Evercore Group L.L.C. ("Evercore"), as sales agent (the "Sales Agreement"), pursuant to which the Company may offer and sell, from time to time, through Evercore, shares of Savara's common stock, par value $

0.001

per share (the "Shares"), having an aggregate offering price of not more than $

60.0

million. The Sales Agreement was effective on July 16, 2021 , the date the Registration Statement was declared effective by the SEC. The Shares will be offered and sold pursuant to the Registration Statement. Subject to the terms and conditions of the Sales Agreement, Evercore will use commercially reasonable efforts to sell the Shares from time to time, based upon the Company's instructions. The Company has provided Evercore with customary indemnification rights, and Evercore will be entitled to a commission at a fixed commission rate equal to

3

% of the gross proceeds per Share sold. Sales of the Shares, if any, under the Sales Agreement may be made in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended. The Company has no obligation to sell any of the Shares and may at any time suspend sales under the Sales Agreement or terminate the Sales Agreement.

During the nine months ended September 30, 2023 and 2022, the Company did

no

t sell any shares of common stock under the Sales Agreement.

Common Stock Reserved for Issuance

The Company's shares of common stock reserved for issuance as of the periods indicated were as follows:

	September 30, 2023	December 31, 2022
April 2017 Warrants	24,725	24,725
June 2017 Warrants	41,736	41,736
December 2018 Warrants	11,332	11,332
2017 Pre-funded Warrants	775,000	775,000
Pre-funded PIPE Warrants	5,780,537	5,780,537

2021 Pre-funded Warrants	32,175,172	32,175,172
2023 Pre-funded Warrants	5,666,667	—
Stock options outstanding	8,551,117	7,933,184
Issued and nonvested RSUs	2,281,812	1,942,250
Total shares reserved	**55,308,098**	**48,683,936**

Warrants

The following table summarizes the outstanding warrants for the Company's common stock as of September 30, 2023:

Expiration Date	Shares Underlying Outstanding Warrants		Exercise Price
October 2024	775,000	$	0.01
April 2027	24,725	$	2.87
June 2027	41,736	$	2.87
December 2028	11,332	$	2.87
None	43,622,376	$	0.001
	44,475,169		

Accumulated Other Comprehensive Income (Loss) Information

The components of accumulated other comprehensive income (loss) as of the dates indicated and the change during the period were (in thousands):

	Foreign Exchange Translation Adjustment	Unrealized Gain (Loss) on ST Investments	Total Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2021	$ 54	$ (49)	$ 5
Change	$ (648)	$ 38	$ (610)
Balance, December 31, 2022	$ (594)	$ (11)	$ (605)
Change	$ (286)	$ (51)	$ (337)
Balance, September 30, 2023	$ (880)	$ (62)	$ (942)

9. Commitments

Manufacturing and Other

The Company is subject to various royalties and manufacturing and development payments related to its product candidate, molgramostim. Under a manufacture and supply agreement with the active pharmaceutical ingredients ("API") manufacturer for molgramostim, the Company must make certain payments to the API manufacturer upon achievement of the milestones outlined in the table set forth below. Additionally, upon first receipt of marketing approval by the Company from a regulatory authority in a country for a product containing the API for therapeutic use in humans and ending the earlier of (i) ten (10) years thereafter or (ii) the date a biosimilar of such product is first sold in such country, the Company shall pay the API manufacturer a royalty equal to low-single digits of the net sales in that country.

Similarly, the Company may become subject to additional milestone payments for the achievement of certain manufacturing protocols of molgramostim pursuant to a services agreement with a second source product manufacturer, as well as, an integrated contract research and CDMO, pursuant to a service agreement, serving as an additional source of manufacturing of molgramostim drug substances. As of September 30, 2023, the Company had no significant obligations for any such milestone payments to either of these additional source product manufacturers.

The Company is also subject to certain contingent milestone payments, disclosed in the following table, payable to the manufacturer of the nebulizer used to administer molgramostim. In addition to these milestones, the Company will owe a royalty of three-and one-half percent (3.5 %) to the manufacturer of the nebulizer based on net sales.

The following table summarizes manufacturing commitments and contingencies as of the period indicated (in thousands):

	September 30, 2023
Molgramostim manufacturer:	
Achievement of certain milestones related to validation of API and regulatory approval of molgramostim	$ 2,300
Molgramostim nebulizer manufacturer:	
Achievement of various development activities and regulatory approval of nebulizer utilized to administer molgramostim	529
Total manufacturing and other commitments	**$ 2,829**

The milestone commitments disclosed above reflect the activities that have (i) not been met or incurred; (ii) not been remunerated; and (iii) not accrued, as the activities are not deemed probable or reasonably estimable, as of September 30, 2023.

Contract Research

As part of its development of molgramostim for the treatment of aPAP, the Company entered into a Master Services Agreement ("MSA") with Parexel International (IRL) Limited ("Parexel") pursuant to which Parexel will provide contract research services related to clinical trials. Contemporaneously with entering the MSA, a work order was executed with Parexel, under which they will provide services related to the IMPALA-2 trial. Under that work order and subsequent change orders, the Company will pay Parexel service fees, pass-through expenses, and investigator fees estimated to be approximately $ 37.0 million over the course of the IMPALA-2 clinical trial.

Operating Lease

We are obligated under an operating lease, as amended, for commercial real estate located in Langhorne, Pennsylvania, the Company's headquarters. On February 28, 2023, the Company entered into the first amendment (the "Lease Amendment") to its existing lease agreement, dated July 7, 2021 and which originally commenced on October 1, 2021 . The Lease Amendment commenced on July 1, 2023 , continues through June 30, 2026 , or an additional thirty-six months , expands the existing office space, and increases the average monthly rent to an average of approximately $

14.5
thousand, paid over monthly installments during the Lease Amendment term.

As of September 30, 2023, the carrying value of the right-of-use assets for the operating lease increased to $

0.4
million, which is reflected in *Other non-current assets* and the carrying value of the lease liabilities for the operating lease increased to $

0.4
million, of which approximately $

0.1
million related to the current portion of the lease liabilities is recorded in *Accrued expenses and other current liabilities* and $

0.3
million related to the non-current portion of the lease liabilities is recorded in *Other long-term liabilities*.

Risk Management

The Company maintains various forms of insurance that the Company's management believes are adequate to reduce the exposure to certain risks associated with operating the Company's business to an acceptable level.

10. Stock-Based Compensation

Equity Incentive Plans

2008 Stock Option Plan

The Company adopted the Savara Inc. Stock Option Plan (the "2008 Plan"), pursuant to which the Company reserved shares for issuance to employees, directors, and consultants. The 2008 Plan includes (i) the option grant program providing for both incentive and non-qualified stock options, as defined by the Internal Revenue Code, and (ii) the stock issuance program providing for the issuance of awards that are valued based upon common stock, including restricted stock, dividend equivalents, stock appreciation rights, phantom stock, and performance units. The 2008 Plan also allows eligible persons to purchase shares of common stock at an amount determined by the plan administrator. Upon a participant's termination, the Company retains the right to repurchase nonvested shares issued in conjunction with the stock issuance program at the fair market value per share as of the date of termination.

The Company previously issued incentive and non-qualified options and restricted stock to employees and non-employees under the 2008 Plan. The terms of the stock options, including the exercise price per share and vesting provisions, were determined by the board of directors. Stock options were granted at exercise prices not less than the estimated fair market value of the Company's common stock at the date of grant based upon objective and subjective factors including: third-party valuations, preferred stock transactions with third parties, current operating and financial performance, management estimates, and future expectations.

The Company

no
longer issues stock-based awards under the 2008 Plan.

Amended and Restated 2015 Omnibus Incentive Option Plan

The Company operates the Amended and Restated 2015 Omnibus Incentive Plan, as amended and restated with approval by the Company's stockholders in June 2018 and amended with approval by our stockholders in May 2020, June 2022 and June 2023 (the "2015 Plan"). The 2015 Plan provides for the grant of incentive and non-statutory stock options, as well as share appreciation rights, restricted shares, restricted stock units ("RSUs"), performance units, shares, and other stock-based awards. Share-based awards are subject to terms and conditions established by the board of directors or the compensation committee of the board of directors. As of September 30, 2023, the number of shares of common stock available for grant under the 2015 Plan was

4,724,988
shares.

Under both the 2008 Plan and 2015 Plan, stock options typically vest quarterly over four years and expire ten years from the grant date and RSUs typically vest quarterly over four years or cliff vest after two years .

2021 Inducement Equity Incentive Plan

The Company adopted the 2021 Inducement Equity Incentive Plan in May 2021 and amended it in September 2021, September 2022, December 2022, March 2023 and June 2023 (as amended, the "Inducement Plan"). The Inducement Plan provides for the grant of non-statutory stock options, restricted stock, RSUs, stock appreciation rights, performance units, and performance shares. Each award under the Inducement Plan is intended to qualify as an employment inducement grant in accordance with Nasdaq Listing Rule 5635(c)(4). As of September 30, 2023, the number of shares of common stock available for grant under the Inducement Plan was

540,592
shares.

Under the Inducement Plan, stock options typically vest quarterly over four years and expire ten years from the grant date and RSUs typically cliff vest after two years .

Stock-Based Awards Activity

The following table provides a summary of stock-based awards activity for the nine months ended September 30, 2023:

Stock Options:

Outstanding at December 31, 2022	**7,933,184**
Granted	920,000
Exercised	(171,067)
Expired/cancelled/forfeited	(131,000)
Outstanding at September 30, 2023	**8,551,117**

The total compensation cost related to non-vested stock options not yet recognized as of September 30, 2023, was $ 4.7 million, which will be recognized over a weighted-average period of approximately 3.0 years.

RSUs:

Outstanding at December 31, 2022	**1,942,250**
Granted	520,000
Vested	(179,419)
Forfeited	(1,019)
Outstanding at September 30, 2023	**2,281,812**

The total compensation cost related to unvested RSUs not yet recognized as of September 30, 2023, was $ 1.7 million, which will be recognized over a weighted-average period of approximately 1.2 years.

Stock-Based Compensation

Stock-based compensation expense is included in the following line items in the accompanying statements of operations and comprehensive loss for the three and nine months ended September 30, 2023 and 2022 (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Research and development	$ 329	$ 62	$ 863	$ 309
General and administrative	666	388	1,954	1,171
Total stock-based compensation	**$ 995**	**$ 450**	**$ 2,817**	**$ 1,480**

11. Related Parties

As an investor with the right to designate a member of the Company's board of directors, Bain Capital Life Sciences Fund II, L.P., BCIP Life Sciences Associates, LP and their affiliates (collectively "Bain") has significant influence over the Company and is thereby considered a related party.

Pursuant to the July 2023 Offering (as further discussed in *Note 8. Stockholders' Equity*), Bain acquired

5,666,667
of 2023 Pre-Funded Warrants.

12. Net Loss per Share

Basic and diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common stock and pre-funded warrants outstanding during the period without consideration of common stock equivalents. For periods in which the Company generated a net loss, the Company does not include the potential impact of dilutive securities in diluted net loss per share, as the impact of these items is anti-dilutive.

The following equity instruments were excluded from the calculation of diluted net loss per share because their effect would have been anti-dilutive for the periods presented:

	Nine months ended September 30,	
	2023	2022
Awards under equity incentive plan	8,551,117	5,851,153
Non-vested restricted shares and restricted stock units	2,281,812	1,090,062
Warrants to purchase common stock	77,793	77,793
Total	**10,910,722**	**7,019,008**

The following table calculates basic earnings per share of common stock and diluted earnings per share of common stock for the three and nine months ended September 30, 2023 and 2022 (in thousands, except share and per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net loss	$ (16,599)	$ (10,386)	$ (38,599)	$ (27,850)
Net loss attributable to common stockholders	(16,599)	(10,386)	(38,599)	(27,850)
Undistributed earnings and net loss attributable to common stockholders, basic and diluted	(16,599)	(10,386)	(38,599)	(27,850)
Weighted-average common shares outstanding, basic and diluted	164,342,634	152,773,015	158,444,739	152,771,302
Basic and diluted EPS	**$ (0.10)**	**$ (0.07)**	**$ (0.24)**	**$ (0.18)**

13. Subsequent Events

The Company has evaluated subsequent events through the date these condensed consolidated financial statements were issued and determined there were no additional events that required disclosure or recognition in these condensed consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q ("Quarterly Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any statements contained herein that involve risks and uncertainties, such as Savara's plans, objectives, expectations, intentions, and beliefs should be considered forward-looking statements. Savara's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to the following: the ability to project future cash utilization and reserves needed for contingent future liabilities and business operations, the risks associated with the process of conducting clinical trials and developing, obtaining regulatory approval for and commercializing drug candidates that are safe and effective for use as human therapeutics, the timing and ability to raise additional capital as needed to fund continued operations, natural disasters, pandemics, geopolitical events (including the war between Russia and Ukraine and the war in the Middle East), and those discussed in the section entitled "Risk Factors" in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission ("SEC") on March 30, 2023, all of which are difficult to predict.

Statements made herein are as of the date of the filing of this Quarterly Report with the SEC and should not be relied upon as of any subsequent date. We disclaim any obligation, except as specifically required by law and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the accompanying condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and the consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2022.

Overview

Savara Inc. (together with its subsidiaries "Savara," the "Company," "we," "our" or "us") is a clinical-stage biopharmaceutical company focused on rare respiratory diseases. Our lead program, molgramostim, is an inhaled biologic, specifically, inhaled granulocyte-macrophage colony-stimulating factor in Phase 3 development for aPAP. Savara, together with its wholly-owned subsidiaries, which include Aravas Inc. and Savara ApS, operate in one segment with its principal office in Langhorne, Pennsylvania as of September 30, 2023, though a majority of our employees work remotely.

Since inception, we have devoted our efforts and resources to identifying and developing our product candidates, recruiting personnel, and raising capital. We have incurred operating losses and negative cash flow from operations and have no product revenue from inception to date. From inception to September 30, 2023, we have raised net cash proceeds of approximately $467.8 million, primarily from public offerings of our common stock, private placements of convertible preferred stock, and debt financings.

We have never been profitable and have incurred operating losses every year since inception. Our net losses for the three months ended September 30, 2023 and 2022 were $16.6 million and $10.4 million, respectively, and the net loss for the year ended December 31, 2022 was $38.2 million. As of September 30, 2023, we had an accumulated deficit of approximately $377.3 million. Our operating losses primarily resulted from expenses attributed to our research and development programs and from general and administrative costs associated with our operations.

We have chosen to operate by outsourcing our manufacturing and most of our clinical operations. We expect to incur significant additional expenses and continue to incur operating losses for at least the next several years as we continue the clinical development of, and seek regulatory approval for, our primary product candidate. We expect that our operating losses will fluctuate significantly from quarter to quarter and year to year due to the timing of clinical development programs and efforts to achieve regulatory approval.

As of September 30, 2023, we had cash and cash equivalents of $27.7 million and short-term investments of $140.6 million. We will continue to require additional capital to continue our clinical development and potential commercialization activities. Although we have sufficient capital to fund many of our planned activities, we may need to continue to raise additional capital to further fund the development of, and seek regulatory approvals for, our product candidate and begin to commercialize any approved product. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our clinical development efforts. Failure to raise capital as and when needed, on favorable terms or at all, would have a negative impact on our financial condition and our ability to develop our product candidate.

Recent Events

July 2023 Public Offering

On July 17, 2023, we sold (i) an aggregate of 21,000,000 shares of the Company's common stock (the "Common Stock") for $3.00 per share which represented a 1% premium over the closing price on that date and (ii) pre-funded warrants to purchase an aggregate of 5,666,667 shares of Common Stock at an exercise price of $0.001 per share (the "2023 Pre-Funded Warrants") for $2.999 per warrant pursuant to a Registered Direct Offering (the "July 2023 Offering"). The Common Stock and 2023 Pre-Funded Warrants were offered by the Company pursuant to its existing shelf registration statement (File No. 333-257709) filed with the SEC on July 6, 2021 and declared effective on July 16, 2021. The July 2023 Offering resulted in net proceeds to the Company of approximately $74.9 million, after deducting final underwriting discounts, commissions, and other estimated offering expenses.

International Conflicts

In February 2022, Russia commenced a military invasion of Ukraine, and in October 2023, Israel declared war on Hamas in Gaza. The ongoing conflict and political and physical conditions in Ukraine, Russia, Israel and Gaza as well as in neighboring or involved countries, organizations and governments, may disrupt our supply chain and increase our costs, which may adversely affect our ability to conduct our ongoing clinical trial and impact patients' ability to partake in our clinical trial. While we do not believe these conflicts will have a material impact on our current operations, given the evolving hostilities and their potential expansion beyond Ukraine, Russia, Israel, Gaza and the Middle East, the full impact of the conflicts remain uncertain.

Continued Funding of Federal Government Operations

On September 30, 2023, the U.S. Congress passed, and President Biden signed a continuing resolution ("HR 5860") allowing the U.S federal government to continue operating at current spending levels for forty-five days. Following HR 5860, the U.S. Congress has until November 17, 2023, to finalize and pass the U.S. government's fiscal year 2024 budget or risk the cessation of certain operations of the federal government (also known as a government shutdown). The impact of a potential government shutdown to our operations is uncertain; however, we are actively assessing and monitoring the potential impacts and situation.

Financial Operations Overview

Research and Development Expenses

The largest component of our operating expenses has historically been our investment in research and development activities. We recognize all research and development costs as they are incurred. Research and development expenses consist primarily of the following:

- expenses incurred under agreements with contract research organizations ("CROs"), consultants, and clinical trial sites that conduct research and development activities on our behalf;
- laboratory and vendor expenses related to the execution of our clinical trials;
- contract manufacturing expenses, primarily for the production of clinical supplies; and
- internal costs that are associated with activities performed by our research and development organization and generally benefit our molgramostim product candidate and program. Where appropriate, such internal costs consist primarily of:
    - o personnel costs, which include salaries, benefits, and stock-based compensation expense;
    - o facilities and other expenses, which include expenses for maintenance of facilities; and
    - o regulatory expenses and technology license fees related to development activities.

We expect research and development expenses will remain significant in the future as we advance our molgramostim product candidate through clinical trials and pursue regulatory approvals, which will require a significant increased investment in regulatory support and contract manufacturing activities, including investing in the development of a second source manufacturer and clinical supplies.

The process of conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. We may never succeed in timely developing and achieving regulatory approval for our product candidate(s). The probability of success of our product candidate(s) may be affected by numerous factors, including clinical data, competition, intellectual property rights, manufacturing capability, and commercial viability. As a result, we are unable to accurately determine the

duration and completion costs of our development projects or when and to what extent we will generate revenue from the commercialization and sale of molgramostim.

General and Administrative Expenses

General and administrative expenses primarily consist of salaries, benefits, and related costs for personnel in executive, finance and accounting, legal and investor relations, and professional and consulting fees for accounting, legal, investor relations, business development, commercial strategy and research, human resources, and information technology services. Other general and administrative expenses include facility lease and insurance costs.

Critical Accounting Policies and Estimates

There have not been any material changes during the nine months ended September 30, 2023, to the methodology applied by management for critical accounting policies previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022. Please read *Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates* in our Annual Report on Form 10-K for the year ended December 31, 2022, for further description of our critical accounting policies.

Results of Operations – Comparison of Three Months Ended September 30, 2023 and 2022

	For the Three Months Ended September 30,		Dollar Change
	2023	2022	
	(in thousands)		
Operating expenses:			
Research and development	$ 13,867	$ 8,151	$ 5,716
General and administrative	4,147	2,376	1,771
Depreciation and amortization	30	8	22
Total operating expenses	18,044	10,535	7,509
Loss from operations	(18,044)	(10,535)	(7,509)
Other income, net	1,445	149	1,296
Net loss	**$ (16,599)**	**$ (10,386)**	**$ (6,213)**

Research and Development

Research and development expenses increased by $5.7 million, or 70.1%, to $13.9 million for the three months ended September 30, 2023 from $8.2 million for the three months ended September 30, 2022. This increase is primarily due to the performance of tasks related to our molgramostim program, which includes approximately $2.5 million of costs related to our chemistry, manufacturing, and controls activities, $1.8 million of costs related to our IMPALA-2 trial, including CRO-related activities, $0.5 million of costs related to quality assurance, and $0.9 million due to an increase in personnel and related costs.

General and Administrative

General and administrative expenses increased by $1.8 million, or 74.5%, to $4.1 million for the three months ended September 30, 2023 from $2.4 million for the three months ended September 30, 2022. The increase is due to the strategic addition of personnel for key positions and related costs to facilitate the management of our business and operations of approximately $1.2 million and certain commercial activities of approximately $0.6 million.

Other Income, Net

Other income, net increased by $1.3 million to $1.4 million for the three months ended September 30, 2023 from $0.1 million for the three months ended September 30, 2022. The increase is primarily related to the increase in *Interest income* during the three months ended September 30, 2023 as a result of both an increase in our short-term investments following the July 2023 Offering and an increase in market interest rates.

Results of Operations – Comparison of Nine Months Ended September 30, 2023 and 2022

	Nine months ended September 30, 2023	2022	Dollar Change
	(in thousands)		
Operating expenses:			
Research and development	$ 31,516	$ 20,253	$ 11,263
General and administrative	10,816	7,687	3,129
Depreciation and amortization	45	24	21
Total operating expenses	42,377	27,964	14,413
Loss from operations	(42,377)	(27,964)	(14,413)
Other income, net	3,778	114	3,664
Net loss	**$ (38,599)**	**$ (27,850)**	**$ (10,749)**

Research and Development

Research and development expenses increased by $11.3 million, or 55.6%, to $31.5 million for the nine months ended September 30, 2023 from $20.3 million for the nine months ended September 30, 2022. This increase is primarily due to performance of tasks related to our molgramostim program which includes approximately $5.1 million of costs related to our chemistry, manufacturing, and controls activities, $3.8 million of costs related to our IMPALA-2 trial, including CRO-related activities, $0.7 million of costs related to quality assurance, and $1.9 million due to an increase in personnel and related costs. This increase is partially offset by a $0.2 million decrease in departmental overhead spend.

General and Administrative

General and administrative expenses increased by $3.1 million, or 40.7%, to $10.8 million for the nine months ended September 30, 2023 from $7.7 million for the nine months ended September 30, 2022. The increase is primarily attributable to the strategic addition of personnel and related costs for key positions to facilitate the management of our business and operations of approximately $2.3 million and and certain commercial activities of approximately $0.8 million.

Other Income, Net

Other income, net increased by $3.7 million to $3.8 million for the nine months ended September 30, 2023 from $0.1 million for the nine months ended September 30, 2022. The change is primarily related to the increase in *Interest income* during the nine months ended September 30, 2023 as a result of both an increase in our short-term investments following the July 2023 Offering and an increase in market interest rates.

Liquidity and Capital Resources

As of September 30, 2023, we had $27.7 million of cash and cash equivalents, $140.6 million in short-term investments, and an accumulated deficit of approximately $377.3 million. As discussed in *Note 6. Long-term Debt* in the notes to the condensed consolidated financial statements included in this Quarterly Report, we entered into a Loan Agreement with Silicon Valley Bank during the year ended December 31, 2017. During April 2022, we entered into an Amended Loan Agreement with Silicon Valley Bank (the “Amended Loan Agreement”) that provided for a $26.5 million term loan facility, the proceeds of which were used to refinance all outstanding obligations under the Loan Agreement.

We have used and intend to use our liquidity and capital for working capital and general corporate purposes, which include, but are not limited to, the funding of clinical development of and pursuing regulatory approval for our product candidate and general and administrative expenses. As we continue to progress on the IMPALA-2 trial, we will continue to monitor our liquidity and capital requirements.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Nine months ended September 30, 2023	2022
	(in thousands)	
Cash used in operating activities	$ (35,458)	$ (25,903)
Cash provided by (used in) investing activities	(63,687)	111,856
Cash provided by financing activities	74,885	86
Effect of exchange rate changes on cash and cash equivalents	(150)	(210)
Net change in cash and cash equivalents	**$ (24,410)**	**$ 85,829**

Cash flows from operating activities

Cash used in operating activities for the nine months ended September 30, 2023 was $35.5 million, consisting of a net loss of $38.6 million and net $3.4 million in changes due to operating assets and liabilities. This was partially offset by approximately $0.3 million of net noncash charges (comprised of depreciation and amortization including right-of-use assets, amortization on premium to short-term investments, amortization of debt issuance costs, foreign currency, and stock-based compensation).

Cash flows from investing activities

Cash used in investing activities of $63.7 million for the nine months ended September 30, 2023 was primarily associated with cash used for purchases of short-term investments partially offset by proceeds from the maturities of short-term investments.

Cash flows from financing activities

Cash provided by financing activities of $74.9 million for the nine months ended September 30, 2023 was primarily the result of net proceeds from the July 2023 Offering.

Future Funding Requirements

We have not generated any revenue from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate any revenue from product sales unless and until we obtain regulatory approval for and commercialize our product candidate. At the same time, we expect our expenses to increase in connection with our ongoing development and manufacturing activities, particularly as we continue the research, development, manufacture, and clinical trials of, and seeking regulatory approval for, our product candidate. In addition, subject to obtaining regulatory approval of our product candidate, we anticipate we may need additional funding in connection with our continuing operations.

As of September 30, 2023, we had cash, cash equivalents, and short-term investments of approximately $168.3 million. Although we have sufficient capital to fund our planned activities, including those discussed in *Note 9. Commitments – Manufacturing and Other*, in the notes to the condensed consolidated financial statements included in this Quarterly Report, we may need to continue to raise additional capital to further fund the development of, and seek regulatory approvals for, our product candidate and to begin commercialization of any approved product. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our clinical development efforts. Failure to raise capital as and when needed, on favorable terms or at all, would have a negative impact on our financial condition and our ability to develop our product candidate.

On July 17, 2023, we sold (i) an aggregate of 21,000,000 shares of Common Stock for $3.00 per share, which represented a 1% premium over the closing price on that date and (ii) 2023 Pre-Funded Warrants to purchase an aggregate of 5,666,667 shares of Common Stock at an exercise price of $0.001 per share for $2.999 per warrant pursuant to a Registered Direct Offering. The Common Stock and 2023 Pre-Funded Warrants were offered by the Company pursuant to its existing shelf registration statement\. The July 2023 Offering resulted in net proceeds to the Company of approximately $74.9 million, after deducting final underwriting discounts, commissions, and other estimated offering expenses.

Although we believe we are well capitalized based on our current operations, until we can generate a sufficient amount of product revenue to finance our cash requirements, we may finance our future cash needs primarily through the issuance of additional equity securities and potentially through borrowings, grants, and strategic alliances with partner companies. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce, or terminate our product development or commercialization efforts or grant rights to develop and market our product candidate to third parties that we would otherwise prefer to develop and market ourselves.

Recent Accounting Pronouncements

See *Note 2. Summary of Significant Accounting Policies – Recent Accounting Pronouncements*, of the condensed consolidated financial statements in this Quarterly Report for a discussion of recent accounting pronouncements and their effect, if any, on us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We have market risk exposure related to our cash, cash equivalents, and short-term investment securities. Such interest-earning instruments carry a degree of interest rate risk; however, we have not been exposed, nor do we anticipate being exposed, to material risks due to changes in interest rates. A hypothetical 1% change in interest rates during any of the periods presented would not have a material impact on our condensed consolidated financial statements. Additionally, our investment securities are fixed income instruments denominated and payable in U.S. dollars and have short-term maturities, typically less than twelve months, and typically carry credit ratings of “A” at a minimum by two of three Nationally Recognized Statistical Rating Organizations, specifically Moody’s, Standard & Poor’s, or Fitch. As such, we do not believe that our cash, cash equivalents, and short-term investment securities have significant risk of default or illiquidity.

We also have interest rate exposure related to our long-term debt. The Amended Loan Agreement bears interest equal to the greater of (i) 3% and (ii) the prime rate reported in The Wall Street Journal, minus a spread of 0.5%, which was 8.0% on September 30, 2023. Changes in the prime rate would have impacted our interest expense associated with our secured term loan. If a 10% change in interest rates from the interest rates on September 30, 2023, were to have occurred, this change would not have had a material effect on our interest expense with respect to outstanding borrowed amounts.

We have ongoing operations in Europe and pay those vendors in local currency, including Euros or Danish Krone. At times, we seek to limit the impact of foreign currency fluctuations through the use of derivative instruments and short-term foreign currency forward exchange contracts not designated as hedging instruments. We did not recognize any significant exchange rate losses during the nine months ended September 30, 2023 and 2022. A 10% change in the Euro-to-dollar or Krone-to-dollar exchange rate on September 30, 2023, would not have had a material effect on our results of operations or financial condition.

Inflation generally affects us by increasing our cost of labor, supplies and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the periods presented.

The Company currently maintains depository accounts and has a debt facility with Silicon Valley Bank, as acquired by First Citizens BancShares, Inc. On March 10, 2023, the FDIC took control of Silicon Valley Bank and created the National Bank of Santa Clara to hold the deposits of Silicon Valley Bank after Silicon Valley Bank was unable to continue its operations. On March 27, 2023, First Citizens BancShares, Inc. (Nasdaq: FCNCA) announced that it had entered into an agreement with the FDIC to purchase all of the assets and liabilities of Silicon Valley Bank and all bank deposits.

In order to mitigate risks associated with our banking deposits, the Company maintains a significant portion of its liquidity in U.S. Treasury money market funds and other short-term investments with custodial services provided by U.S. Bank, N.A. The Company continues to monitor the circumstances surrounding First Citizens BancShares, Inc. and its acquisition of Silicon Valley Bank and has not experienced, and does not anticipate, any material impacts on its financial condition or operations.

Despite the aforementioned bank failure, we do not believe that we are currently exposed to material changes in the risks related to our cash, cash equivalents, and short-term investment securities, interest rates of our long-term debt, or foreign currency exchange rates. We are cautiously and actively monitoring potential risks associated with these instruments.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of September 30, 2023, pursuant to and as required by Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2023, our disclosure controls and procedures, as defined by Rule 13a-15(e) under the Exchange Act, were effective and designed to ensure that (i) information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we assessed the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). As a result of that assessment, management concluded that our internal control over financial reporting was effective as of September 30, 2023 based on criteria in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the nine months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in various claims and legal proceedings. Regardless of outcome, litigation and other legal and administrative proceedings can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors. We are not currently a party to any material pending litigation or other material legal proceeding.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors and other cautionary statements described under the heading “Item 1A. Risk Factors” included in the Annual Report on Form 10-K for the year ended December 31, 2022, and the risk factors and other cautionary statements contained in our other filings with the SEC, which could materially affect our business, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition, or future results. There have been no material changes in our risk factors from those described in the Annual Report on Form 10-K for the year ended December 31, 2022, or our other SEC filings.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the quarter ended September 30, 2023, no officer or director of the Company adopted or terminated any contract, instruction, or written plan for the purchase or sale of securities of the Company’s common stock that is intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement as defined in 17 CFR § 229.408(c).

Item 6. Exhibits.

An Exhibit Index has been attached as part of this report and is incorporated by reference.

Exhibit Index

Exhibit Number	Description
3.1	Composite Amended and Restated Certificate of Incorporation, as amended, of the Registrant (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-3 filed on July 6, 2021).
3.2	Amended and Restated Bylaws of Savara, Inc, dated March 28, 2023 (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on March 30, 2023).
4.1	Form of Pre-Funded Warrant (Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on July 13, 2023).
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements 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.

Savara Inc.

Date: November 9, 2023

By: /s/ Matthew Pauls
Matthew Pauls
Chief Executive Officer and Chair of the Board of Directors
(Principal Executive Officer)

Date: November 9, 2023

By: /s/ David Lowrance
David Lowrance
Chief Financial and Administrative Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Pauls, certify that:

1. I have reviewed this Form 10-Q of Savara Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023

/s/ Matthew Pauls
Matthew Pauls
Chief Executive Officer and Chair of the Board of Directors
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Lowrance, certify that:

1. I have reviewed this Form 10-Q of Savara Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023

/s/ David Lowrance
David Lowrance
Chief Financial and Administrative Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Savara Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Pauls, principal executive officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 9, 2023

/s/ Matthew Pauls
Matthew Pauls
Chief Executive Officer and Chair of the Board of Directors
(Principal Executive Officer)

In connection with the Quarterly Report of Savara Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Lowrance, principal financial officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 9, 2023

/s/ David Lowrance
David Lowrance
Chief Financial and Administrative Officer
(Principal Financial and Accounting Officer)