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From the Washington Business Journal:

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## Not just a vaccine company: How this Gaithersburg biotech CEO plans to grow the business

Jul 12, 2019, 2:55pm EDT

Dr. Vipin Garg wants Altimmune Inc. to be more than a vaccine company.

So the Gaithersburg biotech's CEO, not yet a year into his tenure, made his first move in that direction with the acquisition of South San Francisco-based Spitfire Pharma Inc. earlier this week. And there's more to come.

"Unfortunately in the investment community, vaccines are really not something that are very attractive nowadays, so what we want to do is diversify the company so vaccines actually become the upside," Garg said. "We'll still continue to develop vaccines, but we think we have the opportunity to expand our product portfolio using some of our expertise and internal resources."

The Spitfire deal, worth up to \$93 million, gives Altimmune (NASDAQ: ALT) a promising product candidate to treat nonalcoholic steatohepatitis,



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Altimmune CEO Dr. Vipin Garg speaks to the company's strategy moving forward.

or NASH, the most severe form of nonalcoholic fatty liver disease that causes inflammation and liver cell damage. And NASH has the potential to draw significant interest from big pharma and investors alike, Garg said. "Everybody's interested in this space. The question is, can you show proof of concept?"

That's another aspect that made this acquisition attractive: This type of molecule lends itself to proof-of-concept data in early trials, Garg said. "What we were looking for is something that's potentially big, but also something that we could move the needle fairly quickly — in other words, with limited expenditures we could get some meaningful data."

It also gets at the cause of NASH rather than the symptoms on the surface, important because there's no existing treatment for the condition. And it's promising for other potential indications, Garg said, such as obesity, diabetes and cardiovascular disease, for instance.

"On top of that, we were able to acquire this asset in all stock transaction, because we want to preserve our cash for moving these assets forward rather than having to pay for it up front," Garg added.

Altimune's pipeline also includes:

**HepTcell:** A therapy for chronic hepatitis B, now in phase 2 trials, for which the company is filing an Investigational New Drug application with the Food and Drug Administration.

**ALT-702:** An immune-oncology asset, now through pre-clinical trials.

**NasoShield:** An anthrax vaccine through phase 1 clinical trials

**NasoVax:** A flu vaccine through phase 2 trials. Altimune is looking for a partner to advance the product, "because it does require significantly more investment than these other programs, and it doesn't make sense for us to commit all of our capital to that one program," Garg said.

Going forward, Altimune will look "for at least one additional asset," whether that takes the form of a licensing deal or a smaller acquisition in the cancer space, Garg said. The goal is to build on both the liver disease and immuno-oncology franchise without becoming unfocused.

The company, now with about 30 employees, will look to grow by another 15-to-20% to support the Spitfire acquisition. The business has sufficient capital to execute its plans for the next two years, Garg said.

Next step? Get the word out to institutional investors.

“The bottom line is, we are trading below cash,” Garg said. “We think we have a very exciting story and we need to go out there and let people know about it.”

Altimmune stock was trading up 1.25% at \$2.43 per share Friday afternoon.

Garg took over as president and CEO in late 2018, succeeding Bill Enright, who stepped down after leading the company through more than a decade of growth involving acquisitions and an initial public offering. In the last year, Altimmune also faced a delisting threat and expanded its HQ after closing an acquisition of Annapolis biodefense company PharmAthene Inc.

**Sara Gilgore**

Staff Reporter

*Washington Business Journal*

