PharmAthene Files Protest Against HHS Over Anthrax Vaccine Bidding Process

August 5, 2016

ANNAPOLIS, Md., Aug. 5, 2016 /PRNewswire/ -- PharmAthene, Inc. (NYSE MKT: PIP), a biodefense company developing medical countermeasures against anthrax, today filed a formal protest against the Department of Health and Human Services, challenging its solicitation for a next-generation Anthrax vaccine provider.

According to the protest, filed with the U.S. Government Accountability Office, the government's "Request for Proposals" was written in a way that eliminates competition and assures a sole source award to Emergent BioSolutions Inc., the company that has long been the sole-source provider of the vaccine. The protest requests the GAO suspend the award under the solicitation while it reviews PharmAthene's complaint. Under federal procurement regulations, GAO has 100 days to review the complaint.

"The government wrote its solicitation in a way that protects its long-time, sole-source provider without regard to what is best for the public," said PharmAthene CEO John M. Gill. "The Anthrax biodefense is too important to sole source to one vaccine provider."

The only FDA-approved anthrax vaccine in the U.S. is Anthrax Vaccine Absorbed (AVA), which was developed by government scientists in the 1960s. Emergent BioSolutions, then known as the BioPort Corporation, later purchased it from the government and "continues to be the sole-source supplier of tens of millions of doses of AVA at a 300% markup," according to the complaint.

The government purchases the vaccine under Project BioShield, which was signed into law 2004 as a part of the strategy to defend America against weapons of mass destruction. While Emergent has been the sole source supplier to the government since it purchased the vaccine, PharmAthene has worked with two government agencies, the Biomedical Advanced Research and Development Authority (BARDA) and the National Institute of Allergy and Infectious Diseases (NIAID) to develop a more effective next-gen vaccine with an improved stability and immunogenicity profile. Combined the two agencies have spent nearly $200 million on development of PharmAthen's SparVax® and SparVax-L® formulations.

The U.S. Government has identified the need for a next-generation Anthrax vaccine with improved potency (protective immunity in two doses), post-exposure prophylaxis efficacy (PEP), at least a four-year shelf life (later changed to a three-year shelf life), a temperature-stable formula with no cold storage chain, and a lower cost. Temperature-stability has been a priority for the military. PharmAthene's SparVax-L vaccine candidate is specifically designed to meet the Government's goals for the next-gen anthrax vaccine.

"SparVax-L's reduced procurement costs positions it to provide substantially better value to U.S. taxpayers," Gill said. "The government has invested a lot of money into our innovative, next-gen product that will be wasted if they give everything they have to Emergent without a fair, competitive review. That's not good for public health. And American taxpayers deserve better."

Contact: Terry Neal, 202-879-9384, tneal@podestagroup.com

About PharmAthene

PharmAthene is a biodefense company engaged in the development of next generation medical countermeasures against biological threats. The Company's development portfolio includes a next generation Anthrax vaccine that is intended to improve protection while having favorable dosage and storage requirements compared to other Anthrax vaccines.

Forward-Looking Statement Disclaimer

Except for the historical information presented herein, matters discussed may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to certain risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Statements that are not historical facts, including statements preceded by, followed by, or that include the words "potential"; "believe"; "anticipate"; "intend"; "plan"; "expect"; "estimate"; "could"; "may"; "should"; "will"; "project"; or similar statements are forward-looking statements. Risks and uncertainties include risks associated with our ability to fully collect a money judgment from SIGA; risks relating to the timing of payments, if any, under the SIGA litigation; our ability to make distributions of a substantial portion of the cash proceeds we may receive from SIGA; the timing, amount and form of such a distribution; our ability to develop a successful transition plan and strategy for operating SIGA as a separate business; risks relating to our continuing ability to recognize cost reductions; funding delays and/or reductions or elimination of U.S. government funding and/or non-renewal of expiring funding; risks associated with the availability of our NOLs, the amounts of available NOLs and any increases thereof and preservation of such NOLs; risks associated with our implementation of the shareholder rights plan to protect the tax benefits of our NOLs; risks associated with accomplishing any future strategic partnerships or business combinations; and other risks detailed from time to time in PharmAthene's Forms 10-K and 10-Q under the caption "Risk Factors" and in its other reports filed with the U.S. Securities and Exchange Commission. PharmAthene disclaims any intent or obligation to update these forward-looking statements other than as required by law. Copies of PharmAthene's public disclosure filings are available on our website under the investor relations tab at www.PharmAthene.com.

To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/pharmathene-files-protest-against-hhs-over-anthrax-vaccine-bidding-process-300309953.html

SOURCE PharmAthene