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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

or

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-32587

PHARMATHENE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-2726770**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Park Place, Suite 450, Annapolis, Maryland	**21401**
(Address of principal executive offices)	(Zip Code)

(410) 269-2600
(Registrant's telephone number, including area code)

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

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

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

Large Accelerated Filer ☐	Accelerated Filer ☒
Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	Smaller Reporting Company ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: The number of shares of the registrant's Common Stock, par value $0.0001 per share, outstanding as of May 4, 2015 was 63,792,026.

PHARMATHENE, INC.

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Item 1. Financial Statements

PHARMATHENE, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,724,956	$ 18,643,351
Billed accounts receivable	5,973,988	110,656
Unbilled accounts receivable	594,259	297,431
Prepaid expenses and other current assets	446,240	199,194
Total current assets	22,739,443	19,250,632
Property and equipment, net	324,018	325,772
Other long-term assets and deferred costs	53,384	53,384
Goodwill	2,348,453	2,348,453
Total assets	$ 25,465,298	$ 21,978,241
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 536,994	$ 391,396
Accrued expenses and other liabilities	1,451,506	1,195,412
Accrued restructuring expenses	1,927,877	-
Current portion of long-term debt	498,203	746,146
Other short-term liabilities	72,674	70,326
Current portion of derivative instruments	49,463	178,509
Total current liabilities	4,536,717	2,581,789
Other long-term liabilities	485,365	493,137
Derivative instruments, less current portion	419,971	629,170
Total liabilities	5,442,053	3,704,096
Stockholders' equity:		
Common stock, $0.0001 par value; 100,000,000 shares authorized; 63,674,326 and 63,603,303 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	6,367	6,360
Additional paid-in-capital	239,064,585	238,780,633
Accumulated other comprehensive loss	(227,782)	(229,528)
Accumulated deficit	(218,819,925)	(220,283,320)
Total stockholders' equity	20,023,245	18,274,145
Total liabilities and stockholders' equity	$ 25,465,298	$ 21,978,241

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

PHARMATHENE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended March 31,	
	2015	**2014**
Contract revenue	$ 7,068,746	$ 3,742,525
Operating expenses:		
Research and development	1,613,627	3,427,000
General and administrative	2,196,120	2,677,452
Restructuring expense	2,060,809	-
Depreciation	37,106	39,939
Total operating expenses	5,907,662	6,144,391
Income (loss) from operations	$ 1,161,084	$ (2,401,866)
Other income (expense):		
Interest expense, net	(25,325)	(69,872)
Change in fair value of derivative instruments	338,245	242,641
Other income	9,196	362
Total other income	322,116	173,131
Net income (loss) before income taxes	1,483,200	(2,228,735)
Income tax provision	(19,805)	(29,705)
Net income (loss)	$ 1,463,395	$ (2,258,440)
Net income (loss) attributable to common stockholders	$ 1,277,017	$ (2,258,440)
Basic net income (loss) per share	$ 0.02	$ (0.04)
Diluted net income (loss) per share	$ 0.02	$ (0.04)
Weighted average shares used in calculation of basic net income (loss) per share	63,633,290	53,044,119
Weighted average shares used in calculation of diluted net income (loss) per share	63,979,859	53,044,119

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

PHARMATHENE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three months ended March 31,	
	2015	**2014**
Net income (loss)	$ 1,463,395	$ (2,258,440)
Other comprehensive income (loss):		
Foreign currency translation adjustments	1,746	(657)
Comprehensive income (loss)	$ 1,465,141	$ (2,259,097)

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

PHARMATHENE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,	
	2015	**2014**
Operating activities		
Net income (loss)	$ 1,463,395	$ (2,258,440)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	199,627	528,878
Change in fair value of derivative instruments	(338,245)	(242,641)
Depreciation expense	37,106	39,939
Deferred income taxes	19,805	29,705
Non-cash interest expense	10,933	26,591
Gain on the disposal of property and equipment	(7,600)	(5,393)
Changes in operating assets and liabilities:		
Billed accounts receivable	(5,863,332)	1,427,113
Unbilled accounts receivable	(296,828)	549,629
Prepaid expenses and other current assets	(253,779)	(178,704)
Accounts payable	146,740	(656,373)
Accrued restructuring expenses	1,938,631	-
Accrued expenses and other liabilities	230,186	(1,274,906)
Deferred revenue	-	(279,462)
Net cash used in operating activities	(2,713,361)	(2,294,064)
Investing activities		
Purchases of property and equipment	(35,352)	(37,050)
Proceeds from the sale of property and equipment	7,600	8,000
Net cash used in investing activities	(27,752)	(29,050)
Financing activities		
Repayment of debt	(249,999)	(249,999)
Net repayment of revolving credit agreement	-	(1,091,740)
Proceeds from issuance of common stock, net of offering costs	84,332	2,719,184
Net cash (used in) provided by financing activities	(165,667)	1,377,445
Effects of exchange rates on cash	(11,615)	(590)
Decrease in cash and cash equivalents	(2,918,395)	(946,259)
Cash and cash equivalents, at beginning of period	18,643,351	10,480,979
Cash and cash equivalents, at end of period	$ 15,724,956	$ 9,534,720
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 14,849	$ 43,287

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

PHARMATHENE, INC.

Notes to Unaudited Condensed Consolidated Financial Statements
March 31, 2015

Note 1 – Business, Liquidity and Organization

Since 2001, PharmAthene, Inc. (we, the Company) has been a biodefense company engaged in the development of next generation medical counter measures against biological and chemical threats. During this time, we have devoted substantial effort and resources to the development of the prevention and treatment of anthrax infection and nerve agent poisoning.

On March 9, 2015, our Board of Directors approved our realignment plan (the "Realignment Plan") with the goal of preserving and maximizing, for the benefit of our stockholders, the value of any proceeds from the SIGA litigation and our existing biodefense assets. The plan eliminates approximately two-thirds of our workforce and is aimed at the preservation of cash and cash equivalents sufficient to finance our continued operations through a period of time expected to extend beyond the adjudication of SIGA's appeal. We intend to maintain sufficient resources and personnel so that we can seek partners, co-developers or acquirers for our biodefense programs and continue to execute under our government contract with the National Institutes of Allergy and Infectious Diseases ("NIAID"). The Company estimates total severance payments to executives and non-executives in connection with the Realignment Plan to amount to approximately $2.0 million (all of which was expensed and accrued as of March 31, 2015), with substantially all such severance expenses expected to be paid in 2015.

Historically, the company has performed under government contracts and grants and raised funds from investors (including additional debt and equity issued in 2015 and 2014) to sustain our operations. The Company has spent substantial funds in the research, development, clinical and preclinical testing in excess of revenues, to support the Company's product candidates and to market and sell its products. We have incurred losses in each year since inception, and have an accumulated deficit of $218.8 million. While we have undertaken efforts to reduce expenses, and expect that our operating expenses will continue to decrease as a result of our Realignment Plan, we expect continuing losses in the future. If we continue to incur losses and are not able to raise adequate funds to cover those losses, we may be required to cease operations.

As of March 31, 2015, our cash balance was $15.7 million, our accounts receivable balance (billed and unbilled) was $6.6 million, and our current liabilities were $4.5 million. Included in our accounts receivable were amounts billed to the Biomedical Advanced Research and Development Authority ("BARDA") related to indirect costs incurred in previous years. All of our accounts receivables, including the BARDA receivables, were collected in April 2015. In addition, as of March 31, 2015, we had approximately $3.0 million of remaining availability under our controlled equity offering arrangement (see Note 5 – *Stock Holders' Equity*). We believe, based on the operating cash requirements and capital expenditures expected for 2015, the Company's cash on hand at March 31, 2015 is adequate to fund operations through at least the end of 2015. We currently owe GE Capital an aggregate of approximately $0.5 million under our Loan Agreement with them. This amount is payable at maturity in September 2015.

We can offer no assurances that we have correctly estimated the resources or personnel necessary to seek partners, co-developers or acquirers for our biodefense programs or execute under our NIAID contract. If a larger workforce or one with a different skillset is ultimately required to implement our Realignment Plan successfully, we may be unable to maximize the value of the SIGA litigation and our existing biodefense assets. In addition, executive officers who have served the Company for a combined 37 years have been terminated, and, with the exception of Mr. Richman's continued service on the Board, will no longer be available to guide the Company. We also cannot assure you that we have accurately estimated the cash and cash equivalents necessary to finance our operations until SIGA's appeal has been adjudicated and we have received SIGA's payment. If revenues from our NIAID contract are less than we anticipate, if operating expenses exceed our expectations or cannot be adjusted accordingly, or if we have underestimated the time it will take for us to prevail in SIGA's appeal, or enforce payment of or collect the damages award from SIGA, then our business, results of operations, financial condition and cash flows will be materially and adversely affected.

In addition, we may voluntarily elect to raise additional capital to strengthen our financial position. There can be no assurances that we would be successful in raising additional funds on acceptable terms or at all. Additional sales of common stock may be made at prices that are dilutive to existing stockholders.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

Our unaudited condensed consolidated financial statements include the accounts of PharmAthene, Inc. and its wholly-owned subsidiary. All significant intercompany transactions and balances have been eliminated in consolidation. Our unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, which are necessary to present fairly our financial position, results of operations and cash flows. The condensed consolidated balance sheet at December 31, 2014 has been derived from audited consolidated financial statements at that date. The interim results of operations are not necessarily indicative of the results that may occur for the full fiscal year. Certain information and footnote disclosure normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to instructions, rules and regulations prescribed by the U.S. Securities and Exchange Commission ("SEC"). We believe that the disclosures provided herein are adequate to make the information presented not misleading when these unaudited condensed consolidated financial statements are read in conjunction with the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC. We currently operate in one business segment.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Our unaudited condensed consolidated financial statements include significant estimates for our share-based compensation and the value of our financial instruments, among other things. Because of the use of estimates inherent in the financial reporting process, actual results could differ significantly from those estimates.

Foreign Currency Translation

The functional currency of our wholly owned foreign subsidiary is its local currency. Assets and liabilities of our foreign subsidiary are translated into United States dollars based on the exchange rate at the end of the reporting period. Income and expense items are translated at the weighted average exchange rates prevailing during the reporting period. Translation adjustments for subsidiaries that have not been sold, substantially liquidated or otherwise disposed of, are accumulated in other comprehensive loss, a component of stockholders' equity. Foreign currency translation adjustments are the sole component of accumulated other comprehensive loss at March 31, 2015 and December 31, 2014. Transaction gains or losses are included in the determination of net income (loss).

Cash and Cash Equivalents

Cash and cash equivalents are stated at market value. We consider all highly liquid investments with original maturities of three months or less to be cash equivalents, which, among other things, consist of investments in money market funds with financial institutions. The Company maintains cash balances with financial institutions in excess of insured limits. The Company does not anticipate any losses on such cash balances.

Revolving Line of Credit and Term Loan

As discussed further in Note 6- *Financing Transactions*, we entered into a loan agreement with General Electric Capital Corporation ("GE Capital") in March 2012. As part of that agreement, we issued stock purchase warrants to GE Capital that expire in March 2022. The fair value of the warrants was charged to additional paid-in-capital, resulting in a debt discount to the term loan at the date of issuance. The debt discount and the financing costs incurred in connection with the agreement are being amortized over the term of the loan using the effective interest method and are included in interest expense in the unaudited condensed consolidated statements of operations.

Significant Customers and Accounts Receivable

Our primary customers are BARDA, NIAID, and the Department of Defense Chemical Biological Medical Systems ("CBMS"). As of March 31, 2015, the Company's receivable balances (both billed and unbilled) were comprised primarily of receivables from BARDA and NIAID. For the year ending December 31, 2014, the Company's billed and unbilled receivable balances were comprised solely of receivables from BARDA and CBMS.

Goodwill

Goodwill represents the excess of purchase price over the fair value of net identifiable assets associated with acquisitions. We review the recoverability of goodwill annually at the end of our fiscal year and whenever events or changes in circumstances indicate that it is more likely than not that impairment exists. Recoverability of goodwill is reviewed by comparing our market value (as measured by our stock price multiplied by the number of outstanding shares as of the end of the year) to the net book value of our equity. If our market value exceeds our net book value, no further analysis is required. We completed our annual impairment assessment of goodwill on December 31, 2014 and determined that there was no impairment as of that date. Changes in our business strategy or adverse changes in market conditions could impact the impairment analyses and require the recognition of an impairment charge equal to the excess of the carrying value over its estimated fair value.

Restructuring Expense

As a result of the Realignment Plan, we recorded approximately $2.1 million of restructuring expense during the quarter ended March 31, 2015, including approximately $2.0 million of related severance expense.

Financial Instruments

Our financial instruments, and/or embedded features contained in those instruments, often are classified as derivative liabilities and are recorded at their fair values. The determination of fair value of these instruments and features requires estimates and judgments. Some of our stock purchase warrants are considered to be derivative liabilities due to the presence of net settlement features and/or non-standard anti-dilution provisions; the fair value of our warrants is determined based on the Black-Scholes option pricing model. Use of the Black-Scholes option pricing model requires the use of unobservable inputs such as the expected term, anticipated volatility and expected dividends. See Note 3- *Fair Value Measurements* for further details.

Revenue Recognition

We generate our revenue from different types of contractual arrangements: cost-plus-fee contracts and fixed price contracts.

Revenues on cost-plus-fee contracts are recognized in an amount equal to the costs incurred during the period plus an estimate of the applicable fee earned. The estimate of the applicable fee earned is determined by reference to the contract: if the contract defines the fee in terms of risk-based milestones and specifies the fees to be earned upon the completion of each milestone, then the fee is recognized when the related milestones are earned, as further described below; otherwise, we estimate the fee earned in a given period by using a proportional performance method based on costs incurred during the period as compared to total estimated project costs and application of the resulting fraction to the total project fee specified in the contract.

Under the milestone method of revenue recognition, milestone payments (including milestone payments for fees) contained in research and development arrangements are recognized as revenue when: (i) the milestones are achieved; (ii) no further performance obligations with respect to the milestone exist; (iii) collection is reasonably assured; and (iv) substantive effort was necessary to achieve the milestone.

Milestones are considered substantive if all of the following conditions are met:

- it is commensurate with either our performance to meet the milestone or the enhancement of the value of the delivered item or items as a result of a specific outcome resulting from our performance to achieve the milestone,
- it relates solely to past performance, and
- the value of the milestone is reasonable relative to all the deliverables and payment terms (including other potential milestone consideration) within the arrangement.

If a milestone is deemed not to be substantive, the Company recognizes the portion of the milestone payment as revenue that correlates to work already performed using the proportional performance method; the remaining portion of the milestone payment is deferred and recognized as revenue as the Company completes its performance obligations.

Revenue on fixed price contracts (without substantive milestones as described above) is recognized on the percentage-of-completion method. The percentage-of-completion method recognizes income as the contract progresses (generally related to the costs incurred in providing the services required under the contract). The use of the percentage-of-completion method depends on the ability to make reasonable dependable estimates and the fact that circumstances may necessitate frequent revision of estimates does not indicate that the estimates are unreliable for the purpose for which they are used.

As a result of our revenue recognition policies and the billing provisions contained in our contracts, the timing of customer billings may differ from the timing of recognizing revenue. Amounts invoiced to customers in excess of revenue recognized are reflected on the balance sheet as deferred revenue. Amounts recognized as revenue in excess of amounts billed to customers are reflected on the balance sheet as unbilled accounts receivable.

Upon notice of termination of a contract from the government, all related termination costs are expensed. Revenue is recognized on the termination costs to the extent those costs are allowable and billable under the contract. Because the government may require an audit of incurred costs, revenue is recognized when the company is reasonably assured of collection. In March 2015, we recorded as revenue and invoiced the government $5.8 million costs incurred ranging from 2008 through 2013.

Share-Based Compensation

We expense the estimated fair value of share-based awards granted to employees, non-employee directors, and consultants under our stock compensation plans. The fair value of stock options granted to employees and non-employee directors is determined at the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model considers, among other factors, the expected life of the award and the expected volatility of our stock price. The value of the award that is ultimately expected to vest is recognized as expense on a straight line basis over the employee's requisite service period.

The fair value of share-based awards granted to consultants is determined at the grant date using the Black-Scholes option pricing model and re-measured at each quarterly reporting date over their requisite service period. The value of awards that are ultimately expected to vest is recognized as expense on a straight-line basis over their requisite service period.

The fair value of restricted stock grants is determined based on the closing price of our common stock on the award date and is recognized as expense ratably over the requisite service period.

Share-based compensation expense recognized in the three months ended March 31, 2015 and 2014 was calculated based on awards ultimately expected to vest and has been reduced for estimated forfeitures at a rate of approximately 12%, based on historical forfeitures.

Share-based compensation expense for the three months ended March 31, 2015 and 2014 was:

	Three months ended March 31,	
	2015	**2014**
Research and development	$ 60,735	$ 189,917
General and administrative	192,633	338,961
Restructuring benefit	(53,741)	-
Total share-based compensation expense	$ 199,627	$ 528,878

As a result of the restructuring and termination of employees, we recognized approximately $75,000 of share-based compensation expense resulting from our agreement to extend the exercise period of the vested stock options for several of the executives who were terminated. In addition, approximately $129,000 of previously recognized share-based compensation expense was reversed for unvested stock options forfeited as a result of the restructuring and termination of employees. The $54,000 net reversal of share-based compensation expense is reflected in restructuring benefit in the above table.

During the three months ended March 31, 2015, we granted 12,000 options and 117,500 shares of restricted stock to employees. During the three months ended March 31, 2014, we granted 1,217,755 options to employees and consultants and made no restricted stock grants. At March 31, 2015, we had total unrecognized share-based compensation expense related to unvested awards of approximately $1.0 million net of estimated forfeitures, which we expect to recognize as expense over a weighted-average period of 2.6 years.

Income Taxes

We account for income taxes using the asset and liability approach, which requires the recognition of future tax benefits or liabilities on the temporary differences between the financial reporting and tax bases of our assets and liabilities. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized. We also recognize a tax benefit from uncertain tax positions only if it is "more likely than not" that the position is sustainable based on its technical merits. Our policy is to recognize interest and penalties on uncertain tax positions as a component of income tax expense. As of March 31, 2015 and December 31, 2014, we had recognized a full valuation allowance since the likelihood of realization of our tax deferred assets does not meet the more likely than not threshold.

Income tax expense was $0.02 million and $0.03 million during the three months ended March 31, 2015 and 2014, respectively relating exclusively to the generation of a deferred tax liability associated with the tax amortization of goodwill, which is included as a component of other long-term liabilities on our condensed consolidated balance sheets. The income tax expense results from the difference between the treatment of goodwill for income tax purposes and for U.S. GAAP.

Basic and Diluted Net Loss Per Share

Income (loss) per share: Basic income (loss) per share is computed by dividing consolidated net income (loss) by the weighted average number of common shares outstanding during the period, excluding unvested restricted stock.

Our unvested restricted shares granted during the quarter contain non-forfeitable rights to dividends, and therefore are considered to be participating securities; the calculation of basic and diluted earnings per share excludes from the numerator net income attributable to the unvested restricted shares, and excludes the impact of those shares from the denominator which is consistent with the two-class method in accordance with GAAP.

For periods of net income when the effects are not anti-dilutive, diluted earnings per share is computed by dividing our net income by the weighted average number of shares outstanding and the impact of all potential dilutive common shares, consisting primarily of stock options, unvested restricted stock and stock purchase warrants. The dilutive impact of our potentially dilutive common shares resulting from stock options and stock purchase warrants is determined by applying the treasury stock method. For periods of net loss, diluted loss per share is calculated similarly to basic loss per share because the impact of all potentially dilutive common shares is anti-dilutive due to the net losses.

A reconciliation of the numerators and denominators of the basic and diluted per share computations for the three months ended March 31, 2015 is as follows (a reconciliation is not required for the 2014 quarter since the Company recorded a net loss for that period):

		Three months ended March 31, 2015
Numerator		
Net income	$	1,463,395
Net income allocated to participating securities	$	(607)
Numerator for basic income per share	$	1,462,788
Incremental allocation of net income to participating securities	$	3
Change in fair value of dilutive warrants	$	(185,774)
Numerator for diluted income per share	$	1,277,017
Denominator		
Denominator for basic income per share Weighted average outstanding common shares		63,633,290
Dilutive effect of stock options		327,020
Dilutive effect of warrants		19,550
Denominator for diluted income per share		63,979,859

A total of approximately 4.9 million and 12.6 million potentially dilutive securities have been excluded in the calculation of diluted net income (loss) per share in the three months ended March 31, 2015 and 2014, respectively, because their inclusion would be anti-dilutive.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue From Contracts With Customers*, or ASU 2014-09. Pursuant to this update an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this update are currently effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period and are to be applied retrospectively, or on a modified retrospective basis. Early application is not permitted. On April 1, 2015, the FASB voted to propose to defer the effective date of ASU No. 2014-09 by one year. Under the proposal, ASU No. 2014-09 would be effective for fiscal years beginning after December 15, 2017, with early adoption permitted but not prior to the original effective date of annual periods beginning after December 15, 2016. The FASB plans to expose its decisions for a thirty day public comment period in a proposed ASU, which is expected to be issued during the second quarter of 2015. We are currently evaluating the impact of adopting ASU 2014-09 on our consolidated financial statements.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement - Extraordinary and Unusual Items*, or ASU 2015-01. This update eliminates from GAAP the concept of extraordinary items. Subtopic 225-20, *Income Statement—Extraordinary and Unusual Items*, required that an entity separately classify, present, and disclose extraordinary events and transactions. The Company concluded that the amendments in this update will not result in a loss of information because although the amendments will eliminate the requirements in Subtopic 225-20 for reporting entities to consider whether an underlying event or transaction is extraordinary, the presentation and disclosure guidance for items that are unusual in nature or occur infrequently will be retained and will be expanded to include items that are both unusual in nature and infrequently occurring. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We have not yet determined the impact of adoption on our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Interest – Imputation of Interest*, or ASU 2015-03. To simplify presentation of debt issuance costs, the amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The amendments in this update are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. We have not yet determined the impact of adoption on our consolidated financial statements.

Note 3 - Fair Value Measurements

The carrying amounts of our short term financial instruments, which primarily include cash and cash equivalents, accounts receivable (billed and unbilled), and accounts payable approximate their fair values due to their short term maturities. We define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. We report assets and liabilities that are measured at fair value using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.

- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At each reporting period, we perform a detailed analysis of our assets and liabilities that are measured at fair value. All assets and liabilities for which the fair value measurement is based on significant unobservable inputs or instruments which trade infrequently and therefore have little or no price transparency are classified as Level 3.

We have segregated our financial assets and liabilities that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the table below. We have no non-financial assets and liabilities that are measured at fair value on a recurring basis.

The following table represents the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis:

	As of March 31, 2015			
	Level 1	Level 2	Level 3	Balance
Assets				
Investment in money market funds[(1)]	$ 6,429,534	$ -	$ -	$ 6,429,534
Total investment in money market funds	$ 6,429,534	$ -	$ -	$ 6,429,534
Liabilities				
Current portion of derivative instruments related to stock purchase warrants	$ -	$ -	$ 49,463	$ 49,463
Non-current portion of derivative instruments related to stock purchase warrants	-	-	419,971	419,971
Total derivative instruments related to stock purchase warrants	$ -	$ -	$ 469,434	$ 469,434

	As of December 31, 2014			
	Level 1	Level 2	Level 3	Balance
Assets				
Investment in money market funds[(1)]	$ 6,429,104	$ -	$ -	$ 6,429,104
Total investment in money market funds	$ 6,429,104	$ -	$ -	$ 6,429,104
Liabilities				
Current portion of derivative instruments related to stock purchase warrants	$ -	$ -	$ 178,509	$ 178,509
Non-current portion of derivative instruments related to stock purchase warrants	-	-	629,170	629,170
Total derivative instruments related to stock purchase warrants	$ -	$ -	$ 807,679	$ 807,679

(1) Included in cash and cash equivalents in the accompanying condensed consolidated balance sheets.

The following table sets forth a summary of changes in the fair value of the Company's Level 3 liabilities for the three months ended March 31, 2015 and 2014:

Description	Balance as of December 31, 2014	Unrealized (Gains) 2015	Balance as of March 31, 2015
Derivative liabilities related to stock purchase warrants	$ 807,679	$ (338,245)	$ 469,434

Description	Balance as of December 31, 2013	Unrealized (Gains) 2014	Balance as of March 31, 2014
Derivative liabilities related to stock purchase warrants	$ 1,740,235	$ (242,641)	$ 1,497,594

At March 31, 2015 and 2014, derivative liabilities are comprised of warrants to purchase 1,775,419 and 2,899,991 shares of common stock, respectively. The warrants are considered to be derivative liabilities due to the presence of net settlement features and/or non-standard anti-dilution provisions, and as a result, are recorded at fair value at each balance sheet date, with changes in fair value recorded in the accompanying unaudited condensed consolidated statements of operations. The fair value of our warrants is determined based on the Black-Scholes option pricing model. Use of the Black-Scholes option pricing model requires the use of unobservable inputs such as the expected term, anticipated volatility and expected dividends. Changes in any of the assumptions related to the unobservable inputs identified above may change the stock purchase warrants' fair value; increases in expected term, anticipated volatility and expected dividends generally result in increases in fair value, while decreases in the unobservable inputs generally result in decreases in fair value. Unrealized gains and losses on the fair value adjustments for these derivative instruments are classified in other income (expense) as the change in fair value of derivative instruments in the accompanying unaudited condensed consolidated statements of operations.

Quantitative Information about Level 3 Fair Value Measurements

Fair Value at March 31, 2015	Valuation Technique	Unobservable Inputs
$ 469,434	Black-Scholes option pricing model	Expected term
		Expected dividends
		Anticipated volatility

Assets Measured at Fair Value on a Nonrecurring Basis

The Company measures its long-lived assets, including, property and equipment and goodwill, at fair value on a nonrecurring basis. These assets are recognized at fair value when they are deemed to be other-than-temporarily impaired. (See Note 2- *Summary of Significant Accounting Policies*). As of March 31, 2015, the Company had no other assets or liabilities that were measured at fair value on a nonrecurring basis.

Note 4 - Commitments and Contingencies

SIGA Litigation

In December 2006, we filed a complaint against SIGA in the Delaware Court of Chancery. The complaint alleged, among other things, that we have the exclusive right to license, development and marketing rights for SIGA's drug candidate, Arestvyr™ (Tecovirimat), pursuant to a merger agreement between the parties that was terminated in 2006. The complaint also alleged that SIGA failed to negotiate in good faith the terms of such a license pursuant to the terminated merger agreement with SIGA.

In September 2011, the Delaware Court of Chancery issued an opinion in the case finding that SIGA had breached certain contractual obligations to us upholding our claims of promissory estoppel, and awarding us damages. SIGA appealed aspects of the decision to the Delaware Supreme Court. In response, we cross-appealed other aspects of the decision. In May 2013, the Delaware Supreme Court issued its ruling on the appeal, affirming the Delaware Court of Chancery's finding that SIGA had breached certain contractual obligations to us, reversed its finding of promissory estoppel, and remanded the case back to the Delaware Court of Chancery to reconsider the remedy and award in light of the Delaware Supreme Court's opinion.

On August 8, 2014, the Delaware Court of Chancery issued a Memorandum Opinion and Order, or August 2014 Order, finding that we are entitled to receive lump sum expectation damages for the value of the Company's lost profits for Tecovirimat. In addition, the Delaware Court of Chancery found that the Company is entitled to receive pre-judgment interest and varying percentages of the Company's reasonable attorneys' and expert witness fees. On October 17, 2014, the Company and SIGA each filed opinions of our respective financial experts and Draft Orders and Judgments in accordance with the instructions of the August 2014 Order.

On September 16, 2014, SIGA announced that it filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. In connection therewith, SIGA filed with the Bankruptcy Court an affidavit indicating, among other things, that it expects to continue to perform under its contract with BARDA. SIGA's petition for bankruptcy initiated a process whereby its assets are protected from creditors, including us.

On January 7, 2015, the Delaware Court of Chancery issued a letter Opinion and Order, directing the Company to submit a Revised Proposed Judgment that reflects a lump sum award of approximately $113 million in contract expectation damages, plus pre-judgment interest on that amount from 2006 through the date of such order. In accordance with the instructions of the court, the Company submitted a draft Revised Proposed Judgment under seal on January 9, 2015.

On January 15, 2015, the Delaware Court of Chancery issued a Final Order and Judgment, finding that we are entitled to receive a lump sum award of $194.6 million, or the Total Judgment, comprised of (1) expectation damages of $113.1 million for the value of the Company's lost profits for Tecovirimat, also known as ST-246® (formerly referred to as "Arestvyr™" and referred to by SIGA in its recent SEC filings as "Tecovirimat"), plus (2) pre-judgment interest on that amount from 2006 and varying percentages of the Company's reasonable attorneys' and expert witness fees, totaling $81.5 million. Under the Final Order and Judgment, PharmAthene is also entitled to post-judgment simple interest. PharmAthene's entitlement to interest from and after SIGA's bankruptcy filing may be negatively impacted by the proceedings under the Bankruptcy Code. SIGA has filed a notice of appeal with the Delaware Supreme Court in which it challenges various findings of the Court of Chancery and seeks to set aside the Final Order and Judgment, and we have filed a notice of cross-appeal. As a result, the decision could be reversed, remanded or otherwise changed.

While we believe that we may have a right to receiving a significant amount under a possible damages award, because SIGA has filed a notice of appeal with the Delaware Supreme Court and because there can be no assurance that SIGA will not be successful in any such appeal, we have not yet recorded any amount due from SIGA in relation to this case. There can be no assurances if and when the Company will receive any payments from SIGA as a result of the Judgment. SIGA has stated publicly that it does not currently have cash sufficient to satisfy the award. It is also uncertain whether SIGA will have such cash in the future. PharmAthene's ability to collect the Judgment depends upon a number of factors, including SIGA's financial and operational success, which is subject to a number of significant risks and uncertainties (certain of which are outlined in SIGA's filings with the SEC), as to which we have limited knowledge and which we have no ability to control, mitigate or fully evaluate. For example, on December 24, 2014, SIGA announced that it expects to modify its contract with BARDA to reflect an increase in the provisional dosage of Tecovirimat and extended delivery schedule, subject to approval by the Bankruptcy Court. Furthermore, because SIGA has filed for protection under the federal bankruptcy laws, the Company is automatically stayed from taking any enforcement action in the Delaware Court of Chancery. By agreement of the parties, and with the approval of the Bankruptcy Court, the automatic stay has been lifted for the sole purpose of allowing the Delaware Court of Chancery to enter a money judgment and to allow the parties to exercise their appellate rights. The Company's ability to collect a money judgment from SIGA remains subject to further proceedings in the Bankruptcy Court. The Company has not recognized any potential proceeds from these actions in its financial statements to date.

Government Contracting

Payments to the Company on cost-plus-fee contracts are provisional. The accuracy and appropriateness of costs charged to U.S. Government contracts are subject to regulation, audit and possible disallowance by the Defense Contract Audit Agency ("DCAA") and other government agencies such as BARDA. Accordingly, costs billed or billable to U.S. Government customers are subject to potential adjustment upon audit by such agencies.

We have agreed to rate provisions with DCAA for 2006, 2007 and 2008. In 2014, BARDA audited indirect costs or rates charged by us on the SparVax® contract for the years 2008 through 2013. As a result of the audit, in March of 2015, we were able to record revenue, and invoice BARDA for the amount, of $5.8 million in connection with these costs, all of which was collected in April 2015.

BARDA has notified us that we can anticipate, in 2015, an audit of our 2014 and 2015 costs related to the partial termination for convenience of the SparVax® contract. While we do not currently believe the results of this audit will have an adverse effect on the Company, we cannot provide assurances that it will not have such an effect. The Company has billed and recognized revenue using the provisional rates as defined in the contract. While the actual rates for 2014 which reflect the actual costs incurred by us, have been higher than the provisional rates, we have no assurance on either the amount of additional funds we may receive as a result of these higher rates or the amount of time it may take to recover these funds. The amount of any such funds is determined as a result of future audits by BARDA.

Changes in government policies, priorities or funding levels through agency or program budget reductions by the U.S. Congress or executive agencies could materially adversely affect the Company's financial condition or results of operations. Furthermore, contracts with the U.S. Government may be terminated or suspended by the U.S. Government at any time, with or without cause. Such contract suspensions or terminations could result in unreimbursable expenses or charges or otherwise adversely affect the Company's financial condition and/or results of operations.

Registration Rights Agreements

We entered into a Registration Rights Agreement with the investors who participated in the July 2009 private placement of convertible notes and related warrants. We subsequently filed two registration statements on Form S-3 with the SEC to register the resale of the shares issuable upon conversion of the convertible notes and exercise of the related warrants, which have been declared effective. We are obligated to maintain the registration statements effective until the date when such shares (and any other securities issued or issuable with respect to or in exchange for such shares) have been sold or are eligible for resale without restrictions under Rule 144. The convertible notes were converted or extinguished in 2010. The warrants expired on January 28, 2015.

Under the terms of the convertible notes, which were converted or extinguished in 2010, if after the 2nd consecutive business day (other than during an allowable blackout period) on which sales of all of the securities required to be included on the registration statement cannot be made pursuant to the registration statement (a "Maintenance Failure"), we will be required to pay to each selling stockholder a one-time payment of 1.0% of the aggregate principal amount of the convertible notes relating to the affected shares on the initial day of a Maintenance Failure. Our total maximum obligation under this provision at March 31, 2015, which is not probable of payment, would be approximately $0.2 million

Following a Maintenance Failure, we will also be required to make to each selling stockholder monthly payments of 1.0% of the aggregate principal amount of the convertible notes relating to the affected shares on every 30th day after the initial day of a Maintenance Failure, in each case prorated for shorter periods and until the failure is cured. Our total maximum obligation under this provision, which is not probable of payment, would be approximately $0.2 million for each month until the failure, if it occurs, is cured.

We have separate registration rights agreements with investors, under which we have obligations to keep the corresponding registration statements effective until the registrable securities (as defined in each agreement) have been sold, and under which we may have separate obligations to file registration statements in the future on either a demand or "piggy-back" basis or both.

Note 5 - Stockholders' Equity

Long-Term Incentive Plan

In 2007, the Company's stockholders approved the 2007 Long-Term Incentive Compensation Plan (the "2007 Plan") which provides for the granting of incentive and non-qualified stock options, stock appreciation rights, performance units, restricted stock awards and performance bonuses (collectively "awards") to Company officers and employees. Additionally, the 2007 Plan authorizes the granting of non-qualified stock options and restricted stock awards to Company directors and to independent consultants.

In 2008, our stockholders approved amendments to the 2007 Plan, increasing from 3.5 million shares to 4.6 million shares the maximum number of shares authorized for issuance under the plan and adding an evergreen provision pursuant to which the number of shares authorized for issuance under the plan would increase automatically in each year, beginning in 2009, in accordance with certain limits set forth in the 2007 Plan. Under the terms of the evergreen provision, the annual increases were to continue through 2015, subject, however, to an aggregate limitation on the number of shares that could be authorized for issuance pursuant to such increases. This aggregate limitation was reached on January 1, 2014, so that the number of shares authorized for issuance under the plan did not automatically increase on January 1, 2015. At March 31, 2015, there are approximately 10.3 million shares approved for issuance under the 2007 Plan, of which approximately 2.9 million shares are available for grant. The Board of Directors in conjunction with management determines who receives awards, the vesting conditions and the exercise price. Options may have a maximum term of ten years.

Warrants

At March 31, 2015 and March 31, 2014 there were warrants outstanding to purchase 1,922,781 and 5,620,128 shares of our common stock, respectively.

Warrants to purchase 2,572,775 shares of common stock expired on January 28, 2015 without being exercised. The warrants were classified as equity.

The warrants outstanding as of March 31, 2015, all of which are exercisable, were as follows:

Number of Common Shares Underlying Warrants As of March 31, 2015	Issue Date	Exercise Price	Expiration Date
100,778(1)	March 2007	$ 3.97	March 2017
500,000(2)	April 2010	$ 1.89	October 2015
903,996(2)	July 2010	$ 1.63	January 2017
371,423(2)	June 2011	$ 3.50	June 2016
46,584(1)	March 2012	$ 1.61	March 2022
1,922,781			

(1) These warrants to purchase common stock are classified as equity.

(2) Because of the presence of net settlement provisions, these warrants to purchase common stock are classified as derivative liabilities. The fair value of these liabilities (See Note 3 – *Fair Value Measurements*) is remeasured at the end of every reporting period and the change in fair value is reported in the accompanying unaudited condensed consolidated statements of operations as other income (expense).

Note 6 – Financing Transactions

Controlled Equity Offering

On March 25, 2013, we entered into a controlled equity offering sales agreement with a sales agent, and filed with the SEC a prospectus supplement, dated March 25, 2013 to our prospectus dated July 27, 2011, or the 2011 Prospectus, pursuant to which we could offer and sell, from time to time, through the agent shares of our common stock having an aggregate offering price of up to $15.0 million.

On May 23, 2014, we entered into an amendment, or the 2014 Amendment, to the controlled equity offering sales agreement with the sales agent, pursuant to which we may offer and sell, from time to time, through the agent shares of our common stock having an aggregate offering price of up to an additional $15.0 million. On that day, we filed a prospectus supplement to the 2011 Prospectus for use in any sales of these additional shares of common stock through July 26, 2014, the date the underlying registration statement (File No. 333-175394) expired. As a result of this expiration, the 2011 Prospectus, as supplemented on March 25, 2013 and May 23, 2014, may no longer be used for the sale of shares of common stock under the controlled equity offering sales agreement, as amended. On May 23, 2014, we also filed a new universal shelf registration statement (File No. 333-196265) containing, among other things, a prospectus, or the 2014 Prospectus, for use in sales of the common stock under the 2014 Amendment. This registration statement was declared effective on May 30, 2014. Since the expiration of the 2011 Prospectus, all sales under the controlled equity offering sales agreement, as amended, are being effected under the 2014 Prospectus.

Under the controlled equity offering sales agreement, as amended, the agent may sell shares by any method permitted by law and deemed to be an “at-the-market” offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including sales made directly on NYSE MKT, or any other existing trading market for our common stock or to or through a market maker. Subject to the terms and conditions of that agreement, the agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of NYSE MKT, to sell shares from time to time based upon our instructions. We are not obligated to sell any shares under the arrangement. We are obligated to pay the agent a commission of 3.0% of the aggregate gross proceeds from each sale of shares under the arrangement.

As of March 31, 2015, shares having an aggregate offering price of $3.0 million remained available under the controlled equity offering sales agreement, as amended. During the quarter ended March 31, 2015, we did not sell any shares of our common stock under this arrangement.

Loan Agreement with GE Capital

On March 30, 2012, we entered into a Loan Agreement with GE Capital. The Loan Agreement provides for a senior secured debt facility including a $2.5 million term loan and a revolving line of credit of up to $5.0 million based on our outstanding qualified accounts receivable. On March 30, 2012, the term loan was funded for an aggregate amount of $2.5 million.

Under the terms of the revolving line of credit, the Company may draw down from the revolving line of credit up to 85% of qualified billed accounts receivable and 80% of qualified unbilled accounts receivable. As of March 31, 2015, the total amount available to draw was approximately $4.8 million, of which none was drawn and outstanding.

The fixed interest rate on the term loan is 10.14% per annum. The revolving line of credit has an adjustable interest rate based upon the 3-month London Interbank Offered Rate (“LIBOR”), with a floor of 1.5%, plus 5%. As of March 31, 2015, the interest rate was 6.5%. Both the term loan and the revolving line of credit mature in September 2015. Payments on the term loan were originally interest-only for the first 10 months (which was extended to 12 months pursuant to terms of the agreement); subsequently, the term loan began fully amortizing over its remaining term. Remaining principal payments on the term loan are scheduled as follows:

Year	Principal Payments
2015	$ 500,008

The term loan, net of discount less than $2,000, is recorded on the accompanying unaudited condensed consolidated balance sheet as of March 31, 2015 as follows:

Current portion of long-term debt	$ 498,203

If we prepay the term loan and terminate the revolving line of credit prior to the scheduled maturity date, we are obligated to pay a prepayment premium equal to 2% of the then outstanding principal amount of the term loan. In addition, we are obligated to pay a final payment fee of 3% of the term loan balance. The final payment fee is being accrued and expensed over the term of the agreement, using the effective interest method and is included in other short-term liabilities on the unaudited condensed consolidated balance sheets.

Our obligations under the Loan Agreement are collateralized by a security interest in substantially all of our assets. While the security interest does not, except in limited circumstances, cover our intellectual property, it does cover any proceeds received by us from the use or sale of our intellectual property.

In connection with the Loan Agreement, we issued to GE Capital warrants to purchase 46,584 shares of the Company's common stock at an exercise price of $1.61 per share. The warrants are exercisable immediately and subject to customary and standard anti-dilution adjustments. The warrants are classified in equity and, as a result, the fair value of the warrants was charged to additional paid-in capital resulting in a debt discount at the date of issuance. The debt discount is being amortized over the term of the loan agreement using the effective interest method. Financing costs incurred in connection with this agreement are also being amortized over the term of the agreement using the effective interest method.

We currently owe GE Capital an aggregate of approximately $0.5 million under the GE Loan Agreement. As a result of the receipt of the notice that we received from BARDA on April 4, 2014 advising us of its decision to de-scope the current SparVax® anthrax vaccine contract through a partial termination for convenience, GE Capital could assert that there has occurred an event of default under the GE Loan Agreement, which would allow GE Capital to terminate the commitment and the loans under the GE Loan Agreement and declare any or all of the obligations thereunder to be immediately due and payable. We have not received notice from GE Capital that an event of default has occurred.

The Company determined that the fair value of the term loan approximated its carrying value as of March 31, 2015 based on market comparables and is in Level Two of the fair value hierarchy.

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

This Quarterly Report on Form 10-Q 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. This information may involve known and unknown risks, uncertainties and other factors that are difficult to predict and may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, risks associated with the following:

- *our interest in the judgment relating to SIGA Technology, Inc.'s Tecovirimat, also known as ST-246® (formerly referred to as "Arestvyr™" and referred to by SIGA in its recent SEC filings as "Tecovirimat"), including the risk that we will not be able to collect any amounts related thereto,*
- *our continuing ability to recognize cost reductions,*
- *the reliability of the results of the studies relating to human safety and possible adverse effects resulting from the administration of our product candidates,*
- *funding delays, reductions in or elimination of U.S. Government funding and/or non-renewal of expiring funding under our September 2014 contract with NIAID after we receive funding of approximately $5.2 million over the base period (if all technical milestones are met),*
- *our common stock,*
- *the GE Loan Agreement,*
- *our net operating loss carryforwards, or NOLs,*
- *delays caused by third parties challenging government contracts awarded to us,*

- *unforeseen safety and efficacy issues,*
- *our Realignment Plan,*
- *accomplishing any future strategic partnerships or business combinations,*
- *continuing funding requirements and dilution relating thereto,*
- *our ability to continue to satisfy the listing requirements of the NYSE MKT,*

as well as risks detailed under the caption "Risk Factors" in our annual report on Form 10-K and in our other reports filed with the U.S. Securities and Exchange Commission, or the SEC, from time to time hereafter.

In particular, in its August 2014 decision, the Delaware Court of Chancery awarded to us lump sum expectation damages for the value of lost profits for Tecovirimat. On January 15, 2015, the Delaware Court of Chancery issued its Final Order and Judgment, finding that we are entitled to receive a lump sum award of $194.6 million, or the Total Judgment, comprised of (1) expectation damages of $113.1 million for the value of the Company's lost profits for Tecovirimat, plus (2) pre-judgment interest on that amount from 2006 and varying percentages of the Company's reasonable attorneys' and expert witness fees, totaling $81.5 million. Under the Final Order and Judgment, PharmAthene is also entitled to post-judgment simple interest. PharmAthene's entitlement to interest from and after SIGA's bankruptcy filing may be negatively impacted by the proceedings under the Bankruptcy Code. SIGA has filed a notice of appeal with the Delaware Supreme Court in which it challenges various findings of the Court of Chancery and seeks to set aside the Final Order and Judgment, and we have filed a notice of cross-appeal.

As a result, the decision could be reversed, remanded or otherwise changed. There can be no assurances if and when we will receive any payments from SIGA as a result of the Judgment. SIGA has stated publicly that it does not currently have cash sufficient to satisfy the potential award. It is also uncertain whether SIGA will have such cash in the future. PharmAthene's ability to collect the Judgment depends upon a number of factors, including SIGA's financial and operational success, which is subject to a number of significant risks and uncertainties (certain of which are outlined in SIGA's filings with the SEC), as to which we have limited knowledge and which we have no ability to control, mitigate or fully evaluate. For example, on December 24, 2014, SIGA announced that it expects to modify its contract with the Biomedical Advanced Research and Development Authority, or BARDA, to reflect an increase in the provisional dosage of Tecovirimat and extended delivery schedule, subject to approval by the Bankruptcy Court. Furthermore, because SIGA has filed for protection under the federal bankruptcy laws, we are automatically stayed from taking any enforcement action in the Delaware Court of Chancery. By agreement of the parties, and with the approval of the Bankruptcy Court, the automatic stay has been lifted for the sole purpose of allowing the Delaware Court of Chancery to enter a money judgment and to allow the parties to exercise their appellate rights. Our ability to collect a money judgment from SIGA remains subject to further proceedings in the Bankruptcy Court.

Moreover, at this point, future government funding to support the development of Valortim®, rBChE and liquid SparVax® is unlikely. Even if we received such funding, significant additional non-clinical animal studies, human clinical trials, and manufacturing development work remain to be completed for our product candidates. It is also uncertain whether any of our product candidates will be shown to be safe and effective and approved by regulatory authorities for use in humans.

Forward-looking statements describe management's current expectations regarding our future plans, strategies and objectives and are generally identifiable by use of the words "may," "will," "should," "could," "expect," "anticipate," "estimate," "believe," "intend," "project," "potential" or "plan" or the negative of these words or other variations on these words or comparable terminology. Such statements include, but are not limited to, statements relating to:

- *anticipated results of pending litigation,*
- *potential payments under government contracts or grants,*
- *potential future government contracts or grant awards,*
- *potential regulatory approvals,*
- *future product advancements, and*
- *anticipated financial or operational results.*

Finally, PharmAthene can offer no assurances that it has correctly estimated the resources necessary to execute under its NIAID contract and seek partners, co-developers or acquirers for its other programs under its realignment plan. If a larger workforce or one with a different skillset is ultimately required to implement the realignment plan successfully, or if PharmAthene inaccurately estimated the cash and cash equivalents necessary to finance its operations until SIGA's appeal has been adjudicated and it has received SIGA's payment, its business, results of operations, financial condition and cash flows may be materially and adversely affected.

Forward-looking statements are based on assumptions that may be incorrect, and we cannot assure you that the projections included in the forward-looking statements will come to pass.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report, and we assume no obligation to update any such forward-looking statements, other than as required by law. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we, in the future, may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

All forward-looking statements included herein are expressly qualified in their entirety by the cautionary statements contained or referred to above. Unless otherwise indicated, the information in this quarterly report is as of March 31, 2015.

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements which present our results of operations for the three months ended March 31, 2015 and 2014, as well as our financial positions at March 31, 2015 and December 31, 2014, contained elsewhere in this quarterly report on Form 10-Q. The following discussion should also be read in conjunction with the annual report on Form 10-K for the year ended December 31, 2014, including the condensed consolidated financial statements contained therein.

Overview

Since 2001, we have been a biodefense company engaged in the development of next generation medical counter measures against biological and chemical threats. During this time, we have devoted substantial effort and resources to the development of the prevention and treatment of anthrax infection and nerve agent poisoning. We have several biodefense candidates in our portfolio:

- Anthrax vaccines including SparVax®, a second generation liquid recombinant protective antigen anthrax vaccine, and a next generation lyophilized anthrax vaccine containing rPA;
- rBChE (recombinant butyrylcholinesterase) bioscavenger, a medical counter measure for nerve agent poisoning by organophosphorous compounds, including nerve gases and pesticides; and
- Valortim®, a fully human monoclonal antibody for the prevention and treatment of anthrax infection.

Realignment Plan

On March 9, 2015, our Board of Directors approved a plan to preserve and maximize, for the benefit of our stockholders, the value of any proceeds from the SIGA litigation and our existing biodefense assets. The plan eliminates approximately two-thirds of our workforce and is aimed at the preservation of cash and cash equivalents sufficient to finance our continued operations through a period of time expected to extend beyond the adjudication of SIGA's appeal of the decision of the Delaware Chancery Court awarding us $194.6 million plus post-judgment interest. We refer to the plan as the "Realignment Plan." Under the Realignment Plan, we intend to maintain sufficient resources and personnel so that we can seek partners, co-developers or acquirers for our biodefense programs and continue to execute under our government contract with NIAID.

As part of the Realignment Plan, our Board terminated Eric Richman as President and Chief Executive Officer and Linda Chang as Chief Financial Officer, Treasurer and Secretary, as well as our executive officers Francesca Cook and Wayne Morges. Mr. Richman remains a member of our Board of Directors, and, as such, will continue to play a key role in managing the ongoing litigation, other legal matters and any strategic transactions. In addition, Messrs. Joel McCleary and Brian Markison resigned from our Board of Directors effective March 11, 2015, and our Board has reduced the number of directors from eight to six.

John Gill, a member of our Board of Directors, began serving as President and Chief Executive Officer effective March 12, 2015, Vice President, Corporate Development Jeffrey M. Jones, Ph.D. began serving as Chief Operating Officer effective March 12, 2015, and Vice President and Controller Philip MacNeill began serving as Chief Financial Officer, Treasurer and Secretary effective May 1, 2015. Mr. Gill is expected to devote necessary time to carry out his duties as President and Chief Executive Officer, and although he does not have other employment, he is not expected to devote his full time to the business of the Company, which is reflected in his compensation.

The terminations of the departing executive officers were without "cause" as defined under their respective employment agreements and the departing officers will therefore receive cash payments in accordance with the terms of such agreements. The Company estimates total severance payments to executives and non-executives in connection with the Realignment Plan to amount to approximately $2 million, with substantially all such severance expenses expected to be paid in 2015. Mr. Richman, Ms. Chang, Ms. Cook and Dr. Morges furthermore entered into separation agreements with the Company. These agreements extend exercise periods of options and health benefits. In light of his continuing service as director, Mr. Richman's options will continue vesting for as long as he serves on our Board of Directors, with his then-vested options terminating 90 days after Mr. Richman leaves our Board. Ms. Chang's, Dr. Morges' and Ms. Cook's options will remain exercisable for the duration of their respective severance periods under their employment agreements. Changes to the exercise period of these options were made in accordance with the terms of the Company's 2007 Long-Term Incentive Compensation Plan, as amended. We recognized approximately $75,000 of share-based compensation expense resulting from our agreement to extend the exercise period. In addition, to the extent that the executive officers elect COBRA coverage, the premiums payable by the officers during their respective severance periods will equal those payable by active employees of the Company for the same level of group health coverage, and will be deducted from the officers' severance pay. The separation agreements contain releases by the executive officers and the Company. The agreements with Ms. Chang, Dr. Morges and Ms. Cook furthermore obligate them to cooperate with the Company in connection with the SIGA litigation. The agreement with Dr. Morges also provides that for six months following termination, Dr. Morges may be called upon from time to time to assist the Company with matters relating to his duties and responsibilities prior to termination at an hourly rate of $169.

We can offer no assurances that we have correctly estimated the resources or personnel necessary to seek partners, co-developers or acquirers for our biodefense programs or execute under our NIAID contract. If a larger workforce or one with a different skillset is ultimately required to implement our Realignment Plan successfully, we may be unable to maximize the value of the SIGA litigation and our existing biodefense assets. In addition, executive officers who have served the Company for a combined 37 years have been terminated, and, with the exception of Mr. Richman's continued service on the Board, will no longer be available to guide the Company. We also cannot assure you that we have accurately estimated the cash and cash equivalents necessary to finance our operations until SIGA's appeal has been adjudicated and we have received SIGA's payment. If revenues from our NIAID contract are less than we anticipate, if operating expenses exceed our expectations or cannot be adjusted accordingly, or if we have underestimated the time it will take for us to prevail in SIGA's appeal, or enforce payment of or collect the damages award from SIGA, then our business, results of operations, financial condition and cash flows will be materially and adversely affected.

Other Recent Developments

On January 15, 2015, the Delaware Court of Chancery issued a Final Order and Judgment, finding that we are entitled to receive a lump sum award of $194.6 million, or the Total Judgment, comprised of (1) expectation damages of $113.1 million, for the value of the Company's lost profits for Tecovirimat, plus (2) pre-judgment interest on that amount from 2006 and varying percentages of the Company's reasonable attorneys' and expert witness fees, totaling $81.5 million. Under the Final Order and Judgment, PharmAthene is also entitled to post-judgment simple interest. PharmAthene's entitlement to interest from and after SIGA's bankruptcy filing may be negatively impacted by the Bankruptcy Code. SIGA has filed a notice of appeal with the Delaware Supreme Court in which it challenges various findings of the Court of Chancery and seeks to set aside the Final Order and Judgment, and we have filed a notice of cross-appeal. As a result, the decision could be reversed, remanded or otherwise changed.

There can be no assurances if and when the Company will receive any payments from SIGA as a result of the Judgment. SIGA has stated publicly that it does not currently have cash sufficient to satisfy the potential award. It is also uncertain whether SIGA will have such cash in the future. PharmAthene's ability to collect the Judgment depends upon a number of factors, including SIGA's financial and operational success, which is subject to a number of significant risks and uncertainties (certain of which are outlined in SIGA's filings with the SEC), as to which we have limited knowledge and which we have no ability to control, mitigate or fully evaluate. For example, on December 24, 2014, SIGA announced that it expects to modify its contract with BARDA to reflect an increase in the provisional dosage of Tecovirimat and extended delivery schedule, subject to approval by the Bankruptcy Court. Furthermore, because SIGA has filed for protection under the federal bankruptcy laws, PharmAthene is automatically stayed from taking any enforcement action in the Delaware Court of Chancery. By agreement of the parties, and with the approval of the Bankruptcy Court, the automatic stay has been lifted for the sole purpose of allowing the Delaware Court of Chancery to enter a money judgment and to allow the parties to exercise their appellate rights. The Company's ability to collect a money judgment from SIGA remains subject to further proceedings in the Bankruptcy Court, and the Company therefore has not recorded any potential proceeds to date.

Critical Accounting Policies

A "critical accounting policy" is one that is both important to the portrayal of our financial condition and results of operations and that requires management's most difficult, subjective or complex judgments. Such judgments are often the result of a need to make estimates about the effect of matters that are inherently uncertain. The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

We believe that the disclosures provided herein are adequate to make the information presented not misleading when these unaudited condensed consolidated financial statements are read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission.

There were no significant changes in critical accounting policies from those at December 31, 2014.

Results of Operations

Revenue

We recognized revenue of $7.1 million and $3.7 million during the three months ended March 31, 2015 and 2014, respectively.

	Three months ended March 31,		
Revenue ($ in millions)	2015	2014	% Change
SparVax®and next generation anthrax vaccine	$ 7.1	$ 3.4	108.8%
rBChE bioscavenger	-	0.3	(100.0)%
Total revenue	$ 7.1	$ 3.7	91.9%

Our revenue was derived primarily from contracts with the U.S. government for the development of SparVax® and our rBChE bioscavenger. Our revenue in the three months ended March 31, 2015 changed from the comparable period of 2014 primarily due to the following:

- Under our contract for the development of (the liquid second generation rPA) SparVax® with BARDA, we recorded revenue of $6.1 million in the first quarter of 2015 compared to $3.4 million in the first quarter of 2014. The difference is almost entirely due to the anticipated receipt of a one-time payment as a result of an audit completed by BARDA. On April 4, 2014, we received notification from BARDA, advising us of its decision to de-scope the SparVax® anthrax vaccine contract through a partial termination for convenience. The contract formally expired on February 28, 2015. We do not expect that we will receive additional funding from BARDA for the further development of SparVax® as a liquid product. Therefore, we anticipate that revenues for this program in 2015 may be significantly less than in 2014.

  In 2014, BARDA audited indirect costs or rates charged by us on the SparVax® contract for the years 2008 through 2013. We billed and recognized revenue using the provisional rates as defined in the contract. As a result of the audit, we recognized revenue of $5.8 million in the first quarter of 2015, representing the difference between actual rates (i.e., actual cost to us) and the provisional rates used to calculate previously billed and recognized revenue. An additional $0.3 million in revenue recognized during the first quarter of 2015 related to $0.2 million of direct costs BARDA audited for 2014 and approved, as well as $0.1 million in contract wind up amounts.

  BARDA has notified us that we can anticipate, in 2015, an audit of our 2014 and 2015 costs related to the partial termination for convenience of the SparVax® contract. While we do not currently believe the results of this audit will have an adverse effect on the Company, we cannot provide assurances that it will not have such an effect. The Company has billed and recognized revenue using the provisional rates as defined in the contract. While the actual rates for 2014 which reflect the actual costs incurred by us, have been higher than the provisional rates, we have no assurance on either the amount of additional funds we may receive as a result of these higher rates or the amount of time it may take to recover these funds. The amount of any such funds is determined as a result of future audits by BARDA.

On September 9, 2014, we entered into a contract with NIAID for the development of a next generation lyophilized anthrax vaccine based on the Company's proprietary technology platform which contributes the rPA bulk drug substance that is used in the liquid SparVax® formulation. Under this agreement, in the first quarter 2015 we recognized $1.0 million in revenue. This revenue was recognized in relation to the successful completion of the production of the next generation lyophilized anthrax vaccine which includes the same rPA bulk drug substance that is used in the liquid SparVax® formulation.

- Our contract with Chemical Biological Medical Systems, or CBMS, for our second generation rBChE bioscavenger ended on September 8, 2014. We do not foresee any additional funding for this program and expect that revenues from this program in the future will be minimal. Revenue in support of contract activities in 2014 was $0.3 million.

Research and Development Expenses

Our research and development expenses were $1.6 million and $3.4 million for the three months ended March 31, 2015 and March 31, 2014, respectively. These expenses resulted from research and development activities in all periods relating primarily to our SparVax® and rBChE bioscavenger programs. Direct expenses included salaries and other costs of personnel, raw materials and supplies, and an allocation of indirect expenses. We also incurred third-party costs, such as contract research, consulting, and clinical development costs for individual projects.

Research and development expenses for the three months ended March 31, 2015 and 2014 were attributable to research programs as follows:

	Three months ended March 31,		
Expenses ($ in millions)	2015	2014	% Change
SparVax®and next generation anthrax vaccine	$ 1.6	$ 3.2	(50.0)%
rBChE bioscavenger	-	0.2	(100.0)%
Total research and development expenses	$ 1.6	$ 3.4	(52.9)%

For the three months ended March 31, 2015, research and development expenses decreased $1.6 million from the same period in the prior year, primarily due to decreased costs relating to our BARDA sponsored SparVax® program, as a result of BARDA's de-scoping of the contract, and the expiration of the period of performance under our rBChE bioscavenger contract on September 8, 2014. Costs were incurred in 2015 to further the NIAID (bulk) program and internal research and development funds were expensed for release and stability testing for the liquid product. We expect research and development expenses to decline further in the future.

General and Administrative Expenses

General and administrative functions include executive management, finance and administration, government affairs and regulations, corporate development, human resources, legal, and compliance. For each function, we may incur expenses such as salaries, supplies and third-party consulting and other external costs and non-cash expenditures such as expense related to stock option and restricted share awards. An allocation of indirect costs such as facilities, utilities, and other administrative overhead is also included in general and administrative expenses.

Expenses associated with general and administrative functions were $2.2 million and $2.7 million for the three months ended March 31, 2015 and 2014, respectively. The $0.5 million decrease from the same period in the prior year was primarily due to a reduction in labor and stock option expense related to the Realignment Plan.

Restructuring Expense

Due to the Realignment Plan, we recorded a postemployment benefit of $2.0 million, of which $0.2 million was a cash outlay in the first quarter 2015. Twenty four employees were terminated with some payments extending into 2016, although the majority of the payments are expected to be made during 2015.

Other Income (Expense)

Other income (expense) primarily consists of changes in the fair value of our derivative financial instruments and interest expense on our debt and other financial obligations. For the three months ended March 31, 2015, other income was $0.3 million compared to $0.2 million for the three months ended March 31, 2014, resulting in a change in other income of approximately $0.1 million. This was primarily the result of the $0.1 million change in the fair value of our derivative instruments, from an unrealized gain of $0.2 million to an unrealized gain of $0.3 million, for the three months ended March 31, 2014 and 2015, respectively.

Income Taxes

The provision for income taxes was $0.02 million and $0.03 million for the three months ended March 31, 2015 and 2014, respectively, a decrease of approximately $0.01 million. Our provision for income taxes results from the difference between the treatment of goodwill for income tax purposes and for U.S. GAAP.

Liquidity and Capital Resources

Overview

Our primary source of cash during the three months ended March 31, 2015 were proceeds paid under our contract with NIAID. Our primary source of cash during the three months ended March 31, 2014 were amounts paid under our development contract for SparVax® and proceeds from sales of shares of our common stock under the controlled equity offering arrangement. Our cash and cash equivalents were $15.7 million and $18.6 million at March 31, 2015 and December 31, 2014, respectively. We believe, based on the operating cash requirements and capital expenditures expected for 2015, the Company's cash on hand at March 31, 2015 is adequate to fund operations through at least the end of 2015.

In 2014, BARDA audited indirect costs or rates charged by us on the SparVax® contract for the years 2008 through 2013. We had billed and recognized revenue using the provisional rates as defined in the contract. As a result of that audit, we were able to record revenue of $5.8 million in the first quarter of 2015, representing the difference between actual rates (i.e., actual cost to us) and the provisional rates used to calculate previously billed and recognized revenue. BARDA has notified us that we can anticipate, in 2015, an audit of our 2014 and 2015 costs related to the partial termination for convenience of the SparVax® contract. While we do not currently believe the results of this audit will have an adverse effect on the Company, we cannot provide assurances that it will not have such an effect. We also do not control the timing of the audit.

Our sole sources of revenue consist of (1) revenues related to the audit of the BARDA contract and (2) revenues under our September 2014 agreement with NIAID for the development of a next generation lyophilized anthrax vaccine based on the Company's proprietary technology platform which contributes the rPA bulk drug substance that is used in the liquid SparVax® formulation.

The NIAID agreement is incrementally funded. Over the base period of the agreement, we were awarded initial funding of approximately $5.2 million, which includes a cost reimbursement component and a fixed fee component payable upon achievement of certain milestones. The contract has a total value of up to approximately $28.1 million, if all technical milestones are met and all eight contract options are exercised by NIAID. NIAID may exercise the options in its sole discretion. If NIAID exercises all options, the contract would continue approximately five years. If NIAID does not exercise any of the options, the contract would expire by its terms on January 5, 2016. Due to the current economic environment, the U.S. Government may be forced or choose to reduce or delay spending in the biodefense field, which would decrease the likelihood that the government will exercise its right to extend its existing contract with us, the likelihood of future government contract awards, and/or the likelihood that the government would procure products from us.

We have incurred significant losses since we commenced operations. As of March 31, 2015, we had accumulated losses of $218.8 million since our inception. While we have undertaken efforts to reduce expenses, and expect that our operating expenses will continue to decrease as a result of our Realignment Plan, we expect continuing losses in the future. If we continue to incur losses and are not able to raise adequate funds to cover those losses, we may be required to cease operations.

Historically, we have not generated positive cash flows from operations. To bridge the gap between payments made to us under our U.S. Government contracts and grants and our operating and capital needs, we have had to rely on a variety of financing sources, including the issuance of equity and equity-linked securities and proceeds from loans and other borrowings. On March 25, 2013, we entered into a controlled equity offering arrangement pursuant to which we could offer and sell, from time to time, through a sales agent, shares of our common stock having an aggregate offering price of up to $15.0 million, which we later amended on May 23, 2014 to increase the offering amount by $15.0 million. During the first quarter 2014, we generated net proceeds of approximately $2.5 million under the controlled equity offering sales agreement, as amended. Since December 31, 2014, we have not generated any proceeds under the controlled equity offering sales agreement, as amended. Aggregate gross proceeds of up to $3.0 million remain available under this arrangement. We have no current plans to sell any shares under the controlled equity agreement.

We currently owe GE Capital an aggregate of approximately $0.5 million under our Loan Agreement with them. This amount is payable at maturity in September 2015. As a result of the notification from BARDA on April 4, 2014 advising us of its decision to de-scope the SparVax® anthrax vaccine contract through a partial termination for convenience, GE Capital could assert that there has occurred an event of default under the Loan Agreement, which would allow GE Capital to terminate the commitment and the loans under the Loan Agreement and declare any or all of the obligations thereunder to be immediately due and payable. We have not received notice from GE Capital that an event of default has occurred.

On March 9, 2015, our Board of Directors approved our Realignment Plan with the goal of preserving and maximizing, for the benefit of our stockholders, the value of any proceeds from the SIGA litigation and our existing biodefense assets. The plan eliminates approximately two-thirds of our workforce and is aimed at the preservation of cash and cash equivalents sufficient to finance our continued operations through a period of time expected to extend beyond the adjudication of SIGA's appeal. We intend to maintain sufficient resources and personnel so that we can seek partners, co-developers or acquirers for our biodefense programs and continue to execute under our government contract with NIAID. The Company estimates total severance payments to executives and non-executives in connection with the Realignment Plan to amount to approximately $2.0 million, with substantially all such severance expenses expected to be paid in 2015.

We can offer no assurances that we have correctly estimated the resources or personnel necessary to seek partners, co-developers or acquirers for our biodefense programs or execute under our NIAID contract. If a larger workforce or one with a different skillset is ultimately required to implement our Realignment Plan successfully, we may be unable to maximize the value of the SIGA litigation and our existing biodefense assets. In addition, executive officers who have served the Company for a combined 37 years have been terminated, and, with the exception of Mr. Richman's continued service on the Board, will no longer be available to guide the Company. We also cannot assure you that we have accurately estimated the cash and cash equivalents necessary to finance our operations until SIGA's appeal has been adjudicated and we have received SIGA's payment. If revenues from our NIAID contract are less than we anticipate, if operating expenses exceed our expectations or cannot be adjusted accordingly, or if we have underestimated the time it will take for us to prevail in SIGA's appeal, or enforce payment of or collect the damages award from SIGA, then our business, results of operations, financial condition and cash flows will be materially and adversely affected.

In addition, we may voluntarily elect to raise additional capital to strengthen our financial position. There can be no assurances that we would be successful in raising additional funds on acceptable terms or at all. Additional sales of common stock may be made at prices that are dilutive to existing stockholders.

Cash Flows

The following table provides information regarding our cash flows for the three months ended March 31, 2015 and 2014:

	Three months ended March 31,	
	2015	2014
Net cash provided by (used in):		
Operating activities	$ (2,713,361)	$ (2,294,064)
Investing activities	(27,752)	(29,050)
Financing activities	(165,667)	1,377,445
Effects of exchange rates on cash	(11,615)	(590)
Total decrease in cash and cash equivalents	$ (2,918,395)	$ (946,259)

Operating Activities

Net cash used by operating activities was $2.7 million and $2.3 million for the three months ended March 31, 2015 and 2014, respectively.

Net cash used by operating activities during the three months ended March 31, 2015 reflects our net income of $1.5 million offset by a reduction in non-cash expenses of $0.1 million**.** Receivables and prepaid expenses increased by $6.4 million mainly due to the $5.8 million invoice to BARDA. Accounts payable and accrued expenses and other liabilities increased by $0.4 million and accrued restructuring expenses were $1.9 million.

Net cash provided by operating activities during the three months ended March 31, 2014 reflects our net loss of $2.3 million, adjusted for non-cash share-based compensation expense of $0.5 million, the decrease in the fair value of our derivative instruments of $0.2 million and other non-cash expenses of $0.1 million. A decrease in receivables (billed and unbilled) of approximately $2.0 million was offset by a decrease in liabilities of $2.2 million and an increase in prepaid expenses of $0.2 million.

Investing Activities

There were no significant investing activities during the three months ended March 31, 2015 and March 31, 2014.

Financing Activities

Net cash used by financing activities was $0.2 million for the three months ended March 31, 2015, as compared to $1.4 million provided by financing activities for the three months ended March 31, 2014.

Net cash used by financing activities during the three months ended March 31, 2015 was primarily due to repayment of debt. Net cash provided by financing activities during the three months ended March 31, 2014 was primarily due to net proceeds received of $2.7 million from the sale of our common stock under the controlled equity offering arrangement. This was partially offset by $1.1 million and $0.3 million repayments of the revolving term loan, respectively.

On March 25, 2013, we entered into a controlled equity offering sales agreement with a sales agent, and filed with the SEC a prospectus supplement, dated March 25, 2013, to our prospectus, dated July 27, 2011, or the 2011 Prospectus, pursuant to which we could offer and sell, from time to time, through the agent shares of our common stock having an aggregate offering price of up to $15.0 million. On May 23, 2014, we entered into an amendment, or the 2014 Amendment, to the controlled equity offering sales agreement with the sales agent, pursuant to which we may offer and sell, from time to time, through the agent shares of our common stock having an aggregate offering price of up to an additional $15.0 million. On that day, we filed a prospectus supplement to the 2011 Prospectus for use in any sales of these additional shares of common stock through July 26, 2014, the date the underlying registration statement (File No. 333-175394) expired. As a result of this expiration, the 2011 Prospectus, as supplemented on March 25, 2013 and May 23, 2014, may no longer be used for the sale of shares of common stock under the controlled equity offering sales agreement, as amended.

On May 23, 2014, we also filed a new universal shelf registration statement (File No. 333-196265) containing, among other things, a prospectus, or the 2014 Prospectus, for use in sales of the common stock under the 2014 Amendment. This registration statement was declared effective on May 30, 2014. Since the expiration of the 2011 Prospectus, all sales under the controlled equity offering sales agreement, as amended, have been effected under the 2014 Prospectus.

Under the controlled equity offering sales agreement, as amended, the agent may sell shares by any method permitted by law and deemed to be an “at-the-market” offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including sales made directly on NYSE MKT, or any other existing trading market for our common stock or to or through a market maker. Subject to the terms and conditions of that agreement, the agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of NYSE MKT, to sell shares from time to time based upon our instructions. We are not obligated to sell any shares under the arrangement. We are obligated to pay the agent a commission of 3.0% of the aggregate gross proceeds from each sale of shares under the arrangement.

During the first quarter 2015, we did not generate any net proceeds under the controlled equity offering sales agreement, as amended. Aggregate gross proceeds of up to $3.0 million remain available under this arrangement. We have no current plans to sell any shares under the controlled equity agreement.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Contractual Obligations

Contractual Obligations[1]	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Operating facility leases	$ 1,826,902	$ 829,629#	$ 997,273	$ -	$ -
Research and development agreements	1,864,132	1,864,132	-	-	-
Term loan, principal and interest payments	515,758	515,758	-	-	-
Total contractual obligations	$ 4,206,792	$ 3,209,519	$ 997,273	$ -	$ -

[1] This table does not include any royalty payments relating to future sales of products subject to license agreements the Company has entered into in relation to its in-licensed technology, as the timing and likelihood of such payments are not known. The table also excludes any obligations related to registration rights agreements, as a result of a maintenance failure (as defined in such agreements), as the likelihood of any such payment is not probable. In addition, the table does not include the final payment fee on the term loan, which is being accrued and expensed over the term of the agreement, using the effective interest method, or the debt discount, which is being amortized over the term of the agreement.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The Company's current operations in foreign countries are minimal. We have closed our active operations in Canada and maintain only nominal operations in the United Kingdom. A 10% change in exchange rates (against the U.S. dollar) would not have a material impact on earnings, fair values or cash flow.

Because of the short-term maturities of our cash and cash equivalents, we do not believe that an increase in market interest rates would have a significant impact on their realized value. Our term loan with GE Capital is at a fixed 10.14% rate. Because of the fixed rate, a change in market interest rates would not have an impact on interest expense associated with the loan. The interest rate on the revolving line of credit is variable; therefore, a 1% increase in market interest rates above the interest rate floor of 1.5%, would increase interest expense associated with the line by $50,000 if the maximum amount of the line ($5.0 million) was drawn for a full year.

The change in fair value of our derivative instruments is calculated utilizing the Black-Scholes option pricing model; therefore, a 10% increase/decrease in the closing price of the Company's common stock at March 31, 2015, would result in a change in fair value of derivative instruments and our earnings of approximately $0.1 million.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, including our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2015. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosure. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

Our management, including our principal executive and principal financial officers, has evaluated any changes in our internal control over financial reporting that occurred during the quarterly period ended March 31, 2015, and has concluded that there was no change that occurred during the quarterly period ended March 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Except as noted below, we are not a party to any material legal proceedings.

In December 2006, we filed a complaint against SIGA in the Delaware Court of Chancery. The complaint alleged, among other things, that we have the right to license exclusively the development and marketing rights for SIGA's drug candidate, Tecovirimat, pursuant to a merger agreement between the parties that was terminated in 2006. The complaint also alleged that SIGA failed to negotiate in good faith the terms of such a license pursuant to the terminated merger agreement with us.

In September 2011, the Delaware Court of Chancery issued an opinion in the case finding that SIGA had breached certain contractual obligations to us, upholding our claims of promissory estoppel, and awarding us damages. SIGA appealed aspects of the decision to the Delaware Supreme Court. In response, we cross-appealed other aspects of the decision. In May 2013, the Delaware Supreme Court issued its ruling on the appeal, affirming the Delaware Court of Chancery's finding that SIGA had breached certain contractual obligations to us, reversed its finding of promissory estoppel, and remanded the case back to the Delaware Court of Chancery to reconsider the remedy and award in light of the Delaware Supreme Court's opinion.

On August 8, 2014, the Delaware Court of Chancery issued a Memorandum Opinion and Order, or August 2014 Order, finding that we are entitled to receive lump sum expectation damages for the value of the Company's lost profits for Tecovirimat. In addition, the Delaware Court of Chancery found that the Company is entitled to receive pre-judgment interest and varying percentages of the Company's reasonable attorneys' and expert witness fees. On October 17, 2014, the Company and SIGA each filed opinions of our respective financial experts and Draft Orders and Judgments in accordance with the instructions of the August 2014 Order.

On September 16, 2014, SIGA announced that it filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. In connection therewith, SIGA filed with the Bankruptcy Court an affidavit indicating, among other things, that it expects to continue to perform under its contract with BARDA. SIGA's petition for bankruptcy initiated a process whereby its assets are protected from creditors, including us.

On January 7, 2015, the Delaware Court of Chancery issued a letter Opinion and Order, directing the Company to submit a Revised Proposed Judgment that reflects a lump sum award of approximately $113 million in contract expectation damages, plus pre-judgment interest on that amount from 2006 through the date of such order. In accordance with the instructions of the court, the Company submitted a draft Revised Proposed Judgment under seal on January 9, 2015.

On January 15, 2015, the Delaware Court of Chancery issued a Final Order and Judgment, finding that we are entitled to receive a lump sum award of $194.6 million, or the Total Judgment, comprised of (1) expectation damages of $113.1 million, for the value of the Company's lost profits for Tecovirimat, also known as ST-246® (formerly referred to as "Arestvyr™" and referred to by SIGA in its recent SEC filings as "Tecovirimat"), plus (2) pre-judgment interest on that amount from 2006 and varying percentages of the Company's reasonable attorneys' and expert witness fees, totaling $81.5 million. Under the Final Order and Judgment, PharmAthene is also entitled to post-judgment simple interest. PharmAthene's entitlement to interest from and after SIGA's bankruptcy filing may be negatively impacted by the Bankruptcy Code. SIGA has filed a notice of appeal with the Delaware Supreme Court in which it challenges various findings of the Court of Chancery and seeks to set aside the Final Order and Judgment, and we have filed a notice of cross-appeal. As a result, the decision could be reversed, remanded or otherwise changed.

There can be no assurances if and when the Company will receive any payments from SIGA as a result of the Judgment. SIGA has stated publicly that it does not currently have cash sufficient to satisfy the award. It is also uncertain whether SIGA will have such cash in the future. PharmAthene's ability to collect the Judgment depends upon a number of factors, including SIGA's financial and operational success, which is subject to a number of significant risks and uncertainties (certain of which are outlined in SIGA's filings with the SEC), as to which we have limited knowledge and which we have no ability to control, mitigate or fully evaluate. For example, on December 24, 2014, SIGA announced that it expects to modify its contract with BARDA to reflect an increase in the provisional dosage of Tecovirimat and extended delivery schedule, subject to approval by the Bankruptcy Court. Furthermore, because SIGA has filed for protection under the federal bankruptcy laws, the Company is automatically stayed from taking any enforcement action in the Delaware Court of Chancery. By agreement of the parties, and with the approval of the Bankruptcy Court, the automatic stay has been lifted for the sole purpose of allowing the Delaware Court of Chancery to enter a money judgment and to allow the parties to exercise their appellate rights. The Company's ability to collect a money judgment from SIGA remains subject to further proceedings in the Bankruptcy Court.

Item 1A. Risk Factors

Investing in our securities involves risks. In addition to the other information in this quarterly report on Form 10-Q, stockholders and potential investors should carefully consider the risks and uncertainties discussed in the section titled "Item 1A. Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2014. There have been no material changes to the risk factors included in the section titled "Item 1A. Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Default upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

No.	Description
10.30.13	Separation Agreement and General Release and Waiver, effective March 9, 2015, between PharmAthene and Francesca Cook.
10.30.14	Separation Agreement and General Release and Waiver, effective March 11, 2015, between PharmAthene, Inc. and Eric Richman.
10.30.15	Separation Agreement and General Release and Waiver, effective March 9, 2015, between PharmAthene and Wayne Morges.
10.30.16	Separation Agreement and General Release and Waiver, effective April 30, 2015, between PharmAthene and Linda Chang.
31.1	Certification of Principal Executive Officer Pursuant to SEC Rule 13a-14(a)/15d-14(a)
31.2	Certification of Principal Financial Officer Pursuant to SEC Rule 13a-14(a)/15d-14(a)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350
(101)	The following condensed consolidated financial statements from the PharmAthene, Inc. Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, formatted in Extensive Business Reporting Language ("XBRL"): (i) Condensed Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014, (ii) Unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2015 and 2014, (iii) Unaudited Condensed Consolidated Statements of Comprehensive Loss for the three months ended March 31, 2015 and 2014, (iv) Unaudited Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and 2014, and (v) Notes to consolidated financial statements.
101.INS	Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

PHARMATHENE, INC.

Dated: May 7, 2015

By: /s/ John M. Gill
Name: John M. Gill
Title: President and Chief Executive Officer

Dated: May 7, 2015

By: /s/ Philip MacNeill
Name: Philip MacNeill
Title: Vice President, Chief Financial Officer, Treasurer and Secretary

Exhibit 10.30.13

SEPARATION AGREEMENT AND GENERAL RELEASE AND WAIVER

This Separation Agreement and General Release and Waiver (the "Agreement"), dated this 9th day of March, 2015, is by and between PharmAthene, Inc. (hereinafter referred to as "PharmAthene" or the "Company") and Francesca Cook ("Executive").

WHEREAS, Executive was a Vice President of the Company; and

WHEREAS, the Company has terminated the Executive's employment without cause in accordance with the terms of the Employment Agreement dated April 18, 2008 between Executive and the Company;

NOW THEREFORE, in consideration of the promises and covenants contained herein, and each intending to be legally bound, the Company and Executive agree as follows:

1. Termination. Executive's employment with the Company shall terminate on March 9, 2015 ("Termination Date").

2. Payment Upon Termination.

a. Salary. The Company will pay Executive her pro rata base salary through the Termination Date.

b. Benefits. The Company will continue to provide Executive with applicable benefits in accordance with the terms of any incentive compensation, retirement, employee welfare or other employee benefit plans or programs of the Company in which Executive currently is participating in accordance with the terms of such plans or programs through March 31, 2015.

c. Vacation and Holiday Pay. All accrued vacation and holiday benefits as of the Termination Date shall be paid to Executive in one lump sum (less applicable tax withholdings) on the first payday following the Termination Date. Thereafter, no further vacation or holiday benefits will accrue.

d. Expenses. The Company will reimburse Executive for all reasonable expenses incurred by Executive in the performance of her duties up through the Termination Date, in accordance with the Company's established expense reimbursement policy and practices.

3. Transition Assistance and Cooperation.

a. During the six-month period immediately following the Termination Date, Executive may be called upon from time to time to assist the Company with matters relating to Executive's duties and responsibilities prior to the Termination Date. Executive shall be available at reasonable times on reasonable notice.

b. During and after her employment, Executive in good faith will exercise her best efforts to (a) cooperate fully with the Company and its respective counsel in connection with any pending or future litigation, arbitration, administrative proceedings, or investigation relating to any matter that occurred during her employment in which she was involved or about which she has knowledge, including but not limited to the pending litigation involving Siga Technologies, Inc. ("Siga"); and (b) respond in good faith to any telephone calls and/or information requests from the Company or its representatives within a reasonable period of time. Executive further agrees that, in the event she is subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony or provide documents (in a deposition, court proceeding or otherwise), which in any way relates to her employment with the Company, she will give prompt notice of such request to the Company and, unless legally required to do so, will make no disclosure until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure.

4. Severance Pay and Benefits. In consideration of Executive's execution of this Agreement, including without limitation her agreement to fully abide by the terms and conditions of this Agreement, her release of claims as provided for in Section 7 herein, and her having returned all property of the Company as provided for in Section 8, and further provided that Executive has not revoked her acceptance of this Agreement as provided for in Section 20, the Company agrees to provide to Executive the following:

a. Severance Pay. The Company will pay Executive her current base salary for a period of six (6) months (the "Severance Period"), totaling in the aggregate **$156,979.50**, less required payroll withholdings and authorized deductions ("Severance Pay"). The payment of the Severance Pay shall commence on the Company's first payday following the expiration of the seven (7) day revocation period provided for in Section 20 herein.

b. Health Insurance. Provided that Executive has elected to continue coverage under the Company's group health plan(s) for herself and her covered beneficiaries pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and to the extent of Executive's COBRA election, the COBRA premium that Executive is required to pay during the Severance Period shall be equal to the premium amount that active employees of the Company are required to pay during this same period for the same level of group health coverage. The Company shall deduct Executive's share of the health insurance premium from Executive's Severance Pay. Following the expiration of the Severance Period, Executive may continue COBRA coverage for herself and her covered beneficiaries under the Company's health plans for the remaining COBRA coverage period at her sole cost and at the full COBRA premium rate.

c. Stock Options. The stock options currently held by the Executive will not terminate until the end of the Severance Period (after which time all unexercised Stock Options will expire), provided however that in the event Executive breaches any term of this Agreement or the Confidentiality and Non-Solicitation Agreement as defined below, the Stock Options shall immediately terminate upon such breach.

5. Other Compensation and Benefits. Executive shall not be entitled to receive and the Company shall not be obligated to pay or provide Executive with any other or additional compensation or benefits not provided for herein.

6. Executive's Acknowledgements.

a. Executive acknowledges and declares that she has been fully compensated for all work performed and time she has worked while employed by the Company, and that she is not owed any compensation, wages, salary, vacation, holiday pay, bonuses, benefits, or any other payments, remuneration or income of any kind from the Company, except as provided in this Agreement.

b. Executive affirms, understands and acknowledges that the Severance Pay and Benefits being provided to her by the Company under this Agreement is beyond any that otherwise is or would be owed to Executive by the Company, and are being provided to Executive in consideration for her entering into this Agreement, including the release of claims as set forth in Section 7 of this Agreement, and particularly Executive's release of claims under the Age Discrimination in Employment ("ADEA") and Older Workers Benefit Protection Acts ("OWPBA").

7. Release By Executive.

a. Release By Executive.

i. In consideration of the Severance Pay and Benefits being provided to Executive under this Agreement, which, absent this Agreement and Release, Executive otherwise would not be entitled to receive, Executive, on behalf of herself, Executive's heirs, estate, executors, administrators, representatives, successors and assigns, or someone claiming to be acting on Executive's behalf or in Executive's interest, hereby irrevocably and unconditionally releases, acquits and forever discharges the Company, its affiliates, subsidiaries, benefit plans, related companies, partnerships and joint ventures, and their former, current and future officers, directors, shareholders, partners, employees, fiduciaries, agents, attorneys, insurers and representatives, whether acting in their individual or official capacities, and all persons acting by, through, or in concert with any of them, and all their predecessors, successors and assigns (all of which are hereinafter collectively referred to as "Company Releasees"), from any and all claims, demands, losses, liabilities, and causes of action or similar rights of any type arising or accruing on or before the date this Agreement is executed (whether known or unknown), as a result of or because of any act, omission, or failure to act by Company Releasees, including but not limited to those arising out of or relating in any way to Executive's employment by, association with, and termination of employment with the Company (hereinafter collectively referred to as "Claims"). **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 7.a.iii. herein.

ii. These Claims include, but are not limited to, any claims for monetary damages, wages, bonuses, commissions, unused sick pay, severance or similar benefits, expenses, attorneys' fees or other indemnities, or other personal remedies or damages sought in any legal proceeding or charge filed with any court arising under the ADEA, including but not limited to the OWBPA, except as it relates to the validity of this release under the ADEA as amended by the OWBPA, and Executive Order 11141, Executive Order 11246, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Federal Equal Pay Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the Uniformed Services Employment and Reemployment Rights Act, the Employee Retirement Income Security Act, the Workers Adjustment and Retraining Notification Act, and the Fair Labor Standards Act. The Claims released include, but are not limited to, claims arising under any other federal, state, or local laws or regulations restricting an employer's right to terminate employees, or otherwise regulating employment, including but not limited to any federal, state, or local law enforcing express or implied employment contracts or covenants; any other federal, state or local laws providing relief for alleged wage and hour violations, unlawful discrimination, wrongful discharge, breach of contract, any and all tort claims, including but not limited to, physical or personal injury in any way related to Executive's employment or termination of employment, emotional distress or stress claims in any way related to Executive's employment or termination of employment, intentional or negligent infliction of emotional distress, fraud, negligent misrepresentation, defamation, invasion of privacy, violation of public policy and similar or related claims and any and all claims arising under common law. The Claims released include claims that in any way are brought on behalf of the government, whether or not the government joins the action such as via qui tam.

iii. Notwithstanding the foregoing, Executive is not releasing (a) Executive's right to enforce the Agreement; (b) any claims for unemployment compensation; (c) any claims for benefits under any applicable Workers Compensation statute; (d) any claims solely relating to the validity of this Release of Claims under the ADEA, as amended, including OWBPA; or (e) Executive's right to indemnification as may be provided by law, the Company's bylaws, and/or the Indemnification Agreement between Executive and the Company dated November 21, 2009. Said Indemnification Agreement shall remain in full force and effect with respect to Executive's right to indemnification as a former officer of the Company. The Company agrees to maintain coverage of Executive under the Company's directors and officers liability insurance with respect to acts and omissions arising during Executive's employment to the same extent that the Company provides such coverage to its former officers and directors.

iv. Notwithstanding the foregoing, nothing contained herein shall prevent Executive from filing an administrative charge of discrimination with the Equal Employment Opportunity Commission or state or local fair employment practices agency. Executive agrees that she shall not seek, accept, or be entitled to any monetary relief, whether for herself individually or as a member of a class or group, arising from a discrimination charge filed by Executive or on Executive's behalf. This Agreement prohibits Executive's ability to pursue any causes of action against Company Releasees seeking monetary relief or other remedies for herself and/or as a representative on behalf of others.

v. No federal, state or local government agency is a party to this Agreement, and none of the provisions of this Agreement restrict or in any way affect a government agency's authority to investigate or seek relief in connection with any of the Claims. However, if a government agency were to pursue any matters falling within the Claims, which it is free to do, the Company and Executive agree that, as between the Company and Executive, this Agreement will control as the exclusive remedy and full settlement of all such Claims. The Agreement is a binding contract between two private parties — the Company and Executive. Therefore, this Release affects the two parties' rights only, with no impact on any government agency.

b. Release By the Company.

i. In consideration of the undertakings by Executive provided for herein, the sufficiency of which is hereby acknowledged, the Company does hereby fully, finally and unconditionally release and forever discharge Executive from any and all matters, claims, demands, losses, liabilities, and causes of action of any nature or kind whatsoever, known or unknown, suspected or unsuspected, which arose or accrued on or before the effective date of this Agreement, arising out of or relating in any way to Executive's employment with the Company except as provided for in Section 7.b.ii herein. The released claims include, but are not limited to, any claims under any federal, state or local laws and regulations and any common law, including but not limited to any claims for breach of contract and tort claims. **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 7.b.ii. herein.

ii. Notwithstanding the foregoing, the Company is not releasing (a) the Company's right to enforce this Agreement, (b) any claims relating to any fraudulent, intentional, or illegal actions by Executive, or (c) any breach by Executive of the Confidentiality and Non-Solicitation Agreement identified in Section 9 herein and/or Sections 10, 11, 12 or 13 of the Employment Agreement.

8. Return of Property. Executive further agrees that, no later than twenty-four (24) hours after the Termination Date, she will return to the Company all the property of the Company set forth on Annex A attached hereto and will either return all books, records (technical, scientific, financial or otherwise), customer lists and pricing models, correspondence, contracts, orders, advertising, promotional materials, and other written information including those in electronic format, typed or printed materials, whether furnished by the Company or any of its employees or prepared by Executive, which contain any information relating to the Company's business, and Executive agrees that she will neither make nor retain copies of such materials.

9. Restrictive Covenants. Executive acknowledges that in consideration of her employment with the Company she executed a Confidentiality and Non-Solicitation Agreement dated April 13, 2006 ("Confidentiality and Non-Solicitation Agreement") and the Employment Agreement. Executive hereby represents that she understands her contractual obligations under said Confidentiality and Non-Solicitation Agreement and the Employment Agreement, and she agrees that the terms and conditions contained in the Confidentiality and Non-Solicitation Agreement and Sections 10-26 of the Employment Agreement shall survive the termination of her employment with the Company and will continue in full force and effect. Executive hereby reaffirms her commitment and obligation to abide by the terms of the Confidentiality and Non-Solicitation Agreement and Sections 10, 11, 12, and 13 of the Employment Agreement.

10. Non-Disparagement.

a. By Executive. Executive agrees to refrain from making any untruthful, derogatory, unflattering and/or disparaging oral or written statements or communications to the public or to any third party about the Company, including its successors, assigns, parents, subsidiaries, divisions, and affiliates, and its and their past or present officers, directors, employees, agents, representatives and customers, with respect to any matter whatsoever.

b. By the Company. The Company agrees to refrain from making any untruthful, derogatory, and/or disparaging oral or written statements or communications to the public or to any third party about Executive with respect to any matter whatsoever. In the event a reference concerning Executive is requested of the Company, the Company will follow its policy and practice in effect as of the Termination Date regarding providing references about former employees to third parties.

11. Confidentiality. Executive agrees that she will keep the terms and conditions of this Agreement confidential and will not disclose such to any other person, except that Executive may discuss this Agreement with her spouse, attorney, financial advisor and as may be required by law. Executive is to advise any such person with whom she has discussed this Agreement of the existence and requirements of this confidentiality provision, and Executive shall instruct any such person that s/he shall not disclose the existence of this Agreement or its terms to any other person. Disclosure by Executive to any other person or entity in violation of the provisions of this Agreement shall be deemed to be a breach of this Agreement.

12. Breach by Executive.

a. Executive covenants and agrees that if she violates or breaches any of the terms and conditions of this Agreement, she will pay liquidated damages to the Company in an amount equal to the value of the Severance Pay and Benefits that the Company has provided to her pursuant to Section 3(a), (b) and (c) less One Hundred Dollars ($100), which Executive may retain. The Company further shall be relieved of its obligation to make any Severance Payments and Benefits to Executive provided for under Section 3(a), (b), and (c) that had not yet been paid. All provisions of this Agreement shall remain in full force and effect. In addition, in the event that Executive breaches this Agreement by asserting any charge, complaint, lawsuit, or other claim in violation of Section 6(a), Executive agrees to pay the Company all costs incurred by the Company or any other Company Releasee, including attorneys' fees and expenses related to the defense of any such charge, complaint, lawsuit or other claim asserted by or on behalf of Executive. The requirement to pay the Company the value of the Severance Pay and Benefits provided to Executive less $100 and to pay all costs incurred by any Company Releasee does not apply should Executive challenge the validity of her waiver of age discrimination claims under the ADEA and/or OWBPA. However, the Company reserves its rights to restitution, recoupment or setoff should a challenge to the age discrimination waiver prove successful.

b. Executive hereby covenants and agrees that in the event of her breach of any of her obligations under this Agreement, including specifically, but not limited to her obligations under Section 9 herein, the Confidentiality and Non-Solicitation Agreement, and Sections 10, 11, 12 and 13 of the Employment Agreement (collectively "Business Disturbance Provisions"), the damage that the Company would sustain would be immediate, substantial and irreparable, for which there is no adequate remedy at law. To protect the Company from such an occurrence, the Company, in addition to any other rights and remedies available to it hereunder, at law or otherwise, shall be entitled to an *ex parte* injunction to be issued by any court of competent jurisdiction, enjoining and restraining Executive from violating or continuing to violate any provision of this Agreement; and Executive hereby consents to the issuance of such injunction without the obligation of the Company to post any bond. In the event of a breach of any of the Business Disturbance Provisions, the Company shall be entitled to recover from Executive all gross profits earned in connection with such activity by the business entity or person on whose behalf Executive conducted such activity in violation of any Business Disturbance Provisions, and any other damages that the court deems just and proper.

c. Nothing herein contained shall be construed to prevent or limit the Company from invoking any remedy as provided herein or as may otherwise be available to the Company.

13. Non-Admission of Liability. Executive acknowledges and agrees that this Agreement does not constitute or reflect in any way any wrongdoing or admission of wrongdoing by the Company in connection with any aspect of Executive's employment with and/or separation from the Company. Executive further agrees that this Agreement will not be raised or admissible as evidence in connection with any proceeding to show liability or wrongdoing of any kind on the part of the Company, any of its former, current and future parents, predecessors, affiliates, subsidiaries, and its and their former, current or future officers, directors, agents, employees, successors and/or assigns, except to the extent necessary to enforce its provisions.

14. Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the assigns and successors of the Company and its subsidiaries and other affiliates and their past, present, and future directors, officers, agents, and employees. The Company shall have the right to assign its rights, duties and obligations hereunder without the prior written consent of Executive. Executive's rights, duties, obligations and benefits under this Agreement are personal to Executive and no such right, duty, obligation or benefit shall be subject to voluntary or involuntary alienation, assignment, delegation or transfer.

15. Entire Agreement. The understandings set forth in this Agreement represent the entire agreement between Executive and the Company with respect to the matters contained herein. Neither Executive nor the Company have relied upon any other agreements, understandings or representations. This Agreement supersedes any prior agreements or representations, whether written or oral, between Executive and the Company as to the subject matter contained herein, unless specifically incorporated herein. This Agreement may not be altered or modified except by mutual agreement between Executive and the Company, evidenced in writing and executed by both Executive and the Company and specifically identified as an amendment to this Agreement.

16. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland. The parties agree that the state courts of the State of Maryland or, if the jurisdictional prerequisites exist, the United States District Court for the District of Maryland, shall have sole and exclusive jurisdiction and venue to hear and determine any dispute or controversy arising under or concerning this Agreement. Executive hereby submits to the jurisdiction of the courts in the State of Maryland as described above.

17. Section 409A. The parties hereby agree that the payments made under this Agreement do not constitute deferred compensation under Internal Revenue Code § 409A, and are exempt from Code § 409A as separation pay due to an involuntary separation from service.

18. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

19. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument. Faxed and emailed executed counterparts of this Agreement are intended to be as binding and enforceable as the original.

20. **Review and Revocation Rights.** By signing below, Executive acknowledges that:

a. She has been advised in this writing and encouraged by the Company to consult with an attorney regarding this Agreement; and

b. She has been given at least forty-five (45) days to consider this Agreement before signing.

c. She further has been advised by the Company and understands that she shall have seven (7) days following signing of this Agreement to revoke it, and that the Agreement shall not become effective until the 7-day revocation period has expired without her revocation of it. Executive further understands and acknowledges that to be effective, the revocation must be in writing and delivered to the Company**, c/o Sandy Dufoe, Manager, Human Resources, One Park Place, Suite 450, Annapolis, MD 21401,** by 5:00 p.m. on or before the seventh (7^{th}) calendar day after Executive signs the Agreement.

d. Executive acknowledges and understands that this Agreement will become effective and enforceable upon the expiration of seven (7) calendar days following the date on which this Agreement is executed by Executive, if not revoked.

e. Executive hereby affirms and acknowledges that, in exchange for her waiver of any age discrimination claim, she has received consideration or value other than the payment of wages or benefits to which she was legally entitled to receive.

21. By signing below, the Parties signify that they have read the terms of this Agreement in their entirety, fully understand its terms, are voluntarily agreeing to those terms, and intend to be legally bound. The Parties further represent and acknowledge that in executing this Agreement neither is relying upon any representation or statement made by the other party or her/its representative with regard to the subject matter, basis or effect of this Agreement.

THIS AGREEMENT CONTAINS A GENERAL RELEASE OF CLAIMS, PLEASE READ CAREFULLY BEFORE SIGNING.

In Witness Whereof, the Company and Executive have caused this Agreement to be executed as of the day and year first written above.

PHARMATHENE, INC.

March 30, 2015 By: /s/ Jeffrey Jones (SEAL)
Date

EXECUTIVE

March 20, 2015 /s/ Francesca Cook (SEAL)
Date Francesca Cook

ANNEX A

Certain Company Property

Executive shall return the following Company-issued tangible property:

- Smartphone
- Company issued American Express credit card
- ID badge
- Laptop computer
- Keys to Office/File Cabinets
- Pass to get into office suite/building

Exhibit 10.30.14

SEPARATION AGREEMENT AND GENERAL RELEASE AND WAIVER

This Separation Agreement and General Release and Waiver (the "Agreement"), dated this 16th day of March, 2015, is by and between PharmAthene, Inc. (hereinafter referred to as "the Company" or the "Company") and Eric Richman ("Executive").

Executive is the President and Chief Executive Officer of the Company. The Company has terminated the Executive's employment effective March 11, 2015 pursuant to Section 6 of the Employment Agreement dated December 23, 2010 between Executive and the Company ("Employment Agreement").

NOW THEREFORE, in consideration of the promises and covenants contained herein, and each intending to be legally bound, the Company and Executive agree as follows:

1. Termination. Executive's employment with the Company shall terminate on March 11, 2015 ("Termination Date").

2. Payment Upon Termination.

a. Salary. The Company will pay Executive his pro rata base salary through the Termination Date.

b. Benefits. The Company will continue to provide Executive with applicable benefits in accordance with the terms of any incentive compensation, including equity compensation, retirement, employee welfare or other employee benefit plans or programs of the Company in which Executive currently is participating in accordance with the terms of such plans or programs through March 31, 2015.

c. Vacation and Holiday Pay. All accrued vacation and holiday benefits as of the Termination Date shall be paid to Executive in one lump sum (less applicable tax withholdings) on the first payday following the Termination Date. Thereafter, no further vacation or holiday benefits will accrue.

d. Expenses. The Company will reimburse Executive for all reasonable expenses incurred by Executive in the performance of his duties up through the Termination Date, in accordance with the Company's established expense reimbursement policy and practices.

3. Severance Pay and Benefits. In consideration of Executive's execution of this Agreement, including without limitation his agreement to fully abide by the terms and conditions of this Agreement, his release of claims as provided for in Section 6, and his having returned all property of the Company as provided for in Section 7, and further provided that Executive has not revoked his acceptance of this Agreement as provided for in Section 19, the Company agrees to provide to Executive the following:

a. Severance Pay. The Company will pay Executive his current base salary for a period of twelve (12) months (the "Severance Period"), totaling in the aggregate $496,460.00, less required payroll withholdings and authorized deductions ("Severance Pay"). The Severance Payments shall commence on the Company's first payday following the expiration of the seven (7) day revocation period provided for in Section 19 herein. In accordance with Section 9.f. of the Employment Agreement, the Company will establish an irrevocable grantor trust ("rabbi trust") and shall contribute 12 months of severance payments to the rabbi trust for the sole purpose of paying the Severance Pay to Executive.

b. 2015 Target Bonus. Within sixty (60) days of the Termination Date, the Company shall pay Executive a lump sum of $57,127.00, representing the accrued portion of Executive's 2015 Target Bonus Amount as of the Termination Date.

c. Health Insurance. Provided that Executive has elected to continue coverage under the Company's group health plan(s) for himself and his covered beneficiaries pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and to the extent of Executive's COBRA election, the COBRA premium that Executive is required to pay during the Severance Period shall be equal to the premium amount that active employees of the Company are required to pay for the same level of group health coverage during the Severance Period. The Company shall deduct Executive's share of the health insurance premium from Executive's Severance Pay. Following the expiration of the Severance Period, Executive may continue COBRA coverage for himself and his covered beneficiaries under the Company's health plans for the remaining COBRA coverage period at his sole cost and at the full COBRA premium rate.

d. Stock Options. The stock options currently held by Executive will continue to vest and are exercisable in accordance with the terms of said options for the duration of the time Executive provides service on the Board of Directors of the Company. Executive's stock options will cease to vest immediately upon termination for any reason of Executive's service on the Board of Directors and Executive shall have ninety (90) days from the date of termination of his Board service to exercise his options.

4. Other Compensation and Benefits. Executive shall not be entitled to receive and the Company shall not be obligated to pay or provide Executive with any other or additional compensation or benefits not provided for herein.

5. Executive's Agreement and Acknowledgements.

a. Executive agrees that he will serve as Chairman of the Committee of the Board of Directors responsible for overseeing the efforts of the Corporation relating to the litigation with Siga Technologies, Inc. ("Siga"). In connection therewith, Executive will, among other things, maintain regular contact with litigation counsel and Bankruptcy counsel, will attend, to the extent reasonable and at the expense of the Company, proceedings in the several courts and meetings with counsel and adversaries, in each case, as is necessary to maintain continuity and to protect the interests of the Company in connection with the litigation with Siga.

b. Executive acknowledges and declares that he has been fully compensated for all work performed and time he has worked while employed by the Company, and that he is not owed any compensation, wages, salary, vacation, holiday pay, bonuses, benefits, or any other payments, remuneration or income of any kind from the Company, except as provided in this Agreement.

c. Executive affirms, understands and acknowledges that the Severance Pay and Benefits being provided to him by the Company under this Agreement is beyond any that otherwise is or would be owed to Executive by the Company, and are being provided to Executive in consideration for him entering into this Agreement, including the release of claims as set forth in Section 6 of this Agreement, and particularly Executive's release of claims under the Age Discrimination in Employment ("ADEA") and Older Workers Benefit Protection Acts ("OWPBA").

6. Releases.

a. Release By Executive.

i. In consideration of the Severance Pay and Benefits being provided to Executive under this Agreement, which, absent this Agreement and Release, Executive otherwise would not be entitled to receive, Executive, on behalf of himself, Executive's heirs, estate, executors, administrators, representatives, successors and assigns, or someone claiming to be acting on Executive's behalf or in Executive's interest, hereby irrevocably and unconditionally releases, acquits and forever discharges the Company, its affiliates, subsidiaries, benefit plans, related companies, partnerships and joint ventures, and their former, current and future officers, directors, shareholders, partners, employees, fiduciaries, agents, attorneys, insurers and representatives, whether acting in their individual or official capacities, and all persons acting by, through, or in concert with any of them, and all their predecessors, successors and assigns (all of which are hereinafter collectively referred to as "Company Releasees"), from any and all claims, demands, losses, liabilities, and causes of action or similar rights of any type arising or accruing on or before the date this Agreement is executed (whether known or unknown), as a result of or because of any act, omission, or failure to act by Company Releasees, including but not limited to those arising out of or relating in any way to Executive's employment by, association with, and termination of employment with the Company (hereinafter collectively referred to as "Claims"). **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 6.a.iii. herein.

ii. These Claims include, but are not limited to, any claims for monetary damages, wages, bonuses, commissions, unused sick pay, severance or similar benefits, expenses, attorneys' fees or other indemnities, or other personal remedies or damages sought in any legal proceeding or charge filed with any court arising under the ADEA, including but not limited to the OWBPA, except as it relates to the validity of this release under the ADEA as amended by the OWBPA, and Executive Order 11141, Executive Order 11246, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Federal Equal Pay Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the Uniformed Services Employment and Reemployment Rights Act, the Employee Retirement Income Security Act, the Workers Adjustment and Retraining Notification Act, and the Fair Labor Standards Act. The Claims released include, but are not limited to, claims arising under any other federal, state, or local laws or regulations restricting an employer's right to terminate employees, or otherwise regulating employment, including but not limited to any federal, state, or local law enforcing express or implied employment contracts or covenants; any other federal, state or local laws providing relief for alleged wage and hour violations, unlawful discrimination, wrongful discharge, breach of contract, any and all tort claims, including but not limited to, physical or personal injury in any way related to Executive's employment or termination of employment, emotional distress or stress claims in any way related to Executive's employment or termination of employment, intentional or negligent infliction of emotional distress, fraud, negligent misrepresentation, defamation, invasion of privacy, violation of public policy and similar or related claims and any and all claims arising under common law. The Claims released include claims that in any way are brought on behalf of the government, whether or not the government joins the action such as via qui tam.

iii. Notwithstanding the foregoing, Executive is not releasing (a) Executive's right to enforce the Agreement; (b) any claims for unemployment compensation; (c) any claims for benefits under any applicable Workers Compensation statute; (d) any claims solely relating to the validity of this Release of Claims under the ADEA, as amended, including OWBPA; or (e) Executive's right to indemnification as may be provided by law, the Company's bylaws, and/or the Indemnification Agreement between Executive and the Company dated January 21, 2009. Said Indemnification Agreement shall remain in full force and effect with respect to Executive's right to indemnification as a former officer of the Company. The Company agrees to maintain coverage of Executive under the Company's directors and officers liability insurance with respect to acts and omissions arising during Executive's employment to the same extent that the Company provides such coverage to its former officers and directors.

iv. Notwithstanding the foregoing, nothing contained herein shall prevent Executive from filing an administrative charge of discrimination with the Equal Employment Opportunity Commission or state or local fair employment practices agency. Executive agrees that he shall not seek, accept, or be entitled to any monetary relief, whether for himself individually or as a member of a class or group, arising from a discrimination charge filed by Executive or on Executive's behalf. This Agreement prohibits Executive's ability to pursue any causes of action against Company Releasees seeking monetary relief or other remedies for himself and/or as a representative on behalf of others.

v. No federal, state or local government agency is a party to this Agreement, and none of the provisions of this Agreement restrict or in any way affect a government agency's authority to investigate or seek relief in connection with any of the Claims. However, if a government agency were to pursue any matters falling within the Claims, which it is free to do, the Company and Executive agree that, as between the Company and Executive, this Agreement will control as the exclusive remedy and full settlement of all such Claims. The Agreement is a binding contract between two private parties — the Company and Executive. Therefore, this Release affects the two parties' rights only, with no impact on any government agency.

b. Release By the Company.

i. In consideration of the undertakings by Executive provided for herein, the sufficiency of which is hereby acknowledged, the Company does hereby fully, finally and unconditionally release and forever discharge Executive from any and all matters, claims, demands, losses, liabilities, and causes of action of any nature or kind whatsoever, known or unknown, suspected or unsuspected, which arose or accrued on or before the effective date of this Agreement, arising out of or relating in any way to Executive's employment with the Company except as provided for in Section 6.b.ii herein. The released claims include, but are not limited to, any claims under any federal, state or local laws and regulations and any common law, including but not limited to any claims for breach of contract and tort claims. **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 6.b.ii. herein.

ii. Notwithstanding the foregoing, the Company is not releasing (a) the Company's right to enforce this Agreement, (b) any claims relating to any fraudulent, intentional, or illegal actions by Executive, or (c) any breach by Executive of the Confidentiality Agreement identified in Section 8 herein and/or Sections 10, 11, 12 or 13 of the Employment Agreement.

7. Return of Property. Executive further agrees that, no later than twenty-four (24) hours after the Termination Date, he will return to the Company all the property of the Company set forth on Annex A attached hereto and will either return all books, records (technical, scientific, financial or otherwise), customer lists and pricing models, correspondence, contracts, orders, advertising, and other written information including those in electronic format, typed or printed materials, whether furnished by the Company or any of its employees or prepared by Executive, which contain any information relating to the Company's business, and Executive agrees that he will neither make nor retain copies of such materials.

8. Restrictive Covenants. Executive acknowledges that in consideration of his employment with the Company he executed a Confidentiality Agreement dated July 27, 2003 ("Confidentiality Agreement") and the Employment Agreement. Executive hereby represents that he understands his contractual obligations under said Confidentiality Agreement and the Employment Agreement, and he agrees that the terms and conditions contained in the Confidentiality Agreement and Sections 10, 11, 12, 13, and 15-26 of the Employment Agreement shall survive the termination of his employment with the Company and will continue in full force and effect. Executive hereby reaffirms his commitment and obligation to abide by the terms of the Confidentiality Agreement and Sections 10, 11, 12, and 13 of the Employment Agreement.

9. Non-Disparagement.

a. By Executive. Executive agrees to refrain from making any untruthful, derogatory, unflattering and/or disparaging oral or written statements or communications to the public or to any third party about the Company, including its successors, assigns, parents, subsidiaries, divisions, and affiliates, and its and their past or present officers, directors, employees, agents, representatives and customers, with respect to any matter whatsoever.

b. By the Company. The Company agrees to refrain from making any untruthful, derogatory, and/or disparaging oral or written statements or communications to the public or to any third party about Executive with respect to any matter whatsoever. In the event a reference concerning Executive is requested of the Company, the Company will follow its policy and practice in effect as of the Termination Date regarding providing references about former employees to third parties.

10. Confidentiality. Executive agrees that he will keep the terms and conditions of this Agreement confidential and will not disclose such to any other person, except that Executive may discuss this Agreement with his spouse, attorney, financial advisor and as may be required by law. Executive is to advise any such person with whom he has discussed this Agreement of the existence and requirements of this confidentiality provision, and Executive shall instruct any such person that s/he shall not disclose the existence of this Agreement or its terms to any other person. Disclosure by Executive to any other person or entity in violation of the provisions of this Agreement shall be deemed to be a breach of this Agreement.

11. Breach by Executive.

a. Executive covenants and agrees that if he violates or breaches any of the terms and conditions of this Agreement, he will pay liquidated damages to the Company in an amount equal to the value of the Severance Pay and Benefits that the Company has provided to him pursuant to Section 3(a), (b) and (c) less One Hundred Dollars ($100), which Executive may retain. The Company further shall be relieved of its obligation to make any Severance Payments and Benefits to Executive provided for under Section 3(a), (b), and (c) that had not yet been paid. All provisions of this Agreement shall remain in full force and effect. In addition, in the event that Executive breaches this Agreement by asserting any charge, complaint, lawsuit, or other claim in violation of Section 6(a), Executive agrees to pay the Company all costs incurred by the Company or any other Company Releasee, including attorneys' fees and expenses related to the defense of any such charge, complaint, lawsuit or other claim asserted by or on behalf of Executive. The requirement to pay the Company the value of the Severance Pay and Benefits provided to Executive less $100 and to pay all costs incurred by any Company Releasee does not apply should Executive challenge the validity of his waiver of age discrimination claims under the ADEA and/or OWBPA. However, the Company reserves its rights to restitution, recoupment or setoff should a challenge to the age discrimination waiver prove successful.

b. Executive hereby covenants and agrees that in the event of his breach of any of his obligations under this Agreement, including specifically, but not limited to his obligations under Section 8 herein, the Confidentiality Agreement, and Sections 10, 11, 12 and 13 of the Employment Agreement (collectively "Business Disturbance Provisions"), the damage that the Company would sustain would be immediate, substantial and irreparable, for which there is no adequate remedy at law. To protect the Company from such an occurrence, the Company, in addition to any other rights and remedies available to it hereunder, at law or otherwise, shall be entitled to an *ex parte* injunction to be issued by any court of competent jurisdiction, enjoining and restraining Executive from violating or continuing to violate any provision of this Agreement; and Executive hereby consents to the issuance of such injunction without the obligation of the Company to post any bond. In the event of a breach of any of the Business Disturbance Provisions, the Company shall be entitled to recover from Executive all gross profits earned in connection with such activity by the business entity or person on whose behalf Executive conducted such activity in violation of any Business Disturbance Provisions, and any other damages that the court deems just and proper.

c. Nothing herein contained shall be construed to prevent or limit the Company from invoking any remedy as provided herein or as may otherwise be available to the Company.

12. Non-Admission of Liability. Executive acknowledges and agrees that this Agreement does not constitute or reflect in any way any wrongdoing or admission of wrongdoing by the Company in connection with any aspect of Executive's employment with and/or separation from the Company. Executive further agrees that this Agreement will not be raised or admissible as evidence in connection with any proceeding to show liability or wrongdoing of any kind on the part of the Company, any of its former, current and future parents, predecessors, affiliates, subsidiaries, and its and their former, current or future officers, directors, agents, employees, successors and/or assigns, except to the extent necessary to enforce its provisions.

13. Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the assigns and successors of the Company and its subsidiaries and other affiliates and their past, present, and future directors, officers, agents, and employees. The Company shall have the right to assign its rights, duties and obligations hereunder without the prior written consent of Executive. Executive's rights, duties, obligations and benefits under this Agreement are personal to Executive and no such right, duty, obligation or benefit shall be subject to voluntary or involuntary alienation, assignment, delegation or transfer.

14. Entire Agreement. The understandings set forth in this Agreement represent the entire agreement between Executive and the Company with respect to the matters contained herein. Neither Executive nor the Company have relied upon any other agreements, understandings or representations. This Agreement supersedes any prior agreements or representations, whether written or oral, between Executive and the Company as to the subject matter contained herein, unless specifically incorporated herein. This Agreement may not be altered or modified except by mutual agreement between Executive and the Company, evidenced in writing and executed by both Executive and the Company and specifically identified as an amendment to this Agreement.

15. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland. The parties agree that the state courts of the State of Maryland or, if the jurisdictional prerequisites exist, the United States District Court for the District of Maryland, shall have sole and exclusive jurisdiction and venue to hear and determine any dispute or controversy arising under or concerning this Agreement. Executive hereby submits to the jurisdiction of the courts in the State of Maryland as described above.

16. Section 409A. The parties hereby agree that the payments made under this Agreement do not constitute deferred compensation under Internal Revenue Code § 409A, and are exempt from Code § 409A as separation pay due to an involuntary separation from service.

17. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

18. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument. Faxed and emailed executed counterparts of this Agreement are intended to be as binding and enforceable as the original.

19. **Review and Revocation Rights.** By signing below, Executive acknowledges that:

a. He has been advised in this writing and encouraged by the Company to consult with an attorney regarding this Agreement; and

b. He has been given at least forty-five (45) days to consider this Agreement before signing.

c. He further has been advised by the Company and understands that he shall have seven (7) days following signing of this Agreement to revoke it, and that the Agreement shall not become effective until the 7-day revocation period has expired without his revocation of it. Executive further understands and acknowledges that to be effective, the revocation must be in writing and delivered to the Company**, c/o Sandy Dufoe, Manager, Human Resources, One Park Place, Suite 450, Annapolis, MD 21401,** by 5:00 p.m. on or before the seventh (7^{th}) calendar day after Executive signs the Agreement.

d. Executive acknowledges and understands that this Agreement will become effective and enforceable upon the expiration of seven (7) calendar days following the date on which this Agreement is executed by Executive, if not revoked.

e. Executive hereby affirms and acknowledges that, in exchange for his waiver of any age discrimination claim, he has received consideration or value other than the payment of wages or benefits to which he was legally entitled to receive.

20. By signing below, the Parties signify that they have read the terms of this Agreement in their entirety, fully understand its terms, are voluntarily agreeing to those terms, and intend to be legally bound. The Parties further represent and acknowledge that in executing this Agreement neither is relying upon any representation or statement made by the other party or his/its representative with regard to the subject matter, basis or effect of this Agreement.

[Remainder of Page Left Intentionally Blank]

THIS AGREEMENT CONTAINS A GENERAL RELEASE OF CLAIMS, PLEASE READ CAREFULLY BEFORE SIGNING.

In Witness Whereof, the Company and Executive have caused this Agreement to be executed as of the day and year first written above.

PHARMATHENE, INC.

March 23, 2015 — By: /s/ John M. Gill (SEAL)
Date

EXECUTIVE

March 16, 2015 — /s/ Eric I. Richman (SEAL)
Date — Eric I. Richman

ANNEX A

Certain Company Property

Executive shall return the following Company-issued tangible property:

- Smartphone
- Company issued American Express credit card
- ID badge
- Laptop computer
- Keys to Office/File Cabinets
- Pass to get into office suite/building

Exhibit 10.30.15

SEPARATION AGREEMENT AND GENERAL RELEASE AND WAIVER

This Separation Agreement and General Release and Waiver (the "Agreement"), dated this 31st day of March, 2015, is by and between PharmAthene, Inc. (hereinafter referred to as "PharmAthene" or the "Company") and Wayne Morges, Ph.D. ("Executive").

WHEREAS, Executive was a Vice President of the Company; and

WHEREAS, the Company has terminated the Executive's employment without cause in accordance with the terms of the Employment Agreement dated April 18, 2008 between Executive and the Company;

NOW THEREFORE, in consideration of the promises and covenants contained herein, and each intending to be legally bound, the Company and Executive agree as follows:

1. Termination. Executive's employment with the Company shall terminate on March 9, 2015 ("Termination Date").

2. Payment Upon Termination.

a. Salary. The Company will pay Executive his pro rata base salary through the Termination Date.

b. Vacation and Holiday Pay. All accrued vacation and holiday benefits as of the Termination Date shall be paid to Executive in one lump sum (less applicable tax withholdings) on the first payday following the Termination Date. Thereafter, no further vacation or holiday benefits will accrue.

c. Expenses. The Company will reimburse Executive for all reasonable expenses incurred by Executive in the performance of his duties up through the Termination Date, in accordance with the Company's established expense reimbursement policy and practices.

3. Transition Assistance and Cooperation.

a. For the six (6) month period following the Termination Date, Executive may be called upon from time to time to assist the Company with matters relating to Executive's duties and responsibilities prior to the Termination Date. Executive agrees to be available at reasonable times on reasonable notice. The Company will compensate Executive at the rate of $169.00 per hour for all time expended by him pursuant to this Section 3.a. If Executive is required to travel or incur other expenses as a result of any requests made to him by the Company pursuant to this provision, the Company shall bear all reasonable costs of any such expenses.

b. During and after his employment, Executive in good faith will exercise his best efforts to (a) cooperate fully with the Company and its respective counsel in connection with any pending or future litigation, arbitration, administrative proceedings, or investigation relating to any matter that occurred during his employment in which he was involved or about which he has knowledge, including but not limited to the pending litigation involving Siga Technologies, Inc. ("Siga"); and (b) respond in good faith to any telephone calls and/or information requests from the Company or its representatives within a reasonable period of time. Executive further agrees that, in the event he is subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony or provide documents (in a deposition, court proceeding or otherwise), which in any way relates to his employment with the Company, he will give prompt notice of such request to the Company and, unless legally required to do so, will make no disclosure until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure.

4. Severance Pay and Benefits. In consideration of Executive's execution of this Agreement, including without limitation his agreement to fully abide by the terms and conditions of this Agreement, his release of claims as provided for in Section 7 herein, and his having returned all property of the Company as provided for in Section 8, and further provided that Executive has not revoked his acceptance of this Agreement as provided for in Section 20, the Company agrees to provide to Executive the following:

a. Severance Pay. The Company will pay Executive his current base salary for a period of six (6) months (the "Severance Period"), totaling in the aggregate **$152,876.00**, less required payroll withholdings and authorized deductions ("Severance Pay"). The payment of the Severance Pay shall commence on the Company's first payday following the expiration of the seven (7) day revocation period provided for in Section 20 herein.

b. Health Insurance. Provided that Executive has elected to continue coverage under the Company's group health plan(s) for himself and his covered beneficiaries pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and to the extent of Executive's COBRA election, the COBRA premium that Executive is required to pay during the Severance Period shall be equal to the premium amount that active employees of the Company are required to pay during this same period for the same level of group health coverage. The Company shall deduct Executive's share of the health insurance premium from Executive's Severance Pay. Following the expiration of the Severance Period, Executive may continue COBRA coverage for himself and his covered beneficiaries under the Company's health plans for the remaining COBRA coverage period at his sole cost and at the full COBRA premium rate.

c. Stock Options. The stock options will not terminate until the end of the Severance Period (after which time all unexercised Stock Options will expire), provided however that in the event Executive breaches any term of this Agreement or the Confidentiality and Non-Solicitation Agreement as defined below, the Stock Options shall immediately terminate upon such breach.

5. Other Compensation and Benefits. Executive shall not be entitled to receive and the Company shall not be obligated to pay or provide Executive with any other or additional compensation or benefits not provided for herein.

6. Executive's Acknowledgements.

a. Executive acknowledges and declares that he has been fully compensated for all work performed and time he has worked while employed by the Company, and that he is not owed any compensation, wages, salary, vacation, holiday pay, bonuses, benefits, or any other payments, remuneration or income of any kind from the Company, except as provided in this Agreement.

b. Executive affirms, understands and acknowledges that the Severance Pay and Benefits being provided to him by the Company under this Agreement is beyond any that otherwise is or would be owed to Executive by the Company, and are being provided to Executive in consideration for him entering into this Agreement, including the release of claims as set forth in Section 7 of this Agreement, and particularly Executive's release of claims under the Age Discrimination in Employment ("ADEA") and Older Workers Benefit Protection Acts ("OWPBA").

7. Release By Executive.

a. Release By Executive.

i. In consideration of the Severance Pay and Benefits being provided to Executive under this Agreement, which, absent this Agreement and Release, Executive otherwise would not be entitled to receive, Executive, on behalf of himself, Executive's heirs, estate, executors, administrators, representatives, successors and assigns, or someone claiming to be acting on Executive's behalf or in Executive's interest, hereby irrevocably and unconditionally releases, acquits and forever discharges the Company, its affiliates, subsidiaries, benefit plans, related companies, partnerships and joint ventures, and their former, current and future officers, directors, shareholders, partners, employees, fiduciaries, agents, attorneys, insurers and representatives, whether acting in their individual or official capacities, and all persons acting by, through, or in concert with any of them, and all their predecessors, successors and assigns (all of which are hereinafter collectively referred to as "Company Releasees"), from any and all claims, demands, losses, liabilities, and causes of action or similar rights of any type arising or accruing on or before the date this Agreement is executed (whether known or unknown), as a result of or because of any act, omission, or failure to act by Company Releasees, including but not limited to those arising out of or relating in any way to Executive's employment by, association with, and termination of employment with the Company (hereinafter collectively referred to as "Claims"). **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 7.a.iii. herein.

ii. These Claims include, but are not limited to, any claims for monetary damages, wages, bonuses, commissions, unused sick pay, severance or similar benefits, expenses, attorneys' fees or other indemnities, or other personal remedies or damages sought in any legal proceeding or charge filed with any court arising under the ADEA, including but not limited to the OWBPA, except as it relates to the validity of this release under the ADEA as amended by the OWBPA, and Executive Order 11141, Executive Order 11246, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Federal Equal Pay Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the Uniformed Services Employment and Reemployment Rights Act, the Employee Retirement Income Security Act, the Workers Adjustment and Retraining Notification Act, and the Fair Labor Standards Act. The Claims released include, but are not limited to, claims arising under any other federal, state, or local laws or regulations restricting an employer's right to terminate employees, or otherwise regulating employment, including but not limited to any federal, state, or local law enforcing express or implied employment contracts or covenants; any other federal, state or local laws providing relief for alleged wage and hour violations, unlawful discrimination, wrongful discharge, breach of contract, any and all tort claims, including but not limited to, physical or personal injury in any way related to Executive's employment or termination of employment, emotional distress or stress claims in any way related to Executive's employment or termination of employment, intentional or negligent infliction of emotional distress, fraud, negligent misrepresentation, defamation, invasion of privacy, violation of public policy and similar or related claims and any and all claims arising under common law. The Claims released include claims that in any way are brought on behalf of the government, whether or not the government joins the action such as via qui tam.

iii. Notwithstanding the foregoing, Executive is not releasing (a) Executive's right to enforce the Agreement; (b) any claims for unemployment compensation; (c) any claims for benefits under any applicable Workers Compensation statute; (d) any claims solely relating to the validity of this Release of Claims under the ADEA, as amended, including OWBPA; or (e) Executive's right to indemnification as may be provided by law, the Company's bylaws, and/or the Indemnification Agreement between Executive and the Company dated November 21, 2009. Said Indemnification Agreement shall remain in full force and effect with respect to Executive's right to indemnification as a former officer of the Company. The Company agrees to maintain coverage of Executive under the Company's directors and officers liability insurance with respect to acts and omissions arising during Executive's employment to the same extent that the Company provides such coverage to its former officers and directors.

iv. Notwithstanding the foregoing, nothing contained herein shall prevent Executive from filing an administrative charge of discrimination with the Equal Employment Opportunity Commission or state or local fair employment practices agency. Executive agrees that he shall not seek, accept, or be entitled to any monetary relief, whether for himself individually or as a member of a class or group, arising from a discrimination charge filed by Executive or on Executive's behalf. This Agreement prohibits Executive's ability to pursue any causes of action against Company Releasees seeking monetary relief or other remedies for himself and/or as a representative on behalf of others.

v. No federal, state or local government agency is a party to this Agreement, and none of the provisions of this Agreement restrict or in any way affect a government agency's authority to investigate or seek relief in connection with any of the Claims. However, if a government agency were to pursue any matters falling within the Claims, which it is free to do, the Company and Executive agree that, as between the Company and Executive, this Agreement will control as the exclusive remedy and full settlement of all such Claims. The Agreement is a binding contract between two private parties — the Company and Executive. Therefore, this Release affects the two parties' rights only, with no impact on any government agency.

b. Release By the Company.

i. In consideration of the undertakings by Executive provided for herein, the sufficiency of which is hereby acknowledged, the Company does hereby fully, finally and unconditionally release and forever discharge Executive from any and all matters, claims, demands, losses, liabilities, and causes of action of any nature or kind whatsoever, known or unknown, suspected or unsuspected, which arose or accrued on or before the effective date of this Agreement, arising out of or relating in any way to Executive's employment with the Company except as provided for in Section 7.b.ii herein. The released claims include, but are not limited to, any claims under any federal, state or local laws and regulations and any common law, including but not limited to any claims for breach of contract and tort claims. **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 7.b.ii. herein.

ii. Notwithstanding the foregoing, the Company is not releasing (a) the Company's right to enforce this Agreement, (b) any claims relating to any fraudulent, intentional, or illegal actions by Executive, or (c) any breach by Executive of the Confidentiality and Non-Solicitation Agreement identified in Section 9 herein and/or Sections 10, 11, 12 or 13 of the Employment Agreement.

8. Return of Property. Executive further agrees that, no later than twenty-four (24) hours after the Termination Date, he will return to the Company all the property of the Company set forth on Annex A attached hereto and will either return all books, records (technical, scientific, financial or otherwise), customer lists and pricing models, correspondence, contracts, orders, advertising, promotional materials, and other written information including those in electronic format, typed or printed materials, whether furnished by the Company or any of its employees or prepared by Executive, which contain any information relating to the Company's business, and Executive agrees that he will neither make nor retain copies of such materials.

9. Restrictive Covenants.

a. Executive acknowledges that in consideration of his employment with the Company he executed a Confidentiality and Non-Solicitation Agreement dated March 8, 2006 ("Confidentiality and Non-Solicitation Agreement") and the Employment Agreement. Executive hereby represents that he understands his contractual obligations under said Confidentiality and Non-Solicitation Agreement and the Employment Agreement, and he agrees that the terms and conditions contained in the Confidentiality and Non-Solicitation Agreement and Sections 10-26 of the Employment Agreement shall survive the termination of his employment with the Company and will continue in full force and effect. Executive hereby reaffirms his commitment and obligation to abide by the terms of the Confidentiality and Non-Solicitation Agreement and Sections 10, 11, 12, and 13 of the Employment Agreement.

b. Executive agrees that his obligations and the Company's rights under Section 13 of the Employment Agreement and Sections 5-8 of the Confidentiality and Non-Solicitation Agreement shall apply to any and all Works and Inventions that Executive may make, conceive, reduce to practice, develop or acquire during the six (6) month Transition and Cooperation Period provided for in Section 3 of this Agreement.

10. Non-Disparagement.

a. By Executive. Executive agrees to refrain from making any untruthful, derogatory, unflattering and/or disparaging oral or written statements or communications to the public or to any third party about the Company, including its successors, assigns, parents, subsidiaries, divisions, and affiliates, and its and their past or present officers, directors, employees, agents, representatives and customers, with respect to any matter whatsoever.

b. By the Company. The Company agrees to refrain from making any untruthful, derogatory, and/or disparaging oral or written statements or communications to the public or to any third party about Executive with respect to any matter whatsoever. In the event a reference concerning Executive is requested of the Company, the Company will follow its policy and practice in effect as of the Termination Date regarding providing references about former employees to third parties.

11. Confidentiality. Executive agrees that he will keep the terms and conditions of this Agreement confidential and will not disclose such to any other person, except that Executive may discuss this Agreement with his spouse, attorney, financial advisor and as may be required by law. Executive is to advise any such person with whom he has discussed this Agreement of the existence and requirements of this confidentiality provision, and Executive shall instruct any such person that s/he shall not disclose the existence of this Agreement or its terms to any other person. Disclosure by Executive to any other person or entity in violation of the provisions of this Agreement shall be deemed to be a breach of this Agreement.

12. Breach by Executive.

a. Executive covenants and agrees that if he violates or breaches any of the terms and conditions of this Agreement, he will pay liquidated damages to the Company in an amount equal to the value of the Severance Pay and Benefits that the Company has provided to him pursuant to Section 3(a), (b) and (c) less One Hundred Dollars ($100), which Executive may retain. The Company further shall be relieved of its obligation to make any Severance Payments and Benefits to Executive provided for under Section 3(a), (b), and (c) that had not yet been paid. All provisions of this Agreement shall remain in full force and effect. In addition, in the event that Executive breaches this Agreement by asserting any charge, complaint, lawsuit, or other claim in violation of Section 6(a), Executive agrees to pay the Company all costs incurred by the Company or any other Company Releasee, including attorneys' fees and expenses related to the defense of any such charge, complaint, lawsuit or other claim asserted by or on behalf of Executive. The requirement to pay the Company the value of the Severance Pay and Benefits provided to Executive less $100 and to pay all costs incurred by any Company Releasee does not apply should Executive challenge the validity of his waiver of age discrimination claims under the ADEA and/or OWBPA. However, the Company reserves its rights to restitution, recoupment or setoff should a challenge to the age discrimination waiver prove successful.

b. Executive hereby covenants and agrees that in the event of his breach of any of his obligations under this Agreement, including specifically, but not limited to his obligations under Section 9 herein, the Confidentiality and Non-Solicitation Agreement, and Sections 10, 11, 12 and 13 of the Employment Agreement (collectively "Business Disturbance Provisions"), the damage that the Company would sustain would be immediate, substantial and irreparable, for which there is no adequate remedy at law. To protect the Company from such an occurrence, the Company, in addition to any other rights and remedies available to it hereunder, at law or otherwise, shall be entitled to an *ex parte* injunction to be issued by any court of competent jurisdiction, enjoining and restraining Executive from violating or continuing to violate any provision of this Agreement; and Executive hereby consents to the issuance of such injunction without the obligation of the Company to post any bond. In the event of a breach of any of the Business Disturbance Provisions, the Company shall be entitled to recover from Executive all gross profits earned in connection with such activity by the business entity or person on whose behalf Executive conducted such activity in violation of any Business Disturbance Provisions, and any other damages that the court deems just and proper.

c. Nothing herein contained shall be construed to prevent or limit the Company from invoking any remedy as provided herein or as may otherwise be available to the Company.

13. Non-Admission of Liability. Executive acknowledges and agrees that this Agreement does not constitute or reflect in any way any wrongdoing or admission of wrongdoing by the Company in connection with any aspect of Executive's employment with and/or separation from the Company. Executive further agrees that this Agreement will not be raised or admissible as evidence in connection with any proceeding to show liability or wrongdoing of any kind on the part of the Company, any of its former, current and future parents, predecessors, affiliates, subsidiaries, and its and their former, current or future officers, directors, agents, employees, successors and/or assigns, except to the extent necessary to enforce its provisions.

14. Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the assigns and successors of the Company and its subsidiaries and other affiliates and their past, present, and future directors, officers, agents, and employees. The Company shall have the right to assign its rights, duties and obligations hereunder without the prior written consent of Executive. Executive's rights, duties, obligations and benefits under this Agreement are personal to Executive and no such right, duty, obligation or benefit shall be subject to voluntary or involuntary alienation, assignment, delegation or transfer.

15. Entire Agreement. The understandings set forth in this Agreement represent the entire agreement between Executive and the Company with respect to the matters contained herein. Neither Executive nor the Company have relied upon any other agreements, understandings or representations. This Agreement supersedes any prior agreements or representations, whether written or oral, between Executive and the Company as to the subject matter contained herein, unless specifically incorporated herein. This Agreement may not be altered or modified except by mutual agreement between Executive and the Company, evidenced in writing and executed by both Executive and the Company and specifically identified as an amendment to this Agreement.

16. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland. The parties agree that the state courts of the State of Maryland or, if the jurisdictional prerequisites exist, the United States District Court for the District of Maryland, shall have sole and exclusive jurisdiction and venue to hear and determine any dispute or controversy arising under or concerning this Agreement. Executive hereby submits to the jurisdiction of the courts in the State of Maryland as described above.

17. Section 409A. The parties hereby agree that the payments made under this Agreement do not constitute deferred compensation under Internal Revenue Code § 409A, and are exempt from Code § 409A as separation pay due to an involuntary separation from service.

18. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

19. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument. Faxed and emailed executed counterparts of this Agreement are intended to be as binding and enforceable as the original.

20. **Review and Revocation Rights.** By signing below, Executive acknowledges that:

a. He has been advised in this writing and encouraged by the Company to consult with an attorney regarding this Agreement; and

b. He has been given at least forty-five (45) days to consider this Agreement before signing.

c. He further has been advised by the Company and understands that he shall have seven (7) days following signing of this Agreement to revoke it, and that the Agreement shall not become effective until the 7-day revocation period has expired without his revocation of it. Executive further understands and acknowledges that to be effective, the revocation must be in writing and delivered to the Company**, c/o Sandy Dufoe, Manager, Human Resources, One Park Place, Suite 450, Annapolis, MD 21401,** by 5:00 p.m. on or before the seventh (7^{th}) calendar day after Executive signs the Agreement.

d. Executive acknowledges and understands that this Agreement will become effective and enforceable upon the expiration of seven (7) calendar days following the date on which this Agreement is executed by Executive, if not revoked.

e. Executive hereby affirms and acknowledges that, in exchange for his waiver of any age discrimination claim, he has received consideration or value other than the payment of wages or benefits to which he was legally entitled to receive.

21. By signing below, the Parties signify that they have read the terms of this Agreement in their entirety, fully understand its terms, are voluntarily agreeing to those terms, and intend to be legally bound. The Parties further represent and acknowledge that in executing this Agreement neither is relying upon any representation or statement made by the other party or his/its representative with regard to the subject matter, basis or effect of this Agreement.

THIS AGREEMENT CONTAINS A GENERAL RELEASE OF CLAIMS, PLEASE READ CAREFULLY BEFORE SIGNING.

In Witness Whereof, the Company and Executive have caused this Agreement to be executed as of the day and year first written above.

PHARMATHENE, INC.

March 31, 2015 — Date

By: /s/ Jeffrey Jones (SEAL)

EXECUTIVE

March 31, 2015 — Date

/s/ Wayne Morges (SEAL)

Wayne Morges, Ph.D.

ANNEX A

Certain Company Property

Executive shall return the following Company-issued tangible property:

- Smartphone
- Company issued American Express credit card
- ID badge
- Laptop computer
- Keys to Office/File Cabinets
- Pass to get into office suite/building

Exhibit 10.30.16

SEPARATION AGREEMENT AND GENERAL RELEASE AND WAIVER

This Separation Agreement and General Release and Waiver (the "Agreement"), dated this 30th day of April, 2015, is by and between PharmAthene, Inc. (hereinafter referred to as "PharmAthene" or the "Company") and Linda Chang ("Executive").

WHEREAS, Executive was a Senior Vice President and Chief Financial Officer of the Company; and

WHEREAS, the Company has terminated the Executive's employment without cause in accordance with the terms of the Employment Agreement dated February 7, 2012 between Executive and the Company;

NOW THEREFORE, in consideration of the promises and covenants contained herein, and each intending to be legally bound, the Company and Executive agree as follows:

1. Termination. Executive's employment with the Company shall terminate on April30, 2015 ("Termination Date").

2. Payment Upon Termination.

a. Salary. The Company will pay Executive her pro rata base salary through the Termination Date.

b. Benefits. The Company will continue to provide Executive with applicable benefits in accordance with the terms of any incentive compensation, retirement, employee welfare or other employee benefit plans or programs of the Company in which Executive currently is participating in accordance with the terms of such plans or programs through April 30, 2015.

c. Vacation and Holiday Pay. All accrued vacation and holiday benefits as of the Termination Date shall be paid to Executive in one lump sum (less applicable tax withholdings) on the first payday following the Termination Date. Thereafter, no further vacation or holiday benefits will accrue.

d. Expenses. The Company will reimburse Executive for all reasonable expenses incurred by Executive in the performance of her duties up through the Termination Date, in accordance with the Company's established expense reimbursement policy and practices.

3. Transition Assistance and Cooperation.

a. During the six-month period immediately following the Termination Date, Executive may be called upon from time to time to assist the Company with matters relating to Executive's duties and responsibilities prior to the Termination Date. Executive shall be available at reasonable times on reasonable notice.

b. During and after her employment, Executive in good faith will exercise her best efforts to (a) cooperate fully with the Company and its respective counsel in connection with any pending or future litigation, arbitration, administrative proceedings, or investigation relating to any matter that occurred during her employment in which she was involved or about which she has knowledge, including but not limited to the pending litigation involving Siga Technologies, Inc. ("Siga"); and (b) respond in good faith to any telephone calls and/or information requests from the Company or its representatives within a reasonable period of time. Executive further agrees that, in the event she is subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony or provide documents (in a deposition, court proceeding or otherwise), which in any way relates to her employment with the Company, she will give prompt notice of such request to the Company and, unless legally required to do so, will make no disclosure until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure.

4. Severance Pay and Benefits. In consideration of Executive's execution of this Agreement, including without limitation her agreement to fully abide by the terms and conditions of this Agreement, her release of claims as provided for in Section 7 herein, and her having returned all property of the Company as provided for in Section 8, and further provided that Executive has not revoked her acceptance of this Agreement as provided for in Section 20, the Company agrees to provide to Executive the following:

a. Severance Pay. The Company will pay Executive her current base salary for a period of nine (9) months (the "Severance Period"), totaling in the aggregate **$255,540.00**, less required payroll withholdings and authorized deductions ("Severance Pay"). The payment of the Severance Pay shall commence on the Company's first payday following the expiration of the seven (7) day revocation period provided for in Section 20 herein.

b. Health Insurance. Provided that Executive has elected to continue coverage under the Company's group health plan(s) for herself and her covered beneficiaries pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and to the extent of Executive's COBRA election, the COBRA premium that Executive is required to pay during the Severance Period shall be equal to the premium amount that active employees of the Company are required to pay during this same period for the same level of group health coverage. The Company shall deduct Executive's share of the health insurance premium from Executive's Severance Pay. Following the expiration of the Severance Period, Executive may continue COBRA coverage for herself and her covered beneficiaries under the Company's health plans for the remaining COBRA coverage period at her sole cost and at the full COBRA premium rate.

c. Stock Options. The stock options currently held by the Executive will not terminate until the end of the Severance Period (after which time all unexercised Stock Options will expire), provided however that in the event Executive breaches any term of this Agreement or the Confidentiality and Non-Solicitation Agreement as defined below, the Stock Options shall immediately terminate upon such breach.

5. Other Compensation and Benefits. Executive shall not be entitled to receive and the Company shall not be obligated to pay or provide Executive with any other or additional compensation or benefits not provided for herein.

6. Executive's Acknowledgements.

a. Executive acknowledges and declares that she has been fully compensated for all work performed and time she has worked while employed by the Company, and that she is not owed any compensation, wages, salary, vacation, holiday pay, bonuses, benefits, or any other payments, remuneration or income of any kind from the Company, except as provided in this Agreement.

b. Executive affirms, understands and acknowledges that the Severance Pay and Benefits being provided to her by the Company under this Agreement is beyond any that otherwise is or would be owed to Executive by the Company, and are being provided to Executive in consideration for her entering into this Agreement, including the release of claims as set forth in Section 7 of this Agreement, and particularly Executive's release of claims under the Age Discrimination in Employment ("ADEA") and Older Workers Benefit Protection Acts ("OWPBA").

7. Release By Executive.

a. Release By Executive.

i. In consideration of the Severance Pay and Benefits being provided to Executive under this Agreement, which, absent this Agreement and Release, Executive otherwise would not be entitled to receive, Executive, on behalf of herself, Executive's heirs, estate, executors, administrators, representatives, successors and assigns, or someone claiming to be acting on Executive's behalf or in Executive's interest, hereby irrevocably and unconditionally releases, acquits and forever discharges the Company, its affiliates, subsidiaries, benefit plans, related companies, partnerships and joint ventures, and their former, current and future officers, directors, shareholders, partners, employees, fiduciaries, agents, attorneys, insurers and representatives, whether acting in their individual or official capacities, and all persons acting by, through, or in concert with any of them, and all their predecessors, successors and assigns (all of which are hereinafter collectively referred to as "Company Releasees"), from any and all claims, demands, losses, liabilities, and causes of action or similar rights of any type arising or accruing on or before the date this Agreement is executed (whether known or unknown), as a result of or because of any act, omission, or failure to act by Company Releasees, including but not limited to those arising out of or relating in any way to Executive's employment by, association with, and termination of employment with the Company (hereinafter collectively referred to as "Claims"). **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 7.a.iii. herein.

ii. These Claims include, but are not limited to, any claims for monetary damages, wages, bonuses, commissions, unused sick pay, severance or similar benefits, expenses, attorneys' fees or other indemnities, or other personal remedies or damages sought in any legal proceeding or charge filed with any court arising under the ADEA, including but not limited to the OWBPA, except as it relates to the validity of this release under the ADEA as amended by the OWBPA, and Executive Order 11141, Executive Order 11246, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Federal Equal Pay Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the Uniformed Services Employment and Reemployment Rights Act, the Employee Retirement Income Security Act, the Workers Adjustment and Retraining Notification Act, and the Fair Labor Standards Act. The Claims released include, but are not limited to, claims arising under any other federal, state, or local laws or regulations restricting an employer's right to terminate employees, or otherwise regulating employment, including but not limited to any federal, state, or local law enforcing express or implied employment contracts or covenants; any other federal, state or local laws providing relief for alleged wage and hour violations, unlawful discrimination, wrongful discharge, breach of contract, any and all tort claims, including but not limited to, physical or personal injury in any way related to Executive's employment or termination of employment, emotional distress or stress claims in any way related to Executive's employment or termination of employment, intentional or negligent infliction of emotional distress, fraud, negligent misrepresentation, defamation, invasion of privacy, violation of public policy and similar or related claims and any and all claims arising under common law. The Claims released include claims that in any way are brought on behalf of the government, whether or not the government joins the action such as via qui tam.

iii. Notwithstanding the foregoing, Executive is not releasing (a) Executive's right to enforce the Agreement; (b) any claims for unemployment compensation; (c) any claims for benefits under any applicable Workers Compensation statute; (d) any claims solely relating to the validity of this Release of Claims under the ADEA, as amended, including OWBPA; or (e) Executive's right to indemnification as may be provided by law, the Company's bylaws, and/or the Indemnification Agreement between Executive and the Company dated November 7, 2011. Said Indemnification Agreement shall remain in full force and effect with respect to Executive's right to indemnification as a former officer of the Company. The Company agrees to maintain coverage of Executive under the Company's directors and officers liability insurance with respect to acts and omissions arising during Executive's employment to the same extent that the Company provides such coverage to its former officers and directors.

iv. Notwithstanding the foregoing, nothing contained herein shall prevent Executive from filing an administrative charge of discrimination with the Equal Employment Opportunity Commission or state or local fair employment practices agency. Executive agrees that she shall not seek, accept, or be entitled to any monetary relief, whether for herself individually or as a member of a class or group, arising from a discrimination charge filed by Executive or on Executive's behalf. This Agreement prohibits Executive's ability to pursue any causes of action against Company Releasees seeking monetary relief or other remedies for herself and/or as a representative on behalf of others.

v. No federal, state or local government agency is a party to this Agreement, and none of the provisions of this Agreement restrict or in any way affect a government agency's authority to investigate or seek relief in connection with any of the Claims. However, if a government agency were to pursue any matters falling within the Claims, which it is free to do, the Company and Executive agree that, as between the Company and Executive, this Agreement will control as the exclusive remedy and full settlement of all such Claims. The Agreement is a binding contract between two private parties — the Company and Executive. Therefore, this Release affects the two parties' rights only, with no impact on any government agency.

b. Release By the Company.

i. In consideration of the undertakings by Executive provided for herein, the sufficiency of which is hereby acknowledged, the Company does hereby fully, finally and unconditionally release and forever discharge Executive from any and all matters, claims, demands, losses, liabilities, and causes of action of any nature or kind whatsoever, known or unknown, suspected or unsuspected, which arose or accrued on or before the effective date of this Agreement, arising out of or relating in any way to Executive's employment with the Company except as provided for in Section 7.b.ii herein. The released claims include, but are not limited to, any claims under any federal, state or local laws and regulations and any common law, including but not limited to any claims for breach of contract and tort claims. **THIS IS A GENERAL RELEASE**, subject only to the specific exceptions set forth in Section 7.b.ii. herein.

ii. Notwithstanding the foregoing, the Company is not releasing (a) the Company's right to enforce this Agreement, (b) any claims relating to any fraudulent, intentional, or illegal actions by Executive, or (c) any breach by Executive of the Confidentiality and Non-Solicitation Agreement identified in Section 9 herein and/or Sections 10, 11, 12 or 13 of the Employment Agreement.

8. Return of Property. Executive further agrees that, no later than twenty-four (24) hours after the Termination Date, she will return to the Company all the property of the Company set forth on Annex A attached hereto and will either return all books, records (technical, scientific, financial or otherwise), customer lists and pricing models, correspondence, contracts, orders, advertising, promotional materials, and other written information including those in electronic format, typed or printed materials, whether furnished by the Company or any of its employees or prepared by Executive, which contain any information relating to the Company's business, and Executive agrees that she will neither make nor retain copies of such materials.

9. Restrictive Covenants. Executive acknowledges that in consideration of her employment with the Company she executed a Confidentiality and Non-Solicitation Agreement dated October 17, 2011 ("Confidentiality and Non-Solicitation Agreement") and the Employment Agreement. Executive hereby represents that she understands her contractual obligations under said Confidentiality and Non-Solicitation Agreement and the Employment Agreement, and she agrees that the terms and conditions contained in the Confidentiality and Non-Solicitation Agreement and Sections 10-26 of the Employment Agreement shall survive the termination of her employment with the Company and will continue in full force and effect. Executive hereby reaffirms her commitment and obligation to abide by the terms of the Confidentiality and Non-Solicitation Agreement and Sections 10, 11, 12, and 13 of the Employment Agreement.

10. Non-Disparagement.

a. By Executive. Executive agrees to refrain from making any untruthful, derogatory, unflattering and/or disparaging oral or written statements or communications to the public or to any third party about the Company, including its successors, assigns, parents, subsidiaries, divisions, and affiliates, and its and their past or present officers, directors, employees, agents, representatives and customers, with respect to any matter whatsoever.

b. By the Company. The Company agrees to refrain from making any untruthful, derogatory, and/or disparaging oral or written statements or communications to the public or to any third party about Executive with respect to any matter whatsoever. In the event a reference concerning Executive is requested of the Company, the Company will follow its policy and practice in effect as of the Termination Date regarding providing references about former employees to third parties.

11. Confidentiality. Executive agrees that she will keep the terms and conditions of this Agreement confidential and will not disclose such to any other person, except that Executive may discuss this Agreement with her spouse, attorney, financial advisor and as may be required by law. Executive is to advise any such person with whom she has discussed this Agreement of the existence and requirements of this confidentiality provision, and Executive shall instruct any such person that s/he shall not disclose the existence of this Agreement or its terms to any other person. Disclosure by Executive to any other person or entity in violation of the provisions of this Agreement shall be deemed to be a breach of this Agreement.

12. Breach by Executive.

a. Executive covenants and agrees that if she violates or breaches any of the terms and conditions of this Agreement, she will pay liquidated damages to the Company in an amount equal to the value of the Severance Pay and Benefits that the Company has provided to her pursuant to Section 3(a), (b) and (c) less One Hundred Dollars ($100), which Executive may retain. The Company further shall be relieved of its obligation to make any Severance Payments and Benefits to Executive provided for under Section 3(a), (b), and (c) that had not yet been paid. All provisions of this Agreement shall remain in full force and effect. In addition, in the event that Executive breaches this Agreement by asserting any charge, complaint, lawsuit, or other claim in violation of Section 6(a), Executive agrees to pay the Company all costs incurred by the Company or any other Company Releasee, including attorneys' fees and expenses related to the defense of any such charge, complaint, lawsuit or other claim asserted by or on behalf of Executive. The requirement to pay the Company the value of the Severance Pay and Benefits provided to Executive less $100 and to pay all costs incurred by any Company Releasee does not apply should Executive challenge the validity of her waiver of age discrimination claims under the ADEA and/or OWBPA. However, the Company reserves its rights to restitution, recoupment or setoff should a challenge to the age discrimination waiver prove successful.

b. Executive hereby covenants and agrees that in the event of her breach of any of her obligations under this Agreement, including specifically, but not limited to her obligations under Section 9 herein, the Confidentiality and Non-Solicitation Agreement, and Sections 10, 11, 12 and 13 of the Employment Agreement (collectively "Business Disturbance Provisions"), the damage that the Company would sustain would be immediate, substantial and irreparable, for which there is no adequate remedy at law. To protect the Company from such an occurrence, the Company, in addition to any other rights and remedies available to it hereunder, at law or otherwise, shall be entitled to an *ex parte* injunction to be issued by any court of competent jurisdiction, enjoining and restraining Executive from violating or continuing to violate any provision of this Agreement; and Executive hereby consents to the issuance of such injunction without the obligation of the Company to post any bond. In the event of a breach of any of the Business Disturbance Provisions, the Company shall be entitled to recover from Executive all gross profits earned in connection with such activity by the business entity or person on whose behalf Executive conducted such activity in violation of any Business Disturbance Provisions, and any other damages that the court deems just and proper.

c. Nothing herein contained shall be construed to prevent or limit the Company from invoking any remedy as provided herein or as may otherwise be available to the Company.

13. Non-Admission of Liability. Executive acknowledges and agrees that this Agreement does not constitute or reflect in any way any wrongdoing or admission of wrongdoing by the Company in connection with any aspect of Executive's employment with and/or separation from the Company. Executive further agrees that this Agreement will not be raised or admissible as evidence in connection with any proceeding to show liability or wrongdoing of any kind on the part of the Company, any of its former, current and future parents, predecessors, affiliates, subsidiaries, and its and their former, current or future officers, directors, agents, employees, successors and/or assigns, except to the extent necessary to enforce its provisions.

14. Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the assigns and successors of the Company and its subsidiaries and other affiliates and their past, present, and future directors, officers, agents, and employees. The Company shall have the right to assign its rights, duties and obligations hereunder without the prior written consent of Executive. Executive's rights, duties, obligations and benefits under this Agreement are personal to Executive and no such right, duty, obligation or benefit shall be subject to voluntary or involuntary alienation, assignment, delegation or transfer.

15. Entire Agreement. The understandings set forth in this Agreement represent the entire agreement between Executive and the Company with respect to the matters contained herein. Neither Executive nor the Company have relied upon any other agreements, understandings or representations. This Agreement supersedes any prior agreements or representations, whether written or oral, between Executive and the Company as to the subject matter contained herein, unless specifically incorporated herein. This Agreement may not be altered or modified except by mutual agreement between Executive and the Company, evidenced in writing and executed by both Executive and the Company and specifically identified as an amendment to this Agreement.

16. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland. The parties agree that the state courts of the State of Maryland or, if the jurisdictional prerequisites exist, the United States District Court for the District of Maryland, shall have sole and exclusive jurisdiction and venue to hear and determine any dispute or controversy arising under or concerning this Agreement. Executive hereby submits to the jurisdiction of the courts in the State of Maryland as described above.

17. Section 409A. The parties hereby agree that the payments made under this Agreement do not constitute deferred compensation under Internal Revenue Code § 409A, and are exempt from Code § 409A as separation pay due to an involuntary separation from service.

18. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

19. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument. Faxed and emailed executed counterparts of this Agreement are intended to be as binding and enforceable as the original.

20. **Review and Revocation Rights.** By signing below, Executive acknowledges that:

a. She has been advised in this writing and encouraged by the Company to consult with an attorney regarding this Agreement; and

b. She has been given at least forty-five (45) days to consider this Agreement before signing.

c. She further has been advised by the Company and understands that she shall have seven (7) days following signing of this Agreement to revoke it, and that the Agreement shall not become effective until the 7-day revocation period has expired without her revocation of it. Executive further understands and acknowledges that to be effective, the revocation must be in writing and delivered to the Company**, c/o Sandy Dufoe, Manager, Human Resources, One Park Place, Suite 450, Annapolis, MD 21401,** by 5:00 p.m. on or before the seventh (7^{th}) calendar day after Executive signs the Agreement.

d. Executive acknowledges and understands that this Agreement will become effective and enforceable upon the expiration of seven (7) calendar days following the date on which this Agreement is executed by Executive, if not revoked.

e. Executive hereby affirms and acknowledges that, in exchange for her waiver of any age discrimination claim, she has received consideration or value other than the payment of wages or benefits to which she was legally entitled to receive.

21. By signing below, the Parties signify that they have read the terms of this Agreement in their entirety, fully understand its terms, are voluntarily agreeing to those terms, and intend to be legally bound. The Parties further represent and acknowledge that in executing this Agreement neither is relying upon any representation or statement made by the other party or her/its representative with regard to the subject matter, basis or effect of this Agreement.

THIS AGREEMENT CONTAINS A GENERAL RELEASE OF CLAIMS, PLEASE READ CAREFULLY BEFORE SIGNING.

In Witness Whereof, the Company and Executive have caused this Agreement to be executed as of the day and year first written above.

PHARMATHENE, INC.

May 4, 2015
Date

By: /s/ John M. Gill (SEAL)

EXECUTIVE

April 30, 2015
Date

/s/ Linda Chang (SEAL)
Linda Chang

ANNEX A

Certain Company Property

Executive shall return the following Company-issued tangible property:

- Smartphone
- Company issued American Express credit card
- ID badge
- Laptop computer
- Keys to Office/File Cabinets
- Pass to get into office suite/building

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to SEC Rule 13a-14(a)/15d-14(a)

I, John M. Gill, certify that:

1. I have reviewed this Form 10-Q of PharmAthene, Inc. for the period ended March 31, 2015;

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.

Dated: May 7, 2015

/s/ John M. Gill
Name: John M. Gill
Title: President and Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to SEC Rule 13a-14(a)/15d-14(a)

I, Philip MacNeill, certify that:

1. I have reviewed this Form 10-Q of PharmAthene, Inc. for the period ended March 31, 2015;

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.

Dated: May 7, 2015

/s/ Philip MacNeill
Name: Philip MacNeill
Title: Vice President, Chief Financial Officer, Treasurer and Secretary

Exhibit 32.1

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report on Form 10-Q of PharmAthene, Inc. (the "Company") for the period ended March 31, 2015, as filed with the Securities and Exchange Commission (the "Report"), I, John M. Gill, Chief 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:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John M. Gill

Name: John M. Gill
Title: President and Chief Executive Officer
May 7, 2015

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Exhibit 32.2

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report on Form 10-Q of PharmAthene, Inc. (the "Company") for the period ended March 31, 2015, as filed with the Securities and Exchange Commission (the "Report"), I, Philip MacNeill, Chief 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:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Philip MacNeill
Name: Philip MacNeill
Title: Vice President, Chief Financial Officer, Treasurer and Secretary
May 7, 2015

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.