



Avaxia Biologics, Inc. Raises \$2.2 Million in First Closing of Series A Financing to Advance Oral Antibodies for Inflammatory Bowel Disease

LEXINGTON, Mass. – November 10, 2011 – Avaxia Biologics, Inc., a privately-held biotech company developing oral antibody drugs that act locally within the gastrointestinal tract, announced today that the company completed its first close of \$2.2 million of a Series A angel-led financing. Cherrystone Angels of Providence, Rhode Island led the round, with participation from Boston Harbor Angels and other undisclosed individuals. Mr. Robert Manning, the co-Chairman of Cherrystone Angels, will join the Avaxia board. Mr. Manning has served as a senior executive at Citigroup and on a number of early-stage company boards, including SmartCells.

Dr. Barbara Fox, Avaxia's founder and CEO, commented, "This investment will allow us to aggressively pursue the development of our AVX-470 anti-TNF oral antibody and prepare Avaxia to initiate a clinical trial in inflammatory bowel disease next fall. When coupled with the funding we have received from BARDA (Biomedical Advanced Research and Development Authority) to develop AVX-470 for GI Acute Radiation Syndrome, our investors have a unique opportunity to participate in the rapid creation of value in two important disease areas. We are in advanced discussions with a limited number of other qualified investors as we work to complete this planned round of financing. The angel community's response to Avaxia has been very gratifying."

The funds from this financing will be used to manufacture drug to be used in the clinical trial and to conduct final pre-clinical studies in advance of a Phase 1b clinical trial in patients with inflammatory bowel disease, being planned for the second half of 2012. The company has raised \$4.3 million in non-dilutive financing prior to this equity round. In addition to a loan from the Massachusetts Life Sciences Center and several SBIR grants, the company was awarded a \$2.9 million, 2-year contract with BARDA that fully funds the initial research and development of an oral antibody therapy to mitigate the gastrointestinal damage that follows radiation exposure that might occur after a nuclear incident.

About Cherrystone Angel Group: The Cherrystone Angel Investor Group, based in Providence, Rhode Island, offers early stage investment funds to companies in Rhode Island, Connecticut and Massachusetts.

About Avaxia Biologics, Inc.: Avaxia Biologics is a development-stage company developing oral antibody therapeutics that act locally within the gastrointestinal tract. The antibodies are designed to treat both diseases of the GI tract and metabolic diseases. Using its proprietary antibody platform, Avaxia is developing products for inflammatory bowel disease, GI acute radiation syndrome, celiac disease, oral mucositis, diabetes and obesity.