



Avaxia Biologics, Inc. Closes \$4.1 Million Series A Financing to Advance Oral Antibodies for Inflammatory Bowel Disease

LEXINGTON, Mass. – February 14, 2012 – 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 \$4.1 million Series A angel-led financing. Cherrystone Angels of Providence, Rhode Island led the round, with participation from Beacon Angels, Boston Harbor Angels, Launchpad Venture Group, Mass Medical Angels, North Country Angels and other individuals.

Dr. Barbara Fox, Avaxia's founder and CEO, commented, "This investment will allow us to pursue the development of our AVX-470 anti-TNF oral antibody and prepare Avaxia to start treating patients with inflammatory bowel disease in a clinical trial this coming fall. In addition, the funding we have received from BARDA (Biomedical Advanced Research and Development Authority) to develop AVX-470 for GI Acute Radiation Syndrome provides Avaxia with resources to pursue products and value creation in two important disease areas. Having broad support from the New England angel community demonstrates the important role that angels are playing in funding early stage biotech companies and provides Avaxia with an investor network for future funding."

The funds from this Series A financing will be used to manufacture the company's orally active anti-TNF for its upcoming clinical trial and to conduct final pre-clinical studies in advance of a Phase 1B clinical trial in patients with inflammatory bowel disease. Prior to this equity round, the company raised \$4.3 million in non-dilutive financing. In addition to a loan from the Massachusetts Life Sciences Center and several SBIR grants, the company was awarded a \$3.0 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.

Subsequent to the closing of the Series A financing, Mr. Henry Kay, an active member of Boston Harbor Angels and Launchpad Venture Group, has joined the Avaxia board. Additionally, Mr. Jonathan Fleming has decided to retire from the board of directors of the company following the successful closure of this financing. The company expresses its great appreciation to Mr. Fleming for his contributions during the company's most formative period. Dr. Fox commented, "Jonathan has made major contributions to the company as we evolved from concept to a fully functioning biotech company. We will miss Jonathan's enthusiasm, his wise mentoring and his personal commitments to Avaxia. Our progress owes much to his active participation in all aspects of our operations and we thank him for his unwavering support."

About Henry Kay: Mr. Kay is the U.S. partner of Medica Venture Partners. He retired from Boston Scientific in 2006, where he was Group Vice President of New Market Development / Strategic Planning, Endosurgery Boston Scientific Corporation. Mr. Kay's career spans over 35 years of experience in the pharmaceutical industry in roles which include R&D, International Marketing, Regulatory Affairs, and Strategic Planning. Mr. Kay is a fellow of the Royal Society of Medicine (UK) and serves on the boards of

several start-up health care companies, including Smart Cells (sold to Merck in 2006), Cool Systems, Wadsworth Medical, and Cannuflow.

About Avaxia Biologics, Inc.: Avaxia Biologics (www.avaxiabiologics.com) 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.