



## **Vivaldi Biosciences Enters into Agreements for \$23 Million in Series A Financing**

January 8, 2009

New York, NY – Vivaldi Biosciences Inc., a biotechnology company focused on the development of vaccines for influenza, today announced that it has received binding commitments for \$23 million in a Series A Convertible Preferred Stock financing, of which \$18,850,000 has been funded. Bay City Capital LLC and NGN Capital LLC co-led the financing, with participation by the New York City Investment Fund and Alexandria Real Estate Equities, Inc. The remaining commitments are to be funded subject to achievement of certain milestones.

Vivaldi is developing novel vaccines with the potential for increased effectiveness in the prevention of seasonal and pandemic influenza, based on research by Peter Palese, PhD and Adolfo Garcia-Sastre, PhD of the Mount Sinai School of Medicine. Elliott Kieff, MD, PhD of Brigham and Women's Hospital, Harvard Medical School, is Chairman of the company's Scientific Advisory Board. Vivaldi intends to use the proceeds from the Series A financing to establish cell-based manufacturing and to file an Investigational New Drug (IND) application to advance its lead vaccine candidate to clinical trials.

William Gerber, MD, Investment Partner of Bay City Capital and a member of Vivaldi's Board of Directors, said, "Vivaldi's founding and financing represents the culmination of an extensive, multi-year search by Bay City Capital across the spectrum of opportunities in the infectious disease field for novel vaccine and therapeutic modalities that target areas of significant commercial potential. We are pleased to co-lead this investment with NGN Capital with participation from additional important investors."

Peter Johann, PhD, Managing General Partner of NGN Capital and a member of Vivaldi's Board of Directors, commented, "NGN is excited about the opportunity Vivaldi presents, and thus has made a rare exception to invest in an early-stage company. We are impressed with Vivaldi's proprietary technologies, strong management team and development plan for innovative and highly differentiated vaccines for influenza. Vivaldi's approach specifically addresses unmet needs for an effective vaccine for adults age 50 and over, one of the most vulnerable groups. We are very excited about the long-term commercial potential of Vivaldi, and look forward to working with the management team and our investment partners to build a successful business."

W. Patrick McGrath, PhD, Executive Director, Office of Technology and Business Development, Mount Sinai School of Medicine, stated, "We are pleased to have participated in Vivaldi's founding, and are excited about this significant investment and the potential it brings to progressing important technologies discovered at MSSM. Drs. Palese and García-Sastre are preeminent and prolific researchers in the fields of influenza virology and vaccine development. We look forward to seeing their breakthrough discoveries in influenza genetics and pioneering vaccine development work advanced to clinical development with this investment in Vivaldi."

## About Influenza

An estimated one billion cases of seasonal influenza occur annually worldwide. Influenza causes 250,000 to 500,000 deaths per year, with up to 90% of influenza-related deaths occurring in the elderly. In the event of a pandemic caused by an emergent influenza virus strain, the stakes are even greater. An estimated 25% to 35% of the world's population could develop influenza, causing between 2 million and 5 million deaths. Governments, foundations, and the pharmaceutical industry have placed a high priority on development and production of new vaccines and antivirals for both seasonal and pandemic influenza. Moderately effective vaccines for seasonal flu are widely used, but have noteworthy shortcomings. Most current flu vaccines rely on time-consuming and unreliable technologies for strain development and vaccine production, and are often a poor match with the predominant circulating viruses.

## About Vivaldi Biosciences

Vivaldi Biosciences, located in New York City, is developing live attenuated vaccines for seasonal and pandemic influenza by altering the gene for NS1, a key virulence factor of the influenza virus. In preclinical studies, the vaccines induce potent and protective antibody and cellular immune responses to influenza virus, with the potential to provide long-lasting immunity and cross-protection to mismatched influenza strains with a single low-dose immunization. Vivaldi's intellectual property includes domestic and international rights to over 25 issued patents relating to vaccines with alterations of the NS1 gene (including certain exclusive rights to the use of reverse genetics for viruses containing modifications of NS1), certain cell substrates for virus production, and certain drug discovery methods targeting NS1. In addition to technologies relevant to development of vaccines against and treatments for influenza, Vivaldi's proprietary technologies are applicable to vaccines and antiviral drugs for other human respiratory diseases, including respiratory syncytial virus and parainfluenza. Additional information about Vivaldi Biosciences can be found at [www.vivaldibiosciences.com](http://www.vivaldibiosciences.com).

## Forward-Looking Statements

To the extent any statements made in this release contain information that is not historical, these statements are essentially forward looking and are subject to risks and uncertainties, including the difficulty of predicting FDA approvals, acceptance and demand for new vaccines and other pharmaceutical products, the impact of competitive products and pricing, new product development and launch, reliance on key strategic alliances, availability of raw materials, availability of additional intellectual property rights, availability of future financing sources, the regulatory environment and other risks the Company may identify from time to time in the future.

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