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## VAXIN RECEIVES \$1.4 MILLION FOR ANTHRAX VACCINE DEVELOPMENT

### *NIH/NIAID Award Extends Existing Grant*

**Birmingham, Alabama** – December 10, 2008 – Vaxin Inc., an emerging vaccine company today announced it has been awarded \$1.4 million from the National Institutes of Health/National Institute of Allergy and Infectious Diseases (NIH/NIAID) for the further development of Vaxin’s novel, non-invasive anthrax vaccine. Awarded under the NIH/NIAID Biodefense Product Development program, the grant has been issued in conjunction with a contract extension to a Challenge Grant originally awarded to Vaxin in 2005.

“Securing this additional, non-dilutive funding from the NIH/NIAID validates our anthrax vaccine approach, demonstrating that we have successfully met the early milestones for this program and will allow us to quickly move forward in our pre-clinical development,” said Bill Enright, President and CEO of Vaxin. “If successful, these pre-clinical studies will be used to support the filing of an investigational new drug application (IND) for Vaxin’s potential anthrax vaccine.”

An acute infectious disease caused by the spore-forming bacterium *Bacillus anthracis*, anthrax most commonly occurs in wild and domestic mammalian species, including cattle, sheep and goats, but it can also occur in humans when they are exposed to infected animals or when anthrax spores are used as a bioterrorist weapon. There is currently only one FDA licensed anthrax vaccine available and it works by targeting the PA protein produced by the anthrax bacterium. Vaxin is developing a new class of anthrax vaccine designed to provide broader protection, against multiple anthrax antigens, eliciting an immune response that blocks germination of the spore and, in turn, the development of the anthrax toxin. This approach may be crucial in conferring protection against both naturally occurring and bioengineered anthrax spores whose PA is replaced by exogenous toxins.

NIH/NIAID previously sponsored the evaluation of the Vaxin’s anthrax vaccine in intra-nasal anthrax challenge models in mice and rabbits. In those studies, a single dose of Vaxin’s anthrax vaccine protected 100% of test animals from lethal infection following inhalation of anthrax spores. Vaxin has designed its anthrax vaccine as a single dose to be a potentially significant improvement over the six-dose regimen of the currently licensed vaccine. The \$1.4 million award announced today, will fund further pre-clinical development of Vaxin’s novel, non-invasive anthrax vaccine including testing in non-human primates.

### **About NIH/NIAID Challenge Grants**

Improving our nation's defenses against bioterrorism is a key part of the U.S. government's homeland security effort. The Department of Health and Human Services (HHS) supports activities to improve local and state public health systems, to expand existing biosurveillance efforts, and to fund research on medical countermeasures against potential bioterror agents. Within HHS, medical research and product development is funded at the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH). The objective of NIH/NIAID Challenge Grants is to facilitate collaborative partnerships between government and the private sector for further development of already identified products against high priority pathogens and all stages of product development.

### **About Vaxin:**

Vaxin Inc. is an emerging clinical stage vaccine company developing needle-free, single dose highly effective vaccines. These molecular vaccines are safely administered either in the nose or on the skin, taking the battle against diseases to the immune system's front lines where the diseases are attacking, rather than injecting the vaccine inside the body where the body's immune response is actually weaker. This also allows Vaxin's vaccines to be mass administered by personnel without sophisticated medical training.

As a vaccine delayed may be a vaccine denied, it is crucial to produce vaccines in a timely manner, especially in the event of a pandemic or bioterrorist attack. The company's technology platform also provides a critical tool for the rapid production of vaccines against influenza, avian influenza, anthrax, and Alzheimer's disease utilizing molecular techniques and state of the art cell culture based manufacturing. Vaxin's vaccines are not dependent on chicken eggs and can therefore be more reliably produced even in the event of avian epidemics.

Unlike current vaccines, which typically use a weakened form of the targeted disease, such as the influenza virus, Vaxin's molecular vaccines are created by inserting only a piece of the virus, the antigen, into a benign delivery vehicle. This "Trojan Horse" method increases the safety of the vaccine and virtually eliminates the risk of a vaccine reverting to a disease causing agent. Needle-free, non-replicating, single-dose molecular vaccines also have many other advantages. Patients clearly prefer vaccines which are not injected because there is no fear of needles or the pain they can cause.

Vaxin's technology also has applications for animal health uses. Automated *in ovo* (in the egg) vaccination is the method of choice for the mass immunization of poultry because of the ease of administration and lower costs. Unlike most technologies that have been tried, Vaxin's technology provides the ability to administer a protective vaccine *in ovo* without harming the embryo.

Forward-looking statements:

This press release contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

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