

VaxInnate Licenses Recombinant Flu Vaccines To CJ CheilJedang Corporation of South Korea

Agreement covers region with a population of 650 million individuals

CRANBURY, NJ, December 19, 2011 -- VaxInnate Corporation announced today that it has granted biopharmaceutical company CJ CheilJedang Corporation an exclusive license to manufacture, develop and commercialize VaxInnate's recombinant seasonal and pandemic flu vaccines in South Korea. The agreement also includes a non-exclusive license to market the vaccines in certain Southeast Asian countries, excluding China.

Under the terms of the agreement, CJ CheilJedang Corporation will be responsible for funding clinical development and licensure of the vaccine in South Korea and ten other Southeast Asian countries. Altogether, the agreement includes countries with a collective population of 650 million, including 49 million people in South Korea alone.

VaxInnate will transfer the technology required to develop and manufacture the vaccines. Financial terms of the agreement include an upfront fee, clinical and regulatory milestone payments, and royalties on sales.

CJ CheilJedang is a leading provider of drugs and vaccines to private and public markets in South Korea through CJ Pharma, the company's biopharmaceutical arm. As with all new vaccines, the Korean and other governments must grant marketing approval based upon clinical evaluation before they can be used.

"Collaboration with VaxInnate will be a cornerstone for CJ's flu vaccine business" said Seok-Hee Kang, Senior Executive Vice President and Head of Pharmaceutical Business of CJ CheilJedang. "We believe that the TLR technology of VaxInnate is very competitive in vaccine development and it will place CJ in a superior position in the flu vaccine market."

Meanwhile, VaxInnate plans to pursue clinical development and licensure of its seasonal and pandemic vaccines in the United States, Europe and other regions. The company has already conducted a number of successful clinical trials evaluating the potency, efficacy and safety of its vaccines.

"VaxInnate is pleased to partner with CJ Pharma to meet the flu vaccine needs of South Korea and parts of Southeast Asia," said Thomas Hofstaetter, PhD, President and CEO of VaxInnate. "While this agreement is a significant milestone for us as a company, we continue to pursue partnerships for developing VaxInnate vaccines to meet global needs."

VaxInnate produces highly immunogenic vaccines using a unique technology platform that effectively activates both the innate and adaptive immune systems. This technology -- based upon recombinant expression of fusion molecules that combine the vaccine antigen with a potent immune stimulator, the toll-like receptor 5 (TLR 5) agonist, flagellin -- conveys significant potency, speed, cost and capacity advantages.

In fact, VaxInnate's technology makes it possible to produce hundreds of millions of vaccine doses in as little as three to four months. In a pandemic flu outbreak, the speed and capacity of this technology make it possible to supply all of the vaccine needed by a nation, from first to last doses, in several months. This represents a significant improvement compared to the time it takes to produce flu vaccines using either eggs or cell culture, from which only the first or early doses of vaccine can be produced in the early months of a pandemic flu.

About VaxInnate

VaxInnate is a privately-held biotechnology company in Cranbury, NJ that is pioneering breakthrough technology for use in developing novel and proprietary vaccines. VaxInnate's vaccines focus on infectious diseases, including seasonal and pandemic flu, dengue, and malaria.

In 2011, a contract worth up to \$196 million over five years was awarded to VaxInnate by the Biomedical Advanced Research and Development Authority (BARDA), part of the U.S. Department of Health and Human Services (HHS), to fund the development of seasonal and pandemic flu vaccines using recombinant technology.

VaxInnate has already generated positive Phase I and Phase II clinical data for its flu vaccines. Prototype seasonal and pandemic flu vaccines were also demonstrated to have superior potency in elderly subjects. For more information about VaxInnate, please visit <http://www.vaxinnate.com>.

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