



Avaxia Biologics Appoints Kevin Sarney, CPA, as Vice President, Finance and Administration

LEXINGTON, Mass. – October 3, 2013 – [Avaxia Biologics, Inc.](#), a clinical-stage biopharmaceutical company developing gut-targeted therapeutics, announced today that Kevin Sarney, CPA, has joined the company as Vice President, Finance and Administration.

Mr. Sarney is an accomplished finance and accounting professional with over 15 years of experience in the biotechnology industry in both early-stage and publicly traded companies. Prior to joining Avaxia, he worked as a consultant from 2009 to 2013 at various biotechnology and medical device companies in interim VP of Finance and Controller roles. Prior to working as a consultant, Mr. Sarney was the Corporate Controller and Principal Accounting Officer of Nitromed, Inc., a publicly traded cardiovascular-focused pharmaceutical company. During his time at Nitromed, Mr. Sarney was responsible for SEC reporting, financial planning, risk management, treasury, the initiation of the company's Sarbanes-Oxley compliance efforts, and financial and accounting support for the launch of the company's first product, BiDil. During his career, he has also held the position of audit supervisor within the technology assurance group of PricewaterhouseCoopers LLP. Mr. Sarney earned a B.S. in business management from the University of Hartford, an M.B.A. from Boston University and an M.A. in accounting from Suffolk University. Mr. Sarney is a certified public accountant in the state of Massachusetts.

"As Avaxia completes the current Phase 1b trial and prepares to enter Phase 2 with AVX-470, I look forward to helping Avaxia to identify the financial needs and opportunities that come with success," said Mr. Sarney.

Barbara S. Fox, Ph.D., Chief Executive Officer of Avaxia, added, "Kevin has the background and experience to ensure that Avaxia makes a smooth transition from a Phase 1 to Phase 2 product company, and as we advance other products in the Avaxia pipeline."

Separately, the company announced that enrollment has commenced for the third and final dosing cohort in its Phase 1b clinical study of AVX-470, an oral anti-TNF antibody, for the treatment of active ulcerative colitis, and that an Avaxia manuscript entitled "AVX-470: A Novel Oral Anti-TNF Antibody with Therapeutic Potential in Inflammatory Bowel Disease," was published the current issue of the peer-reviewed *Inflammatory Bowel Diseases*[®], Official Journal of the Crohn's and Colitis Foundation of America, Inc.

About Inflammatory Bowel Disease

Inflammatory bowel disease (IBD) is a serious disease that has a major societal impact. IBD refers to two related but different diseases: ulcerative colitis and Crohn's disease. More than 2.5 million people are afflicted with IBD. These diseases cause chronic inflammation of the intestinal tract, which leads to a variety of debilitating symptoms resulting in a significant reduction in quality of life and the risk of life-threatening complications and diseases, including cancer. A chronic autoimmune disease, IBD is characterized by periods of active disease alternating with periods of disease control (remission). The annual worldwide market for IBD medications exceeds \$4.5 billion, approximately \$2.5 billion of which represents sales of currently marketed anti-TNF antibodies.

About AVX-470

AVX-470 is a gut-targeted anti-TNF antibody that has the potential to be a transformative first-line therapy for inflammatory bowel disease (IBD). Currently marketed anti-TNF antibodies have proven highly effective for IBD. These antibodies are injected and then distribute throughout the body, where they suppress the immune system to reduce inflammation. This untargeted suppression of the immune system may cause serious side effects, such as the reactivation of tuberculosis. Because of these side effects, anti-TNF antibodies are most often used only as a second- or third-line therapy, despite evidence that earlier use could improve patient outcomes. In contrast, AVX-470 is an orally administered anti-TNF antibody that targets its immunosuppressive effects specifically to the gastrointestinal tract to minimize the potential for side effects in other parts of the body. This potential to confine immunosuppression to where the disease occurs differentiates AVX-470 from other anti-TNF antibodies and offers the possibility for AVX-470 to become a first-line therapy that transforms the treatment of IBD.

About Avaxia Biologics

Avaxia is a leader in the growing field of gut-targeted therapeutics — orally administered, minimally absorbed drugs that are designed to act locally in the gastrointestinal tract. Avaxia's lead clinical candidate, AVX-470, is an oral anti-TNF antibody for inflammatory bowel disease. This transformative product offers potentially improved safety and efficacy over existing anti-TNF therapies by focusing immune suppression only where needed in the diseased gut. Avaxia plans to use its gut-targeted antibody platform to develop therapeutics to address many other serious diseases such as type 2 diabetes, celiac disease, GI acute radiation syndrome and oral mucositis. www.avaxiabiologics.com

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