

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

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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 was founded in 2007 based on the research and intellectual property developed by Peter Palese, PhD, Professor and Chair of the Microbiology Department, and Adolfo García-Sastre, PhD, Professor of the Microbiology Department of the Mount Sinai School of Medicine (MSSM). Located in New York City, the company is developing novel live attenuated influenza vaccines by altering the gene for NS1, an important 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 licensed from MSSM includes domestic and international rights to over 25 issued patents relating to vaccines with alterations of the NS1 gene (including exclusive rights to the use of reverse genetics for viruses containing modifications of NS1), cell substrates for virus production, and drug discovery methods targeting NS1. In addition to influenza, Vivaldi's proprietary technologies are applicable to vaccines and antiviral drugs for other human respiratory diseases, including respiratory syncytial virus and parainfluenza.

Approximately one billion cases of seasonal influenza occur annually worldwide, causing as many as half a million deaths, with 90% of influenza-related deaths occurring in the elderly. In the event of a pandemic caused by a novel influenza virus strain, an estimated 25% to 35% of the world's population could develop influenza, leading to up to 5 million deaths. Governments, international health 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. Vaccines composed of inactivated influenza virus have been available since 1945. Currently available vaccines are widely used, but rely on decades-old technologies for vaccine strain development and production, and have poor efficacy in young children and adults over age 50.

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."

Peter Johann, PhD, Managing General Partner of NGN Capital and a member of Vivaldi's Board of Directors, commented, "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."

William Gerber, MD, a member of Vivaldi's Board of Directors and an Investment Partner at Bay City Capital, 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."

About Mount Sinai School of Medicine Office of Technology and Business Development

The Office of Technology and Business Development develops and implements new vehicles to commercialize MSSM intellectual property and works to promote entrepreneurial spirit among faculty and staff. The mission of OTBD is to foster a culture of innovation and to facilitate the development and commercialization of MSSM intellectual property and translation of MSSM research into products and services, in ways that are consistent with the public good and traditional concerns for academic freedom and independence.