



VAXART COMPLETES SERIES A FINANCING

Company Will Use Funds to Advance First Product of Unique Oral Vaccine Platform

San Francisco, CA, November 15, 2007 – Vaxart Inc., a biotechnology company focused on the development of oral vaccines, today announced completion of a Series A financing. Quantum Technology Partners and Life Science Angels led the round. Other investors include Bay Partners and Sand Hill Angels.

In total, Vaxart has secured \$3.3 million in new funding. The financing raised \$2.7 million. In addition, Vaxart announced that it was awarded (under its former name of West Coast Biologicals) a National Institutes of Health SBIR grant of \$600,000 for development of the company's platform technology. Vaxart will use the new capital to support late-stage preclinical testing and IND preparation for its first product, a vaccine for avian flu.

“The current round of funding will allow us to advance our avian flu program, which we see as a critical proof of concept for our technology,” said Mark Backer, PhD, Vaxart’s CEO. “But this is just the launching pad for what we believe is a broadly applicable oral delivery platform to address many types of infectious disease.”

Breakthrough Modular Strategy

Vaxart has developed a proprietary, modular approach to vaccine creation that, the company believes, will enable it to produce a portfolio of products much more efficiently than has been previously possible.

Key to Vaxart’s efforts is a unique adjuvant, the vaccine component that enhances immune response to a foreign protein. Vaxart uses an adjuvant that works through a “toll-like receptor” (TLR). TLRs have been widely applied in vaccines and are well accepted as effective immune stimulators. Vaxart’s approach differs in that it employs TLR-3, the only TLR known to be fully active in the gastrointestinal tract. This means that Vaxart's vaccines can stimulate a potent immune response when given orally, in contrast to other TLR-based vaccines -- and most vaccines in general -- which must be injected.

Another breakthrough feature is the ability to employ the same vector, or delivery vehicle, across all vaccines. Usually, each vaccine requires a different vehicle, because antibodies build up against the vector proteins after initial exposure. Subsequent vaccines become less effective, as the body attacks the drug molecule before a response can be mounted against the disease target. Vaxart

has overcome this obstacle and has demonstrated that strong immune responses can be generated against multiple diseases following a series of different oral vaccines.

This potential to "reuse" a vector opens the door to the company's modular drug design, in which the core components of the vaccine remain the same and only the antigen changes. Using such a strategy, Vaxart will be able to produce new vaccines through a standardized and low-cost process, while at the same time reducing regulatory risk because data from one vaccine will help establish the safety of others created through the platform.

Next-Generation Orals

"There are obvious clinical advantages to Vaxart's approach, in that oral vaccines are preferable to injectables for essentially all indications," said Sean Tucker, PhD, vice president of research and principal investigator of the SBIR grant. "But there are numerous technical advantages as well. In particular, the ability to use the same vector across multiple vaccines is a major advance that greatly speeds up product development and differentiates Vaxart from other companies in this field."

Vaxart's initial efforts have focused on new vaccines for pandemic illnesses, as a way to quickly test the company's platform while addressing important threats to public health. Moving forward, Vaxart intends to develop next-generation, oral alternatives to existing vaccines with proven market potential. Given the efficiency of its modular strategy, Vaxart believes such candidates could enter clinical testing within 18 months of program inception.

"Vaxart has clear advantages in terms of time to market, clinical convenience, and commercial opportunities," noted Barry Dickman, general partner of Quantum Technology Partners. "Together, these put the company in a strong position to establish a new standard in the vaccine arena."

About Vaxart (www.vaxart.com)

Vaxart is a privately held biotechnology company focused on the development of oral vaccines. Vaxart's proprietary approach is ideally suited for modular creation of vaccines, enabling the company to efficiently produce a large portfolio of drugs while lowering development risk. Vaxart intends to apply its platform to develop first-in-class vaccines for pandemic illnesses as well as to create oral alternatives to current vaccines. Vaxart's lead product is a vaccine for avian flu, which the company expects to enter clinical testing in 2008.

About Quantum Technology Partners

For information about Quantum Technology Partners, see www.quantumtp.com.

About Life Science Angels

For information about Life Science Angels, see www.lifescienceangels.com.

About Bay Partners

For information about Bay Partners, see www.baypartners.com.

About Sand Hill Angels

For information about Sand Hill Angels, see www.sandhillangels.com.