

NovaDigm Therapeutics Appoints Vaccine Industry Leader R. Gordon Douglas, Jr., as Chairman of the Board

GRAND FORKS, ND – December 3, 2009 – <u>NovaDigm Therapeutics</u>, a company developing innovative vaccines for fungal and bacterial infections, today announced the appointment of infectious disease expert and vaccine industry leader, R. Gordon Douglas, Jr., M.D., as Chairman of the Company's Board of Directors.

"Gordon brings to NovaDigm valuable expertise and diverse experience in the prevention and treatment of infectious diseases. During his career, he has held leadership roles spanning academic medical research, industry, the non-profit sector and the government," said Timothy Cooke, Ph.D., NovaDigm's Chief Executive Officer. "We look forward to working with Gordon as NovaDigm continues to advance its innovative NDV-3 vaccine development program for the prevention of infections caused by *Candida* and *Staph aureus*."

"NovaDigm has a compelling approach to preventing two leading hospital-acquired infections," said Dr. Douglas. "Candida and Staph aureus infections are increasingly common and potentially dangerous infections, particularly due to the significant problem of drug resistance. The fact that these infections are not only affecting hospitalized patients, but also otherwise healthy individuals, necessitates a new approach to combat these pathogens."

Dr. Douglas was the founding President of the Merck Vaccines business unit in 1991. During his eight years in this role, Merck launched new pediatric combination vaccines, vaccines against varicella and hepatitis A and initiated research efforts toward rotavirus, shingles and human papilloma virus vaccines. Prior to joining Merck, he was a Professor of Medicine and Chairman of the Department of Medicine at Cornell University Medical College and Physician-in-Chief of the New York Hospital. He also served as head of the infectious disease unit at the University of Rochester School of Medicine. Dr. Douglas is currently Chairman of the Board of the Aeras Global TB Vaccine Foundation and Vical, Inc., and serves as a consultant to the Dale and Betty Bumpers Vaccine Research Center at the National Institutes of Health. He is author of over 200 scientific publications and was co-editor with Mandell and Bennett of Principles and Practice of Infectious Diseases for the first three editions. Dr Douglas is a member of the Institute of Medicine of the National Academies, the Association of American Physicians, the Infectious Diseases Society of America and the American Society of Clinical Investigation. He holds a bachelor's degree from Princeton University and an M.D. degree from Cornell University Medical College.

Dr. Douglas joins NovaDigm's existing Board members who include: <u>Todd Brady, M.D., Ph.D.</u>, Principal at Domain Associates; <u>Timothy Cooke, Ph.D.</u>; <u>John E. Edwards, M.D.</u>, Professor of Medicine, David Geffen School of Medicine at UCLA, and Chief of the Division of Infectious Diseases at Harbor-UCLA Medical Center and co-founder of NovaDigm; and <u>Fred Haney, Ph.D.</u>, a venture capitalist and co-founder of NovaDigm.

NDV-3 Development Program

NDV-3 is a prophylactic vaccine candidate containing a recombinant *Candida* surface protein, Als3, and the widely used adjuvant Alhydrogel[®]. This vaccine was developed as a result of research in the labs of NovaDigm's scientific founders demonstrating that several members of the agglutinin-like sequence (Als) family of proteins induce protective immunity in preclinical models. NDV-3 is the first vaccine to demonstrate protective efficacy against both fungal and bacterial pathogens. Preclinical studies have shown that NDV-3 confers a high survival rate following a challenge with highly virulent doses of one of several species of *Candida* or against one of several strains of *Staphylococcus aureus* (*S. aureus*), including methicillin-resistant *S. aureus* (MRSA). The Company is currently completing the preclinical development activities and plans to initiate human clinical trials in 2010.

The original discoveries supporting the NDV-3 vaccine were made at the LA BioMed Institute at Harbor-UCLA Medical Center, and NovaDigm continues to benefit from close research collaborations with the scientific founders and with LA BioMed. NovaDigm's current product development efforts are based in Grand Forks, ND. NovaDigm is part of the Red River Valley Research Corridor effort, a research and development corridor originally conceived by U.S. Senator Byron Dorgan in 2002.

Medical Need

Candida is the third most common cause of nosocomial bloodstream infections. The incidence of candidiasis in the United States is at least 20 per 100,000 people, or over 60,000 infections per year, of which approximately 40% (24,000) die despite antifungal treatment. Candida is also the fungus responsible for vaginal yeast infections and the oral infection known as thrush. Historically, S. aureus was predominantly the cause of invasive infections occurring among individuals with immune deficiencies, or those in hospital settings. However, an urgent concern is the recent explosion of drug resistant S. aureus infections among young and otherwise healthy individuals in the community. S. aureus is now a common cause of skin infections and the CDC estimates that 12 million physician visits annually are due to suspected S. aureus or MRSA skin infections. In 2006, there were an estimated 100,000 cases of invasive MRSA in the U.S., leading to 19,000 deaths (20%).

About NovaDigm

NovaDigm is developing innovative vaccines to protect patients from fungal and bacterial infections, which can be life-threatening and drug resistant. The Company's founding scientists from the LA BioMed Institute at Harbor-UCLA Medical Center are recognized leaders in the field of infectious disease and the emerging threat of "superbugs." NovaDigm's lead product candidate targets *Candida*, a fungal pathogen,

and *Staphylococcus aureus*, including MRSA. Based in North Dakota with additional research activities at LA BioMed, NovaDigm has received funding from Domain Associates, a leading health care venture capital firm, and collaborates with multiple government agencies. www.novadigmtherapeutics.com

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