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Massachusetts Life Sciences Center Board Approves 2010 Accelerator Program Loans for Early Stage Companies

Center will provide \$2.48 million to support four early-stage life sciences companies

Waltham, MA – The Massachusetts Life Sciences Center (the “Center”), a quasi-public agency tasked with implementing the state’s ten-year, \$1 billion Life Sciences Initiative, today announced the awarding of \$2.48 million in loans to four early-stage life sciences companies. The Center’s Accelerator Program provides loans of up to \$750,000 to early-stage companies engaged in life sciences research and development, commercialization and manufacturing. The Center’s Board of Directors approved the first round of 2010 Accelerator loans today. Four companies were authorized to receive loans out of thirty-nine applications that were submitted to the Center and competitively peer-reviewed. A second round of the Program is scheduled for the Fall of 2010.

The Accelerator Program, the Center’s flagship investment program for companies, supports and “de-risks” early-stage companies by providing loans that will match other sources of capital. By leveraging other sources of capital the Accelerator Program provides support to companies at the most critical stages of their development cycle, enabling them to conduct vital research and proof of concept studies and attract subsequent investment, improving the odds of bringing cutting edge innovation to the marketplace.

Support for the Accelerator Program is augmented by the Center’s Corporate Consortium Program, which attracts private matching funds to the Center’s investment activities. Corporate Consortium members Johnson & Johnson (NYSE: JNJ) and sanofi aventis (NYSE: SNY) have agreed to contribute \$500,000 each over two years. The Center is actively sourcing potential additional co-funders at this time.

Applicants for the Accelerator Program are generally early-stage life sciences companies with a high-potential for technology commercialization, rapid growth, and downstream private equity financing. The loans are designed to address the need for capital investment associated with the long life sciences R&D cycle and the high cost of translating research into a commercially viable product.

Applications were subjected to a double-blind, rigorous peer review, followed by an evaluation by the Center's Scientific Advisory Board (SAB). Applicants were then further screened by the Center's Investment Sub-Committee of the Board of Directors, through a process that included a live presentation by finalists. Final awards were determined by the Center's Board of Directors.

The four companies that were authorized today to receive loans from the Accelerator Program are:

Aura Medsystems (Duxbury) – Aura Medsystems, a medical device company committed to advancing patient care by focusing on the development and commercialization of a novel tissue repair platform developed by Dr. Irene Kochevar and Dr. Bobby Redmond, was authorized to receive \$750,000 to complete its product development and continue its research. The company is developing a Photochemical Tissue Bonding (PTB) dye which forms an immediate edge-to-edge watertight seal when exposed to visible light, a new, simple skin closure technology which can be used by doctors treating wounds. The dye would obviate the need for implanting sutures, staples, glues, adhesives, and other medical hardware for skin closure, instead allowing the body to heal and repair itself.

Avaxia Biologics (Burlington) – Avaxia Biologics was authorized to receive \$375,000 to continue product development and file new patents for its orally delivered antibody therapeutics aimed at disease targets accessible through the mouth and gastrointestinal (GI) tract. The GI tract is a uniquely privileged space that has been previously inaccessible to monoclonal antibody therapy. Avaxia's lead products are targeted at oral mucositis, inflammatory bowel disease, diabetes and obesity.

Connective Orthopaedics (Woburn) – Connective Orthopaedics was authorized to receive \$750,000 to continue conducting its ongoing research and animal study which focus on stimulating healing of intra-articular tissues (tissues found inside a joint), particularly the anterior cruciate ligament (ACL). The treatment of joint injuries such as this is among the most challenging problems in the orthopaedic arena today, as these tissues have minimal intrinsic ability to heal or regenerate themselves. Connective Orthopaedics has developed a proprietary biomaterial, known as a Platelet Matrix Composite (PMC), which has been designed to resist degradation within the joint long enough to improve intra-articular soft tissue healing, a promising approach to repairing injuries to the ACL.

4s3 Bioscience (Medford) – 4s3 Bioscience was authorized to receive \$600,000 to continue developing a proprietary antibody technology that allows for targeted and active intracellular delivery of therapeutics to skeletal muscle, based on research conducted by Dr. Richard Weisbart. This technology allows for the replacement of deficient proteins via a membrane transporter and is especially efficient in delivering proteins to skeletal muscle. Application of 4s3 technology holds promise for treating the underlying causes of muscular dystrophies, myopathies, motor neuron diseases, diseases of the neuromuscular junction, and various enzyme deficiency disorders.

“By helping early-stage life sciences companies grow we are both creating new jobs and supporting the next generation of medical technologies,” said Governor Deval Patrick. “Our largest life sciences employers were once early-stage companies like these, looking for funding to bring their technologies to market. We look forward to working in partnership with these companies as they put down roots in Massachusetts.”

“We are excited to be adding these four promising companies to the Center’s investment portfolio,” said Massachusetts Life Sciences Center President and CEO, Dr. Susan Windham-Bannister. “These investments in the Center’s Accelerator portfolio reflect our commitment to early-stage companies that are creating jobs, while working to produce therapies that will improve the human condition and address unmet medical needs.”

“The strong interest in the Accelerator Program and diversity of applicants has required us to develop a process that has extensive analysis, objectiveness and rigor, through an initial peer review process and subsequent review by the Center’s Scientific Advisory Board,” said Dr. Harvey Lodish, Chair of the Center’s Scientific Advisory Board, Member of the Whitehead Institute for Biomedical Research, and Professor of Biology and Professor of Bioengineering at MIT. “The awardees are companies whose commercial prospects, scientific innovation, and potential for development of new therapies and devices for the life sciences are consistent with the Center’s mission and vision, and we aim to help translate this innovation into creating new jobs in Massachusetts and new life-saving technologies.”

About the Massachusetts Life Sciences Center

The Massachusetts Life Sciences Center (“the Center”) is a quasi-public agency of the Commonwealth of Massachusetts tasked with implementing the Massachusetts Life Sciences Act, a ten-year, \$1 billion initiative that was signed into law in June of 2008. The Center’s mission is to create jobs in the life sciences and support vital scientific research that will improve the human condition. This work includes making financial investments in public and private institutions that are advancing life sciences research, development and commercialization as well as building ties between sectors of the Massachusetts life sciences community. For more information, visit www.masslifesciences.com.

About the Life Sciences Accelerator Program

In order to expand life sciences-related employment opportunities, promote health-related innovations and stimulate research and development, manufacturing and commercialization in the life sciences, the Life Sciences Accelerator Program provides loans to companies engaged in life sciences research and development, commercialization and manufacturing in Massachusetts. Target entities are generally early-stage life sciences companies with a high-potential for technology commercialization, rapid growth, and downstream private equity financing. The program is designed to help sustain these companies through a critical stage of development and to leverage additional sources of capital to bring cutting edge innovation to the marketplace.

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