

FOR IMMEDIATE RELEASE

PERVASIS THERAPEUTICS ANNOUNCES POSITIVE PRECLINICAL STUDY DATA OF NOVEL CELL THERAPY FOR TREATMENT OF SOLID TUMORS

PVS-30200 Demonstrates Significant Inhibition of Primary Tumor Growth and Distant Chest Metastases in Animal Model of Prostate Cancer

Orlando, Florida – April 5, 2011 – Pervasis Therapeutics, Inc. today announced preclinical data showing positive effects of PVS-30200, the company's investigational cell therapy for the treatment of solid tumors, on controlling tumor growth and inhibiting metastases in an animal model of prostate cancer. The data were presented in a late-breaking oral presentation at the American Association for Cancer Research (AACR) 102nd Annual Meeting in Orlando.

PVS-30200, which utilizes Pervasis' proprietary implantable material comprised of healthy allogeneic (donor) endothelial cells embedded in a polymer matrix, is designed to treat tumors locally to regulate key processes involved in tumor growth and metastasis in order to prevent the spread of cancer to secondary sites in the body. The well-studied patented technology on which PVS-30200 is founded has a proven safety profile as demonstrated by data from six clinical studies in the area of vascular repair.

Joseph Franses, from the Harvard Medical School/Massachusetts Institute of Technology (MIT) Division of Health Sciences and Technology, and the lead author of the abstract, "*A first-in-class novel therapy (PVS-30200) for the treatment and prevention of metastatic cancer by regulating the tumor microenvironment,*" gave the presentation at AACR. The preclinical data demonstrated PVS-30200's ability to promote homeostasis and act as a paracrine regulator of the tumor and its microenvironment, releasing factors which signal to nearby cells and regulate key processes, including cell proliferation and inflammation, thereby preventing tumor growth, and limiting cancer invasion and metastasis.

In the study, spontaneously metastasizing prostate (PC-3M) luciferase-expressing cancer cells were injected into the prostate of male mice. 14 days after tumor inoculation, PVS-30200 was injected into the area surrounding the tumor. Progression of the primary tumor and chest metastases were monitored using bioluminescent *in vivo* imaging. Twenty-nine days after tumor inoculation and 15 days post PVS-30200 treatment, significant inhibition of both primary tumor growth and distant chest metastases was observed ($p < 0.05$ for both).

"We are highly encouraged by today's presentation and these findings, as they represent an important step in demonstrating the promising therapeutic potential of PVS-30200," said Helen Marie Nugent, PhD, Co-Founder and Vice President, Research and Development at Pervasis and a co-author of the AACR abstract. "We recognize the tremendous need for safer, more effective cancer treatments and, as such, will continue to aggressively pursue our development program for PVS-30200."

A novel cell therapy approach, PVS-30200's use of allogeneic cells, as opposed to autologous cells, enables "off the shelf" administration, eliminating the challenging logistical processes that are involved with the use of autologous cells. Traditional injection methods often result in poor cell survival and limited cell integration into host tissue. Conversely, because PVS-30200 contains cells embedded in a polymer matrix suspension for delivery, cell viability and function

are preserved; the quiescent nature of the embedded endothelial cells is maintained while allowing for minimally invasive delivery of therapeutic tissue-engineered cells.

Research conducted by Mr. Franses under the supervision of Elazer Edelman, MD, PhD, Professor of Health Sciences and Technology at MIT and Professor of Medicine at Harvard Medical School, serves as the cornerstone of Pervasis' oncology program. Pervasis has an exclusive patent license agreement with MIT for all discovery and development activities associated with cellular implants for cancer diagnosis, prognosis and treatment.

The Role of Endothelial Cells in the Tumor Microenvironment

Endothelial cells, which line the interior surface of every blood vessel in the body, are critical to tissue repair and health, and have a well-understood role in regulating many of the body's healing processes, including those associated with vascular repair. Endothelial cells work as the body's "police force" – helping maintain homeostasis, and control cells under a range of pathologic stresses. In January, the MIT researchers reported in the journal *Science Translational Medicine*¹ data suggesting that, in the tumor microenvironment, quiescent endothelial cells are tumor-suppressive and slow the proliferation and invasiveness of cancer cells (as studied in culture and in animals), while disruption of the endothelial cells eliminates their ability to inhibit these actions that cause metastasis. Introducing exogenous functional, healthy endothelial cells to the stromal area can restore homeostasis.

Pervasis, a clinical stage company based in Cambridge, Mass., is focused on developing breakthrough endothelial cell-based therapies. In addition to oncology, the company's other areas of clinical investigation include improving outcomes following common vascular surgical and interventional procedures, such as hemodialysis access, angioplasties, stents and peripheral and coronary bypass grafts—the failures of which result in serious complications and a significant increase in medical costs.

The company's most advanced program, Vascugel®, has demonstrated proof of concept and safety in two Phase 2 trials in patients undergoing arteriovenous access procedures for hemodialysis. In 2010, Pervasis announced that it had reached an agreement with the U.S. Food and Drug Administration (FDA) for its Phase 3 clinical trial of Vascugel® under the FDA's Special Protocol Assessment (SPA) procedure. Through the SPA procedure, FDA formalized its agreement that the design of the Phase 3 trial was acceptable to support a regulatory submission seeking new drug approval.

About Pervasis

Pervasis Therapeutics, Inc. is a clinical stage company that is developing groundbreaking endothelial cell-based therapies designed to regulate the body's natural healing and repair processes in various critical therapeutic areas. The company has initially focused on developing therapies to improve the outcomes of common vascular interventions, such as arteriovenous access, angioplasties, stent placements, and peripheral and coronary bypass grafts – the failure of which result in serious complications and a significant increase in medical costs. The company's lead program, Vascugel®, has demonstrated proof of concept and safety in two Phase 2 clinical trials. Pervasis is also applying its endothelial cell-based platform technology to

¹ J. W. Franses, A. B. Baker, V. C. Chitalia, E. R. Edelman, Stromal Endothelial Cells Directly Influence Cancer Progression. *Sci. Transl. Med.* 3, 66ra5 (2011).

develop an oncology therapy focused on preventing solid tumor growth, cancer recurrence and metastatic disease, as well as products for inflammatory disease and orthopedic injury.

Pervasis is a privately held company with funding from Flagship Ventures, Polaris Venture Partners, Highland Capital Partners and the Richter Family Fund. For more information, please visit www.pervasistx.com.

This news release contains certain forward-looking statements that involve risks and uncertainties. Such statements are only predictions and the company's actual results may differ materially from those anticipated in these forward-looking statements. Factors that may cause such differences include the timing of clinical trials, the risk that products that appeared promising in early research and clinical trials do not demonstrate safety or efficacy in clinical trials and the risk that the company will not obtain approval to market its products.

Company Contact:

Margaret O'Toole
Pervasis Therapeutics, Inc.
617-871-1201
motoole@pervasistx.com

Media Contact:

Liz Falcone
Feinstein Kean Healthcare
617-256-6622
liz.falcone@fkhealth.com