Dynavax Enters Into Supply and Option Agreement for Development of Universal Influenza Vaccine

Novartis Will Contribute Trivalent Vaccine to the Collaboration

BERKELEY, Calif., Jul 23, 2008 (BUSINESS WIRE) -- Dynavax Technologies Corporation (Nasdaq:DVAX) today announced an agreement with Novartis Vaccines and Diagnostics, Inc. for the supply and development, and possible commercialization, of Dynavax's novel Universal Influenza Vaccine in collaboration with Novartis. Under the agreement Novartis will provide Dynavax a supply of trivalent influenza vaccine, an essential component of Dynavax's Universal Influenza Vaccine, for both clinical trial use and vaccine sales. Novartis receives an exclusive option to negotiate a Joint Development and Commercialization Agreement with Dynavax.

"This agreement with one of the world's leading manufacturers and innovators in influenza vaccines is a fundamental step for the successful development of our universal flu vaccine," said Dino Dina, chief executive officer and president of Dynavax. "With this agreement in place we can proceed toward the clinic and to licensure through a known regulatory pathway."

Under the agreement Dynavax will conduct early-stage development through a defined proof-of-concept. If Novartis exercises the right to negotiate a further agreement for development and commercialization, Dynavax would retain co-commercialization rights in the U.S. and receive product royalties outside of the U.S. Should the option not be exercised, Novartis remains committed to providing commercial supply of trivalent influenza vaccine with pre-agreed commercial terms and Dynavax retains the right to independently continue with late-stage development and commercialization.

The Dynavax Universal Influenza Vaccine combines a proprietary second-generation TLR9 agonist with two conserved influenza antigens, nucleoprotein (NP) and the extracellular domain of matrix protein 2 (M2e), and a trivalent influenza vaccine. The Dynavax vaccine is designed to be differentiated from other influenza vaccines by providing both an adjuvant effect to enhance the immunogenicity of the seasonal vaccine and cross-strain protection via conserved influenza antigens.

Gary Van Nest, Vice President of Vaccines stated, "We have demonstrated that our novel vaccine can provide cross-strain protective immunity in pre-clinical challenge models and that NP-ISS induces strong type-1 helper T cell (Th1) and cytotoxic T cell responses (CTL) that kill virus infected cells. M2e-ISS induces cytotoxic antibody responses that also kill infected cells, limiting disease severity. In effect, even if a standard flu vaccine does not match the virus that circulates in the season, our universal flu vaccine can potentially protect against viral disease caused by strains not included in the standard vaccine."

About Influenza

Influenza is a contagious respiratory illness caused by influenza viruses that can mutate frequently. Serious illness and death from influenza are highest among persons greater than 65 years of age and children less than 2 years of age. Annual epidemics are estimated to result in 3-5 million severe illnesses and 250,000-500,000 deaths worldwide.

Vaccination is the most effective tool for preventing influenza but is currently limited by vaccines that do not provide adequate protection against mutated virus strains or in the populations with the greatest disease burden. In fact, during the 2007-2008 flu season, 2 of the 3 flu strains in the vaccine were mis-matched vs. circulating strains, substantially hampering the efficacy of the vaccine. Novel vaccines that can address these limitations are needed.

About Dynavax

Dynavax Technologies Corporation discovers, develops, and intends to commercialize innovative TLR9 agonist-based products to treat and prevent infectious diseases, allergy, cancer, and chronic inflammatory diseases using versatile, proprietary approaches that alter immune system responses in highly specific ways. Our TLR9 agonists are based on immunostimulatory sequences, or ISS, which are short DNA sequences that enhance the ability of the immune system to fight disease and control chronic inflammation. Our clinical product candidates include: HEPLISAV(TM), a hepatitis B vaccine partnered with Merck & Co., Inc.; a therapy for metastatic colorectal cancer; and therapies for hepatitis B and C. Our preclinical asthma and COPD program is partnered with AstraZeneca. The NIH partially funds our preclinical work on a universal vaccine for influenza. Symphony Dynamo Inc. (SDI) funds our colorectal cancer and hepatitis C therapeutic programs. While NIH and SDI provide program support, Dynavax has retained rights to seek strategic partners for future development and commercialization. For more information, please visit http://www.dynavax.com.

Dynavax Forward-looking Statement

This press release contains forward-looking statements that are subject to a number of risks and uncertainties, including statements about the potential for an extended collaboration beyond the current arrangement with Novartis, committed supply of trivalent influenza vaccine for our universal influenza vaccine product candidate, initiation and timing of clinical trials and the regulatory pathway for our vaccine product candidate and the expected features of the vaccine. Actual results may differ materially from those set forth in this press release due to the risks and uncertainties inherent in our business, including difficulties or delays in development, initiation and completion of clinical trials, the results of clinical trials and the impact of those results on the initiation and completion of subsequent trials and issues arising in the regulatory process; achieving our Merck collaborative agreement objectives, resuming development and obtaining regulatory approval for HEPLISAV; continuation of our third party collaboration and funding arrangements; the scope and validity of patent protection and the possibility of claims against us based on the patent rights of others; our ability to obtain additional financing to support our operations; and other risks detailed in the "Risk Factors" section of our Quarterly Report on Form 10-Q. We undertake no obligation to revise or update information herein to reflect events or circumstances in the future, even if new information becomes available.

SOURCE: Dynavax Technologies Corporation

Dynavax Technologies Corporation
Michael Ostrach, 510-665-7257
Chief Business Officer and General Counsel
mostrach@dynavax.com