

## QUALYST TRANSPORTER SOLUTIONS, LLC AND HEPREGEN CORPORATION EXECUTE CO-DEVELOPMENT AND CO-MARKETING AGREEMENT

*Agreement Provides for Development, Manufacture and Sale of HepatoPac<sup>®</sup> B-CLEAR<sup>®</sup> Co-Labeled Proprietary Products for Liver Transporter Analysis*

**San Francisco, CA, October 21, 2013** – Qualyst Transporter Solutions, LLC and Hepregen Corporation announced today, at the 19<sup>th</sup> North American Meeting of the *International Society for the Study of Xenobiotics* (“ISSX”), the execution of a co-development and co-marketing agreement between the companies. This agreement supports the co-development of HepatoPac<sup>®</sup> B-Clear<sup>®</sup> assay kits, which can be used for predictive and mechanistic hepatic transporter analysis. The kits will be marketed by both companies and will contain human or animal hepatocytes (liver cells) in Hepregen’s proprietary micro-patterned, co-culture microtiter tissue culture plates. The co-cultures will be optimized for transporter analysis using Qualyst’s proprietary hepatobiliary methodology and unique capability of measuring intracellular concentrations.

“Drug transport, hepatotoxicity, and hepatic induction studies require the highest quality hepatocytes, since these cells must be fully-functioning in order to achieve physiologic intracellular concentrations,” said Christopher Black, Qualyst’s chief executive officer. “Our emerging partnership provides customers with an additional path to access B-CLEAR<sup>®</sup>, enhancing Qualyst’s ability to maximize the value of this patented and proven technology and take advantage of the proven capabilities of the HepatoPac<sup>®</sup> product system.”

“This important product development and marketing partnership represents the realization of a mutually conceived goal that was set more than a year ago,” commented Dr. Vincent Zurawski, Hepregen’s president and chief executive, adding, “The products resulting from the partnership will enable our customers the unique ability to enhance their understanding of drug candidate interaction with hepatic transporters using best-in-class products that have been designed to outperform all competing platforms.”

### **About Qualyst Transporter Solutions, LLC**

Qualyst Transporter Solutions is the world’s exclusive provider of hepatic drug transporter products and contract research services utilizing the patented B-CLEAR<sup>®</sup> technology. Qualyst Transporter Solutions commercializes novel and proprietary drug transport and hepatobiliary disposition assay services and products for drug discovery and development. The technology, in conjunction with human and animal hepatocytes, provides a fully-integrated, unique physiologic model that combines uptake and efflux transporters with hepatic metabolism. This integrated model can address questions related to compound clearance, drug transporter interactions, and cholestatic/hepatotoxic potential.

### **About Hepregen Corporation**

Hepregen Corporation is a leader in innovating unique and proprietary bioengineered micro-liver platforms for use in environmental testing, preventive care, and product development in the pharmaceutical and biopharmaceutical, diagnostic, cosmetics, and chemical industries. The company’s micro-liver HepatoPac<sup>®</sup> and HepatoMune<sup>™</sup> cell-based assays are intended to drive a paradigm shift in drug development. The utility of Hepregen’s human, rat, monkey, dog, and multi-species/multi-donor HepatoPac<sup>®</sup> and HepatoMune<sup>™</sup> application-directed products has been validated in collaboration with investigators at several well-known pharmaceutical companies. Additionally, new applications for these products are being tested by Hepregen, its pharmaceutical company customers, and its academic and business partners. Hepregen was founded and initially capitalized by Battelle Ventures and Innovation Valley Partners with technology licensed from the Massachusetts Institute of Technology. The technology was developed by Professor Sangeeta Bhatia, who is a world renowned expert and leader in liver bioengineering for life science and therapeutic applications.

## **Cautionary Statement Regarding Forward-Looking Statements**

This press release may contain forward-looking statements. Such forward-looking statements reflect Hepregen’s and Qualyst’s expectations about future operating results, performance and opportunities that involve substantial risk and uncertainties. These statements include but are not limited to statements regarding the performance and results of the companies’ HepatoPac® B-Clear® kits in development. When used herein, the words “anticipate,” “believe,” “estimate,” “upcoming,” “plan,” “target,” “intend” and “expect” and similar expressions, as they relate to Hepregen Corporation, Qualyst Transporter Solutions or the management of either company are intended to identify such forward-looking statements. These forward-looking statements are based on information currently available to Hepregen and Qualyst, and are subject to a number of risks, uncertainties and other factors that could cause the Companies’ actual results, performance, prospects and opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

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