

PROPAGENIX INC. LANDS THREE RESEARCH GRANTS TO ADVANCE CELL THERAPY TECHNOLOGY FOR TYPE I DIABETES AND LUNG DISEASE

Rockville, MD (June 21, 2017) – Propagenix Inc., a privately-held biotechnology company focused on developing proprietary cellular technologies to enable new approaches in regenerative medicine, has been awarded three research grants totaling \$950,000 in direct costs.

Two of these grant awards are directed towards the use the company's cell expansion technology to produce accessory epithelial cell cultures known to enhance the survival and function of pancreatic islets upon implantation in vivo. The goal of this work is to greatly improve the clinical efficiency of allogenic islet transplantation for patients with severe Type I diabetes. A Phase I Small Business Innovation Research Award of \$225,000 from the National Institute of Diabetes and Digestive and Kidney Diseases entitled "Enhancement of Conditional Reprogramming Technology for Improved Transplantation of Functional Human Beta-Cells" was received in April 2017. The second grant in this program area from the Virginia Biomedical Healthcare Research Corporation of \$425,000 was announced this month. Propagenix will be collaborating with investigators at Virginia Commonwealth University and the University of Virginia to use certain expanded epithelial cell types as a source to augment islet transplantation.

The third grant received in May 2017 from the Maryland Stem Cell Research Fund is to accelerate the commercialization of Propagenix's EpiX™ technology, a serum-free, feeder cell-free, animal origin-free media technology for the massive expansion of mammalian primary epithelial cells. This \$300,000 grant will primarily be deployed to acquire application data related to use of EpiX™ for the expansion and differentiation of primary human lung progenitor cells, for drug discovery, personalized diagnostics, and cell therapy.

"These peer-reviewed grant awards provide Propagenix with both the resources and domain area expertise to drive our cellular technologies into application areas of high medical demand", stated Brian A. Pollok, Ph.D., the company's Co-Founder, President and CEO. Chengkang Zhang, Ph.D., Principal Scientist at Propagenix and the principal investigator on the lung program grant added, "the MSCRF award provides a welcome boost to our efforts to build key data sets on the functionality and pharmacology of our primary lung cell models".

In addition to these recent grant awards, Propagenix is actively working with multiple pharmaceutical and biotechnology companies to utilize its primary cell production technology to address challenges in drug discovery, xenobiotic toxicology, and cellular therapy. "Partnerships and collaborative research arrangements are at the heart of our company enterprise", stated Sherry Challberg, Ph.D., Propagenix Co-Founder and COO.

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ABOUT PROPAGENIX

Founded in 2014, Propagenix Inc. is a platform biotechnology company that has developed and industrialized unique technologies for the unprecedented expansion and differentiation of lineage-committed epithelial progenitor cells. Propagenix's Conditional Reprogramming technology was exclusively licensed from Georgetown University, and has been the subject of over 25 peer-reviewed publications and two issued US patents to date. Propagenix's proprietary EpiX™ technology is a feeder cell-free, serum-free and animal origin-free set of media formulations designed to address the cost and regulatory challenges facing the scale-up manufacturing of primary human epithelial stem cells. The company also has two internal cell therapy discovery programs using EpiX™ technology.