

PathoGenetix Inc. Raises \$7.5 Million in Second Closing of Series B Financing for Rapid Bacterial Identification System

\$11.5 million round will support initial commercialization of Genome Sequence Scanning technology

WOBURN, MA. November 1, 2011 – PathoGenetix Inc., today announced that the Company received \$7.5 million in the second closing of its Series B financing to support the development and commercialization of its Genome Sequence Scanning technology for bacterial strain identification. Along with the \$4 million raised in the first closing, announced August 1, 2011, the Series B round totals \$11.5 million. New investor Ascension Health Ventures (AHV) participated in the financing through its second fund, CHV II, L.P., along with the existing investor group, which includes Excel Venture Management, CB Health Ventures, and HealthCare Ventures.

The Company’s Genome Sequence Scanning (GSS) technology provides a broad platform for the rapid identification of bacterial strains in a wide range of settings. The technology enables simultaneous identification and characterization of thousands of bacterial strains in a single test in three hours. Applications include microbiome research, clinical diagnostics, antibiotic development, detection of bacterial contamination in food and pharmaceutical products, and biothreat detection.

“PathoGenetix’s technology has demonstrated great potential to fill enormous needs in healthcare and public health to accelerate decision making, improve outcomes, and reduce unnecessary costs,” said Dr. Tara Butler of AHV. “Delayed or incorrect diagnosis results in more than 100,000 deaths in the U.S. annually from hospital acquired infections and billions of dollars in costs. Food borne pathogens present a large and growing problem that result in more than 325,000 hospitalizations every year and 5,000 deaths.”

“The funds will allow us to complete development and begin commercializing GSS in the rapidly emerging research market for analysis of microbial populations,” said John J. Canepa, PathoGenetix CEO. “The addition of Ascension Health Ventures to our strong investor group will also enable us to leverage expertise from the more than 200 acute care hospitals within its limited partner base.”

The GSS technology was initially developed with more than \$50 million in support from the United States Departments of Defense and Homeland Security under their advanced biosensor programs. The technology extracts genomic barcodes from microbial DNA as it flows through a microfluidic chip at 150 million base pairs per second. Complex clinical specimens can be scanned to identify pathogenic strains days faster and at lower cost than current diagnostic techniques.

About Ascension Health Ventures

Ascension Health Ventures was launched in 2001 as a wholly-owned subsidiary of Ascension Health. AHV’s role has been to construct and manage a strategic portfolio of investments that deliver a venture investment return, have the potential to transform the healthcare industry, and significantly enhance the quality of patient care. CHV II, LP, a limited partnership between Ascension Health, Catholic Health Initiatives, Catholic Health East, and Catholic Healthcare West, has been formed to expand this strategic investment initiative to other Catholic healthcare systems. AHV is the general partner of CHV II, LP. To learn more, visit www.ascensionhealthventures.org.

About PathoGenetix

PathoGenetix is developing an automated system for the rapid identification of bacterial strains using proprietary Genome Sequence Scanning Technology. The company's approach, which employs a single reagent set to generate genomic bar codes based on bacterial DNA, can cost-effectively identify thousands of strains in a single test from complex samples in three hours. PathoGenetix is developing its GSS platform for use in genomics research, food and product safety testing, and clinical infectious disease diagnostics, with initial commercial introduction into the research market planned for late 2012. Learn more at www.pathogenetix.com.

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