

## **Chronix Biomedical Secures \$1.6 Million in Financing**

### **Led by Nation's Largest Angel Investor Network -- Keiretsu Forum**

LOS ANGELES, CA -- (MARKET WIRE) -- 05/24/2005 -- Keiretsu Forum, the nation's largest angel investor network, today announced its investment in Chronix Biomedical, an applied genomics company based in San Jose with research facilities in Göttingen, Germany. Chronix Biomedical has closed this round as a convertible note of \$1.6 Million with Keiretsu Forum members investing \$1.1 Million. The company develops products and services for the detection and monitoring of chronic diseases with particular focus on genomic-based assays that will be utilized in the emerging fields of "theranostics" and "pharmacogenetics."

Chronix's first and second commercial products, the Göttingen Living Test (GLT) is a test for the detection of cows at risk for developing bovine spongiform encephalopathy (BSE) or mad cow disease and the humans' form of variant Creutzfeldt-Jakob disease (vCJD). Its third commercial product is a personalized medicine test for patients with human Myeloma, a cancer found in bone marrow cells.

"Ultimately we see this as a simple way to evaluate and treat Myeloma at a molecular level," said Dr. Brian Durie, IMF Chairman of the Board and Director of Myeloma Programs, Aptium Oncology. "This is one way to bring treatment for Myeloma into the 21st Century."

"We are very excited about the important work pioneered by Chronix Biomedical. This is a company that can make a real difference in the testing and treatment of Myeloma as well as Mad Cow Disease," explained John Dilts, President of the Los Angeles and Westlake Village Chapters of Keiretsu Forum. "We are hopeful that our member investors will see a tremendous return on their investment and we are proud to support this very worthy cause."

With the money raised, Chronix will launch its test for BSE and further develop its CJD blood bank test. In addition, as part of a public announcement on May 9th with the International Myeloma Foundation (IMF) at the Millennium Hilton in New York City, the company announced a new theranostics product now being used to evaluate and treat Myeloma at a molecular level.

Chronix Biomedical first presented its groundbreaking technology at Keiretsu Forum's Calgary Chapter at the end of 2004. Subsequently, due to the excitement generated, the Keiretsu chapters in Boston, Westlake Village, Los Angeles, the San Francisco East bay and Silicon Valley joined the investment round. The bulk of the convertible note from the Keiretsu Forum chapters came in less than seven weeks. The institutional financing round, into which the note will convert, is still open but will close by summer's end.

"The strength of the Keiretsu Forum lies in the wealth of its members' diverse talents in commerce and technology," said Howard B. Urnovitz, PHD Chief Executive and Science Officer of Chronix Biomedical. "Through the support of the Keiretsu Forum and its members, Chronix Biomedical met critical milestones as the company continues to emerge from a start-up to a viable commercial entity."

About Bovine Spongiform Encephalopathy (BSE) and Creutzfeldt-Jakob disease:

Although the BSE epidemic appears to have started in cattle in 1984, this type of neurological disease traces its roots to the 1730's when a similar disease called scrapie was observed in sheep. The disease appears to have spread to cattle when farmers began to feed parts of sheep and other ruminants to their cattle. The disease appeared to jump species; this time to humans in the form of variant Creutzfeldt-Jakob disease (vCJD), when humans consumed infected cattle or were administered medications produced using raw materials from cattle. More recently, it was discovered that humans could also contract vCJD from blood transfusions.

## "Theranostics" and "Pharmacogenetic"

The term theranostics describes the use of diagnostic testing to diagnose the disease, choose the correct treatment regime and monitor the patient response to therapy. The nascent market for theranostic products is creating opportunities for both the pharmaceutical and diagnostic industries. Pharmacogenetic testing is the alternative to "one size fits all" and "trial and error" prescribing. Knowledge of patient drug metabolizing gene variants, found in more than half of patients, can help determine the appropriateness and dosage.

### About Chronix Biomedical

Chronix Biomedical is an innovative biotechnology discovery and development company that is taking human and veterinary disease-specific information developed using its core technology, detection of nucleic acid sequences in blood and other biological fluids, and identifying associated sentinel expression profiles for use in developing assays associated with the prevention, diagnosis, and treatment of a variety of chronic and catastrophic illnesses.

As a biosciences discovery company, Chronix Biomedical is using its innovative technology to address the medical challenges associated with neurological, immunological, cardiovascular, and cancer-associated illness. For more information, please go to [www.chronixbiomedical.com](http://www.chronixbiomedical.com)

### About Keiretsu Forum

With more than 350 members, Keiretsu Forum is the largest North American angel investor network of capital, resources and deal flow. Keiretsu Forum members are accredited private equity investors, venture capitalists and corporate/institutional investors who invest in high-quality, diverse investment opportunities in emerging technologies, IT and software, life science/healthcare/biotech, real estate, media/entertainment, consumer products and any segment with high-growth opportunity. Since September 2000, Keiretsu Forum members have invested in 67 companies with over \$40MM. Keiretsu Forum has established chapters in Southern California (Los Angeles, Westlake Village, Orange County and San Diego), Northern California (San Francisco East Bay and Silicon Valley), Boston/New England, Chicago/Midwest, Dallas/Fort Worth and Calgary, Canada. For more information, please visit [www.keiretsuforum.com](http://www.keiretsuforum.com)

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