Epinex Diagnostics, Inc.

CREATING A REVOLUTION IN DIABETES MONITORING AND DIAGNOSTICS

Safe Harbor Statement

EPINEX DIAGNOSTICS

This investor presentation does not summarize all of the matters relevant to or necessary for a person to make an investment decision concerning Epinex Diagnostics, Inc. (“Epinex” or the “Company”). Accordingly, prior to making any investment decision, prospective investors and their advisors should conduct their own due diligence investigation of the Company, including asking questions of, and obtaining additional information from the Company concerning its business and prospects, the terms and conditions of any potential investment and any other relevant matters. This presentation contains forward-looking statements, including financial projections. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential,” and similar expressions. The forward-looking statements reflect the Company’s current views with respect to future events and are based on assumptions and are subject to risks and uncertainties.

The forward-looking statements set forth in this presentation are the Company management’s projection of possible future operations, developments, and results based upon numerous assumptions, and are dependent on many factors over which the Company has no control. The Company cannot guarantee that any of the assumptions on which forward-looking statements are based will prove to be correct, or that it will achieve the results set forth in the forward-looking statements.

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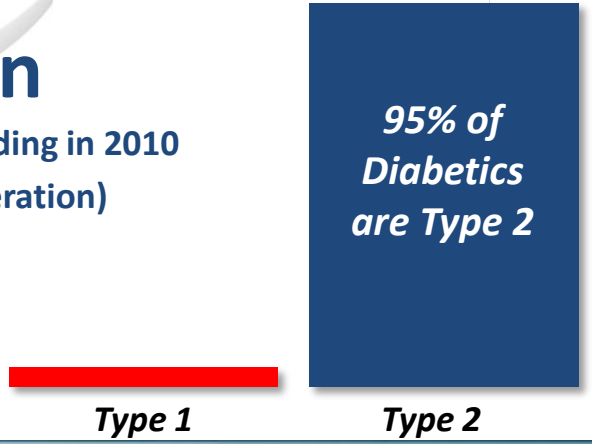
Diabetes is a Global Epidemic

$465 Billion

Total Annual Diabetes Care Spending in 2010
(International Diabetes Federation)

$174 Billion

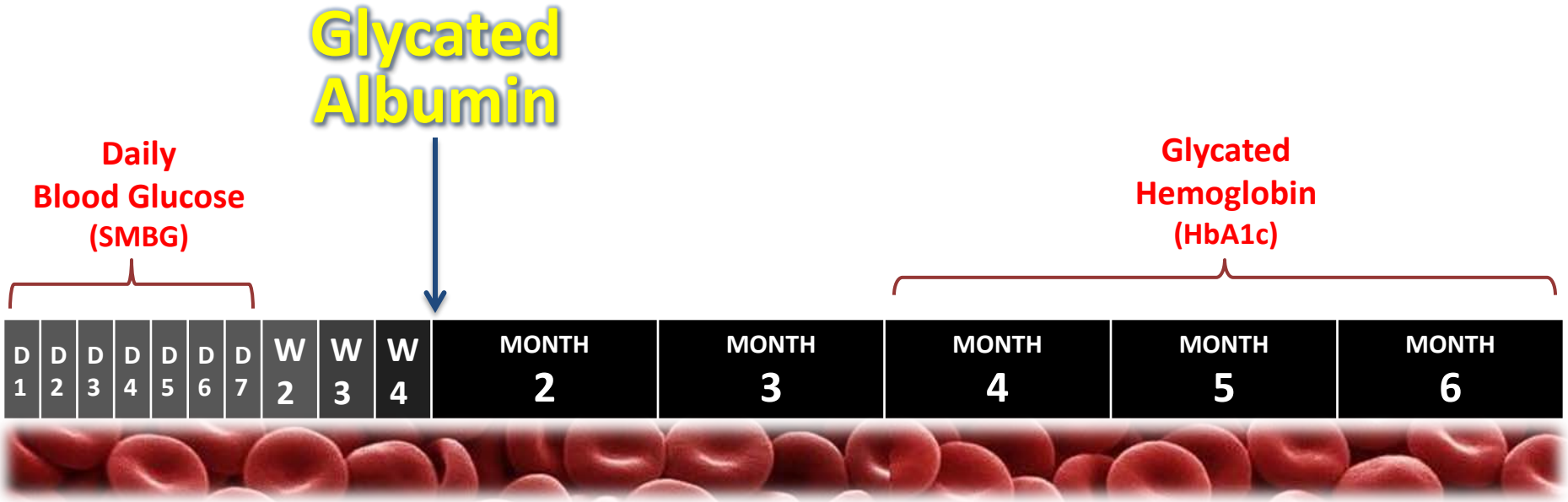
Total Estimated Diabetes Costs in US in 2007
(National Diabetes Information Clearing House, NIDDK NIH)



Epinex Mission

Provide effective diabetes screening, diagnosis, and management through a single biomarker at the point of care.

Diabetes Monitoring Practices

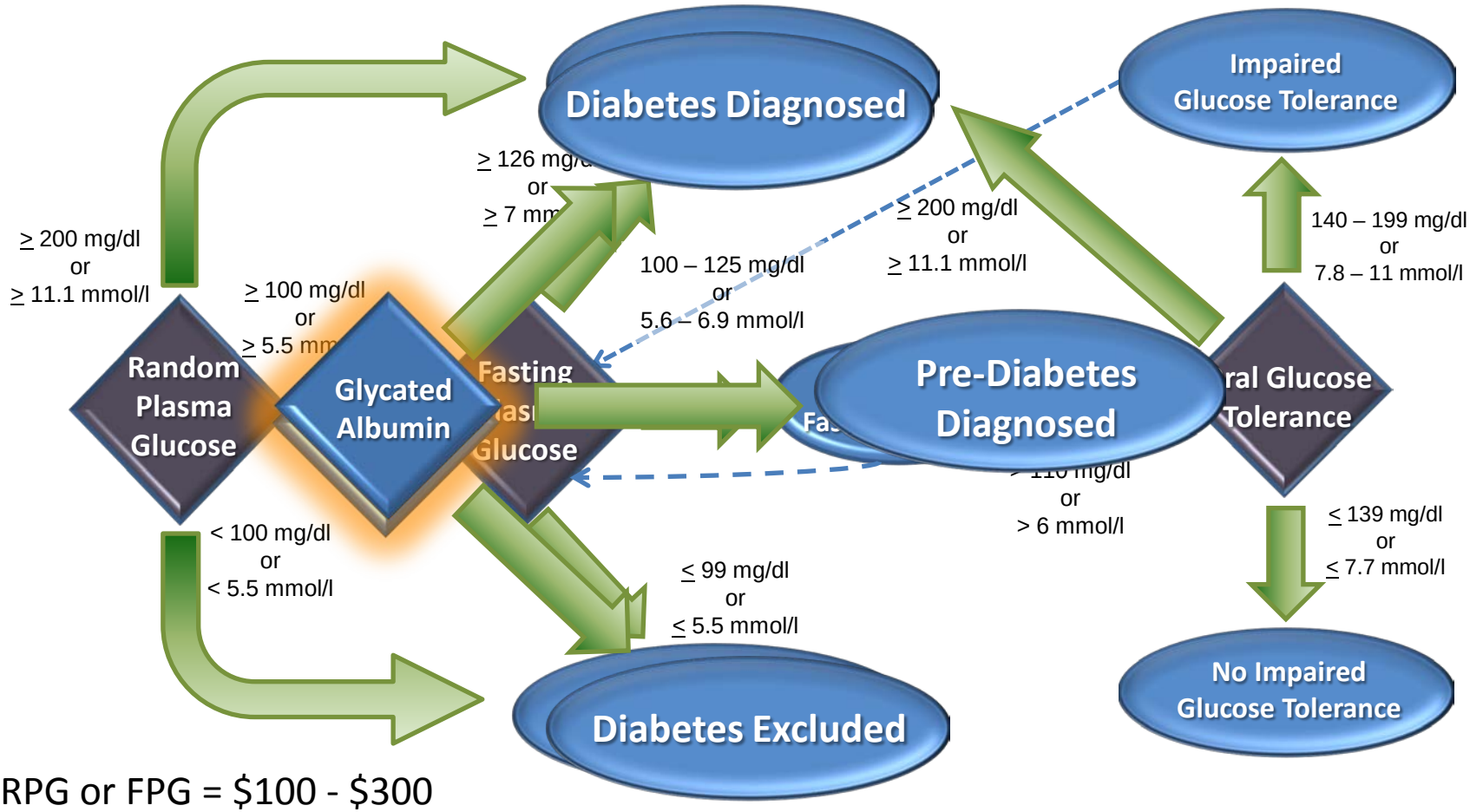


Painful
Expensive
Low Compliance
Ineffective

Accurate
Timely
Cost Reducing

Inaccurate
Unreliable
Delayed
Inadequate

Diabetes Diagnosis Algorithm



RPG or FPG = $100 - $300

(For each visit)

OGTT = $149 - $400

(sometimes not covered by insurance)

The G1A™ Test System

Screening • Diagnosis • Monitoring

Point-of-Care (POC)
G1A™ Test System

A Rapid Glycated Albumin Test

- Lateral flow immunoassay
- Disposable cassette
- Handheld reader and docking station

Monthly monitoring index

Enables early lifestyle/therapeutic intervention

Companion diagnostic

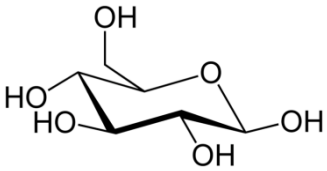
Healthcare savings

Why Albumin?

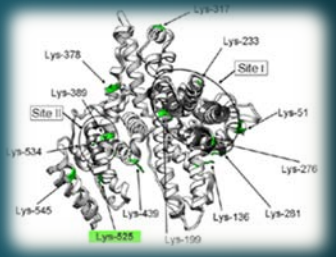
Regulates
fluid distribution

Transports
small metabolites

Provides
antioxidant activity



GLYCATION

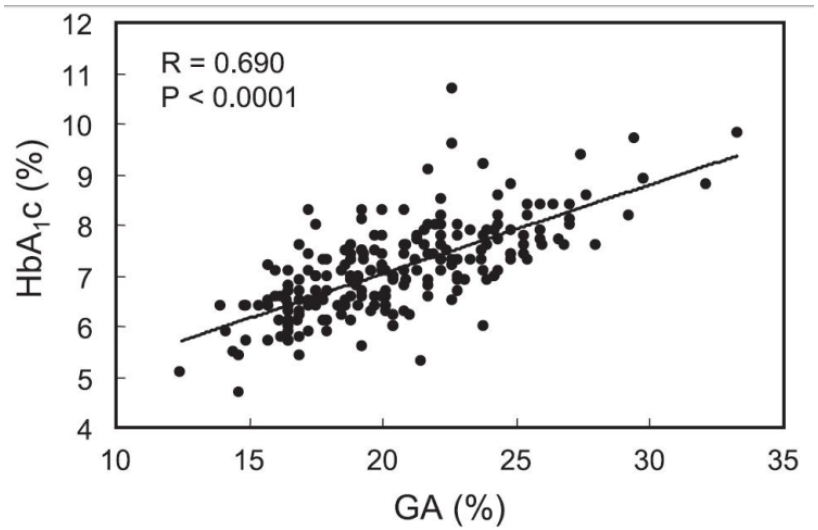


Alters
glucose metabolism

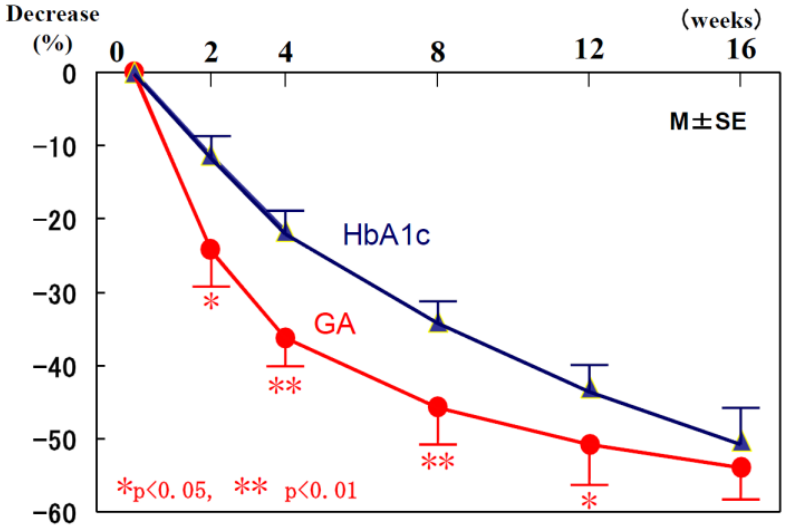
Alters
binding properties

Impairs
antioxidant capacity

Glycated Albumin as a Glycation Marker



Correlation of HbA1c levels with GA levels in 209 diabetic patients (Koga 2006)



Time course of % decrease of GA & HbA1c during intensive insulin treatment (Takahashi 2007)

Strong **linear relationship**

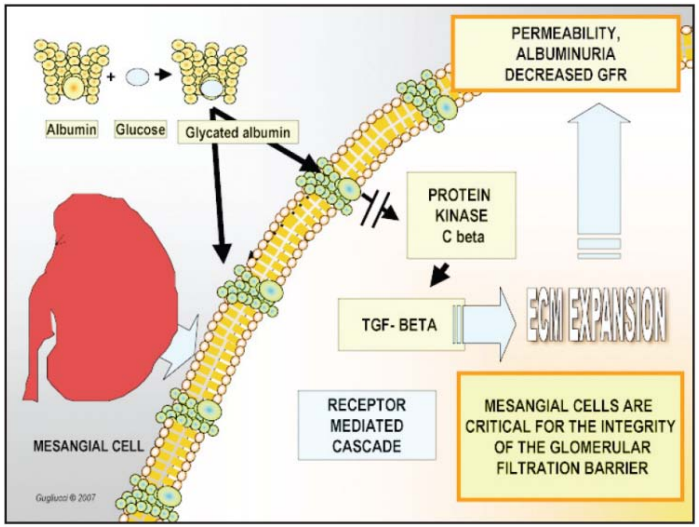
between GA and hemoglobin A1c

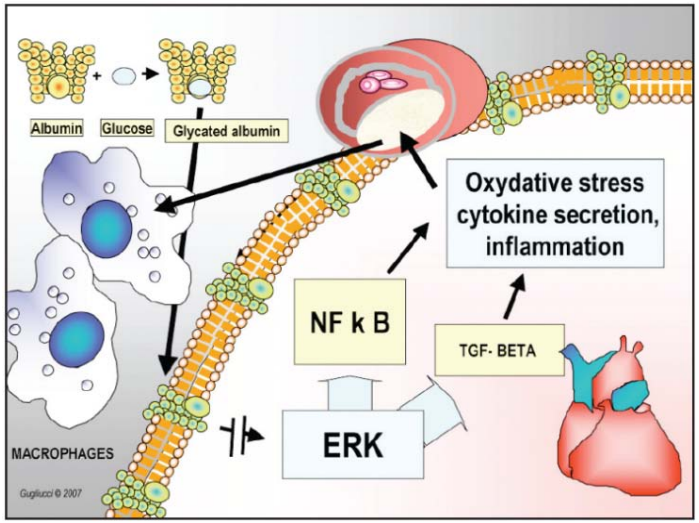
GA is **more sensitive**

to early changes in glycemia

GA is a “witness” to glycemic changes over the past 25-30 days

GA Causes Diabetes Complications





- Affects structure of mesangial cells
- Inhibits synthesis of nephrin
- Induces cell death
- Stimulates inflammatory pathways
- Promotes angiogenesis

GA is a “culprit” in the pathogenesis of diabetes complications

US Market Potential for G1A™

Screening/Dx
(33.6 million)

$840 million Annually

Pre-Diabetes
(79 million)

$1.98 billion Annually

Monitoring (DM)
(18.8 million)

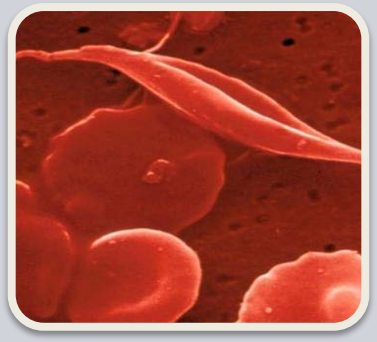
$5.64 billion Annually

Total US Market Potential ($25/test): $8.46 Billion

Meeting the Immediate Clinical Need

GESTATIONAL
180,000

HEMODIALYSIS
200,000



RBC DISORDERS
560,000

GERIATRIC
420,000

Over 1.3 million diabetics need G1A™ today

$70 million potential revenue with 15% adoption ($25/test)

Razor-Razorblade Business Model

Place Test Reader → **Sell Test Cassettes** → **Generate Revenue**

- Initial Cost: $600
- Place at no cost*

- Unit Cost: $3.00
- Sale Price: $25.00
- Gross Margin: 88%

$30,000

Annual cassette revenue per placement

(low usage estimate)

- 100 tests / month
- 5 tests / day

**With guaranteed minimum cassette usage contract*

Market Validation

GA test is a good tool for gestational diabetes

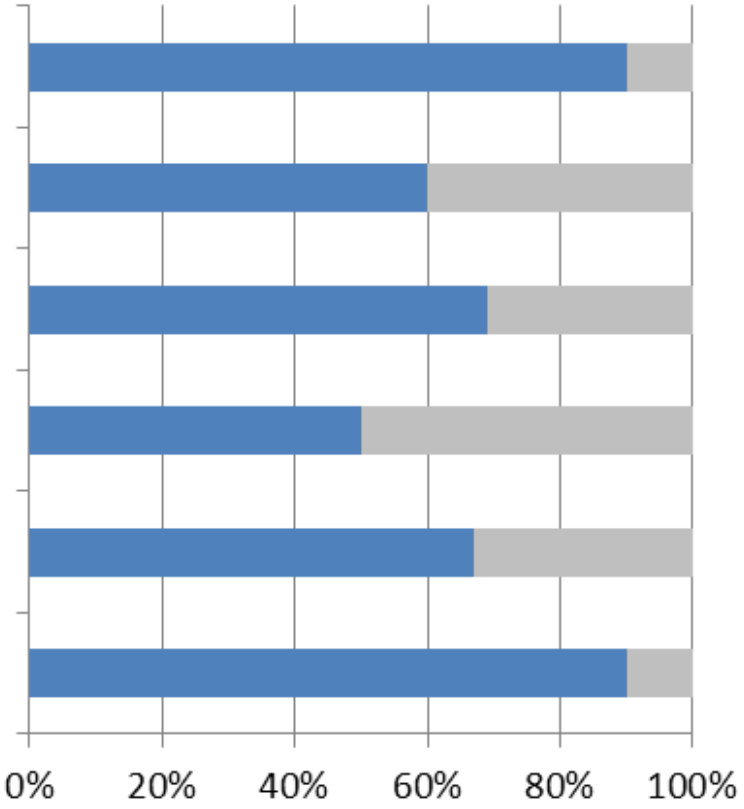
G1A™ can be used to screen patients with metabolic syndrome

SMBG could be reduced w/ reliable GA test

G1A™ should be done before FPG and OGTT tests

Wish to participate in further evaluation of G1A™ test

Interested in knowing more about G1A™ test



Survey of 3,500 Endocrinologists/Diabetes Specialists

(~10% response rate; margin of error +/- 6.5% @ 95% confidence level)

Reimbursement and IP

Reimbursement Codes

CPT Code #	Reimb. Amount	Testing Procedure
82985	$21.06	Glycated Protein
83036	$13.56	Glycosylated Hemoglobin (A1c)
83037	$34.00	Glycosylated Hemoglobin (A1c) POC/home use

Blue Shield of California

BlueCross of California

KAISER PERMANENTE®

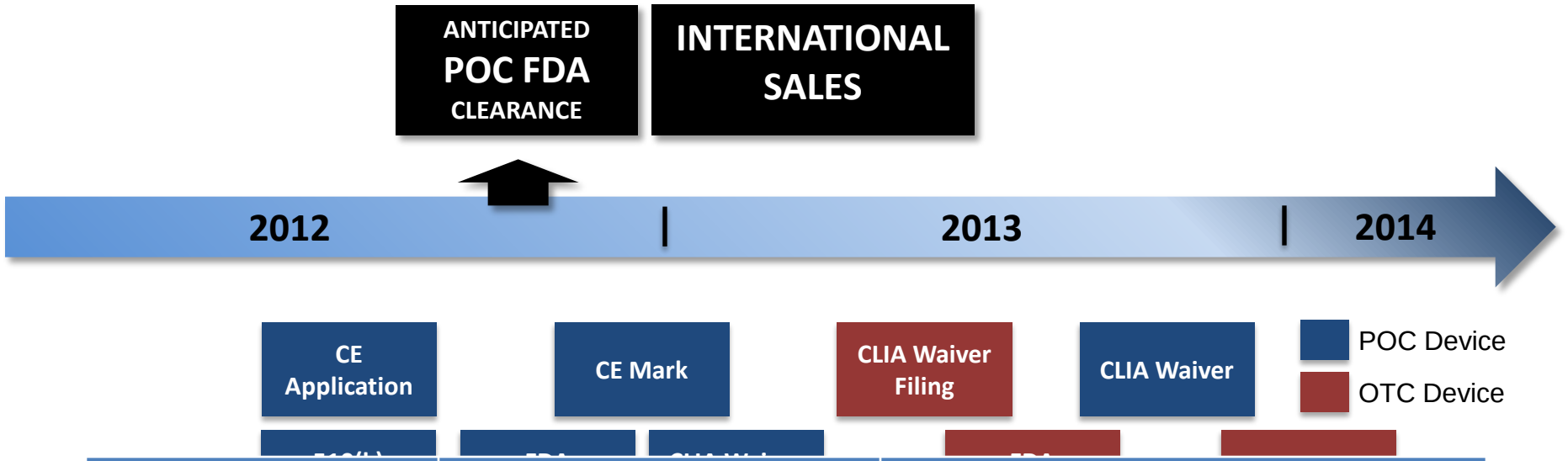
Private insurers: up to $80 for glycated protein testing

Select Patent Applications

Country/Agency (Application No.)	Patent Application Status
Canada (CA2510277)	Response to first Official Action has been filed
Japan (2006-527157)	Response and argument to first Official Action has been filed
US (12/221.429)	Pending: Aptamer-based POC GA test
US (12/344.416)	Pending: Rapid test for GA in saliva

US Patent granted in February 2010
European Patent granted in May 2011
Hong Kong patent registered 2011

Regulatory Pathway & Timing



Phase I (6 months)	Phase II (6-12 mos)	Phase III (12-24 mos)
500 patients	1,000 patients	2,000 patients
Establish correlative reference values for G1A™	Niche populations • Gestational • Hemodialysis • Hemoglobinopathies • Geriatrics	General diabetes population • insulin-dependent diabetics • non-insulin dependent diabetics

Milestones Completed

Product Development

- Intellectual property secured
- Conceptual testing completed
- Design refinements in process
- Proprietary antibodies developed – optimization in process

Funding

- $8 million – PPM and rights offerings
- $1 million – preferred shares
- $2 million – strategic investment (Korea)

Investment Opportunity and Use of Proceeds

$15 million needed for full market launch

- POC and OTC device development
- Large-scale clinical trials
- Product Launches
  - International
  - Niche Markets
  - General Diabetes Market

Category	Cost ($)
SG&A	5,309,000
Product Development	1,842,000
Regulatory and Clinical Validation Costs	2,250,000
Capital Equipment	613,500
Manufacturing	756,500
Sales and Marketing	2,139,000
Other expenses	1,440,000
Total	**15,000,000**

Experienced Management Team

Mr. Asad Zaidi
CO-FOUNDER, CEO, & PRESIDENT

- B.S. Biochemistry, B.S. Biomedical Engineering Sciences, University of California, Irvine
- Has been involved with the development of various in-vitro diagnostic and biomedical devices since 1973 in companies such as Shiley (Pfizer), C.R. Bard, Mitral Medical, Bicer Medical, and Medtronic

Henry Smith, Ph.D.
CO-FOUNDER & CTO

- PhD, Immunology – University of Leeds School of Medicine (England), B.Sc. – University of London, England
- Over 30 years of experience in developing medical diagnostic assays
- Several patents in the diagnostic field, including the methodology for the rapid glycated albumin assay

Jeff Byrd
VP, CORPORATE FINANCE

- B.A. Sociology, M.A. Communications, Stanford University
- 15 years of sales, marketing, promotions and management experience

Scientific Advisory Board

Dr. Alejandro Gugliucci, M.D., Ph.D.

Research Director and Biochemistry Professor at Touro University; world-renowned authority on protein glycation.

Pamela Comstock, R.Ph.; M.B.A.

Over 15 years of clinical and business pharmacy experience as Corporate Director of Pharmacy for Total Renal Care (Davita) and other healthcare companies.

Dr. Saul Ship, Ph.D.

25 years of marketing and management experience in the diagnostics industry, including 14 years with Bayer/Miles.

Dr. Salim Aziz, M.D., F.A.C.S.

A Clinical Professor of thoracic and cardiovascular surgery in the Department of Surgery at George Washington University Hospital, in Washington, D.C.

Dr. Alan W Carter, Pharm D.

Chair of the Kansas Diabetes Action Council. Provided disease management/formulary consulting for Argus Health Systems, Children's Mercy Family Health Partners, Johnson & Johnson Lifescan Division, LXN, Lockheed Martin Aerospace, and the US Army Research Institute of Environmental Medicine.

Dr. H. Vernon Roohk, Ph.D.

Over 30 years of experience as a biomedical and bioengineering researcher and consultant. Associate Clinical Professor in the Department of Surgery at University of California, Irvine Medical Center. Published widely in his research specialties and holds several patents.

Dr. Omar Ali, M.D.

Professor of Pediatric Endocrinology and Diabetes at the Medical College of Wisconsin in Milwaukee, Wisconsin. Former practice includes the Loma Linda University Medical Center, Loma Linda, California, and the UCLA-Mattel Children's Hospital, Los Angeles, California.

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