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WaferGen and Generex Receive IRS Grants

WaferGen Biosystems Inc and Generex Biotechnology Corp have received grants from the IRS and the Department of Health and Human Services under the Qualifying Therapeutic Discovery Project program established under Section 48D of the Internal Revenue Code. WaferGen, a developer of genomic analysis systems, was awarded \$244,500 whereas Generex was awarded two grants amounting to \$488,958.50.

WaferGen will use the grant to further develop its SmartChip genomic analysis platform to research on identifying diseases on a molecular level and therapy development for the diseases.

Generex received the grants under its immunotherapeutics subsidiary, Antigen Express Inc. It will use the money to develop two of its projects, namely the Ii-Key Her-2/neu Peptide Vaccine, for the treatment of breast cancer and the Ii-Key Her-2/neu Peptide Vaccine, for the treatment of prostate cancer.

WaferGen's SmartChip system is designed to better identify patient response and accelerate the process of introducing new therapies. This would reduce the healthcare costs in terms of research and standard of care for the US in the long run. The SmartChip system identifies and validates

gene expression biomarkers for multiple diseases using the technique of quantitative real-time PCR in a high-density nano-scale format. The objective is to discover and validate higher quality biomarkers for improved genomics analysis.

To improve treatment of cancer, researchers have to study the causes of the disease on a molecular level, identify accurate biomarker signatures and detect optimal therapeutic selection. WaferGen's SmartChip system enables cost-effective genome-wide scans and focused oncology pathway and microRNA panels to address each of these critical needs.

As for Antigen Express Inc, it is producing a proprietary vaccine that reduces the rate of relapse in cancer patients. The project has gone into its second phase which has been yielding positive results thus far. After Phase I trials on prostate cancer patients proved successful, Phase II is now underway where the vaccine being developed has shown very low toxicity and generated a good immune response.

The government established the Therapeutic Discovery Project grants to help fund projects that have a potential to:

1. Develop new therapies to treat areas of unmet medical need or prevent, detect, or treat chronic or acute diseases and conditions
2. Reduce the long-term growth of health care costs in the United States
3. Significantly advance the goal of curing cancer within 30 years

Grant allocations are also given based on projects that show the highest potential to create high-quality, high-paying jobs in the US, and to advance US competitiveness in life, biological and medical sciences.