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FOR IMMEDIATE RELEASE

UPMC Partners with Cernostics to Pursue ‘Precision Medicine’

PITTSBURGH, Aug. 31, 2016 – As part of its wide-ranging efforts to better target treatments to patients while reducing unnecessary tests and procedures, [UPMC](#) announced today that it is investing in and partnering with [Cernostics](#), an oncology diagnostics company whose unique technology enables so-called “precision medicine.”

Through [UPMC Enterprises](#), the commercialization arm of UPMC, the health system is the lead investor in a \$5 million round of funding by Cernostics to help it grow and accelerate its introduction of a new diagnostic test for people with an esophageal condition called Barrett’s Esophagus that can lead to cancer.

“This strategic investment in Cernostics not only gives us a stake in what the company already has developed but will give our physicians and scientists access to Cernostics’ advanced technology platform for potentially developing a wide range of precision medicine tests,” said Tal Heppenstall, president of UPMC Enterprises.

“Having a partner like UPMC—with its world-renowned clinicians, a broad provider network, an innovative insurance arm, and the technology and business expertise offered through UPMC Enterprises—is a huge advantage to an early-stage company like Cernostics,” said Chief Executive Officer Mike Hoerres. “We are excited by the possibilities of what we can achieve together to revolutionize patient care.”

Current pathology testing is a largely manual and subjective process, with pathologists studying tissue and tumor samples under a microscope. Using digitally scanned images of a biopsy slide, Cernostics’ advanced software provides measurement and analysis of more than 13,000 features for each patient sample—including multiple biomarkers, or proteins; and where precisely in each cell of the tissue they are present.

The information produced by Cernostics TissueCypher™ platform can then be used to provide physicians and patients with individualized, actionable scores indicating diagnosis, prognosis or response to therapy. In Barrett’s Esophagus, for instance, Cernostics has developed a test that identifies high-risk

patients who are almost 10 times more likely to progress to esophageal cancer within five years of biopsy vs. low-risk patients—something that is currently difficult to determine by standard pathology. This test could enable early intervention to prevent cancer in high-risk patients, and spare low-risk patients frequent and unnecessary endoscopies and treatments. Currently, about 3 to 4 million people in the U.S. are part of active surveillance programs for Barrett’s Esophagus.

Working together, UPMC and Cernostics hope to use TissueCypher to develop additional novel tests, beyond gastrointestinal conditions. “Our strategy is to assemble an array of technologies—including the Cernostics platform—that will enable UPMC to deliver precision medicine to our patients across a broad range of conditions,” said Mr. Heppenstall.

Based in Pittsburgh and Bethlehem, Pennsylvania, Cernostics has a long relationship with UPMC and the [University of Pittsburgh](#). The original work around risk stratification for patients with Barrett’s Esophagus was conducted in collaboration with Pitt, resulting in multiple peer-reviewed publications. And UPMC physicians have contributed to the clinical validation studies and are planning wider use of the test at UPMC.

In addition to UPMC, investors in the company’s latest round of funding include Novitas Capital. Previous investors include Geisinger, Ben Franklin Technology Partners of Northeastern Pennsylvania, and the Pittsburgh Life Sciences Greenhouse.

Building on UPMC’s 20-year track record of successful commercialization activity, UPMC Enterprises is dedicated to creating exceptional health care innovations that will have a measurable impact on the quality and cost of care. By partnering with innovators like Cernostics, UPMC Enterprises is focused on creating and commercializing solutions in four key areas: clinical tools that will transform the delivery of care, population health management that will be essential in health care’s move from volume to value, consumer-centric health care, and business services that improve efficiency.

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About UPMC

A world-renowned health care provider and insurer, Pittsburgh-based [UPMC](#) is inventing new models of patient-centered, cost-effective, accountable care. It provides nearly \$900 million a year in benefits to its communities, including more care to the region’s most vulnerable citizens than any other health care institution. The largest nongovernmental employer in Pennsylvania, UPMC integrates 60,000 employees, more than 20 hospitals, more than 500 doctors’ offices and outpatient sites, and a 3 million-member Insurance Services Division, the largest medical and behavioral health services insurer in western Pennsylvania. Affiliated with the [University of Pittsburgh Schools of the Health Sciences](#), UPMC ranks No. 12 in the prestigious *U.S. News & World Report* annual Honor Roll of America’s Best Hospitals. UPMC Enterprises functions as the innovation and commercialization arm of UPMC while UPMC International provides hands-on health care and management services with partners in 12 countries on four continents. For more information, go to [UPMC.com](#).

About Cernostics

Cernostics is a leader in tissue-based diagnostic testing, providing diagnostic tests with deeper tissue insights, better patient outcomes and lower cost of care. Our mission is to quantify the complexity of the tissue system, providing physicians and patients with individualized, actionable information to improve outcomes and reduce the incidence and mortality of cancer.

Our proprietary technology platform, TissueCypher™, uniquely analyzes whole slide digital images and is designed to provide greater information and accuracy than traditional tissue diagnostics. Cernostics' lead product, the

TissueCypher™ Barrett's Esophagus Assay, delivers the most comprehensive evaluation of esophageal cancer risk for Barrett's Esophagus patient's currently available, providing actionable information to gastroenterologists, pathologists, and patients. For more information, visit www.cernostics.com.

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