



Pittsburgh Life Sciences Greenhouse Proudly Announces Portfolio Company Cernostics is being acquired by Castle Biosciences

Cernostics was originally supported by PLSG seed funding

PITTSBURGH, PA. October 25, 2021/PRNewswire/ – [Pittsburgh Life Science Greenhouse](#) (PLSG) is proud to share that one of its portfolio companies, Cernostics, Inc., is being acquired by Castle Biosciences (Nasdaq: CSTL). Cernostics specializes in spatial biology and artificial intelligence-driven image analysis of tissue biopsies. Its TissueCypher® Barrett’s Esophagus Assay is the first precision medicine test designed to predict future development of high-grade dysplasia (HGD) and/or esophageal cancer in patients with Barrett’s esophagus (BE).

Under the terms of the definitive agreement, Cernostics will become a wholly owned subsidiary of Castle Biosciences. At closing, Castle will pay \$30 million in initial consideration to Cernostics security holders, which may consist entirely of cash or \$20 million in cash and \$10 million in common stock of Castle, at Castle’s sole discretion. The purchase price is subject to customary working capital and other adjustments. Further, up to an additional \$50 million in cash and/or common stock, at Castle’s sole discretion, is payable in connection with the achievement of certain milestones based on 2022 performance. The transaction is expected to close prior to year-end 2021.

“We are excited about joining forces with Castle, a leader in the precision diagnostics space with a strong history of commercial success,” said Mike Hoerres, Chief Executive Officer of Cernostics. “We are grateful for the PLSG’s financial and executive management support of our technology. Cernostics could not have gotten to this point without the type of economic development support the PLSG provides.”

“PLSG identified early on the value of the assay and worked diligently to provide the support needed for success,” said PLSG CEO Diana Cugliari. “We are so excited that this precision diagnostic will now reach more patients and bring early detection to prevent suffering from esophageal cancer.”

The influx of capital PLSG expects to receive from Cernostics’ acquisition will be reinvested back into the region to support the efforts of other life sciences startup companies, simultaneously cultivating scientific breakthroughs, strengthening our region’s economy, and creating jobs.

“The success of Cernostics once again underscores the mission of PLSG – perpetuating the cycle of life sciences startup companies from inception to commercialization and leveraging that success to grow the next generation of life sciences companies to enrich our region’s economy as well as advance scientific discovery. This is another great economic development success story for the region and for the Commonwealth of Pennsylvania, who have steadfastly supported our efforts,” said Ms. Cugliari.

Cernostics’ executive management team and other staff who are based in Pittsburgh are expected to stay with the company, and both laboratory and operations will remain in Pittsburgh.



*The **Pittsburgh Life Sciences Greenhouse (PLSG)** is a comprehensive life sciences economic development organization. We are dedicated to advancing life sciences in western Pennsylvania by building on the region's strengths in research, clinical care and life sciences entrepreneurship. We serve our community by providing knowledge, connection and capital to help companies grow, create jobs and improve the health of all humanity. For more information, please visit www.plsg.com.*

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