



NEWS RELEASE

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CATAPULT BIOACCEL FUNDS ARIZONA EARLY STAGE BIOTECH COMPANY

Kemeta to bring revolutionary palm-size fat metabolism analyzer to market

PHOENIX (Oct. 27, 2009) Catapult BioAccel, formerly named CatapultBio, has announced the funding of an Arizona-based early stage firm, Kemeta LLC, a company developing a revolutionary product for application in consumer health and medical markets.

“We awarded funding to Kemeta based on its innovative technology, market potential and the past success of its CEO,” said MaryAnn Guerra, CEO and board chairman of Catapult BioAccel, an Arizona-based nonprofit organization established this year to accelerate new scientific ideas, transferring them into commercial products and viable business ventures.

Kemeta, based in Mesa, Ariz., is developing a palm-size breath acetone analyzer that measures fat metabolism in a single breath. Acetone is the known breath biomarker for fat metabolism. Catapult BioAccel is funding a portion of the activities that will advance the product development with a \$200,000 grant from its New Venture Development Program (NVDP). This

validation process is a key step on the path to commercialization and involves several clinical studies specific to fat metabolism. Kemeta is collaborating with another Arizona company, Kronos Science Laboratories, to perform the clinical studies over the next several months.

“The funding from Catapult BioAccel is pivotal for us in terms of obtaining the data necessary to validate product-use claims in advance of submittal to the FDA for approval, a critical stage in the commercialization process,” said Dr. Joan Vrtis, CEO, president and founder of Kemeta.

Vrtis estimates Kemeta’s first product could be available to healthcare professionals and consumers in 2010.

Funding Gaps Stall Commercialization

While there are billions of dollars available for basic research, relatively little funding is accessible for the commercialization activities required to make new technologies more alluring for venture capitalists and other investors. With the grant, Catapult BioAccel fills one of two funding gaps for Kemeta that could prevent the commercialization of its technology. The first gap addresses the need for resources to transition from proof of concept to pilot product development. For Kemeta, this requires additional clinical studies designed to validate the use claims made for the product. The second gap addresses the pilot product development to final product commercialization and market launch, which is usually provided by venture capitalist. Although innovations by many startup and early stage firms are based on sound technology, further development is prohibited by the first funding gap.

Over the next several years, Kemeta could grow from its current size of four employees to approximately 50 and expand office, laboratory and manufacturing space.

Catapult BioAccel was created to stimulate the Arizona economy by creating new companies, jobs and preparing companies for downstream investors. Funding is currently provided by private philanthropy. In addition to funding, the organization also provides the expertise needed to transition a technology from the research lab to the commercial market.

“The knowledge needed to conduct successful research is vastly different than the knowledge needed to create and run a new company or obtain additional capital,” said Dr. Ron King, Catapult BioAccel president. “Catapult BioAccel uses its extensive network of scientific and business partners to assist with this transition.”

Catapult BioAccel’s first grant was recently awarded to Casework Genetics, a startup firm utilizing new technology licensed from TGen-UCLA research, to provide genomic-analysis techniques to enhance the capabilities of forensic investigators.

Fat-Metabolism vs. Weight Loss

“There’s no magic bullet when it comes to weight loss,” said Kemeta’s founder Dr. Joan Vrtis. “You can diet and exercise, but there is no cost-effective and immediate, real-time method to determine if your health and fitness program choice is actually working for you.”

Kemeta’s device has applications in both the consumer and medical fields as a motivational device providing immediate feedback on fat metabolism.

According to Vrtis, there is a stark difference between measuring weight and fat. “Weight is influenced by fluid fluctuation, muscle mass and fat-mass changes and is commonly monitored using a bathroom scale. Standing on a scale, you just don’t know the rate at which you’re burning fat,” Vrtis said. “Since fat loss is commonly the goal of a diet and/ or exercise regimen, monitoring the rate of fat metabolism provides more usable information. Our breath analyzer, which can be used throughout the day, will help monitor the rate of fat metabolism versus weight

loss, and provide the user or a physician with information that will help maximize fat metabolism. The breath analyzer simply tells you if your choice of diet and exercise program is working, and it provides this feedback in real time.”

Managing fat metabolism is significant to controlling long-term health and preventing weight related diseases directly related to obesity and excessive weight, such as type 2 diabetes, cardiovascular disease, hypertension, stroke, osteoarthritis and several cancers. The yearly U.S. healthcare expense for weight related diseases exceeds \$147 billion. In the United States, 127 million adult Americans (67 percent of U.S. adult population) are overweight, including an estimated 57 million who are diagnosed pre-diabetic and 18 million with diagnosed type 2 diabetes. It is well documented by the U.S. Center for Disease Control that a pre-diabetic that loses 7 percent of their body weight will reduce their risk of full blown diabetes by 58 percent. As 16 percent of U.S. children and adolescents are now obese, this population has seen an increase in type 2 diabetes, historically known as “adult on-set diabetes.” Therefore an easy to use product to monitor fat metabolism is needed. Kemeta’s system provides an accurate and affordable tool for improving health.

“Catapult BioAccel believes targeted support, as provided to Kemeta, can lead to innovation in health reform by driving healthy living versus treating chronic illness” said Guerra, Catapult’s CEO.

In 2007, Vrtis founded Kemeta and purchased The Dow Chemical Company breath analyzer assets, the technology at the heart of the breath acetone analyzer.

Kemeta is Vrtis’ second company. In 2004, she jointly acquired FlipChip International in Phoenix, an interconnect leader for medical and electronic applications, and was instrumental in its turnaround to profitability and market growth.

Catapult BioAccel is a fully independent nonprofit organization, based in Phoenix, dedicated to translating life science discoveries into new business opportunities that drive economic development by accelerating commercialization of technologies with a focus on diagnostics, therapeutics, devices, tools and services.

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