AMARANTUS BIOSCIENCE
Business Update Call
April-09-2015

Operator: Greetings, and welcome to the Amarantus BioScience quarterly business update call. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star-zero on your telephone keypad. As a reminder, this conference is being recorded. I would now like to turn the conference over to your host today Ms. Jenene Thomas, Head of Investor Relations. Thank you, ma'am. You may begin.

Jenene Thomas: Thank you, Latonya. Thank you for joining us this morning on the Amarantus business update conference call. Today's call and Webcast can be found on the homepage as well as the news and events page of the Investor Relations section of the Amarantus corporate Website under the IR calendar at www.amarantus.com and will be archived for 30 days. You will also find the presentation that we will be referencing during the call.

At this time, I would like to remind our listeners that remarks made during this call may state management's intentions, hopes, beliefs, expectations, or predictions of the future. These are forward-looking statements that involve risks and uncertainties. Forward-looking statements on this call are made pursuant to the safe harbor provisions of the federal securities laws. Information contained in the forward-looking statements is based on current expectations and is subject to change. And actual results may differ materially from forward-looking statements. And as a result, you should not place undue reliance on any forward-looking statements.

Some of the factors that could cause actual results to differ materially from those contemplated by such forward-looking statements are discussed in periodic reports Amarantus BioScience Holdings files with the SEC from time to time.

These documents are available on the Amarantus corporate Website and SEC Website, and we encourage you to review these documents carefully.

Joining me on the call today are Gerald Commissiong, President and CEO; Robert Farrell, CFO; and Dr. David Lowe, Member of the Board.

At this time, I would like to turn the call over to Gerald.

Gerald Commissiong: Thank you, Jenene, for the introduction, and thank you, everyone, for joining the conference call. We have a presentation here that's up on the Website that Jenene mentioned. And what we'll be doing here is going through exactly where we are with the company, what our financial situation is, what our plans are going forward, and most importantly, the pipeline that the company's assembled and plans for growth in the months and years to come.

Moving to slide four, what we have done over the last 12 to 15 months is really focus on delivering a solid and rich pipeline that will become the basis of future growth. In particular, we have established Amarantus Diagnostics Inc., a wholly owned subsidiary of the company that is strategically diverse and now could be its own standalone company within the walls of Amarantus.

Early last year, we in-licensed eltoprazine for the Parkinson's disease levodopa-induced dyskinesia. We spent 2014 and the early part of 2015 incubating that program and getting it ready for the initiation of the Phase 2b program in PD-LID.

We're very excited that this program is getting ready to start clinical development. And we expect to have data in 2016. We believe this could be an important catalytic milestone for the company.

In addition, in the fourth quarter of last year, we took an exclusive option agreement to ESS, which is a potential revolutionary treatment for severe burns. This initiative involved a number of risks that we successfully navigated. And we're now in a position to complete the acquisition of the asset and initiate mid-stage clinical studies this year.

Finally, our MANF program that was the basis of the company's founding has made tremendous progress in the last 12 months as well. We were previously focused on Parkinson's disease alone and, in the last 12 to 15 months, have added a number of orphan ophthalmological indications that have dramatically increased the value of the asset and put it in a position where we can move it towards first-in-man studies with reasonably well-defined endpoints in clinical indications with little to no competition.

Moving to slide five, let's talk a little bit about the fundamentals that were built. Eltoprazine is a platform for the company for growth. What we did in the last year is execute the strategy of assembling these undervalued clinical stage assets. And eltoprazine I think represents the best example of this as we were able to acquire an entire pipeline of neurology and psychiatry-focused programs.

The opportunistic potential acquisition of ESS diversifies--is potentially diversifying the pipeline. The MANF orphan ophthalmological strategy is really getting us to market as fast as we can get in that asset class.

With the diagnostics division, we were able to commercialize LymPro and expand the Alzheimer's diagnosis market into blood in the investigational set.

We also acquired MSPrecise, which is a potential revolutionary diagnostic for multiple sclerosis that really enables the overall Amarantus Diagnostics business strategy with near-term commercial opportunities.

And finally, we've positioned the company to control a significant share of this emerging Alzheimer's blood diagnostic market via an exclusive option agreement with Georgetown University.

What I will do now is turn the call over to Bob Farrell, who will be able to review the company's financials as well as the outlook for the company's funding going forward. Bob?

Robert Farrell: Thank you, Gerald. Let me begin by first addressing our historical results for 2014. In 2014, our research and development costs increased significantly over R&D costs in 2013. R&D costs in 2014 were $13.7 million compared with approximately 2.1 million in 2013.

This increase of approximately $11.7 million resulted primarily from 7.2 million of in-process R&D costs relating to the Lonza transaction and our planned acquisition of the ESS technology for the treatment of severe burns.

And a significant portion of that cost, $3 million, was a noncash expense paid for with shares of the company's common stock.

To a lesser extent, our increase in R&D costs in 2014 was also attributable to startup clinical expenses and other clinical costs incurred in connection with our LymPro program and also our eltoprazine program, and the eltoprazine program, which is a product that we acquired in 2014 and didn't--was not in the company in 2013.

In addition, in R&D costs, we also had some increases in consulting and stock-based compensation.

Now, going into early this year, in the first quarter this year, we completed another acquisition, which was the acquisition of Diogenix for approximately $8.9 million. So, again, in the first quarter this year, we will book significant in-process R&D expense. However, 8 million of that $8.9 million R&D cost was a noncash expense, again paid for with shares of the company's common stock.

As a result of this acquisition, we now own MSPrecise, which Gerald mentioned is an important revolutionary new product for the diagnosis of multiple sclerosis.

Now, in 2014, we also saw an increase in G&A expenses. G&A costs in 2014 were approximately $7.6 million. This was an increase of approximately $4 million over our G&A expense of 3.6 million in 2013.

This increase was primarily due to IP acquisition costs and patent-related legal costs as well as key hires that we made to fill out our executive management team.

Now, let me speak a little bit about looking forward, what we're considering in terms of strategic initiatives. We're now evaluating a number of initiatives and options available to us to both fund our product development programs and position the company for an eventual listing of our shares on a national exchange.

We are not contemplating any additional product acquisitions at this time.

With regard to the eventual uplisting to a national exchange, we regard this as a key corporate goal that will increase the company's visibility among institutional investors and provide improved access to capital markets. And we are actively engaged in discussions with a number of financial partners regarding the execution of our uplist strategy.

Another important initiative that we are evaluating is a potential sale, joint venture, spinoff, or IPO of our diagnostic division. This division now includes both LymPro for the diagnosis of Alzheimer's disease and MSPrecise for the diagnosis of multiple sclerosis.

Also within that division, we have an option to acquire additional important diagnostic products from Georgetown University.

The diagnostics business is a very valuable asset in its own right and represents a significant potential source of funding should we choose to divest it. At this time, we are in active discussions with a number of potential financial partners regarding the best near-term strategy for monetizing this asset.

We are pursuing both our eventual uplist strategy and the potential monetization of our diagnostic division in parallel with the goal of identifying a path forward that will be in the best interests of all our shareholders long term.

Now, as many of our listeners may know, I was formerly CFO of Titan Pharmaceuticals, a company in the biotech sector. And I worked there for over 14 years. Titan had a business strategy similar to ours here at Amarantus. Titan acquired or in-licensed a number of technologies and clinical programs and had success in monetizing several of those programs through subsidiary IPOs, asset sales, joint ventures, and corporate partnerships.

Here at Amarantus, we have acquired a number of potentially high-value assets in each of our diagnostic and therapeutic divisions. And we are now beginning the process of realizing that value, first, with our diagnostics division, which we may spin out, sell, or partner in some fashion, and in coming months, with our therapeutic products eltoprazine and ESS, which will create value as they conclude the Phase 2 studies, which will be initiated later this year and become positioned for potential corporate partnerships or out-licensing opportunities.

In my experience, this is a proven risk-mitigating strategy for value creation. I am very confident in the potential of the assets that we have assembled. And I look forward to

executing upon our strategy of bringing these products forward in the development process to points where each of these products can be successfully monetized.

At this point, I'll turn the discussion back to you, Gerald.

Gerald Commissiong: Thank you, Bob. Moving to slide nine and looking at the therapeutic division, and we want to focus first on the therapeutic division because, as Bob outlined, we are looking at a number of potential transactions around the diagnostic division that will leave the company in a position to really focus and narrow our focus on the therapeutic development, which we believe will be the cornerstone of growth, potential catalytic growth in the years to come.

What have we done? Well, first, following the in-license of eltoprazine, we wanted to make sure that we added scientific credibility to the program. And what we accomplished there was the publication of Phase 2a results for the elite program in Parkinson's disease levodopa-induced dyskinesia in one of the top neurology journals *Brain*.

We added regulatory credibility into the program by opening an IND with the neurology division of the FDA to advance eltoprazine into Phase 2b clinical studies.

Going forward, we intend to add data credibility to eltoprazine by furthering the development of this program through Phase 2 studies and outlining a path into Phase 3.

In addition, we have spent considerable amounts of the capital that Bob recently discussed on patents and improving the patent position of the company. And we believe we're in a very good position to dramatically improve the IP in the near term that will increase the value of the asset significantly.

For MANF, we've gone along a similar path. We have improved the regulatory aspect of MANF by receiving orphan drug designation in the United States for retinitis pigmentosa. We've submitted a number of applications for orphan drug designation, both in the U.S. and in Europe, for RP in Europe and for retinal arterial occlusion in Europe and in the U.S.

And all of those applications are supported by data that we've generated over the last year, so really shifting the focus from Parkinson's with a focus in ophthalmology while maintaining an active Parkinson's program that itself has made significant strides.

With respect to ESS, we entered into this exclusive option agreement with Lonza Walkersville to acquire their subsidiary to Cutanogen Corporation, holder of the licensing rights to intellectual property related to ESS for the potential treatment of severe burns.

As part of that transaction, there were a number of risks that we mentioned, most notably the dismissal of a litigation that was previously valued at over $1 billion that was encumbering the value of ESS. With that litigation dismissed, we believe the true value of ESS can be uncovered in the months and years ahead.

In addition, we have a very good relationship with Lonza. And we were able to amend our option agreement to allow for the extension of the option period through August 31st, providing the company with sufficient time to evaluate and execute on one of our strategic financial options to provide funding for the company going forward.

I think it's important when we look at this therapeutics division and understand the path that the company's taken to think a little bit about why we did what we did when we did it.

The ESS acquisition to a number of shareholders seemed to be out of left field. And it was really at a time when the company was evaluating our therapeutics versus our diagnostic strategy. Throughout the course of the last 24 months, we've evaluated dozens of therapeutic in-licensing opportunities, each with their own respective value proposition that was compelling in one way or another.

We focused really on assets that were largely clinically derisked, had a relatively straightforward path to market, and were in some form of special situation that largely masked the true value of the assets. And one of the things that we focused on in particular was a strong knowledge of the need for the treatment of interest in our therapeutics division.

After several months and finally coming to put ourselves in the position to acquire ESS, we made the strategic decision in the fourth quarter to really focus on becoming a therapeutics-focused company. And that is part of the reason why we sought to package our diagnostics into its own subsidiary for spinout and was part of the reason for the following transactions that came thereafter.

That sets the stage for thinking about how are we going to uncover the value of the assets we have? So, going forward, if we move to slide 10, I will ask David Lowe to come on the line briefly and really go through in some detail the eltoprazine program that we have, which is now a key focus of the company, moving that into Phase 2b for Parkinson's disease levodopa-induced dyskinesia and, notably and important, similar characteristics in terms of the value of this clinically derisked and valuable program that can be catalyzed with a few key events, many of which we've already accomplished, and a couple that are here to come.

David, can you please talk to our shareholders somewhat about the Phase 2b program for eltoprazine and how the study will be conducted in the year ahead?

David Lowe: Yeah, sure. Thanks, Gerald. Just a few precursor comments, perhaps just for those on the line that maybe don't know my involvement in this eltoprazine program over the last four years and in fact in the Phase 2 trials that were done with the compound. So, you know, I come to this with some preknowledge of the program. I think that's important.

Gerald mentioned, you know, looking for assets that were clinically derisked. And on slide 10, the first point, which is that eltoprazine has actually been looked at, examined in 682 humans, which is a mix of volunteers and patients, and in fact Solvay, the original discovers of the molecule, now Abbvie, of course, you know, did some studies up to two years of dosing.

And the safety profile is really pretty benign. And importantly, for me, as a drug hunter and drug developer, the pharmacokinetics are really very, very good. They're linear. They show little variability between individuals and so on.

So, right now, as you know, we're focused on Parkinson's disease, L-DOPA-induced dyskinesia. This is a huge medical need currently unserved. The Fox Foundation, the Michael Fox Foundation, have published numbers on this. And just in terms of market size, you know,

you're looking at something between 700 million and perhaps 1 billion a year just in the United States.

So, the commercial outlook is extremely high. It is an unmet medical need. There isn't anything registered by the authorities currently. Amantadine is getting some traction, but it's basically off label.

So, the previous studies that were done, just to summarize, were some studies in aggression by Solvay. And we think that this has some future potential in, for example, Alzheimer's disease aggression.

ADHD, adult ADHD, which again is a very interesting indication, we put that currently on the back burner but have plans to return to that because there are positive Phase 2 data on the attention and hyperactivity/impulsivity indices in ADHD.

And the trial that we're now focusing on, as you know, is Parkinson's L-DOPA-induced dyskinesia. And as Gerald mentioned, we were successful recently in opening the IND in neurology with the neurology division. On actually March the 26th, we were given the green light. So, that's a major breakthrough.

We've done many other things, of course, as well, some of which will be obvious to those experienced in drug development. We've requalified API. We've got capsule drug products available. We've actually done some rather interesting PK modeling, pharmacokinetic modeling, to get a better idea of how we could optimize the dosing of eltoprazine. And that's based on massive previous pharmacokinetic data.

We've produced an electronic ECTD, which was then filed with the FDA. We've had written feedback from the FDA. We've incorporated that into the protocol and into the IND. And as I said, we have been given the green light by the FDA.

And this is the neurology division. There is still an open IND for investor benefit with the psychiatry division of the FDA. And that would be one used for the adult ADHD trial, which we are starting to now plan in parallel.

So, now, turning to the PD-LID trial, it's a Phase 2b, multicenter trial, randomized double blind, placebo controlled. It consists of four periods in crossover mode. And it's basically a dose range-finding study, a classical Phase 2b study I would say, to evaluate efficacy, safety, and tolerability in the treatment of levodopa-induced dyskinesias under long-term treatment.

The reason for this is that the Phase 2a was actually shorter treatment. So, we feel like we want to really extend the treatment time. Each dose arm will actually consist of 21 days. And they will be actually two doses administered to patients, two capsules per day I mean, spaced out by a certain period of time, which has been defined by the PK modeling that we did.

There'll be about 15 sites involved, both in the U.S. and Europe. And as I said, the aim, the objectives: to evaluate efficacy in reducing L-DOPA or dyskinesia, to define a minimal effective dose, and the doses have been selected based on the modeling, as I said.

We'll be looking at the effect of eltoprazine on the efficacy of L-DOPA as well. So, obviously, you want to reduce dyskinesias without affecting the efficacy of L-DOPA. And we introduced another interesting innovation I think you could say, which is the use of kinesia objective motor assessment.

There are now mechanical devices that are linked up to sophisticated IT devices that allow one to objectively measure dyskinesias. And part of the idea is, here, to compare those objective, if you like, physical readouts of dyskinesia with patient diaries. And this actually was a topic--I can't go into all the detail, but seems to have had a lot of resonance with KOLs because, whilst patient diaries are still obligatory and FDA requirement, it will be really good to actually get a

hard handle on the correlation between kinesia objective motor assessment and these patient diaries.

So, that's basically--the clinical assessments will be for the dyskinesia. It's the Unified Dyskinesia Rating Scale. And for the assessment of--clinical assessment, it'll be the UPDRS, which is the Unified Parkinson's Disease Rating Scale, which is approved by the Movement Disorder Society. So, those are two sort of classic readouts.

And then, in addition, there'll be the sensor-based kinesia system measurements. And then there'll also be the patient diaries, as I mentioned before. So, it's a four-way crossover, placebo controlled. And the overall aim is to prove that what the most active dose is under longer-term dosing than we've done before in PD-LID, obviously with other indications that have been much longer periods of time. So, we're very confident that this will carry forward and that that will then enable us to design potentially with a partner--if the data is interesting to partners, it will be obviously important to get into business development discussions and design a Phase 3 parallel design type of trial.

So, we already have a very good idea of actually how that will look. And we'll be using the statistical data coming out of this trial to get a clear handle on the powering needed for a Phase 3 trial. That's obviously another main goal in a Phase 2b trial like this.

So, Gerald, I think that gives the investors hopefully some clearer idea of how the trial design looks, what the overall goal is, and how it might segue forwards into Phase 3.

And as I just mentioned right at the beginning, it's important to know that we are in fact in parallel elaborating plans for adult ADHD as well as looking potentially at Alzheimer aggression because that is clearly based on KOL input, an important part of Alzheimer therapeutics going forwards.

So, Gerald, back to you.

Gerald Commissiong: Thank you, David, for that synopsis. Certainly, with the recent acquisition of Avanir, we completely agree that the market is starting to recognize the value of the Alzheimer's aggression program. So, going forward, we are focused on PD-LID with eltoprazine, despite the fact that we do have other opportunities in addition that add additional value to eltoprazine.

In the primary and focused lead program of Parkinson's disease, let's just speak a little bit about the market opportunity. There are over 1 million Americans who have Parkinson's disease. It is estimated that anywhere between 60 and 80 percent ultimately become diagnosed with

dyskinesia as a result of repeated and increased dopamine L-DOPA treatment over time. There are also 60,000 new cases of Parkinson's disease diagnosed annually. And that number is expected to increase as the baby boomer population increases past the age of 65.

The total cost to the United States is estimated at about $25 billion. The key unmet medical need when you speak with key opinion-leading positions is dyskinesia. However, eltoprazine does have the potential to address other symptoms associated with Parkinson's, including cognition as well as various psychiatric measures.

We believe, according to the Fox Foundation, that the market opportunity for a branded product in dyskinesia exceeds $750 million annually in the U.S. We have strong patent protection for eltoprazine. And we have the new chemical entity regulatory pathway, which provides additional exclusivity. As a result, we believe that the Phase 2b program for eltoprazine could truly be transformational for the company in deriving significant value and could, as David mentioned, lead to a corporate partnership based on that Phase 2b data.

Moving to slide 12, we will talk briefly about our MANF program. While the company has made the strategic decision over the last 18 months to bring in clinical stage assets because their value is generally more recognized by the marketplace. That does not mean that we have forgotten about MANF.

We continue to believe that MANF has blue-sky potential and has a rich pipeline in its own right. It's a potential paradigm shift in cell protection and cell restoration with a multibillion-dollar opportunity.

We focused the development of MANF in the orphan ocular areas, specifically because we believe this represents the fastest path to market. Retinitis pigmentosa, where we already have an orphan designation in the U.S.; retinal artery occlusion, which is an acute indication that we're currently in front of the regulators in the U.S. and in Europe for an orphan drug designation; and Wolfram's syndrome, in particular the ocular aspects of Wolfram's syndrome, have recently become high priorities for the company as some of our academic collaborations that we've seeded over the last couple of years in furthering the MANF program are starting to bear fruit. And we hope to be able to share additional information with respect to Wolfram's in the near future.

Potential other indications for MANF include Parkinson's disease, as a disease-modifying treatment for Parkinson's; diabetes, beta-cell protection; myocardial infarction, where we are identifying and targeting the reduction in infarct zone size following a cardiac event; hearing loss, where we're looking at hair cell regeneration and protection, where we have an ongoing collaboration with the University of Massachusetts.

We recently also received some data with respect to wound healing from our relationship with the Buck Institute. And this was part of our interest in wound healing that brought us to ESS, as well as several other apoptosis-related disorders that we're not disclosing, for which we have some preclinical data, and we have academic collaboration discussions ongoing.

As you can see, the MANF program really does represent a potential game-changing, value-building event that could take the company long term. And we've positioned the company with clinical-stage assets in front of it to be able to nurture MANF along, allow the focus to be on the clinical-stage assets, while MANF matures into a clinical-stage orphan program.

Finally, on the therapeutic assets, we'll talk briefly about ESS. We have an option agreement on ESS, which we hold with Lonza. Lonza's obviously one of the largest manufacturers of biologics in the world and has all the necessary capabilities to ensure that this product is manufactured appropriately.

ESS in an autologous, skin graft replacement for 50-plus percent total burn surface area severe burns, we're talking here about full-thickness dermal and epidermal layer burns that cover over 50 percent of the body. It has a biologic/drug regulatory pathway in the office of combination products.

It has received orphan drug designation. There's an active IND as of May 2014. This program has been substantially funded by the government. And there is a $725,000 remaining grant with AFIRM.

There are, on average, 2,000 patients per year. And within this ultra-orphan indication, we think that this represents a significant market opportunity due to average cost of treatment as well as the significant additional cost of complications.

There are potential secondary applications for this product in other areas related to skin replacement. And we expect, upon completing the acquisition from Lonza, to be in a position to initiate a Phase 2 clinical study in midyear 2015.

We're very excited by this ESS asset, in large part because we believe that this represents a truly transformational potential treatment for severe burns. And we're very excited to be able to be part of the process of helping bring this to patients moving forward.

We will now focus on our potential spinout or other strategic transaction in our diagnostics division. We believe that this represents a potential paradigm shift for the company as we have, for the last year and change, been focused on bringing assets into the company, which

has involved the expenditure of shares and the expenditure of cash, to really build the rich pipeline and to nurture these products along.

In the case of Amarantus Diagnostics, this process started over two years ago. And we've achieved what we think is now critical mass by the nurturing development of our LymPro program, allowing us to attract other assets, which really create critical mass in this area.

You'll notice that we've created a new logo for Amarantus Diagnostics to really distinguish it from Amarantus BioScience Holdings. This is the first example of our business model now moving towards outbound and cash and value generation for the parent.

And that's why we're focused on a potential exit strategy to truly unlock its value. We're exploring strategic options. And these strategic options are really built upon the value of the assets within the diagnostic subsidiary as well as how these assets become complementary to create a true business. And that is what the company hopes to be able to capture a piece of with respect to one of these strategic transactions because we recognize that the value of Amarantus Diagnostics is likely going to increase substantially as the revenue generated from these assets increases, as we achieve regulatory and commercial milestones that further increase the revenue potential in the years ahead.

And as a result, we recognize that making the difficult decision now to focus on the therapeutic assets that the company has and is in the process of acquiring, while leaving some potential money on the table from all of the value that is being created in diagnostics to challenge it. But, we think it's a necessary event in order to put the company on solid financial footing to achieve our strategic objectives going forward in the therapeutic division.

With that, we have our LymPro test for Alzheimer's disease. We have MSPrecise. And we have the Georgetown assays for which we have exclusive options.

On slide 16, specifically speaking about what we've done, in the last several months, we've presented positive univariate LymPro data at the 12th International Conference on Alzheimer's Disease and Parkinson's Disease and Related Neurological Disorders.

We've established the first investigational use only Alzheimer's biomarker services collaboration with Anavex Life Sciences, a biotechnology company with a very interesting mechanism of action for their Alzheimer's disease drug candidate that sits upstream from amyloid and Tau and therefore fits very well with the scientific underpinnings of LymPro. We believe that we can add significant value to this program.

We also entered into a letter of intent with Anavex. The plan for the additional scope for biomarker services in their potential upcoming Phase 2 or Phase 3 or Phase 2/3 program. They have an ongoing Phase 2a program and are already beginning to plan for the next phase of development of the asset. And we believe that this is exactly the type and timing of collaboration that we can become a part of.

We also announced the availability more broadly that the LymPro test is available for investigational use only for other pharmaceutical programs. And this has generated significant amount of interest, as I'll talk about in a moment, from companies that are now beginning to plan for their next phases of development.

We've recently seen in the news media a significant interest in Alzheimer's therapeutics, especially Alzheimer's therapeutics related to proteins and related to amyloid and related to Tau. And we believe that LymPro really represents a potential significant opportunity to add value to those programs.

With MSPrecise, we completed the acquisition of Diogenix. We think that will bolster the near-term revenues in 2016 and 2017 and really create a substantial revenue pipeline in addition to the Alzheimer's diagnostic IUO market. And we've integrated Diogenix into our corporate

infrastructure, an obvious and important step to taking this asset and truly generating value from it.

Also, with Georgetown, we entered into a one-year exclusive option agreement to license rights to exosome-, lipidomic-, and proteomic-based blood tests for Alzheimer's. Adding these tests to our LymPro test we believe will put Amarantus in the unique position of being able to offer in parallel blood-based biomarker services for Alzheimer's therapeutic companies that will allow them to evaluate a number of important modalities in Alzheimer's disease as we understand more about the disease and the mechanism of action of drugs that they're developing.

As we think about LymPro and how LymPro was able to position the company to both acquire MSPrecise, add the Georgetown assays to the division, it really largely is about the business strategy. There are few if any other investigational use only Alzheimer's blood tests on the market today. This is a nascent market that is beginning to emerge.

In 2013, Amarantus was one of the only players with any kind of blood test being discussed as an option. In 2014, we saw a number of potential other academic groups generate data that was meaningful in this area. And we have taken a foothold with an exclusive option agreement on many of those assets. As a result, we've really positioned ourselves to be a leader in this field going forward.

In addition to the IUO market for which LymPro's currently available, we're completing the multivariate analysis to support the CLIA pathway. Originally, when we were contemplating the commercialization of LymPro, we believed that CLIA and IUO could be done in parallel. It turns out that it was really best for the company to focus on the IUO pathway, as that's where we will get initial traction, and thereafter focus on the CLIA pathway, which is now something that we're completing.

We started a robust business development initiative for the IUO market in the fourth quarter, initially at the CTAD Conference, where significant announcements were made in Alzheimer's disease. And we were able to interact with senior executives from many pharmaceutical companies.

Moving forward, we've hired Ravi Kiron, who has a significant background in establishing CNS biomarker services, having been at Kinamed for several years and built a pipeline of CNS collaborations. We believe that Ravi's experience and networking capabilities, as recently evidenced this week at the Neurotechnology Industry Organization Conference that took place here in San Francisco over the last couple days, are really going to allow us to complete the sales cycle that started in the fourth quarter with initial contracts.

We've signed a number of confidentiality agreements with both large and small pharmaceutical companies. We are in the process of due diligence with many of those companies. And of particular interest is the next set of data that will be coming out. So, that's something that we are very excited about going forward. Thereafter, we will need to finalize negotiations and then move forward with completing transactions.

And as a result of this sales cycle, which was initiated in the fourth quarter, and therefore, we're already in the middle of that sales cycle, and we're actually very pleased that we were able to get our first customers so early in that sales cycle, we believe that there's significant potential for additional customers later this quarter as well as in the second half of 2015. And we intend to continue on with our business development strategy in this regard.

As far as MSPrecise, on slide 18, this represents a compelling commercial opportunity. And this is in part one of the reasons why we acquired Diogenix. It's a highly differentiated diagnostic that will significantly improve the paradigm in MS as an adjunct to standard of care. And this is very important because the first generation of MSPrecise will be a cerebral spinal fluid test.

What's important to note about that is that oligloclonal banding, which is one of the current standards in MS, is also a CSF test. As a result of oligloclonal banding being a CSF test, we can take that same test article used in oligloclonal banding and use it for MSPrecise. That is one of

the objectives now as we begin to think about how to market MSPrecise under the CLIA pathway.

We believe there are peak sales potential in North America of roughly $300 million. And this will really come primarily from roughly 200 MS clinics that will allow for economical selling and marketing strategy to be executed.

We have strong intellectual property with an issued U.S. patent. There is the potential down the road for a transition to a blood test as a second generation. And we're excited for this prospect.

Importantly, once this test is in the marketplace, the CSF test, there is a strong pharmacoeconomic rationale for reimbursement because there are in fact several MS treatments, very effective MS treatments on the market that have a number of side effects. So, to the extent that there's a high misdiagnosis rate that can lead to potential significant adverse events, a true diagnostic that will ensure that these treatments are going to patients that actually have the disease is dramatically needed. And we believe that we can fill this gap.

The initial regulatory pathway is an LDT pathway under CLIA. As a result, we don't envision a significant regulatory impediment to getting this into the marketplace. The company is

currently evaluating various strategic options, as Bob outlined, including partnerships, to allow for the launch of this test in the fourth quarter.

And importantly, as part of this acquisition, there was a $7.5 million tax credit from the State of New Jersey that the company is now actively involved in evaluating monetization strategies as well as looking at competing options from other states that could allow the company to derive value from that asset.

So, we're positioning this division on slide 19 as a potential market leader in neurodiagnostics. We believe that we have a commercialization process that is strategically relevant for MSPrecise with strong pharmacoeconomic rationale, a CLIA commercialization pathway, and peak sales potential once in the marketplace that will be driven largely by reimbursement.

We've positioned the company as a leader in the Alzheimer's blood-based biomarker services. And we believe that the test that we have will allow us to distribute in the U.S. and Europe and support these clinical trials by major pharmaceutical and small pharmaceutical companies in the $150 million IUO market, while also positioning the company to grab the lion's share of a large $3 billion commercial opportunity.

This is the reason, because we have this dual strategy with near-term commercial revenue as well as long-term commercial revenue with MSPrecise followed by the Alzheimer's assays, that we feel we're in the position to somehow monetize this asset to fuel the growth of the company going forward.

And we've taken significant steps to prepare for this. We've retained an executive search firm to identify a CEO so that, if we have to do an IPO or an RTO or some other self-focused transaction, we'll have a real leader in the field who has experience in bringing products to market, taking this asset forward as it requires significant expertise and experience that the company is currently recruiting to truly realize the value from this asset.

We've also retained Ravi Kiron as Head of Business Development, previously discussed. We promoted Colin Bier, who has a wealth of scientific, technical, and product development experience as the role of Chief Development Officer to oversee the commercialization process of the company's assets under CLIA.

As I mentioned, we retained a consulting firm to allow to divest the $7.5 million tax credit that we attained via the Diogenix acquisition. And we've established an Alzheimer's disease diagnostics scientific advisory board with three world-renowned experts, including Dr. Jeff Cummings from the Cleveland Clinic.

Going forward, we're also establishing an MS diagnostic scientific advisory board that will allow the company to gain traction deeply within the MS market.

As we mentioned and Bob mentioned, we're accelerating this exit strategy as a priority. And we're looking at our strategic options in this direction that will allow us to focus on internal resources on the therapeutics division.

So, for 2015, what are our expected milestones? We expect to initiate the Phase 2b clinical study of eltoprazine as well as complete the enrollment by the end of the year. We're hopeful to complete the acquisition of Cutanogen Corporation from Lonza and thereafter initiate a Phase 2 study in midyear 2015 for ESS.

For MANF, we have progression towards first-in-man studies, where we're waiting on orphan drug designation from the EU. We--for retinitis pigmentosa. We plan to initiate the GMP manufacturing for MANF, which is roughly a 12- to 15-month process that will then allow the company to initiate first-in-man studies. And following that, we also are awaiting responses from the FDA and EU with respect to our RAO orphan drug applications.

Our focus now on the financial side is to execute on the strategic transactions that will allow for monetization of our diagnostics division so that we can focus on our therapeutics and an eventual pursuit of a national stock exchange listing for our common shares that we believe will allow us to attract institutional shareholders, diversify the shareholder base, and give the company maximum flexibility to negotiate with potential partners to create true value from the fundamental scientific, medical, and commercial value that we're creating via our R&D expenses.

With that, Jenene, that concludes the presentation aspect of the conference call. And I will turn it back over to you.

Jenene Thomas: Great. Latonya, can you please give the instructions for participants to dial into the Q&A?

Operator: Sure. Thank you. At this time, we will conduct a question-and-answer session. If you would like to ask a question, please press star-one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star-two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. Once again, that's star-one to ask a question at this time. One moment while we poll for our first question.

Our first question comes from Jason Napodano with Zacks. Please proceed with your question.

Jason Napodano: Morning, everyone.

Gerald Commissiong: Hey, morning, Jason. How you doing?

Jason Napodano: Doing well. Thanks for the thorough update. Let me start off with the diagnostic division in LymPro. You mentioned that the first sale into the IUO market with Anavex came early in the process. I'm wondering if you could give us a sense of how those conversations went and what your selling efforts are. Do you have--well, I know you don't have a sales staff. But, how are you pursuing new potential customers? How did the Anavex relationship come about? And what kind of can we expect through the remainder of the year in terms of signing up more customers for the IUO market?

Gerald Commissiong: Sure. Well, if you'll notice, when you look at the scientific advisory board for Anavex and for Amarantus, we do share some common advisors. And this is in fact one of the reasons why we brought on these advisors because of their extensive network with various pharmaceutical companies. So, that's the initial introduction in so far as there's strong science and scientific interest in Anavex's sigma-1 agonist work.

One of our own scientists Dr. Roman Urfer, who works under the neuroassets umbrella, had previously worked in the sigma-1 field and was particularly interested in the potential of sigma-1's role as a chaperone and orally available chaperone.

We began to look at the science behind this in the area of Alzheimer's disease combined with the emerging science of the LymPro test and cell cycle dysregulation. And there was an immediate scientific fit.

After a period, we looked at a lot of the animal data, both for the sigma-1 in general as well as for Anavex's compound, and where this could potentially fit within the shift of LymPro's paradigm. And we felt that it was a good fit.

Thereafter, it took several weeks to negotiate and do due diligence, after which, shortly after the BIO CEO Conference, we were able to come to terms on what the path forward would look like, given that Anavex is in the middle of a study and couldn't alter the design of their current study to add LymPro.

So, we felt that the best opportunity was to work on some mechanistic aspects initially as they complete their study and prepare for their next study.

Jason Napodano: Okay. And so, then in terms of signing up new customers, is it the kind of thing where you guys are scouring the market for potential Phase 2 assets and then doing your own work internally to seeing whether or not they'd be a good fit and then approaching those companies, or is there kind of a--I don't want to say more simple approach or more cost-effective approach that you've got planned for the future?

Gerald Commissiong: Yeah. For the future, it's really all about relationships. And this is one of the reasons why we brought Ravi in. You know, if you look at the targets that are being looked at in Alzheimer's disease, you know, there's Tau. There's amyloid. And then there are some, you know, base compounds and other types of amyloid-related compounds that are generally the ones that are leading the space.

The importance of sell cycle in the amyloid story cannot be more important. And so, for us, we know who the companies are. And luckily for us, Ravi already knows many of the principals at these companies. So, we're going to be catalyzing our business development activity with his hiring.

So, we've got a very good handle on what the programs are where LymPro would be a very strong strategic fit already. This was part of our competitive intelligence, which started last year at AAIC.

We started the business development effort in November. We already are at the NDA stage or past the NDA stage in the due diligence with a number of companies. And once we have this next set of data, there will likely be another round of due diligence. And we expect that some of those to funnel into agreements, although we're not exactly certain at what time that will happen, in large part because they are also planning their studies and will have to include LymPro in their study-planning sessions.

And so, that's really the stage that we're at now, evaluating which studies LymPro would make sense for and how to fit it into the therapeutic pipelines of whichever collaborative partners we'll be working with.

Jason Napodano: Okay. Let me turn to the Georgetown asset. You've got a one-year option to acquire that product. Can you give us the sense of, over the next 11 months or so here that the option is still active, what you guys are evaluating with respect to that asset and what you would like to see from your findings internally that would encourage you to move forward and then, conversely, what you need to do to convince Georgetown that they should move forward

with the relationship in terms of your commercial planning and your, you know, essential--you know, commercialization plans for the asset?

Gerald Commissiong: Sure. Well, you know, obviously, David is on the line here. And he was a key link in helping the company get access to these Georgetown assets. What we're doing right now is we're looking at sponsored research with Georgetown to further some of the science and parlay this into a commercialization strategy, very similar to what we already did with LymPro with respect to analytical validation.

So, you know, we have a leg up in terms of actually already having done this, which I think is one of the reasons why Georgetown chose Amarantus over other companies who've actually not done this.

In terms of how we're thinking about how these assets are going to fit in, from a scientific perspective, it's going to allow companies to look at different aspects of Alzheimer's disease. And we'll be able to offer these in parallel.

So, one of the reasons why we're accelerating this strategic initiative in the diagnostics division is we believe that a strategic transaction will allow for the execution of the option itself and bring those assets into whichever newly described entity is moving the diagnostics forward.

And that's important because we want to begin to really derive true value. And in the first quarter, we sensed, and I think the end of the quarter really pushed this, that there's a lot of interest in really moving Alzheimer's programs forward.

When you look at what Biogen did in their study that was successful, they had 150-ish patients. They screened 1,500-ish patients. So, they screened 10 patients to get to a single patient that was actually enrolled in the trial. And obviously, a 10-for-one ratio is very high.

To the extent that we can reduce this, we can not only reduce the cost of enrolling, but more importantly, dramatically reduce the time that it takes to enroll, especially in large clinical studies. So, that's where the value is. And that's a large part of the discussion here when you're thinking about later-stage Phase 2 and Phase 3 programs. For Alzheimer's disease, the time to recruitment is extremely valuable. And that's where we think we can add a lot of value.

For us--.

Jason Napodano: --So, that--.

Gerald Commissiong: --Sorry. Go ahead.

Jason Napodano: No, no, I was going to say the bio--I think that that was a great example. I mean, the Biogen, we saw that data recently. And you know, I didn't know that their enrollment--screened enrollment was 10 to one. So, I think that's a very interesting point you just made.

Gerald Commissiong: Right. And that's one of the reasons why we feel we're in a position to really be able to accelerate this. When we looked at this from a business model perspective, and we've even spoken to some venture capitalists about this, the issue with just the standalone diagnostic is that, one, pharmaceutical companies might want to work with not only one diagnostic but a suite of diagnostics for their internal risk-mitigation purposes. And that creates data issues for those pharmaceutical companies.

So, to the extent they can work with one entity that has multiple diagnostics in it, that dramatically simplifies the partnering process for them and the addition of this into their clinical trial as well as data management.

But, too, and more importantly, we all know that Alzheimer's has gone through boom and busts. Something is hot. There are a lot of trials that get started. All of a sudden, there's a big

failure. Trials slow down. And so, that risk is the same risk that we saw as far as establishing sustainable business. And we really mitigated that by the MSPrecise acquisition.

And so, that's why we feel that, now, in this diagnostic division, this thing is packaged to be able to really get value because there's a true sustainable business by the synergy with the MS diagnostic and the Alzheimer's diagnostic.

Jason Napodano: Let me ask you a question about eltoprazine because I really think that's an interesting asset. And Phase 2b data has certainly been an inflection point in the valuation for a lot of CNS-focused companies. So, I'm intrigued by the potential here with eltoprazine.

I think my question on the asset is I haven't seen a lot of big pharma interest in LID, let alone Parkinson's disease that we just mentioned. You know, big pharma and big biotech has done a lot of work in Alzheimer's, certainly in depression and schizophrenia and things like that, but not a ton of work in Parkinson's. And I haven't seen a LID deal.

So, I'm wondering if, Gerald or Dr. Lowe, if you could give us a sense of what--you know, you talked about the trial and the data that you hoped to generate from that trial. But, I'm wondering if you could give us the sense from a partnering standpoint what specifically will attract big pharma to this asset. Is there a true interest in the LID market from big pharma, or

do you need to, even if you generate positive data in LID, show potential in some of these other indications, like adult ADHD or Alzheimer's aggression before eltoprazine really becomes something that could attract a big pharma partner and then create a major valuation inflection for the company?

Gerald Commissiong: Sure. Well, one, I'll just briefly say Novartis was involved in the development internally of the PD-LID asset mavoglurant. So, there has been actual big pharma involvement. But, you are correct. Most of the development in PD-LID has either been from small or mid-stage companies.

And so, right now, we are in discussions with a number of pharma companies to understand how they think about the LID indication. And I'll let David speak a little bit further after this. But, certainly, we think that true compelling data in LID, that is not just an extended release version of an already approved drug but something that is truly a LID treatment itself, does represent value, especially if you can show that it doesn't interfere with the on-off times of therapeutics, such as L-DOPA.

David, why don't you give your perspective on the issue?

David Lowe: Yeah. It's a really good question. So, I think one thing to point out is that Parkinson's is actually becoming more and more addressed by the pharma industry. And there are a number of interesting targets, for example, alpha-synuclein that being processed and prosecuted. And that gives hope for, you know, disease modification. But, that doesn't mean to say that L-DOPA won't still be needed. It certainly will be needed.

And so, there's more, you know, interest--I think increasing interest in Parkinson's in general. The absence of any meaningful treatment for LID I think has been one of the problems that you're kind of targeting here or issues that you're targeting. And I think it's just something that really is efficacious and clinically meaningful. And we think the Phase 2a data and the data we'll generate will show this, you know, will be attracting more and more interest.

I think Parkinson's is an age-related disease. It's definitely on the increase. The Michael Fox Foundation has done a phenomenal job at bringing attention to the emerging problems that age-related brings and that, you know, there's not really too much other treatment out there, apart from L-DOPA and dopamine agonists. But, L-DOPA's the main one.

So, you know, the figures speak for themselves. And I think there's another point as well, which is the quality of life that these people have. It's not just--I mean, it's really pretty devastating. So, that has impact on caregivers. That has impact on economic issues within families and so

on and so forth, so, you know, I think also the National Institute of Health getting more and more interested in this as an area.

Yes, as Gerald said, we have to keep in dialogue with big pharma, constantly giving them updates. And we're doing this. I think having a BD guy now onboard is going to help that tremendously as well. So, all in all, you know, I think there's nothing like having a successful drug. Then people will start getting interested in the field, and we'll be able to see maybe a big growth of this field.

Gerald Commissiong: Right. And just lastly, I'd like to, you know, remind you that, in the area of Parkinson's, it's not only big pharma but also mid-stage pharma as can be recognized by Civitas's acquisition by Acorda. So, it's--you know--.

David Lowe: --Right--.

Gerald Commissiong: --The market is not from--you know, for partnerships, it's not just the big pharma. There are also mid-stage companies that will take a risk on, you know, Phase 2b, Phase 3 ready programs. And we're also very much in contact with those companies.

David Lowe: Right. I think that's a very good point. Neuron is another example.

Gerald Commissiong: Right.

David Lowe: Yeah.

Jason Napodano: So, let me ask one last questions on ESS. And then I'll jump out. The option period has been extended. I'm wondering if you can give us a sense of why the option period has been extended or what's taking so--what seems to be taking so long to close the deal. What additional money, in terms of the option payments, that you're making are going towards the preparation of the trial? I think that's important to know.

And then the last part of the question is, you know, where are you with going back to AFIRM to potentially reopening grant funding for this study or for additional studies?

Gerald Commissiong: Okay. So, I'll just note that I have some prepared specific FAQ questions that we cleared with Lonza. So, I'll be kind of reading directly from those. Why did we get the option? We're currently evaluating multiple financing options in order to bring sufficient capital into the company to execute on the business plan. That was outlined by the potential monetization of the diagnostic. And that--those options are going to allow us to complete the ESS transaction.

The transaction's currently awaiting IRB approval. And that's also important because we think that that will be a value-driving event as that will pave the way for the clinical trial to start.

Part of the proceeds of every option are going to prepare for that mid-stage study. As a result, we think and Lonza believes that we'll be in a position to start the study midyear this year. And we're anticipating closing this transaction potentially in the second quarter.

So, you know, those are essentially the prepared remarks. The monthly option payments that we're making and have been making since the beginning, part of the proceeds have been going towards the preparation of the study. And that was very important as that was at a key time in the development of the ESS program that really was one of the reasons why we were able to get in and get this asset.

I hope that answers your question.

Jason Napodano: Can you just give us any sense on AFIRM and what potential--?

Gerald Commissiong: --Oh, yeah--.

Jason Napodano: --Potential there is to go back to them?

Gerald Commissiong: Yeah. So, there's $725,000 remaining of a roughly $3 million AFIRM grant. Previously, ESS received other government funding. And upon acquiring Cutanogen Corporation from Lonza, we will have a robust effort to continue those discussions to support grant funding with multiple government organizations.

And I'll just note that you can go to the Internet and evaluate what was previously out there. And we will be continuing our efforts along the same lines.

Jason Napodano: Gotcha. Thank you.

Operator: Our next question comes from Jeffrey Stephens with International Infusion. Please proceed with your question.

Jeffrey Stephens: Hey, Gerald. How's it going?

Gerald Commissiong: Hey.

Jeffrey Stephens: I am curious, if possible, why you guys are monetizing the diagnostics right after you just acquired some of the technology.

Gerald Commissiong: Right. A very good question. We believe in the case of Amarantus Diagnostics that the path created by the near-term MS revenues via the Diogenix acquisition really opens up the investment window into a stable profitable business.

At the same time, because we got this tremendous opportunity for ESS, we had to make a strategic decision about how best to focus our limited resources and, at the board level, made the decision that we wanted to focus on being a therapeutics company.

As we looked at becoming a therapeutics-focused company in the fourth quarter, we felt that the diagnostics division was still a one-trick pony with LymPro. And so, we needed to add some meat to that bone and create critical mass. And that's one of the primary reasons why we completed the MSPrecise acquisition as well as broadened those assets from Georgetown via the exclusive option.

So, that's really the reason why we're going to be monetizing the asset soon because we know that we needed to create critical mass in order to get value for them and believe that the business strategy in bringing these assets together added significant value beyond just the

value of the asset itself. And that's one of the things that we think we're going to be able to bring to the table in terms of creating value for shareholders.

Jeffrey Stephens: Okay. Gotcha. Well, also, I would like to say it's a good sign watching you buy on the open market. So, that's very encouraging. And that's it.

Gerald Commissiong: Absolutely. Thank you. I believe in the company. I believe in the direction of the company. And certainly I'm happy to put my money where my mouth is.

Operator: Thank you.

Gerald Commissiong: Next question?

Operator: The next question comes from Richard Galterio with Ascendant Partners. Please proceed with your question.

Richard Galterio: Hi, Gerald. Very interesting presentation. You seem to have a knack for acquiring very compelling situations. I'm actually very interested in the ESS. I'd like for you to talk to me--I know that there's been a lot of previous work out there. What can you comment

on the previous ESS data that was generated from your perspective? And will that help you moving forward as you move it down the clinical pathway?

Gerald Commissiong: Sure. Again, these are from the prepared remarks with Lonza. We conducted significant due diligence for over 18 months in the evaluation of ESS technology, market opportunity, and potential transaction. We reviewed published data as well as poster presentations, and importantly, data submitted to the FDA regarding this product.

We believe that the data previously generated under physician-sponsored IND provides a strong rationale for further development in well-controlled corporate IND environment. And that's exactly what we're going to do.

Richard Galterio: Okay. And take us to--I mean, how were you able to position the company to acquire this asset? I know it's had a little bit of an interesting background. But, how were you able to get in the mix of this and acquire it? Take us through that.

Gerald Commissiong: Sure. On our board of directors sits one of the cofounder of Amgen Dr. Joe Rubinfeld. He was previously involved in a number of assets, including EPO when he was at Amgen. He invented amoxicillin. He's just been involved in a wealth of drug and drug-related activities.

He became extremely interested in MANF several years ago. And through the biology of MANF and the relationship that we established, he made us aware of another technology that he was involved with.

When certain events occurred with respect to the product, we were fortunate enough to be in a position to conduct due diligence on the asset where perhaps many other individuals were not in the position to do so. And as a result, we had a priority position and were able to insist and ensure that this product would be moved forward from where it was, assisting with unencumbering the asset from the previous litigation as well as potentially helping it move into clinical development.

So, really, I would say it boiled down to relationships that the company established with key scientists and executives in the field that allowed the company to get access to this. And this is really similar to what we did with Dr. Lowe, who's now on our board of directors, who positioned the company to bring in eltoprazine, strong relationships with investment banking groups, allowed the company to bring in MSPrecise.

So, we've been very fortunate in so far as the scientific and medical brain trust at Amarantus, has bought into the business strategy of acquiring clinically derisked assets and incubating

them, and as a result has brought some unique opportunities to the company with clinically derisked highly valuable assets that can be catalyzed with what we feel is a reasonable investment.

Richard Galterio: Okay. Thanks very much.

Operator: Our next question comes from Mick Cooper with Edison Group. Please proceed with your question.

Mick Cooper: Hi, good morning. First of all, with MANF, you've talked about going out of a fast route to market with orphan drugs. But, the big, big opportunities in those huge blockbuster indications that MANF also has potential with, what plans to have taking those forward? And what plans do you have for potentially partnering the product to go into the likes of diabetes?

Gerald Commissiong: All very good questions. Certainly, we believe that the orphan pathway is the fastest pathway to market. We also believe that it represents a significant commercial opportunity. With that being said, we cannot ignore the diabetes market or the cardiovascular market because those markets do represent massive commercial opportunities.

So, our strategy has been to focus our limited resources on the fastest path to human proof of concept, which exists in the area of orphan diseases, and see if the data generated in some of those orphan diseases could also be viable in larger indications.

A prime example is in the ophthalmological universe. Data generated in ophthalmological indications in the area of orphan could also be applied to diseases such as glaucoma as well as dry and wet age-related macular degeneration. So, that's one pathway where an orphan strategy could lead to a much larger potential opportunity.

Another potential example is Wolfram's disorder, where we have an ultra-orphan indication with a number of phenotypes, including ocular, auditory, neurodegenerative, as well as diabetes. So, the concept that MANF could be effective in Wolfram's-induced diabetes could be of significant value in creating data for the overall diabetes indication for MANF.

And so, that's one of the reasons why we've really chosen this orphan strategy, not because it's only the orphans themselves, but data generated in some of these orphan indications could actually lead to proof of concept in larger therapeutic indications.

Mick Cooper: Okay. And then to follow on with the diagnostics space, can you give us any guideline over the timelines for divesting in part at least the diagnostics. And also, quick--just simple one, if--what's the misdiagnosis rate in--for MS?

Gerald Commissiong: Can you repeat that last question with respect--?

Mick Cooper: --You referred to there's been a level of misdiagnosis of MS. And I was wondering, what was actually the rate of misdiagnosis?

Gerald Commissiong: Oh, right. Okay. So, first, with respect to the strategic transactions, we began evaluating transactions or opportunities several months ago. We've made significant progress in really establishing our thinking on a business model that could be--could allow this to become a standalone. And we're making progress, both with that as well as discussions with groups who may be able to put this into their own business model and do this simply as accretive to already revenue-generating assets. And we're evaluating a number of opportunities and can't commit to a specific timeline, although we are going to accelerate the strategy to execute on one of these options.

With respect to MS, it's been hypothesized, and in our due diligence, we reviewed several data sets where there's a misdiagnosis rate as high as over 50 percent. And this is largely because

there are many related immunological disorders that are confounding for MS. And so, the addition of a much more accurate MS diagnostic that can really allow physicians to begin treatment earlier in the process has the potential to have disease-modifying impact for many MS patients.

And that's why, beyond just the misdiagnosis rate, the time to diagnosis is also important, where we believe we can add significant value to the paradigm.

Mick Cooper: Thank you.

Operator: Our last question will come from Brian Jeet with WallachBeth Capital. Please proceed with your question.

Brian Jeet: Hi, good afternoon. Thanks for taking my questions. First, I have a couple balance sheet questions. If I'm not mistaken, you raised about $6 million in Q1 through debentures and the Series E preferred combined and spent 900,000 in cash on the Diogenix acquisition. Are there--do I have that right? And then are there any other one-off kind of cash flow events that happened in Q1 that we should be aware of?

Robert Farrell: Well, not any other one-off cash flow events, but you're right. During the first quarter this year, we were funded through some series--closing--the second closing of the Series E convertible preferred share offering as well as monies that we brought in under the Lincoln Park equity facility.

You may recall with Lincoln Park it's--it was about a $20 million facility. At this point in time, we've got over $14 million remaining. So, we brought in several million dollars under that facility. And those funds have been used to cover our operating expenses January through March of this year, with the largest single expense being the cash portion of the acquisition of the MSPrecise diagnostic.

Brian Jeet: Okay. All right. And then you mentioned continuing monitoring of L-DOPA interference throughout the eltoprazine trials. Curious how predictive you think the February data that we saw was in terms of, you know, postescalation L-DOPA interference with eltoprazine.

Gerald Commissiong: I'll allow David to take that question.

David Lowe: The question was how predictable will it be?

Brian Jeet: How predictive was the early L-DOPA interference data for eltoprazine?

David Lowe: Oh, I see. Oh, sorry. Actually, in the Phase 2 data, there is no effect on L-DOPA's efficacy. So, in the brain paper that was published on February the 10th, and you can access actually through open access, and we can send PDFs of this out to anyone who's interested, clearly, there, there was no statistically significant effect on L-DOPA efficacy.

And that was also what the clinicians reported when just sort of--when one talked to them. So, not only is it quantitatively substantiated, but also actually clinical feedback as well. Hope that answers your question.

Brian Jeet: Okay. Yeah, I think that covers it. And then, last question, on the 10-patient ESS study, curious how difficult do you think that study will be to enroll, and can you give us kind of just some rough thoughts on what a study like that might cost?

Gerald Commissiong: Sure. So, I'm not authorized to speak about the cost at this point, in large part because we don't own the asset yet. But, I think what you can do perhaps is look at the option payments and know that a portion of that is being used to fund the development going forward.

So, with respect to the 10-patient, we currently--if you look on clinicaltrials.gov, public information, there are currently two sites that are being evaluated for enrollment. This is Fort Sam Houston in Texas, which is a military site. We anticipate that's likely to be the first site open for which we're waiting IRB approval. There's a second site in Seattle. Then that is one of the largest burn centers in the country.

The feedback that we have from KOLs is that this product is very well known in the field. And there's a high interest of KOLs, as was previously referenced by Dr. Nicole Gibran, who is from the Seattle site, in being involved in the clinical study.

So, we're hopeful that enrollment will be rapid, although we can't make any specific comments about what our forecast is until we in fact own the asset.

Brian Jeet: Okay. And maybe if I try and get at the cost question a little bit differently, I know, in the slides, you had average patient cost at 1.6 million for burn care. Is that strictly ESS, or is that in total the hospitalization and everything? I mean, would that be a good number to go by per patient if we were trying to think about what cost might be?

Gerald Commissiong: Yeah, so, that's an average cost of what it costs now for mesh split thickness autograft standard of care and the ongoing treatment of the patient throughout the injury process. So, that's what it costs on average for a patient.

If you look, there's a reasonably high complication rate. And when complications do occur with these patients, costs on average increased significantly, something like six- to eightfold what an average cost is. And as a result of that it's really mitigating complications associated with these severe burns that is the most valuable aspect because there's just a dramatic reduction in cost.

And when we think about, how does this work in the real world, most of the burn centers are actually not for profit. There are only about 60 burn centers in the U.S. And most of them are operating largely via donations because they're operating as a loss. And the loss is due in large part to this high cost and a lack of full reimbursement.

So, the value that we think ESS could bring is in mitigating some of those costs, which will reduce the hospital--overall hospital cost. And that's where we think the value of ESS really is.

So, I hope that answers your question.

Brian Jeet: Yeah, it does. Thank you very much.

Operator: At this time, I would like to turn the call back over to Mr. Gerald Commissiong for closing comments.

Gerald Commissiong: Alright. In closing, I would very much like to thank shareholders, investors, analysts, and others who are interested in the company for participating in the call. We understand that, recently, it's been a very difficult time for shareholders as we've taken-- been less active in disseminating information to the public because we're really focusing in on the company's core strategy and execution.

But, know that we are moving forward. We are awaiting a number of events to occur. As previously outlined, we expect to have LymPro data shortly. We expect to hear back from the EMA with respect to our RP orphan designation. We're in the process of getting IRB approval and initiating the Phase 2b clinical program for eltoprazine. We are actively evaluating options to complete the acquisition of ESS technology. And as part of that, we're evaluating how to best monetize the diagnostics division that we've created in order to not only generate near-term capital to carry the company forward, but importantly somehow maintain a piece of the upside that we expect to be very significant in the years ahead.

So, the company is working hard. We've attracted a tremendous talent base with which out them--without them, we wouldn't be in a position to be able to do the things that we've now positioned the company to do. We have a rich pipeline that we think will carry the company forward for years to come. And we're very hopeful that we'll be able to continue to execute on our strategy and deliver value for shareholders, not just in the immediate term as often we focus on, but we're starting to look further out, think, what will the company look like in 12 months? What will the company look like in 24 months? What will the company look like in 36 months, when we could potentially have Phase 2 proof of concept for MANF and some of these orphan indications?

And we believe, you know, 2015, we're very focused on the diagnostics and deriving value from that. As David mentioned, we expect to be--finish the Phase

2 study in 2016. And we'll be looking at options to derive significant value from that. We're hopeful that we'll be in a position to have--own the ESS asset and derive value for that asset in parallel as this development continues.

And finally, the MANF asset, we know that we believe that's really a diamond that just needs to be nurtured, after which we can derive significant value.

So, we see an opportunity from where we sit, as many other biotechs have done in the past for dramatic growth in a short period of time. And it boils down to clinical data and execution on the science and the technology and allowing the company to be properly capitalized to do that. And we have many options to achieve that objective.

So, we are focused on the fundamentals of biotech. And that's where the company's headed, a true fundamental investment for years to come. Thank you for taking the time to listen to this call. And thank you very much.

Operator: Thank you. This does conclude today's teleconference. You may disconnect at this time. And have a great day.