

Press Release

Medolac Laboratories Announces the First Large Scale Purification of Human Milk Oligosaccharides (HMO)

Startup Company Will Make Clinical Volumes of Native HMOs Accessible for Human Research

Lake Oswego, Oregon, October 9, 2014: Medolac Laboratories (www.medolac.com), an Oregon-based human milk nutritionals start-up, announced the completion of the second phase of its novel and groundbreaking Human Milk Oligosaccharides (HMO) project, resulting in purified HMOs obtained from human milk that will soon be available in significant quantities. Until now, native HMOs (obtained directly from human milk rather than synthesized or derived from cow's milk) have only been available at an extremely high cost and in such limited quantities that human clinical studies have never been an option.

HMOs create an environment for beneficial bacteria growth in the gut, while offering vital digestive and anti-inflammatory benefits for infants and potentially for adults. Human Milk Oligosaccharides (HMO) are key components of human breast milk and have been identified in research to be significant in reducing the risk of infection in premature as well as full term infants.

The next phase of the project will result in a radical increase in the volume of purified HMOs available for clinical research. Medolac seeks strategic partnerships to explore the medical opportunities in scientific research made possible by vastly increased quantities of purified HMOs, creating new pathways to better understand the functional and immunological benefits of HMOs.

Our commercial scale, proprietary HMO process can produce either purified bulk or individual human milk oligosaccharides. Individual human milk oligosaccharides have been associated with specific activity in laboratory research. "This unique product contains over 200

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different human milk oligosaccharides and is unlike anything available today," said Jim Brophy, SVP of Innovation and Technology for Medolac Laboratories. Using Medolac's novel process, purified human milk oligosaccharides are isolated and purified, removing other components including fat, proteins, salts and minerals that could have an unintentional or adverse effect on clinical results and subjects.

"No one has ever been in a position to process such large quantities of native human milk components for research and potential clinical use. Thanks to our partnership with the Mothers Milk Cooperative we have greatly increased the supply of donor milk to make this possible. The launch of our HMO initiative is our first foray into this exciting area of native human milk components including lipids, proteins, oligosaccharides and active biologics," said Elena Medo, CEO of Medolac Laboratories.

Medolac will announce additional HMO partners over the course of the project.

How the Mothers Milk Cooperative/Medolac Partnership Works:

Last year, the MMC and Medolac formed the first cooperative producer/processor partnership of its kind in human milk banking and are mutually dedicated to make available the safest and highest quality human donor milk. Responding to the global shortage of donor milk, and with the assistance of a USDA cooperative development grant, the Mothers Milk Cooperative was launched on Mother's Day of 2013. In addition to addressing the shortage of donor milk, this unique partnership provides economic empowerment to cooperative members by giving them the option to be fairly compensated for their contribution and making it possible for many mothers to continue nursing their own babies longer Breast milk donor candidates are extensively pre-screened; blood is drawn by LabCorp facilities throughout the county and tested by the American Red Cross National Testing Laboratories. Medolac's commercially sterile donor milk is shelf stable at room temperature and purchased by hospitals who stock it for use with premature infants.

About Medolac Laboratories:

Medolac is committed to ending the global shortage of human donor milk. The first commercially sterile human donor milk, was recently developed by Medolac and is currently being used by hospitals in

several U.S. states. The company specializes in innovative, human donor milk products for clinical use, applying proprietary biopharmaceutical processing methods that preserve many of the immune components in human milk. As a company dedicated to social impact, Medolac has made a three year, \$6.6 million Clinton Global Initiative Commitment to enhance breastfeeding in urban African American communities through Mothers Milk Cooperative membership. Medolac Laboratories is a Delaware registered corporation headquartered at Lake Oswego, Oregon in the Pacific Northwest of the United States. For more information, visit www.medolac.com. For specific press inquiries contact Doug Hawkins, at media@medolac.com.