



FROM: Ibrahim G. Yayla, Ph.D.
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February, 14th, 2013

FROM: DevaCell Incorporated, Licensee.

TO: UC San Diego Technology Transfer Office;
Attention: **Assistant Vice Chancellor**

Re: DevaCell License Agreement: CASE NO. SD2008-016, CASE NO. SD2009-327

Activity Report No: 002

Report Period: Second half, 2013

I. Licensee (DevaCell, Inc.) activities to develop and test All Licensed Products & summary of work completed in the second half of the year 2013 were as follows:

A. Technical Activities & Accomplishments:

- A1. Optimization of 100nm particle synthesis has progressed, quality SHELS without sealing is achieved.
- A2. In vivo (mice) asparagine depletion experiments have been performed for pancreatic cancer cell line.
- A3. Methioninase enzyme specific activity and concentration have been improved by a factor of 2.
- A4. Catalase loaded particles has been synthesized and tested in vitro and in vivo.

B. Non-Technical Activities & Accomplishments:

- B1. Company office&lab space has been leased
- B2. Lab equipment purchased and lab is setup for particle synthesis.
- B3. 1.25M\$ Series A funding has been closed.

B4. Multiples consultants hired for fund raising, marketing analysis, etc.

II. Summary of work in progress includes

Improvement of drug/enzyme synthesis, advancing Acute Kidney Injury Model, Improving enzyme loading efficiency into nanoparticles, expansion of product span and diversification business plans, Series B funding preparations.

III. Current schedule of anticipated events

Before the end of the year of 2014, we plan to raise an additional 750,000\$. We anticipate of completing the in vivo demonstration of our therapeutic modality for Acute Kidney Injury by the end 2Q/14 and methionine depletion by the end of 3Q/14 and uric acid depletion by the end of 4Q/14.

IV. Market plans

We plan to engage with a strategic/marketing partner in 2014 for our virus coating technology.

V. Summary of resources spent

In the year of 2013, 300,000\$ has been spent towards the development of licensed IP. Approximately 40% of this is for consulting work compensation, 20% for license and legal expenses, 13% for lab equipment purchases, 10% for drug synthesis, 10% for supplies and reagents, 7% rent/utilities/services.

Should you have any questions, please do not hesitate to reach me at (858) 699-4775.

Thank you.

Sincerely,
Ibrahim G. Yayla, Ph.D.
CEO, DevaCell Inc.