

PDI Expands Molecular Diagnostics Business with RedPath Integrated Pathology Acquisition

Interpace Diagnostics Enhances Oncology Diagnostic Capabilities with PathFinderTC® Pancreas and Additional Molecular Tests for Gastrointestinal Cancer

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PARSIPPANY, N.J., Nov. 3, 2014 /PRNewswire/ -- PDI, Inc. (Nasdaq: PDII), a leading healthcare commercialization company, announced the acquisition of RedPath Integrated Pathology, a molecular diagnostics company helping physicians better manage patients at risk for certain types of gastrointestinal cancers through its proprietary *PathFinderTC*® platform. The acquisition immediately expands the oncology diagnostic product portfolio for PDI, Inc. subsidiary, Interpace Diagnostics, with a test currently generating approximately \$10 million in revenue that is marketed for determining pancreatic cancer risk from pancreatic cysts, as well as tests in late-stage development for assessing cancer risk for Barrett's esophagus and in the biliary tract.

The transaction encompasses all RedPath Integrated Pathology assets including:

- The *PathfinderTC* platform, which uses advanced clinical algorithms to accurately stratify patients according to risk of cancer by assessing panels of DNA abnormalities in patients who have lesions (i.e., cysts or solid masses) with potential for cancer
- *PathfinderTC* Pancreas, which is a diagnostic test reimbursed by Medicare and has been used in approximately 20,000 clinical cases to determine risk of cancer in pancreatic lesions
- The National Pancreatic Cyst Registry, which has shown that *PathfinderTC* Pancreas is the most accurate, clinically validated test available for determining risk of cancer in pancreatic cysts
- Additional *PathfinderTC* applications in late-stage development with multiple ongoing clinical studies and publications, including predicting risk of progression to cancer in patients with Barrett's esophagus and assessing risk of cancer in the biliary tract
- Proprietary laboratory methods, trade-secrets, patents, and scientific know-how for accurately determining risk associated with additional cancer types
- A large biobank of samples that can be used to support further research and development efforts
- Real assets and clinical expertise associated with the Pittsburgh laboratory

As part of Interpace Diagnostics, the laboratory will continue to provide testing services in its CLIA-certified, CAP-accredited facility.

PDI acquired all of the outstanding shares of RedPath. Terms of the deal include a \$12 million upfront payment, future milestone-based payments, future revenue-based payments, an \$11 million non-interest bearing four-year subordinated note to the shareholders of RedPath, and up to one million PDI shares issuable upon the successful introduction of the Barrett's esophagus test. In connection with the acquisition of RedPath, PDI secured a \$20 million, six-year term loan from SWK Holdings Corporation.

"PDI represents an important investment opportunity for SWK. We are very excited to support the company's efforts to build the Interpace Diagnostics business with a flexible, non-dilutive financing solution," said Brett Pope, Chief Executive Officer of SWK.

"The *PathFinderTC*® testing platform has tremendous untapped potential to deliver a much-needed improvement in diagnostic options for oncologists, gastroenterologists, pathologists and patients – particularly in pancreatic cancer and other gastrointestinal-related cancers," said Nancy Lurker, CEO, PDI, Inc. "This acquisition further demonstrates PDI's commitment to building a growth-oriented portfolio of proprietary molecular diagnostics that serves unmet medical needs in the oncology space."

"PDI's deep go-to market expertise and commercialization infrastructure can deliver the resources needed for the development and promotion of this innovative technology," said Dennis Smith, M.D., President and CEO, RedPath Integrated Pathology. "Becoming part of Interpace Diagnostics will enable the realization of *PathFinderTC*'s full potential while complementing the company's growing molecular diagnostics capabilities."

This is the second oncology-related molecular diagnostic acquisition for Interpace Diagnostics this year, creating a portfolio that now includes two commercially available tests, miR*Inform*[®], a mutational panel to aid in the diagnosis of benign and malignant thyroid cysts, and *PathFinderTC* Pancreas, for pancreatic cancer risk assessment of pancreatic cysts. A Gastrointestinal Cancer Center of Excellence (COE) will be established at the Pittsburgh facility to support both pancreas and future gastrointestinal oncology products. In addition, the company is establishing its Endocrine Cancer Center of Excellence in its New Haven, Conn. laboratory, where it will process ThyGenX, a test upgraded from miR*Inform*, comprising a panel of additional genetic markers known to help discriminate between benign and malignant thyroid nodules. The New Haven, Conn. laboratory will also launch a miRNA test in 2015, which is expected to further improve pre-operative diagnosis of thyroid patients.

About PDI, Inc. PDI is a leading healthcare commercialization company providing superior go-to-market strategy and execution to established and emerging healthcare companies through its three core business units. The company's Sales Services business unit (CSO) is a leading provider of outsourced pharmaceutical, medical device and diagnostics sales teams. PDI's Product Commercialization Services, including Interpace Diagnostics, provides full product commercialization and is working to develop and commercialize molecular diagnostic tests leveraging the latest technology and personalized medicine for better patient diagnosis and management. Its Marketing Services division is a pioneer in insight-driven digital communication services and integrated multichannel message delivery. For more information about PDI, Inc. or Interpace Diagnostics, please visit <http://www.pdi-inc.com> and www.interpacediagnostics.com.

About SWK Holdings Corporation SWK Holdings Corporation is a specialized finance company with a focus on the global healthcare sector. SWK partners with ethical product marketers and royalty holders to provide flexible financing solutions at an attractive cost of capital to create long-term value for both SWK's business partners and its investors. SWK believes its financing structures achieve an optimal partnership for companies, institutions and inventors seeking capital for expansion or capital and estate planning by allowing its partners to monetize future cash flow with minimal dilution to their equity stakes. Additional information on the life science finance market is available on the Company's website at www.swkhold.com.

Forward-Looking Statements. *This press release contains forward-looking statements regarding future events and financial performance. These statements are based on current expectations and assumptions involving judgments about, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond PDI's control. These statements also involve known and unknown risks, uncertainties and other factors that may cause PDI's actual results to be materially different from those expressed or implied by any forward-looking statement. For example, with respect to statements regarding projections of future revenues, growth and profitability, estimated gross profit and anticipated internal rate of return on investments actual results may differ materially from those set forth in this release based on the loss, early termination or significant reduction of any of our existing service contracts, the failure to meet performance goals in PDI's incentive-based arrangements with customers, the inability to secure additional business or our inability to develop more predictable, higher margin business through in-licensing or other means. Additionally, all forward-looking statements are subject to the risk factors detailed from time to time in PDI's periodic filings with the Securities and Exchange Commission, including without limitation, PDI's previously filed Annual Report on Form 10-K for the year ended December 31, 2013 and current reports on Forms 10-Q and Forms 8-K. Because of these and other risks, uncertainties and assumptions, undue reliance should not be placed on these forward-looking statements. In addition, these statements speak only as of the date of this press release and, except as may be required by law, PDI undertakes no obligation to revise or update publicly any forward-looking statements for any reason*

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