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FOR IMMEDIATE RELEASE

MEDIBEACON™ Inc. Collaborates with Washington University in \$1.1 Million Grant for Groundbreaking Research in Global Health and Development

ST. LOUIS, October 18, 2016 – MediBeacon Inc. announced today that it would collaborate with scientists at Washington University School of Medicine in St. Louis in a research project aimed at improving the understanding of childhood malnutrition and its related problems, including stunted growth. The work is funded by a Grand Challenges Explorations Phase II grant from the Bill & Melinda Gates Foundation to Washington University. It is a follow-up grant to work carried out through a Phase I Grand Challenges Explorations Award made in 2014.

The research project is led by Phillip I. Tarr MD, Director of the Division of Pediatric Gastroenterology, Hepatology and Nutrition at the School of Medicine and St. Louis Children's Hospital. Together, Tarr and MediBeacon will continue to pursue an innovative global health and development research project for monitoring human gut permeability.

Grand Challenges Explorations funds researchers worldwide to explore ideas that might break the mold in how we solve persistent global health and development challenges. Approximately 3% of applications are awarded in Phase I, and of those, approximately 1 in 10 are awarded a Phase II grant. The receipt of the Phase II award represents success in Phase I and the foundation's assessment that the proposed work is a technology likely to advance child health.

Dr. Tarr, who is also the Melvin E. Carnahan Professor of Pediatrics and Professor of Molecular Microbiology at the School of Medicine, said: "Abnormal gut permeability is increasingly recognized as being associated with a diversity of human disorders, including stunting and malnutrition in children in resource-poor regions of the world. There are no easily administered and reliable tests of gut permeability, which is an important measure of gut function. We plan to use MediBeacon's fluorescence detection agents and technology to monitor gut permeability, without the need to draw blood or collect any specimens."

MediBeacon has developed proprietary tracer agents and detection methods to measure gut permeability. Richard Dorshow, Ph.D., MediBeacon's co-founder and Chief Scientific Officer, said: "We are excited to be part of a project that has considerable potential to provide better treatment for children with stunting and malnutrition. We also anticipate this technology will enable doctors to optimize therapy for patients with Crohn's Disease, Ulcerative Colitis, and many other inflammatory gut processes."

MediBeacon's investors include Pansend Life Sciences, LLC, a wholly owned subsidiary of HC2 Holdings, Inc. (NYSE MKT: HCHC).

About Grand Challenges Explorations

Grand Challenges Explorations is a \$100 million initiative funded by the Bill & Melinda Gates Foundation. Launched in 2008, over 950 people in more than 55 countries have received Grand Challenges Explorations grants. The grant program is open to anyone from any discipline and from any organization. The initiative uses an agile, accelerated grant-making process with short two-page online applications and no preliminary data required. Initial grants of US\$100,000 are awarded two times a year. Successful projects have the opportunity to receive a follow-on grant of up to \$1 million.

About MediBeacon Inc.

MediBeacon's mission is to commercialize biocompatible optical diagnostic agents for physiological monitoring, surgical guidance, and imaging of pathological disease in the human population. Several product concepts in these arenas are contained in the MediBeacon Intellectual Property estate. MediBeacon's portfolio includes a renal function system that uses an optical skin sensor combined with a proprietary fluorescent tracer agent that glows in the presence of light. This system, currently in human trials, provides clinicians continuous real-time monitoring of a patient's kidney function.

Learn more about MediBeacon at www.medibeacon.com.

About HC2 Holdings, Inc.

HC2 Holdings, Inc. is a publicly traded (NYSE MKT:HCHC) diversified holding company, which seeks opportunities to acquire and grow businesses that can generate long-term sustainable free cash flow and attractive returns in order to maximize value for all stakeholders. HC2 has a diverse array of operating subsidiaries across seven reportable segments, including Manufacturing, Marine Services, Utilities, Telecommunications, Insurance, Life Sciences and Other. HC2's largest operating subsidiaries include Schuff International, Inc., a leading structural steel fabricator and erector in the United States, and Global Marine Systems Limited, a leading provider of engineering and underwater services on submarine cables. Founded in 1994, HC2 is headquartered in New York, New York.

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