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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 2)

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): February 8, 2012

ORGANOVO HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**000-54621**	**27-1488943**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

5871 Oberlin Drive, Suite 150, San Diego, CA	**92121**
(Address of principal executive offices)	**(Zip Code)**

(858) 550-9994
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This current report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to anticipated future events, future results of operations or future financial performance. These forward-looking statements include, but are not limited to, statements relating to our ability to raise sufficient capital to finance our planned operations, market acceptance of our technology and product offerings, our ability to attract and retain key personnel, our ability to protect our intellectual property, and estimates of our cash expenditures for the next 12 to 36 months. In some cases, you can identify forward-looking statements by terminology such as “may,” “might,” “will,” “should,” “intends,” “expects,” “plans,” “goals,” “projects,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of these terms or other comparable terminology.

These forward-looking statements are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our (or our industry’s) actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. The “Risk Factors” section of this current report sets forth detailed risks, uncertainties and cautionary statements regarding our business and these forward-looking statements.

We cannot guarantee future results, levels of activity or performance. You should not place undue reliance on these forward-looking statements, which speak only as of the date that they were made. These cautionary statements should be considered with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to reflect actual results, later events or circumstances or to reflect the occurrence of unanticipated events.

EXPLANATORY NOTE

On February 13, 2012, Organovo Holdings, Inc. (the “**Company**”) filed with the Securites and Exchange Commission (the “**SEC**”) its original Current Report on Form 8-K (the “**Original Form 8-K**”) to report certain events, described in detail therein, including, among other things (1) the completion of a reverse merger transaction, (2) the Company’s consummation of a private placement of units of the Company’s securities at $1.00 per unit, (3) the conversion of $1,500,000 in outstanding bridge notes into units of the Company’s securities at $1.00 per unit and (4) certain related items and transactions.

On March 30, 2012, the Company filed with the SEC an Amendment No. 1 to Current Report on Form 8-K/A (the “**Amended Form 8-K**”) to respond to comments received from the SEC’s Division of Corporation Finance in its letter dated March 13, 2012, regarding the Original Form 8-K. In addition, the Amended Form 8-K included the audited financial statements for Organovo, Inc. for the fiscal years ended December 31, 2011 and 2010.

The purpose of this Amendment No. 2 to Current Report on Form 8-K/A is to respond to comments received from the SEC’s Division of Corporation Finance in its letter dated April 18, 2012, regarding the Amended Form 8-K.

On December 28, 2011, Real Estate Restoration and Rental, Inc., a Nevada corporation (“**RERR**”), entered into an Agreement and Plan of Merger pursuant to which RERR merged with its newly formed, wholly owned subsidiary, Organovo Holdings, Inc. (“**Merger Sub**”), a Nevada corporation (the “**RERR Merger**”). Upon the consummation of the RERR Merger, the separate existence of Merger Sub ceased and RERR, the surviving corporation in the RERR Merger, became known as Organovo Holdings, Inc. (“**Holdings-Nevada**”).

As permitted by Chapter 92A.180 of Nevada Revised Statutes, the sole purpose of the RERR Merger was to effect a change of RERR’s name. Upon the filing of Articles of Merger with the Secretary of State of Nevada on December 28, 2011 to effect the RERR Merger, RERR’s articles of incorporation were deemed amended to reflect the change in RERR’s corporate name.

On January 30, 2012, Holdings-Nevada entered into an Agreement and Plan of Merger pursuant to which Holdings-Nevada merged with and into its newly formed, wholly owned subsidiary, Organovo Holdings, Inc. ("**Holdings-Delaware**" or "**Pubco**"), a Delaware corporation (the "**Reincorporation Merger**"). Upon the consummation of the Reincorporation Merger, the separate existence of Holdings-Nevada ceased and Holdings-Delaware was the surviving corporation in the Reincorporation Merger. The sole purpose of the Reincorporation Merger was to change the domicile of Pubco from Nevada to Delaware.

On February 8, 2012, Organovo Acquisition Corp. ("**Acquisition Corp.**"), a wholly-owned subsidiary of Pubco, merged (the "**Merger**") with and into Organovo, Inc., a Delaware corporation ("**Organovo**"). Organovo was the surviving corporation of that Merger. As a result of the Merger, Pubco acquired the business of Organovo, and will continue the existing business operations of Organovo.

As used in this Current Report, the terms the "**Company**", "we ," "**us** ," and "**our**" refer to Holdings-Delaware and its wholly-owned subsidiary Organovo, after giving effect to the Merger, unless otherwise stated or the context clearly indicates otherwise. The term "**Pubco**" refers to Holdings-Delaware, before giving effect to the Merger; the term "**RERR**" refers to Real Estate Restoration and Rental, Inc., before giving effect to the Merger; and the term "**Organovo**" refers to Organovo, Inc., before giving effect to the Merger.

This Current Report contains summaries of the material terms of various agreements executed in connection with the transactions described herein. The summaries of these agreements are subject to, and are qualified in their entirety by, reference to these agreements, all of which are incorporated herein by reference.

This Current Report is being filed in connection with a series of transactions consummated by the Company and certain related events and actions taken by the Company.

This Current Report responds to the following items on Form 8-K:

Item 1.01	Entry into a Material Definitive Agreement
Item 2.01	Completion of Acquisition or Disposition of Assets
Item 3.02	Unregistered Sales of Equity Securities
Item 4.01	Changes in Registrant's Certifying Accountant
Item 5.01	Changes in Control of Registrant
Item 5.02	Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers
Item 5.03	Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year
Item 5.06	Change in Shell Company Status
Item 9.01	Financial Statements and Exhibits

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Item 1.01. Entry into a Material Definitive Agreement

On February 8, 2012, we entered into an Agreement and Plan of Merger and Reorganization, which we refer to in this Current Report as the "**Merger Agreement**", and completed the Merger. For a description of the Merger and the material agreements entered into in connection with the Merger, please see the disclosures set forth in Item 2.01 to this Current Report, which disclosures are incorporated into this item by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets

THE MERGER AND RELATED TRANSACTIONS

The Merger

On February 8, 2012 (which we refer to as the "**Closing Date**"), Pubco, Organovo and Acquisition Corp. entered into the Merger Agreement and completed the Merger. Before their entry into the Merger Agreement, no material relationship existed between Pubco (or its Acquisition Corp. subsidiary) and Organovo. A copy of the Merger Agreement is attached as Exhibit 2.1 to this Current Report and is incorporated herein by reference.

Pursuant to the Merger Agreement, on the Closing Date, Acquisition Corp., a wholly-owned subsidiary of Pubco, merged with and into Organovo, with Organovo remaining as the surviving entity. Pubco acquired the business of Organovo pursuant to the Merger and will continue the existing business operations of Organovo.

Simultaneously with the Merger, on the Closing Date all of the issued and outstanding shares of Organovo common stock converted, on a 1 for 1 basis, into shares of the Company's common stock, par value $0.001 per share ("**Common Stock**"). Also on the Closing Date, all of the issued and outstanding options to purchase shares of Organovo common stock, all of the issued and outstanding Bridge Warrants (as defined below) to purchase shares of Organovo Common Stock and other outstanding warrants to purchase Oganovo Common Stock converted, respectively, into options (the "**New Options**"), new bridge warrants (the "**New Bridge Warrants**") and new warrants (the "New Warrants") to purchase shares of the Company Common Stock. The New Bridge Warrants, the New Warrants and New Bridge Options were converted on a 1 for 1 basis. The New Options will be administered under Organovo's 2008 Equity Incentive Plan (the "**2008 Plan**"), which the Company assumed and adopted on the Closing Date in connection with the Merger.

Specifically, on the Closing Date, (i) 22,445,254 shares of Common Stock were issued to former Organovo stockholders; (ii) New Options to purchase 896,256 shares of Common Stock granted under the 2008 Plan were issued to optionees pursuant to the assumption of the 2008 Plan; (iii) New Warrants to purchase 1,309,750 shares of Common Stock at $1.00 per share were issued to holders of Organovo warrants; and (iv) New Bridge Warrants to purchase 1,500,000 shares of Common Stock at $1.00 per share were issued to Bridge Investors (as defined below).

Additionally, warrants to purchase 100,000 shares of Common Stock at $1.00 per share were issued to a former noteholder of Organovo in connection with the repayment at the Closing Date of a promissory note in the principal amount of $100,000.

The Merger Agreement contains customary representations, warranties and covenants of Pubco, Organovo, and, as applicable, Acquisition Corp., for like transactions. Breaches of representations and warranties are secured by customary indemnification provisions.

The Merger will be treated as a recapitalization of the Company for financial accounting purposes. The historical financial statements of Pubco before the Merger will be replaced with the historical financial statements of Organovo before the Merger in all future filings with the Securities and Exchange Commission (the "**SEC**").

Following the Closing Date, our board of directors consists of four members. In keeping with the foregoing, on the Closing Date, Deborah Lovig and James Coker, the directors of Pubco before the Merger, appointed Keith Murphy, Robert Baltera, Jr., Andras Forgacs and Adam K. Stern to fill vacancies on the board of directors, and Ms. Lovig and Mr. Coker resigned their positions as directors. Also on the Closing Date, Ms. Lovig and Mr. Coker, the officers of Pubco, resigned and new executive officers designated by Organovo were appointed. Our officers and directors as of the Closing Date are identified in this Current Report under the heading "Directors and Executive Officers."

Before the Merger, Pubco's board of directors and stockholders adopted the 2012 Equity Incentive Plan (the "**2012 Plan**"). The 2012 Plan provides for the issuance of up to 6,553,986 shares of Common Stock to executive officers, directors, advisory board members and employees. In addition, we assumed and adopted the 2008 Plan, and as described above option holders under that plan were granted New Options to purchase Common Stock. No further options will be granted under the 2008 Plan. The parties have taken all actions necessary to ensure that the Merger is treated as a tax free exchange under Section 368(a) of the Internal Revenue Code of 1986, as amended.

The Offering

Concurrently with the closing of the Merger and in contemplation of the Merger, we completed the initial closing of a private offering (the "**Offering**") of our securities ("**Units**"), at a price of $1.00 per Unit. Each Unit consists of one share of Common Stock and a warrant to purchase one share of Common Stock. The warrants (the "**Investor Warrants**") are exercisable for a period of five years at an exercise price of $1.00 per share of Common Stock. On the Closing Date, the investors in the Offering collectively purchased 6,525,887 Units for total cash consideration of $6,525,887, which included the conversion of $1,500,000 of principal and $25,379 of accrued interest on outstanding Bridge Notes (as defined below).

The sale of Units (including the Common Stock, the Investor Warrants and the Common Stock underlying the Investor Warrants) in the Offering was exempt from registration under Section 4(2) of the Securities Act and Rule 506 of Regulation D as promulgated by the SEC. In the Offering, no general solicitation was made by us or any person acting on our behalf. The Units were sold pursuant to transfer restrictions, and the certificates for shares of Common Stock and Investor Warrants underlying the Units sold in the Offering contain appropriate legends stating that such securities are not registered under the Securities Act and may not be offered or sold absent registration or an exemption from registration.

We paid the Placement Agent, Spencer Trask Ventures, Inc. (the "**Placement Agent**"), a commission of 10% of the funds raised in the Offering (excluding funds from the conversion of the Bridge Notes). In addition, the Placement Agent received a non-accountable expense allowance equal to 3% of the proceeds raised in the Offering (excluding funds from the conversion of the Bridge Notes) as well as warrants to purchase a number of shares of Common Stock equal to 20% the shares underlying the Units sold to investors in the Offering (the **"Placement Agent Warrants"**). As a result of the foregoing arrangement, at the initial closing of the Offering, the Placement Agent was paid commissions and expenses of $650,065 and was issued Placement Agent Warrants to purchase (i) 2,000,200 shares of Common Stock at an exercise price of $1.00 per share based on the number of Units purchased in the Offering (excluding Units issued upon conversion of the Bridge Notes) and (ii) 610,155 shares of Common Stock at an exercise price of $1.00 per share based upon the $1,500,000 principal amount of Bridge Notes issued in the Bridge Financing (as defined below), plus $25,379 in interest thereon.

The forms of the Investor Warrant and Placement Agent Warrant, issued in the Offering are filed as Exhibits 4.4 and 4.5(i), respectively, to this Current Report and are incorporated herein by reference.

Bridge Financing

Prior to the commencement of the Offering, Organovo completed a Bridge Financing wherein it sold $1,500,000 in principal amount of its 6% convertible promissory notes due March 31, 2012 (the "**Bridge Notes**") and 1,500,000 common stock purchase warrants (the "**Bridge Warrants**") to accredited investors (the "**Bridge Financing**"). The principal and interest on the Bridge Notes converted into 1,525,387 Units in the Offering. The Bridge Warrants converted into 1,500,000 New Bridge Warrants, each exercisable at a price of $1.00 per share of Common Stock. Holders of the New Bridge Warrants received the same registration rights with respect to the shares of Common Stock issuable upon exercise of such New Bridge Warrants as the investors in the Offering. As consideration for locating investors to participate in the Bridge Financing, the Placement Agent received as compensation for its services (i) a sales commission of 10% of the amount raised, or $150,000, (ii) a 3% non-accountable expense allowance, or $45,000 and (iii) Organovo warrants that automatically converted, at the initial closing of the Offering, into warrants to purchase 610,155 shares of Pubco Common Stock at a price of $1.00 per Share.

The forms of Bridge Warrant, New Warrant, Selling Agent Warrant and Exchange Warrant are filed as Exhibits 4.1, 4.6, 4.5(ii) and 4.5(iii), respectively, to this Current Report and are incorporated herein by reference.

Subsequent Closings

On February 29, 2012 ,we held the second closing (the "**Second Closing**") of the Offering, at which we issued an additional 1,806,100 Units, for total gross proceeds of $1,806,100. We paid the a commission of 10% of the funds raised at the Second Closing to the Placement Agent. In addition, the Placement Agent received a non-accountable expense allowance equal to 3% of the proceeds raised at the Second Closing as well as warrants to purchase a number of shares of Common Stock equal to 20% of the shares underlying the Units sold to investors at the Second Closing. As a result of the foregoing arrangement, at the Second Closing, the Placement Agent was paid commissions and expenses of $234,793 and was issued warrants to purchase 722,400 shares of Common Stock at an exercise price of $1.00 per share.

On March 16, 2012, we completed the final closing (the "**Final Closing**") of the Offering, at which we issued an additional 6,916,000 Units, for total gross proceeds of $6,916,000. At the Final Closing, we paid the Placement Agent and its selected dealers commissions of $691,600, and expenses of $207,480 and we issued Placement Agent Warrants to purchase 2,766,400 shares of Common Stock at an exercise price of $1.00 per share.

The sale of Units (including the Common Stock, the Investor Warrants and the Common Stock underlying the Investor Warrants) in the Second and Final Closings of the Offering were exempt from registration under Section 4(2) of the Securities Act and Rule 506 of Regulation D as promulgated by the SEC. In the Offering, no general solicitation was made by us or any person acting on our behalf. The Units were sold pursuant to transfer restrictions, and the certificates for shares of Common Stock and Investor Warrants underlying the Units sold in the Offering contain appropriate legends stating that such securities are not registered under the Securities Act and may not be offered or sold absent registration or an exemption from registration.

For all three closings of the Offering, we raised total gross proceeds of $15,247,959 and total net proceeds of $11,593,065 (or $12,811,897, including the conversion of the bridge promissory notes referred to above). We issued an aggregate of 15,247,987 shares of common stock and Investor Warrants for 16,747,987 shares of common stock (including 1,500,000 warrants to former holders of the Bridge Notes) exercisable at $1.00 per share. The Placement Agent and its selected dealers were paid total cash commissions of $1,372,260 and the Placement Agent was paid an expense allowance of $411,678 and was issued Placement Agent Warrants to purchase 6,099,195 shares of Common Stock at an exercise price of $1.00 per share (including 610,155 warrants issued in connection with issuance of the Bridge Notes and subsequently exchanged for Placement Agent Warrants in the Merger).

The Merger, the Offering (including the Subsequent Closings), the Bridge Financing and the related transactions are collectively referred to in this Current Report as the "**Transactions**."

Recapitalizations

Organovo Recapitalization

Prior to the first closing of the Bridge Offering, Organovo amended its Certificate of Incorporation to increase its authorized capital stock from 100,000 shares of common stock to 75,000,000 shares of common stock. Immediately following this amendment, Organovo effected a forward stock split. Following the stock split and the subsequent conversion of outstanding unsecured promissory notes in the aggregate principal amount of $3,030,000, plus accrued interest, there were 22,445,254 shares of common stock and 1,309,750 warrants to purchase common stock (exercisable at a price of $1.00 per share) outstanding immediately prior to the first closing of the Bridge Offering, as well as options to purchase 896,256 shares of common stock granted under the 2008 Plan. An unsecured promissory note in the principal amount of $100,000 remained outstanding. This note was repaid at the Closing Date, at which time the former noteholder was issued warrants to purchase 100,000 shares of our Common Stock at an exercise price of $1.00 per share.

Pubco Recapitalization

In addition to the transactions described under the heading “Explanatory Note,” above, in connection with the RERR Merger, RERR undertook a 10.5913504 for 1 forward split. Also, following the Reincorporation Merger the Pubco board of directors incorporated its wholly owned subsidiary Organovo Split Corp., a company organized under the laws of Delaware (“**PSOS**”). Pubco split-off ownership of PSOS to its executive officers, directors and their affiliates (the “**Split-Off Shareholders**”), who are significant shareholders of Pubco. The 5,000,000 (pre-split) shares of Pubco owned by the Split-Off Shareholders and 1,236,000 (pre-split) shares of Pubco owned by certain other shareholders were cancelled, so that at the closing of the Merger, prior to the issuance of shares to Organovo Shareholders in the Merger and without giving effect to the Units being offered and sold in the Offering, there were 6,000,000 shares of Common Stock issued and outstanding, 2,326,973 shares of which were owned by certain affiliates of the Placement Agent.

Registration Rights

All of the securities issued in connection with the Transactions are “restricted securities,” and as such are subject to all applicable restrictions specified by federal and state securities laws.

On the Closing Date, we entered into a registration rights agreement with the investors in the Offering. Under the terms of the registration rights agreement, we have committed to file a registration statement covering the resale of the Common Stock underlying the Units and the Common Stock that is issuable on exercise of the Investor Warrants and the New Bridge Warrants (but not the Common Stock that is issuable upon exercise of the Placement Agent Warrants issued as compensation to the Placement Agent in the Offering or in the Bridge Financing) within 90 days from the Final Closing date (the “**Filing Deadline**”), and shall use commercially reasonable efforts to cause the registration statement to become effective no later than 180 days after it is filed (the “**Effective Deadline**”).

We have agreed to use reasonable efforts to maintain the effectiveness of the registration statement through the one year anniversary of the date the registration statement is declared effective by the SEC, or until Rule 144 of the Securities Act is available to investors in the Offering with respect to all of their shares, whichever is earlier. We will be liable for monetary penalties equal to one-half of one percent (0.5%) of such holder's investment in the Offering on every thirty (30) day anniversary of such Filing Deadline or Effectiveness Deadline failure until such failure is cured. The payment amount shall be prorated for partial thirty (30) day periods. The maximum aggregate amount of payments to be made by us as the result of such failures, whether by reason of a Filing Deadline failure, Effectiveness Deadline failure or any combination thereof, shall be an amount equal to 6% of each holder's investment amount. Notwithstanding the foregoing, no payments shall be owed with respect to any period during which all of the holder's registrable securities may be sold by such holder under Rule 144 or pursuant to another exemption from registration.

Moreover, no such payments shall be due and payable with respect to any registrable securities we are unable to register due to limits imposed by the SEC's interpretation of Rule 415 under the Securities Act. The holders of any registrable securities removed from the Registration Statement as a result of a Rule 415 or other comment from the SEC shall have "piggyback" registration rights for the shares of Common Stock or Common Stock underlying such warrants with respect to any registration statement filed by us following the effectiveness of the Registration Statement which would permit the inclusion of these shares. The form of the registration rights agreement will be filed as an exhibit to an amendment to this Current Report following the final closing of the Offering.

Split-Off Agreement

On the Closing Date, Pubco split off its wholly-owned subsidiary PSOS. The split-off was accomplished through the sale of all outstanding shares of PSOS. In connection with the Split-Off, 5,000,000 (pre-split) shares of Common Stock held by the Split-Off Shareholders were surrendered and cancelled without further consideration, other than the shares of PSOS. An additional 1,236,000 (pre-split) shares of Common Stock were cancelled by certain shareholders of Pubco for no or nominal consideration (the "**Share Cancellation**"). The 566,500 shares of Common Stock remaining after the Split-Off and Share Cancellation were forward-split on a 10.5913504 for 1 basis. The assets and liabilities of Pubco were transferred to the Split-Off Shareholders in the Split-Off. Pubco executed a split off agreement with the Split-Off Shareholders, a copy of which is attached as Exhibit 10.9 to this Current Report and is incorporated herein by reference.

Lock-up Agreements

In connection with the Merger, each of the officers, directors and holders of 5% or more of our Common Stock and certain employees and affiliates of the Placement Agent have agreed to "lock-up" and not sell or otherwise transfer or hypothecate any of their shares for a term equal to the earlier of (i) twelve (12) months from the Closing Date of the Merger; or (ii) six (6) months following the effective date of the Registration Statement registering the shares of Common Stock included in the Units as well as the shares of Common Stock issuable upon exercise of the Investor Warrants and the Bridge Warrants.

Current Ownership

As of April 30, 2012, after giving effect to the Transactions, the Units sold in the Offering, the options granted under the 2008 Plan (which we assumed), and the issuance of (i) Placement Agent Warrants to the Placement Agent in connection with the Offering and the Bridge Offering, (ii) New Warrants to a former holder of an Organovo promissory note, (iii) New Warrants to former holders of Organovo warrants and (iv) New Bridge Warrants, our issued and outstanding securities on the closing of the Transactions is as follows:

- 43,693,241 shares of Common Stock;
- No shares of preferred stock;
- Options to purchase 896,256 shares of Common Stock granted under the 2008 Plan;
- Options to purchase 237,500 shares of Common Stock granted under the 2012 Plan;
- Investor Warrants to purchase 15,247,987 shares of Common Stock at $1.00 per share issued to the investors in the Offering;
- New Warrants to purchase 100,000 shares of Common Stock at $1.00 per share issued to a former holder of an Organovo promissory note;
- New Warrants to purchase 1,309,750 shares of Common Stock at a price of $1.00 per share issued in exchange for warrants held by Organovo warrant holders;
- Placement Agent Warrants to purchase 5,489,040 shares of Common Stock at a price of $1.00 per share issued to the Placement Agent in connection with the Offering;
- New Bridge Warrants issued to Bridge Investors to purchase 1,500,000 shares of Common Stock at $1.00 per share; and
- Placement Agent Warrants to purchase 610,155 shares of Common Stock at a price of $1.00 per share issued to the Placement Agent in exchange for warrants issued in connection with the Bridge Financing.

Accounting Treatment; Change of Control

The Merger is being accounted for as a “reverse merger,” and Organovo is deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations that will be reflected in the financial statements prior to the Merger will be those of Organovo, and the consolidated financial statements after completion of the Merger will include the assets and liabilities of Organovo, historical operations of Organovo and operations of Organovo from the Closing Date of the Merger. Except as described in the previous paragraphs, no arrangements or understandings exist among present or former controlling stockholders with respect to the election of members of our board of directors and, to our knowledge, no other arrangements exist that might result in a change of control of the Company. Further, as a result of the issuance of the shares of Common Stock pursuant to the Merger, a change in control of the Company occurred as of the date of consummation of the Merger.

DESCRIPTION OF BUSINESS

Immediately following the Merger, the business of Organovo became our business.

We have developed and are commercializing a platform technology for the generation of three-dimensional (3D) human tissues that can be employed in drug discovery and development, biological research, and as therapeutic implants for the treatment of damaged or degenerating tissues and organs. We intend to introduce a paradigm shift in the approach to the generation of three-dimensional human tissues, by creation of constructs in 3D that have the potential to replicate native human biology. We can improve on previous technologies by moving away from monolayer 2D cell cultures and by enabling all or part of the tissues we create to be constructed solely of cells. We believe our expertise in printing small-diameter, fully cellular human blood vessels *in vitro* provides a strong foundation upon which other tissues can be built to replicate human biology and human disease. We believe that our broad and exclusive commercial rights to patented and patent-pending 3D bioprinting technology, combined with strengths in engineering and biology, put us in an ideal position to provide a wide array of products for use in research, drug discovery and regenerative medicine therapies.

Our foundational proprietary technology derives from research led by Dr. Gabor Forgacs, a Professor of Biophysics at the University of Missouri. We have a broad portfolio of intellectual property rights covering principles, enabling instrumentation applications and methods of cell based printing, including exclusive licenses to certain patented and patent pending technologies from the University of Missouri-Columbia and Clemson University, and outright ownership of six pending patent applications (the patents and patent rights described in this paragraph are sometimes collectively referred to as the "**Intellectual Property Rights**"). See "**Intellectual Property**".

We believe that our portfolio of Intellectual Property Rights provides a strong and defensible market position for the commercialization of 3D bioprinting technology.

We believe we have the potential to build and maintain a sustainable business by leveraging our core technology platform across a variety of applications. As part of our business strategy we intend to pursue collaboration agreements with drug development companies that will allow us to further develop our 3D bioprinting technology and the potential uses of the cellular structures and tissues that can be produced with our technology. We also plan to develop research products with our 3D bioprinting technology that can be offered to third parties involved in drug discovery. We currently have collaborative research agreements currently in effect with Pfizer, Inc. ("**Pfizer**") and United Therapeutic Corporation ("**Unither**"). We have also secured four federal grants in the aggregate amount of approximately $665,000 including Small Business Research Innovation grants and developed the NovoGen MMX Bioprinter™ (our first-generation 3D bioprinter) – within two and one half years of opening our first facilities. We believe these corporate achievements provide strong validation for the commercial viability of our technology.

The Technology

Our technology is centered around a core 3D bioprinting method, represented by our bioprinting instrument, the NovoGen MMX Bioprinter™. The 3D bioprinting technology enables a wide array of tissue compositions and architectures to be created, using combinations of cellular 'bio-ink' (building blocks comprised solely of cells), hydrogel (building blocks comprised of biocompatible gels), or hybrid 'bio-ink' (building blocks comprised of a mixture of cells and material such as hydrogel). A key distinguishing feature of our bioprinting platform is the ability to generate three-dimensional constructs that have all or some of their components comprised entirely of cells. The fully-cellular feature of our technology enables architecturally- and compositionally-defined 3D human tissues to be generated for *in vitro* use in drug discovery and development to potentially replicate the functional biology of a solid, fully cellular tissue. Furthermore, fully cellular constructs may offer specific advantages for regenerative medicine applications where bioactive cells are required and three-dimensional configuration is necessary, such as augmenting or replacing functional mass in tissues and organs that have sustained acute or chronic damage.

We plan to develop research products with our 3D bioprinting technology that can be offered to third parties involved in drug discovery. We intend to deliver the following products to the market:

- Three-dimensional models of human tissue for utilization in traditional absorption, distribution, metabolism, excretion (ADME) / toxicology (TOX) / and drug metabolism and pharmacokinetics (DMPK) testing in drug development.
- Specific models of human biology or pathophysiology, in the form of three-dimensional human tissues, and for use in drug discovery, development, and delivery.
- Three-dimensional human tissues for use as therapeutic regenerative medicine products, such as blood vessels for bypass grafting, nerve grafts for nerve damage repair and cardiac patches for treatment of heart disease.
- 3D bioprinters for use in medical research.
- A portfolio of consumables for use in 3D bioprinting.

As part of our business strategy we intend to pursue collaboration agreements with drug development companies that will allow us to further develop our 3D bioprinting technology and the potential uses of the cellular structures and tissues that can be produced with our technology. We currently have a collaborative research agreement with Pfizer to develop specific three-dimensional tissue models. We are engaged in the development of specific 3D human tissues to aid Pfizer in discovery of successful therapies in two areas of interest. In addition, in October 2011, we entered into a research agreement with Unither to establish and conduct a research program to discover treatments for pulmonary hypertension using our NovoGen MMX Bioprinter™ technology. We believe these relationships provide validation of the value of our 3D bioprinting technology and demonstrate our ability to produce revenue.

Market Opportunity

We believe that our bioprinting technology is uniquely positioned to provide three-dimensional human tissues for use in drug discovery and development as well as a broad array of tissues suitable for therapeutic use in regenerative medicine applications. While there are rapid-prototyping printers currently available that build three-dimensional structures out of polymers (often used for prototyping of plastic parts for tools or devices), these instruments are not specifically designed or intended for use with purely cellular inks in building biologic tissues and we do not believe that the firms working on these instruments have the required biology expertise to create tissues using these instruments at this time. There are multiple markets addressable by our technology platform:

1) Specialized Models for Drug Discovery and Development: The NovoGen MMX Bioprinter™ can produce highly specialized three-dimensional human tissues that can be utilized to model a specific tissue physiology or pathophysiology. Our bioprinting technology has demonstrated the ability to create human blood vessel constructs, and to create fully human tissue containing capillary structures. These capabilities are anticipated to broaden the scope and scale of 3D tissues that can be generated, and to facilitate the development of disease models in such areas as cardiovascular disease, oncology, and fibrosis.

2) Biological Research Tools: Absorption, distribution, metabolism, excretion (ADME) testing is used to determine which factors enhance or inhibit how a potential drug compound reaches the blood stream. Distribution of a compound can be affected by binding to plasma proteins; age, genetics, and other factors can influence metabolism of a compound; and the presence of certain disease states can have effects on excretion of a compound. Many companies perform ADME studies utilizing various cell-based assays or automated bioanalytical techniques. Drug metabolism and pharmacokinetics (DMPK) testing is a subset of ADME. Determining the DMPK properties of a drug helps the drug developer to understand its safety and efficacy. Toxicology (TOX) testing is a further requirement to determine the detrimental effects of a particular drug on specific tissues. We believe that the NovoGen MMX Bioprinter™ is positioned to deliver highly differentiated products for use in traditional cell-based ADME / TOX / DMPK studies. Products in this arena may replace or complement traditional cell-based assays that typically employ primary hepatocytes, intestinal cell lines, renal epithelial cells and cell lines grown in a traditional two-dimensional format. Importantly, the combination of tissue-like three-dimensionality and human cellular components is believed to provide an advantage over non-human animal systems toward predicting *in vivo* human outcomes.

3) Regenerative Medicine: The field of regenerative medicine is advancing via multiple strategic approaches in development and practice, including cell therapies and scaffold-based products (+/- cells). The architectural precision and flexibility of our technology may facilitate the optimization, development, and clinical use of three-dimensional tissue constructs. Importantly, our technology offers a next-generation strategy whereby three-dimensional structures can be generated without the use of scaffolding or biomaterial components. The ultimate goal is to enable fully cellular constructs to be generated in a configuration compatible with surgical modes of delivery, thereby enabling restoration of significant functional mass to a damaged tissue or organ.

We believe that our technology can capitalize, via strategic partnerships, on additional market opportunities in the provision of enabling tools for drug discovery and development as well as the discovery and development of therapeutic implants that augment or replace damaged tissues and organs. There are multiple short- and long-term revenue opportunities for us in these areas, including direct sales of 3D human tissue constructs for drug screening and development, licensing fees for commercial access to our technology, and royalties from product enablement, particularly in the area of therapeutic products for regenerative medicine.

Background on Bioprinting

The formation of ‘bio-ink’ — the cell-based building blocks that can be dispensed by our bioprinter — relies on the demonstrated principle that groups of individual cells will self-assemble to generate aggregates, through the actions of cell surface proteins that bind to each other and form junctions between cells. Furthermore, if two or more compatible self-assembled aggregates are placed in close proximity, under the proper conditions they will fuse to generate larger, more complex structures via physical properties analogous to those that drive fusion of liquid droplets. The concept of tissue liquidity originated in studies of developmental biology, where it was noted that developing tissues have liquid-like properties that enable individual cellular components to pattern each other, migrate, organize, and differentiate. As development progresses, tissues transition from a dynamic viscous liquid state to a more static semi-solid state, largely driven by the compartmentalized organization of cellular components and production within the organized tissue of extracellular matrix proteins that provide the mature tissue with the biomechanical properties required for tissue-specific function.

Figure 1 demonstrates self-assembly and tissue liquidity using cellular aggregates generated from developing chicken heart tissue, showing that two adjacent aggregates will fuse over time and generate a larger cellular structure. This basic behavior can be leveraged to form more complex structures whereby aggregates are arranged in a specific geometry that can recapitulate shapes and architectures commonly found in tissues and organs, including tubes and multi-layered structures.

Figure 2 shows that the phenomenon of aggregate fusion in embryonic tissue can be extended to adult-derived cultured mammalian cells, as demonstrated by the fusion of adult hamster ovary epithelial cell aggregates to form toroid (ring) structures when placed into that geometry and held for about 120 hours.

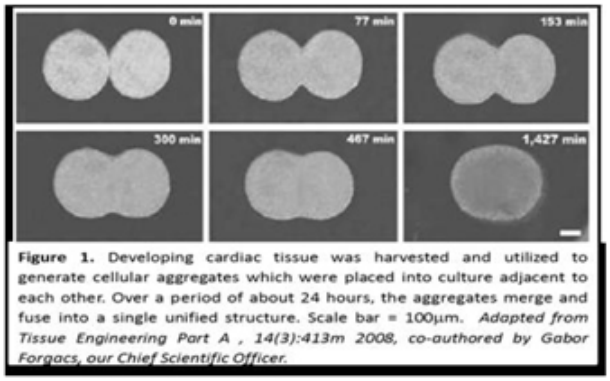

Figure 1. Developing cardiac tissue was harvested and utilized to generate cellular aggregates which were placed into culture adjacent to each other. Over a period of about 24 hours, the aggregates merge and fuse into a single unified structure. Scale bar = 100μm. *Adapted from Tissue Engineering Part A , 14(3):413m 2008, co-authored by Gabor Forgacs, our Chief Scientific Officer.*

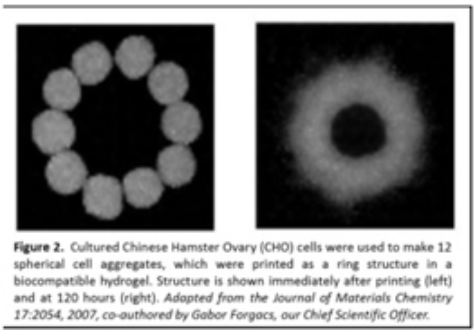

Figure 2. Cultured Chinese Hamster Ovary (CHO) cells were used to make 12 spherical cell aggregates, which were printed as a ring structure in a biocompatible hydrogel. Structure is shown immediately after printing (left) and at 120 hours (right). *Adapted from the Journal of Materials Chemistry 17:2054, 2007, co-authored by Gabor Forgacs, our Chief Scientific Officer.*

The NovoGen MMX Bioprinter™

Our NovoGen MMX Bioprinter™ is an automated device that enables the fabrication of three-dimensional (3D) living tissues comprised of mammalian cells. A custom graphic user interface (GUI) facilitates the 3D design and execution of scripts that direct precision movement of the dispensing heads to deposit cellular building blocks (‘bio-ink’) or supporting hydrogel. The unit fits easily into a standard biosafety cabinet, eliminating the need to purchase ancillary equipment or make facility modifications to maintain sterility of bioprinted tissues during the printing process. The speed and precision of this instrument enables the production of small-scale tissue models for drug discovery as well as various drug absorption and toxicology assays. The NovoGen MMX Bioprinter™ (Figure 3) went from in-licensing and initial design to commercial production in less than two years.

We are currently using a third party manufacturer, Invetech Pty., of Melbourne, Australia, to manufacture our NovoGen MMX Bioprinter. Under our manufacturing and supply agreement with Invetech, Invetech has agreed to manufacture our bioprinters for a certain budgeted cost, which cost decreases as we increase the number of bioprinters manufactured. Either party can terminate the manufacturing and supply agreement at any time. Although Invetech is currently a sole source manufacturer for our bioprinters, we believe we can locate a number of other third party manufacturers with the requisite expertise to manufacturer our bioprinters without significant delays or costs should Invetech elect to terminate their agreement with us.

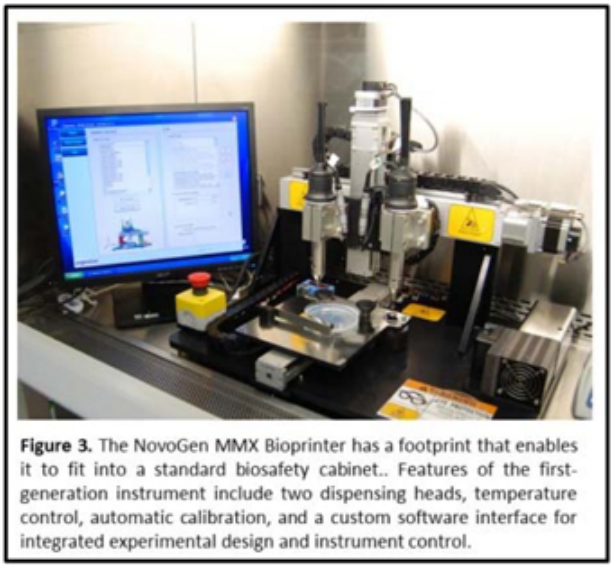

Figure 3. The NovoGen MMX Bioprinter has a footprint that enables it to fit into a standard biosafety cabinet.. Features of the first-generation instrument include two dispensing heads, temperature control, automatic calibration, and a custom software interface for integrated experimental design and instrument control.

The first step in bioprinting is preparation of the bio-ink aggregates, which are typically generated in spherical or cylindrical format. Bio-ink can be generated from a wide variety of cell types, including cell lines, primary cells, stromal cells, epithelial cells, endothelial cells, and progenitor cells. Bio-ink production begins with the creation of a thick ‘cell paste’ comprised of a slurry of cells and containing any other components required to be part of the final tissue composition. The cell paste is into spherical aggregates, cylindrical bio ink, or another building block form. After a maturation period the bio-ink is loaded into the bioprinter, which then dispenses the building blocks in the geometry specified by the user, with a bio-inert hydrogel serving as a physical support for the bioprinted tissue as well as occupying any negative space included in the design.

The NovoGen MMX Bioprinter™ has proved to be a powerful enabling tool for the design, optimization, and fabrication of viable 3D human tissues, based on our internal product discovery and development efforts as well as the experience of our corporate partners and customers. Continuing use of the NovoGen MMX Bioprinter™ in the pursuit of multiple drug discovery and therapeutic applications has provided key insights that will be utilized in the evolution of the bioprinter platform. We believe that purpose-driven improvements and added product features, combined with new capabilities enabled by additional in-licensed intellectual property, will enhance our ability to deliver commercially viable outputs for corporate partners in drug development and implantable therapeutics.

The NovoGen MMX Bioprinter has won the following awards and accolades:

- 2010 International Society for Biofabrication Meeting - Special Award
- 2010 TIME Magazine “50 Best Inventions of 2010”
- 2011 Australian Engineering Innovation Award, sponsored by the Australian government

Organovo was also celebrated as “Dealmaker of the Year 2011 - Firm” by the Fermanian Business and Economic Institute and included in MIT Technology Review’s 2012 TR50 List of the World’s Most Innovative Companies.

In 2011 and early 2012 we provided, or will provide, NovoGen MMX Bioprinters™ for use by the following institutions, among others, for research purposes: Harvard Medical School, Wake Forest University, and the Sanford Consortium for Regenerative Medicine (“SCRM”). The SCRM is a new institution which opened in November, 2011, comprised of faculty from the Salk Institute, The Scripps Research Institute, the University of California, San Diego, Sanford-Burnham Medical Research Institute, and La Jolla Allergy and Immunology Institute. We believe that the use of our bioprinting platform by major research institutions will increase the value of the platform and create future opportunities for intellectual property licensing.

Specific Applications for 3D Human Tissues

Our bioprinting technology and surrounding intellectual property and commercial rights serve as a platform for product generation across multiple markets that employ cell- and tissue-based products and services. The core capability of our technology is the production of human tissues with the potential to recapitulate human biology. Once generated, these *in vivo*- like human tissues may be suitable for a variety of applications such as research tools, specialized models of tissue pathobiology, and implantable therapeutics for tissue engineering and regenerative medicine (Figure 4). Importantly, the basic fabrication and maturation protocols that generate functional micro-scale tissues for *in vitro* use will serve as a foundation for the design and manufacture of larger-scale tissues intended for therapeutic use to augment or replace damaged or degenerating organs.

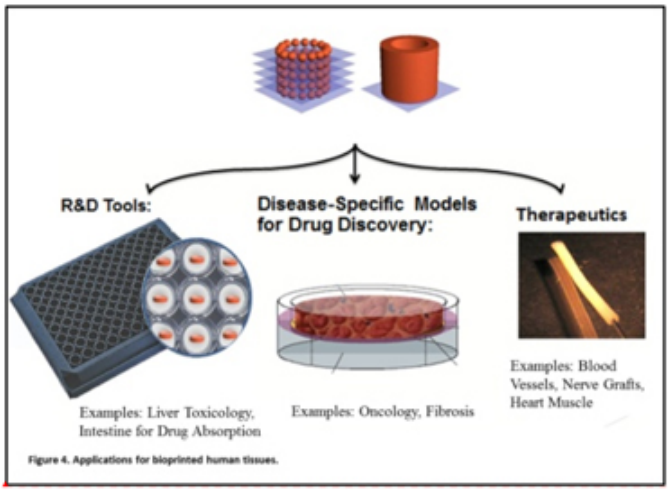

Figure 4. Applications for bioprinted human tissues.

Collaborative Agreements

As part of our business strategy, we intend to pursue collaboration agreements with drug development companies that will allow us to further develop our bioprinter technology and the potential uses of the cellular structures and tissues that can be produced with our bioprinter technology. Under these collaboration agreements, we and the drug development company will conduct research to pursue drug discovery utilizing the three dimensional cellular structures developed with our bioprinter technology. Currently, drug therapy research and testing generally involves testing drug candidates and therapies on monolayer two dimensional cell cultures that attempt to mimic damaged or degenerating tissues. We believe the use of our technology, which creates three dimensional cellular structures, will enhance and facilitate drug discovery.

Our collaboration agreements typically provide for the parties to mutually develop a research plan and timeline. Each collaboration partner is required to provide the other party reports describing the applicable party's progress under such research plan. Our collaborative agreements generally have a term of the later of one to three years, or the completion by us of the applicable research plan. The agreements provide for certain upfront payments and milestone payments throughout the term related to our research and development obligations under the agreement. In addition, the collaboration agreements provide for a future licensing arrangement between the parties, with royalties payable to us, if the drug development company is successful in identifying a drug candidate or therapy utilizing our bioprinter technology. These agreements also provide customary mutual indemnities and contain standard representations and warranties.

Our first two collaboration agreements are with Pfizer, Inc. ("**Pfizer**") and United Therapeutics Corporation ("**Unither**"). In December 2010, we entered into a collaborative research agreement with Pfizer to develop tissue based drug discovery assays in two therapeutic areas utilizing our NovoGen MMX Bioprinter™ technology. To date, Pfizer has paid us all amounts due under the agreement and we anticipate completing the research plan by March 2012. We anticipate that the agreement will be extended past March 2012; although we can give no assurance that it will in fact be so extended. In October 2011, we entered into a research agreement with Unither to establish and conduct a research program to discover treatments for pulmonary hypertension using our NovoGen MMX Bioprinter™ technology, which remains in effect until the later of 30 months from its commencement or our completion of the contracted research. Additionally, under the research agreement with Unither, we granted Unither an option to acquire from us a worldwide, royalty-bearing license in certain intellectual property created under the research agreement solely for use in the treatment or prevention of pulmonary hypertension and all other lung diseases. The license would provide for certain milestone payments and minimum annual royalties and sales-based royalties.

Federal Grants

We have received five federally funded grants to date. In August, 2009 and August, 2010 we received grants from National Heart, Lung, and Blood Institute, a division of the Department of Health and Human Services, to fund our research in connection with building and testing multi-layered fully biological blood vessel substitutes and bioprinting with specialized adult stem cells derived from adipose (fat) tissue. The total amount of these grants was $267,625. In October, 2010 we received two grants from the federal government relating to our projects titled "Biological 3D Bioprinted Blood Vessel" and "NovoGen 3D Bioprinter Development." The total amount of these grants was $397,287. In March 2012, we received a $290,053 grant from the National Institutes of Health to support the development of functional human liver tissue utilizing our bioprinting technology.

Competition

We are subject to significant competition from pharmaceutical, biotechnology, and diagnostic companies; academic and research institutions; and government or other publicly-funded agencies that are pursuing the development of research tools and therapeutic products that otherwise address the needs of our potential customers.

We believe our future success will depend, in large part, on our ability to maintain a competitive position in our field. Biopharmaceutical technologies have undergone and are expected to continue to undergo rapid and significant change. We or our competitors may make rapid technological developments which may cause our research tools or therapeutic products to become obsolete before we recover the expenses incurred. The introduction of less expensive or more effective therapeutic discovery and development technologies, including technologies that may be unrelated to our field, may also make our technology less valuable or obsolete. We may not be able to make the necessary enhancements to our technologies or research tools to compete successfully with newly emerging technologies. The failure to maintain a competitive position in the biopharmaceutical field may result in decreased revenues.

We are a platform technology company dedicated to the development and production of 3D human tissues that service both the drug development and regenerative medicine industries. To our knowledge, there are no other companies with a similar platform technology or marketed products.

Set forth below is a discussion of competitive factors for each of the broad markets in which we intend to utilize our technology:

Highly Specialized Models for Drug Discovery: This aspect of our business is driven by leveraging our technology as a high-end partnered service that enables a customer to discover or optimally formulate a pharmacologic product that delivers a specific therapeutic effect, or avoids a particular side effect. In addition to revenue generated from the tissue production work, additional revenues are possible in the form of up-front license fees, milestone payments, know-how payments, and royalties. We can provide the customer access to tissues as a service or can produce and supply the tissues to customers; both options are designed to generate continuing revenue. Competition in this area arises mainly from two sources, traditional cell-based *in vitro* culture approaches and traditional i *n vivo* animal models and testing.

We believe that an important factor distinguishing our approach from that of our competitors is our ability to build models that are composed of human cells and have a 3D tissue-like configuration (i.e., able to generate results that are not subject to inherent limitations of 2D monolayer culture). We acknowledge, however, that there are some areas of research for which the existing methods (2D cell culture and/or animal studies) are adequate and 3D *in vitro* human tissues are not sufficiently advantageous.

Tools for Research and Drug Development: We intend to employ our technology to provide an array of broadly-applicable enabling tools and assays to the drug research markets. Examples of products in this segment of the business include future pipeline efforts in the development of 3D human tissue models that service the ADME/TOX/DMPK markets as alternatives or supplements to traditional cell-based assays and animal studies, and the NovoGen MMX Bioprinter™ instrument.

Competition in the bioprinter arena has been limited to date. We believe that we have a first mover advantage in being the first and only company to offer a purely cellular bioprinting system commercially, which does not rely on the presence of foreign, non-native polymer in the final tissue construct. Some academic groups have internally created inkjet bioprinting systems, but these systems have not been developed commercially to date and are unlikely to adapt as well to a commercial model.

Regenerative Medicine: This aspect of our business involves application of our 3D bioprinting technology to generate 3D human tissues suitable for implantation *in vivo* to augment or replace damaged or degenerating tissues. The majority of these efforts will be undertaken as partnered projects with leading therapeutic companies seeking to develop a tissue engineering / regenerative medicine product for a specific application. Near-term revenues would come from the funding of development work and, in some cases, licensing fees for access to our platform technologies. We expect longer-term revenues may arise from shared profits and royalties or other forms of income from successful clinical and commercial development of the tissue products. There are many companies pursuing the discovery, development, and commercialization of tissue-engineered products for a variety of applications, including but not limited to Organogenesis, Advanced BioHealing (recently acquired by Shire), Tengion, Genzyme (a subsidiary of Sanofi), HumaCyte and Cytograft Tissue Engineering. These companies represent potential competition for us but can also be potential partners. For any tissue-engineered / regenerative medicine product where three-dimensionality is desired, our platform has a unique ability to enable generation of prototypes, optimization of prototypes and protocols, and production of the tissue.

Intellectual Property

Our success depends in large part on our ability to obtain and enforce patents, maintain protection of trade secrets and operate without infringing the proprietary rights of third parties. We hold exclusive licenses to one U.S. patent, three U.S. patent applications and multiple corresponding international patent applications. We have filed six U.S. patent applications and corresponding international patent applications regarding our technology and its various uses in areas of tissue creation and utilization in drug discovery, including filings for specific tissue types.

In March, 2009, we obtained a world-wide exclusive license to a suite of intellectual property owned or licensed by the University of Missouri-Columbia ("**MU**") covering the following two patent applications:

- "Self-Assembling Cell Aggregates and Methods of Making Engineered Tissue Using the Same" (US 10/590,446); and
- "Self-Assembling Multicellular Bodies and Methods of Producing a Three-Dimensional Biological Structure Using the Same" (PCT/US2009/48530) (the "**MU 2009 License Agreement**").

In March 2012, the U.S. Patent and Trademark Office issued a patent (No. 8,143,055) for the patent application titled "Self-Assembling Multicellular Bodies and Methods of Producing a Three-Dimensional Biological Structure Using the Same." The patent provides us with intellectual property rights to create cellular aggregates, to use cellular aggregates to create engineered tissue, and to employ cellular aggregates to create engineered tissue with no scaffold present.

In addition, in March, 2010, we obtained a world-wide exclusive license to additional intellectual property from MU, including a patent application covering the composition and method of manufacture of a nerve conduit (the "**MU 2010 License Agreement**", and together with the MU 2009 License Agreement, the "**MU License Agreements**"). The patent application licensed to us under the MU 2009 License Agreement, entitled "Self-Assembling Multicellular Bodies and Methods of Producing a Three-Dimensional Biological Structure Using the Same" (Serial No. 12/491,228), of which an issue notification has been mailed by the U.S. Patent and Trademark Office assigning a projected U.S. Patent No. of 8,143,055, is expected to expire in June 2029. The remaining two patent applications licensed under the MU License Agreements are still under review at the U.S. Patent and Trademark Office.

Each of the MU License Agreements required us to make an upfront payment ranging from $5,000 to $25,000. They also require us to pay royalties ranging from 1% to 3% of net sales depending on the level of net sales reached and certain minimum annual royalties ranging from $5,000 to $25,000. Additionally, the MU 2010 License Agreement requires us to pay a minimum royalty of $12,500 if no net sales are achieved after five years from the effective date. Additionally, we are required to pay 20% of all revenue derived from any sublicense we grant under any of the MU License Agreements. The MU License Agreements terminate upon the last to expire licensed patents and may be terminated upon breach of either party, subject to standard cure provisions.

Dr. Gabor Forgacs, one of our Founders and Scientific Advisors, is the common inventor of all of these works (the "**Forgacs Intellectual Property**"). The Forgacs Intellectual Property is the result of years of research by Dr. Gabor Forgacs, the George H. Vineyard Professor of Biophysics at the University of Missouri-Columbia and his collaborators and research teams. Dr. Forgacs is a sought after expert in biofabrication with a long record of peer-reviewed publications. The Forgacs Intellectual Property derives from work done in the labs of Dr. Forgacs and his collaborators, including the work done under a $5,000,000 Frontiers In Biological Research grant that Dr. Forgacs and his collaborators received from the National Science Foundation.

The Forgacs Intellectual Property provides us with intellectual property rights to create cellular aggregates, to use cellular aggregates to create engineered tissue, and to employ cellular aggregates to create engineered tissue with no scaffold present. The intellectual property rights derived from the Forgacs Intellectual Property also enables us to utilize our NovoGen MMX Bioprinter™ to create engineered tissues, and provides us with rights to specific compositions with utility in the creation of nerve conduit.

In May, 2011, we obtained an exclusive license (the "**CURF License Agreement**") to a patent entitled "Ink Jet Printing of Viable Cells" (US 7,051,654) from the Clemson University Research Foundation ("**CURF Patent**"). The Clemson University Research Foundation had been granted certains rights allowing it to offer exclusive rights to the CURF Patent. The CURF Patent provides us with the intellectual property rights to methods of using ink-jet printer technology to dispense cells, and to create matrices of bioprinted cells on gel materials. This patent is expected to expire in May 2024.

The CURF License Agreement requires us to make an upfront payment of $32,500, payable in four quarterly payments with the last payment due in April 2012. Additionally, the CURF License Agreement requires us to pay royalties ranging from 1.5% to 3% of net sales depending on the level of net sales reached and minimum annual royalties ranging from $20,000 to $40,000. Additionally, we are required to pay 40% of all revenue derived from any sublicense we grant under the CURF License Agreement. The CURF License Agreement terminates upon the last to expire licensed patents and may be terminated upon breach of either party, subject to standard cure provisions.

The CURF License Agreement also requires us to (i) commit at least $100,000 toward development of equipment incorporating certain technology related to the CURF Patent by 2014, (ii) develop a working model of a product covered by the CURF Patent (a "**Licensed Product**") by December 31, 2013 and (iii) commence commercial sales of a Licensed Product by December 31, 2015. Material breach of the CURF License Agreement gives the Clemson University Research Foundation the right to terminate the CURF License Agreement if we do not cure the breach within 45 days following our receipt of notice of such breach.

Under our license arrangements, we have full control and authority over the development and commercialization of any licensed products, including clinical trials, manufacturing, marketing, and regulatory filings. We were required to submit and have submitted plans for commercialization of all technologies and are required to make efforts to pursue commercial development of the technology. We are required to make payments on an annual basis after commercialization to maintain the license rights.

We currently have U.S. patent applications pending to protect our proprietary methods and processes and have also filed, and intend to file, corresponding foreign patent applications. We believe that protection of the proprietary nature of our products and technologies is essential to our business. Accordingly, we have adopted and will continue a vigorous program to secure and maintain protection of our proprietary methods and processes. We file patent applications with respect to novel technology, and improvements thereof that are important to our business. We also rely upon trade secrets, unpatented know-how, continuing technological innovation and the pursuit of licensing opportunities to develop and maintain our competitive position. There can be no assurance that others will not independently develop substantially equivalent proprietary technology or that we can meaningfully protect our proprietary position.

Regulatory Considerations

We are not aware of any current FDA regulatory requirements for sales of research tools, such as bioprinters and bioprinted tissues, into a research setting. However, pharmaceutical industry corporate customers with whom we will enter into partnerships will face regulatory review of the research data they generate using our platform and research tools. Good Laboratory Practice (GLP) data is required in the development of any human therapeutic, and our platform has been designed to support compliance with GLP, although no independent testing has been performed to date to confirm this compliance. All product contact surfaces are sterilizable or disposable. GLP considerations around areas such as data integrity are the sole responsibility of the customer without regard to specifics of the research tool used.

Therapeutic tissues and other regenerative medicine products are subject to an extensive and uncertain regulatory approval process by the Food and Drug Administration (FDA) and comparable agencies in other countries. The regulation of new products is extensive, and the required process of laboratory testing and human studies is lengthy and expensive. The burden of these regulations will fall on our collaborating partners, or may be shared with us, to the extent that we are developing proprietary products that are the result of a collaboration effort. The burden of these regulations will fall on us to the extent we are developing proprietary products on our own. We may not be able to obtain FDA approvals for those products in a timely manner, or at all. We may encounter significant delays or excessive costs in our efforts to secure necessary approvals or licenses. Even if we obtain FDA regulatory approvals, the FDA extensively regulates manufacturing, labeling, distributing, marketing, promotion and advertising after product approval. Moreover, several of our product development areas may involve relatively new technology and have not been the subject of extensive product testing in humans. The regulatory requirements governing these products and related clinical procedures remain uncertain and the products themselves may be subject to substantial review by foreign governmental regulatory authorities that could prevent or delay approval in those countries. Regulatory requirements ultimately imposed on our products could limit our ability to test, manufacture and, ultimately, commercialize our products and thereby could adversely affect our financial condition and results of operations.

As constructs move into clinical and commercial settings, use of a validated and Good Tissue Practices (*GTP*) Quality system will be required. Suitable design and documentation for clinical use of the bioprinter will be a part of future phases of printer design programs.

Employees

We currently have twenty-three employees, of whom sixteen are employed full time. We also engage consultants and temporary employees from time to time to provide services that relate to our bioprinting business and technology as well as for general administrative and accounting services.

Legal Proceedings

From time to time we may be named in claims arising in the ordinary course of business. Currently, no legal proceedings, government actions, administrative actions, investigations or claims are pending against us or involve us that, in the opinion of our management, could reasonably be expected to have a material adverse effect on our business and financial condition.

We anticipate that we will expend significant financial and managerial resources in the defense of our intellectual property rights in the future if we believe that our rights have been violated. We also anticipate that we will expend significant financial and managerial resources to defend against claims that our products and services infringe upon the intellectual property rights of third parties.

Available Information

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Reports filed with the SEC pursuant to the Exchange Act, including annual and quarterly reports, and other reports we file, can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Investors may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Investors can request copies of these documents upon payment of a duplicating fee by writing to the SEC. The reports we file with the SEC are also available on the SEC's website (http://www.sec.gov).

RISK FACTORS AND SPECIAL CONSIDERATIONS

This Report contains forward-looking statements.

Information provided in this Current Report may contain forward-looking statements which reflect management's current view with respect to future events, the viability or efficacy of our products and our future performance. Such forward-looking statements may include projections with respect to market size and acceptance, revenues and earnings, marketing and sales strategies and business operations, as well as efficacy of our products.

We operate in a highly competitive and highly regulated business environment. Our business can be expected to be affected by government regulation, economic, political and social conditions, business' response to new and existing products and services, technological developments and the ability to obtain and maintain patent and/or other intellectual property protection for our products and intellectual property. Our actual results could differ materially from management's expectations because of changes both within and outside of our control. Due to such uncertainties and the risk factors set forth in this Current Report, prospective investors are cautioned not to place undue reliance upon such forward-looking statements.

Risks related to our Business and our Industry

We have a limited operating history and a history of operating losses, and expect to incur significant additional operating losses.

We were incorporated in 2007, opened our laboratories in San Diego in January, 2009 and have only a limited operating history. Therefore, there is limited historical financial information upon which to base an evaluation of our performance. Our prospects must be considered in light of the uncertainties, risks, expenses, and difficulties frequently encountered by companies in their early stages of operations. We have generated operating losses since we began operations, including $1,338,694 and $3,964,610 for the year ended December 31, 2010 and 2011, respectively, and as of December 31, 2011 we had an accumulated operating loss of $6,272,904 We expect to incur substantial additional operating expenses over the next several years as our research, development, and commercial activities increase. The amount of future losses and when, if ever, we will achieve profitability are uncertain. Our ability to generate revenue and achieve profitability will depend on, among other things, entering into customer relationships with strategic partners, successful completion of the preclinical and clinical development of our partners' product candidates; obtaining necessary regulatory approvals by our partners or us from the FDA and international regulatory agencies; successful manufacturing, sales, and marketing arrangements; and raising sufficient funds to finance our activities. We might not succeed at any of these undertakings. If we are unsuccessful at some or all of these undertakings, our business, prospects, and results of operations may be materially adversely affected.

We may need to secure additional financing.

We may require additional funds for our anticipated operations and if we are not successful in securing additional financing, we may be required to delay significantly, reduce the scope of or eliminate one or more of our research or development programs, downsize our general and administrative infrastructure, or seek alternative measures to avoid insolvency, including arrangements with collaborative partners or others that may require us to relinquish rights to certain of our technologies, product candidates or products.

We are an early-stage company with an unproven business strategy and may never achieve commercialization of our research tools and therapeutic products or profitability.

Our strategy of using our research tools for the collaborative development of therapeutic products is unproven. Our success will depend upon our ability to enter into additional collaboration agreements on favorable terms, to determine which research tools and therapeutic products have potential value, and to select an appropriate commercialization strategy for each research tool and potential therapeutic product we or our collaborators choose to pursue. If we are not successful in implementing our strategy to commercialize our research tools and potential therapeutic products, we may never achieve, maintain or increase profitability.

Our success and our collaborators' ability to sell therapeutic products will depend to a large extent upon reimbursement from health care insurance companies.

Our success may depend, in part, on the extent to which reimbursement for the costs of therapeutic products and related treatments will be available from third-party payers such as government health administration authorities, private health insurers, managed care programs, and other organizations. Over the past decade, the cost of health care has risen significantly, and there have been numerous proposals by legislators, regulators, and third-party health care payers to curb these costs. Some of these proposals have involved limitations on the amount of reimbursement for certain products. Similar federal or state health care legislation may be adopted in the future and any products that we or our collaborators seek to commercialize may not be considered cost-effective. Adequate third-party insurance coverage may not be available for us or our collaborative partners to establish and maintain price levels that are sufficient for realization of an appropriate return on investment in product development.

Our research tools are new and unproven and may not allow us or our collaborators to develop successful commercial products

Our research tools involve new and unproven approaches. We have not proven that our research tools will enable us or our collaborators to identify therapeutic products with commercial potential, or to develop or commercialize such therapeutic products. Even if we or our collaborators are successful in identifying therapeutic products based on discoveries made using our research tools, we or our collaborators may not be able to discover or develop commercially viable products. To date, no one has developed or commercialized any therapeutic or other life science product based on our research tools. If our research tools do not assist in the discovery and development of such therapeutic products, our current and potential collaborators may lose confidence in us and our research tools and our business may suffer as a result.

If our collaborators, licensees and customers do not successfully develop or commercialize therapeutic or other life science products using our research tools, we may not generate revenues from those customers. In addition, we may experience unforeseen technical complications, unrecognized defects and limitations in the productions of our research tools. These complications could materially delay or limit the use of those tools, substantially increase the anticipated cost of manufacturing them or prevent us from implementing research projects at high efficiency levels.

Our products and services represent new and rapidly evolving technologies.

Our proprietary tissue creation technology, drug discovery and research tools depend on new, rapidly evolving technologies. In addition, the process of developing new technologies and products is complex, and if we are unable to develop enhancements to, and new features for, our existing products or acceptable new products that keep pace with technological developments or industry standards, our products may become obsolete, less marketable and less competitive.

The commercialization of therapeutic or other life science products developed using our research tools is subject to a variety of risks .

Development of therapeutic and other life science products based on our or our collaborators' use of our technologies will be subject to risks of failure inherent in their development or commercial viability. These risks include the possibility that any such products will:

- fail to be found through the use of research tools;
- be found to be toxic;
- be found to be ineffective;
- fail to receive necessary regulatory approvals;
- be difficult or impossible to manufacture on a large scale;
- be economically infeasible to market;
- fail to be developed prior to the successful marketing of similar products by competitors; or
- be impossible to market because they infringe the proprietary rights of third parties or compete with superior products marketed by third parties.

We expect that our drug discovery collaborative partners or other clients that utilize our research tools will be required to submit their research for regulatory review in order to proceed with human testing of drug candidates. This review by the FDA and other regulatory agencies may result in timeline setbacks or complete rejection of an application to begin human studies, such as an Investigative New Drug (IND) application. Should our collaborative partners or other clients face such setbacks, we would be at risk of not being paid if there were agreed upon milestone and royalty payments. The risks of non-approval for our partners or other clients will include the inherent risks of unfavorable regulator opinion of a drug candidate's safety or efficacy, as well as the risk that the data generated by our platform technology is not found to be suitable to support the safety or efficacy of the drug. In addition, our platform technology is subject to the requirements of Good Laboratory Practice (GLP) to provide suitable data for INDs and other regulatory filings; no regulatory review of data from this platform has yet been conducted and there is no guarantee that our technology will be acceptable under GLP.

If we are unable to enter into or maintain strategic collaborations with third parties, we may have difficulty selling our research tools and therapeutic products and we may not generate sufficient revenue to achieve or maintain profitability.

Since we do not currently possess the resources necessary to develop, obtain approvals for or commercialize potential therapeutic products based on our technology, we must enter into collaborative arrangements to develop and commercialize these products. If we are not able to enter into these arrangements or implement our strategy to develop and commercialize therapeutic and other life science products based upon our research tools, we may not generate sufficient revenues to achieve or maintain profitability. Additionally, we may not be able to negotiate future collaborative arrangements on acceptable terms, if at all.

We cannot control our collaborators' allocation of resources or the amount of time that our collaborators devote to developing our programs or potential products, which may have a material adverse effect on our business.

We have collaborative research agreements with Pfizer and Unither, and will seek to enter into additional collaborations. Our agreements with our collaborators typically allow them significant discretion in electing whether to pursue product development, regulatory approval, manufacturing and marketing of the products they may develop with the help of our technology. We cannot control the amount and timing of resources our collaborators may devote to our programs or potential products. As a result, we cannot be certain that our collaborators will choose to develop and commercialize these products or that we will realize any milestone payments, royalties and other payments to which we may become entitled. In addition, if a partner is involved in a business combination, such as a merger or acquisition, or if a partner changes its business focus, its performance pursuant to its agreement with us may suffer and, as a result, we may not generate any revenues from royalty, milestone and similar provisions that may be included in our collaborative agreement with that partner.

Any termination or breach by or conflict with our collaborators or licensees could harm our business .

If we or any of our collaborators or licensees fail to renew or terminate any of our collaboration or license agreements or if either party fails to satisfy its obligations under any of our collaboration or license agreements or complete them in a timely manner, we could lose significant sources of revenue, which could result in volatility in our future revenue.

In addition, our agreements with our collaborators and licensees may have provisions that give rise to disputes regarding the rights and obligations of the parties. These and other possible disagreements could lead to termination of the agreement or delays in collaborative research, development, supply or commercialization of certain products, or could require or result in litigation or arbitration. Moreover, disagreements could arise with our collaborators over rights to our intellectual property or our rights to share in any of the future revenues of products developed by our collaborators. These kinds of disagreements could result in costly and time-consuming litigation. Any such conflicts with our collaborators could reduce our ability to obtain future collaboration agreements and could have a negative impact on our relationship with existing collaborators, adversely affecting our business and revenues. Finally, any of our collaborations or license agreements may prove to be unsuccessful.

Our collaborators could develop competing research, reducing the available pool of potential collaborators and increasing competition, which may adversely affect our business and revenues.

Our collaborators and potential collaborators could develop research tools similar to our own, reducing our pool of possible collaborative parties and increasing competition. Any of these developments could harm our product and technology development efforts, which could seriously harm our business. In addition, we may pursue opportunities in fields that could conflict with those of our collaborators. Developing products that compete with our collaborators' or potential collaborators' products could preclude us from entering into future collaborations with our collaborators or potential collaborators. Any of these developments could harm our product development efforts and could adversely affect our business and revenues.

If restrictions on reimbursements and health care reform limit our collaborators' actual or potential financial returns on therapeutic products that they develop based on our platform technology, our collaborators may reduce or terminate their collaborations with us .

Our collaborators' abilities to commercialize therapeutic and other life science products that are developed through the research tools or services that we provide may depend in part on the extent to which coverage and adequate payments for these products will be available from government payors, such as Medicare and Medicaid, private health insurers, including managed care organizations, and other third-party payors. These payors are increasingly challenging the price of medical products and services. Significant uncertainty exists as to the reimbursement status of newly approved therapeutic and other life science products, and coverage and adequate payments may not be available for these products.

In recent years, officials have made numerous proposals to change the health care system in the U.S. These proposals included measures to limit or eliminate payments for some medical procedures and treatments or subject the pricing of pharmaceuticals and other medical products to government control. Government and other third-party payors increasingly attempt to contain health care costs by limiting both coverage and the level of payments of newly approved health care products. In some cases, they may also refuse to provide any coverage of uses of approved products for disease indications other than those for which the FDA has granted marketing approval. Governments may adopt future legislative proposals and federal, state or private payors for healthcare goods and services may take action to limit their payments for goods and services. Any of these events could limit our ability to form collaborations or collaborators' and our ability to commercialize therapeutic products successfully.

We and our collaborators are subject to extensive and uncertain regulatory requirements, which could adversely affect our ability to obtain regulatory approval in a timely manner, or at all, for products that we identify or develop

Therapeutic and other life science products are subject to an extensive and uncertain regulatory approval process by the Food and Drug Administration (FDA) and comparable agencies in other countries. The regulation of new products is extensive, and the required process of laboratory testing and human studies is lengthy and expensive. The burden of these regulations will fall on our collaborating partners, or may be shared with us, to the extent that we are developing proprietary products that are the result of a collaboration effort. The burden of these regulations will fall on us to the extent we are developing proprietary products on our own. We may not be able to obtain FDA approvals for those products in a timely manner, or at all. We may encounter significant delays or excessive costs in our efforts to secure necessary approvals or licenses. Even if we obtain FDA regulatory approvals, the FDA extensively regulates manufacturing, labeling, distributing, marketing, promotion and advertising after product approval. Moreover, several of our product development areas may involve relatively new technology and have not been the subject of extensive product testing in humans. The regulatory requirements governing these products and related clinical procedures remain uncertain and the products themselves may be subject to substantial review by foreign governmental regulatory authorities that could prevent or delay approval in those countries. Regulatory requirements ultimately imposed on our products could limit our ability to test, manufacture and, ultimately, commercialize our products and thereby could adversely affect our financial condition and results of operations.

Our business depends upon the success of our research tools as alternatives to current research tools .

Our success depends on commercial acceptance of our research tools. We believe that adoption of our research tools by our current and future collaborators will be essential for commercial acceptance of our research tools. We cannot assure you that our research tools will be adopted, or if adopted, that they will be broadly accepted by pharmaceutical, biotechnology and diagnostic companies or various academic institutions.

We believe that recommendations by health care professionals and health care payors will be essential for commercial acceptance of our collaborators' or our products. We cannot assure you that the products we or our collaborators develop will achieve commercial acceptance among patients, physicians or third-party payors. Failure to achieve commercial acceptance would materially adversely affect our business, financial condition and results of operations.

We face intense competition which could result in reduced acceptance and demand for our research tools and products.

The biotechnology industry is subject to intense competition and rapid and significant technological change. We have many potential competitors, including major drug companies, specialized biotechnology firms, academic institutions, government agencies and private and public research institutions. Many of these competitors have significantly greater financial and technical resources, experience and expertise in research and development, preclinical testing, designing and implementing clinical trials; regulatory processes and approvals; production and manufacturing; and sales and marketing of approved products than we have. Principal competitive factors in our industry include the quality and breadth of an organization's technology; management of the organization and the execution of the organization's strategy; the skill and experience of an organization's employees and its ability to recruit and retain skilled and experienced employees; an organization's intellectual property portfolio; the range of capabilities, from target identification and validation to drug and device discovery and development to manufacturing and marketing; and the availability of substantial capital resources to fund discovery, development and commercialization activities.

Large and established companies compete in the biotech market. In particular, these companies have greater experience and expertise than we have in securing government contracts and grants to support their research and development efforts, conducting testing and clinical trials, obtaining regulatory approvals to market products, manufacturing such products on a broad scale and marketing approved products than we have.

Smaller or early-stage companies and research institutions may also prove to be significant competitors, particularly through collaborative arrangements with large and established biotech or other companies, or the obtaining of substantial private financing. We will also face competition from these parties in recruiting and retaining qualified scientific and management personnel.

In order to effectively compete, we will have to make substantial investments in development, testing, manufacturing and sales and marketing or partner with one or more established companies. There is no assurance that we or our collaborators will be successful in commercializing and gaining significant market share for any of products developed in part through use of our technology. Our technologies, products and services also may be rendered obsolete or noncompetitive as a result of products and services introduced by our competitors.

We may have product liability exposure from the sale of our research tools and therapeutic products or the services we provide.

We may have exposure to claims for product liability. Product liability coverage is expensive and sometimes difficult to obtain. Given our operations to date, we currently do not maintain any product liability insurance coverage. At such point that we determine it is prudent to obtain this insurance, we may not be able to obtain or maintain insurance at a reasonable cost. There can be no assurance that existing insurance coverage will extend to other products in the future. Any product liability insurance coverage may not be sufficient to satisfy all liabilities resulting from product liability claims. A successful claim may prevent us from obtaining adequate product liability insurance in the future on commercially desirable items, if at all. Even if a claim is not successful, defending such a claim would be time-consuming and expensive, may damage our reputation in the marketplace, and would likely divert management's attention.

The near and long-term viability of our products and services will depend on our ability to successfully establish strategic relationships.

The near and long-term viability of our products and services will depend in part on our ability to successfully establish new strategic collaborations with biotechnology companies, pharmaceutical companies, universities, hospitals, insurance companies and government agencies. Establishing strategic collaborations is difficult and time-consuming. Potential collaborators may reject collaborations based upon their assessment of our financial, regulatory or intellectual property position. If we fail to establish a sufficient number of collaborations on acceptable terms, we may not be able to commercialize our products or generate sufficient revenue to fund further research and development efforts.

Even if we establish new collaborations, these relationships may never result in the successful development or commercialization of any product or service candidates for several reasons both within and outside of our control.

Although our current focus is on providing drug discovery services and research tools in the research setting, we may develop tissue therapeutic products and seek approval to sell them as medical care. Before we could begin commercial manufacturing of any of our product candidates, we or our manufacturers must pass a pre-approval inspection by the FDA and comply with the FDA's current Good Manufacturing Practices. If our manufacturers fail to comply with these requirements, our product candidates would not be approved. If our collaborators fail to comply with these requirements after approval, we would be subject to possible regulatory action and may be limited in the jurisdictions in which we are permitted to sell products.

We will be dependent on third-party research organizations to conduct some of our future laboratory testing, animal and human studies.

We will be dependent on third-party research organizations to conduct some of our laboratory testing, animal and human studies with respect to therapeutic tissues and other life science products that we may develop in the future. If we are unable to obtain any necessary testing services on acceptable terms, we may not complete our product development efforts in a timely manner. If we rely on third parties for laboratory testing and/or animal and human studies, we may lose some control over these activities and become too dependent upon these parties. These third parties may not complete testing activities on schedule or when we so request. We may not be able to secure and maintain suitable research organizations to conduct our laboratory testing and/or animal and human studies. We are responsible for confirming that each of our clinical trials is conducted in accordance with our general plan and protocol. Moreover, the FDA and foreign regulatory agencies require us to comply with regulations and standards, commonly referred to as good clinical practices, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the trial participants are adequately protected. Our reliance on third parties does not relieve us of these responsibilities and requirements. If these third parties do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines, if the third parties need to be replaced or if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our pre-clinical development activities or clinical trials may be extended, delayed, suspended or terminated, and we may not be able to obtain regulatory approval for our future product candidates.

We may require access to a constant, steady, reliable supply of products.

To the extent that we develop products for sale, we may be required to complete clinical trials before we can offer such products for sale. Commercialization of products will require access to, or development of, facilities to manufacture a sufficient supply of our product candidates. If we are unable to manufacture our products in commercial quantities, then we will need to rely on third parties. These third-party manufacturers must also receive FDA approval before they can produce clinical material or commercial products. Our products may be in competition with other products for access to these facilities and may be subject to delays in manufacture if third parties give other products greater priority. In addition, we may not be able to enter into any necessary third-party manufacturing arrangements on acceptable terms, or on a timely basis. Furthermore, we would likely have to enter into a technical transfer agreement and share our know-how with the third party manufacturer.

We may rely on third-party suppliers for some our materials.

We may rely on third-party suppliers and vendors for some of the materials we require in our drug discovery and research tool businesses as well as for the manufacture of any product candidates that we may develop in the future. Any significant problem experienced by one of our suppliers could result in a delay or interruption in the supply of materials to us until such supplier resolves the problem or an alternative source of supply is located. Any delay or interruption could negatively affect our operations.

Violation of government regulations or quality programs could harm demand for our products or services, and the evolving nature of government regulations could have an adverse impact on our business .

To the extent that our collaborators or customers use our products in the manufacturing or testing processes for their drug and medical device products, such end-products or services may be regulated by the FDA under Quality System Regulations (QSR) or the Centers for Medicare & Medicaid Services (CMS) under Clinical Laboratory Improvement Amendments of 1988 (CLIA’88) regulations. The customer is ultimately responsible for QSR, CLIA’88 and other compliance requirements for their products; however, we may agree to comply with certain requirements, and, if we fail to do so, we could lose sales and customers and be exposed to product liability claims.

Products that are intended for the diagnosis or treatment of disease are subject to government regulation. Our drug discovery and research tool offerings are currently intended for research or investigational uses. Research uses are not subject to FDA or premarket approval or other regulatory requirements. Investigational uses are not subject to FDA premarket approval or most regulatory requirements, but are subject to limited regulatory controls for entities conducting investigational studies.

As we continue to adapt and develop parts of our product line in the future, including tissue-based products in the field of regenerative medicine, the manufacture and marketing of our products will become subject to government regulation in the United States and other countries. In the United States and most foreign countries, we will be required to complete rigorous preclinical testing and extensive human clinical trials that demonstrate the safety and efficacy of a product in order to apply for regulatory approval to market the product.

The steps required by the FDA before our proposed products may be marketed in the United States include performance of preclinical (animal and laboratory) tests; submissions to the FDA of an IDE (Investigational Device Exemption), NDA (New Drug Application), or BLA (Biologic License Application) which must become effective before human clinical trials may commence; performance of adequate and well-controlled human clinical trials to establish the safety and efficacy of the product in the intended target population; performance of a consistent and reproducible manufacturing process intended for commercial use; Pre-Market Approval Application ("**PMA**"); and FDA approval of the PMA before any commercial sale or shipment of the product.

The processes are expensive and can take many years to complete, and we may not be able to demonstrate the safety and efficacy of our products to the satisfaction of such regulatory authorities. The start of clinical trials can be delayed or take longer than anticipated for many and varied reasons, many of which are outside of our control. Safety concerns may emerge that could lengthen the ongoing trials or require additional trials to be conducted. Regulatory authorities may also require additional testing, and we may be required to demonstrate that our proposed products represent an improved form of treatment over existing therapies, which we may be unable to do without conducting further clinical studies. Moreover, if the FDA grants regulatory approval of a product, the approval may be limited to specific indications or limited with respect to our distribution. Expanded or additional indications for approved devices or drugs may not be approved, which could limit our revenues. Foreign regulatory authorities may apply similar limitations or may refuse to grant any approval. Consequently, even if we believe that preclinical and clinical data are sufficient to support regulatory approval for our product candidates, the FDA and foreign regulatory authorities may not ultimately grant approval for commercial sale in any jurisdiction. If our products are not approved, our ability to generate revenues will be limited and our business will be adversely affected.

Even if a product gains regulatory approval, such approval is likely to limit the indicated uses for which it may be marketed, and the product and the manufacturer of the product will be subject to continuing regulatory review, including adverse event reporting requirements and the FDA's general prohibition against promoting products for unapproved uses. Failure to comply with any post-approval requirements can, among other things, result in warning letters, product seizures, recalls, substantial fines, injunctions, suspensions or revocations of marketing licenses, operating restrictions and criminal prosecutions. Any of these enforcement actions, any unanticipated changes in existing regulatory requirements or the adoption of new requirements, or any safety issues that arise with any approved products, could adversely affect our ability to market products and generate revenues and thus adversely affect our ability to continue our business.

We also may be restricted or prohibited from marketing or manufacturing a product, even after obtaining product approval, if previously unknown problems with the product or our manufacture are subsequently discovered and we cannot provide assurance that newly discovered or developed safety issues will not arise following any regulatory approval. With the use of any treatment by a wide patient population, serious adverse events may occur from time to time that initially do not appear to relate to the treatment itself, and only if the specific event occurs with some regularity over a period of time does the treatment become suspect as having a causal relationship to the adverse event. Any safety issues could cause us to suspend or cease marketing of our approved products, possibly subject us to substantial liabilities, and adversely affect our ability to generate revenues.

We are subject to various environmental, health and safety laws.

We are subject to various laws and regulations relating to safe working conditions, laboratory and manufacturing practices, the experimental use of animals, emissions and wastewater discharges, and the use and disposal of hazardous or potentially hazardous substances used in connection with our research, including infectious disease agents. We also cannot accurately predict the extent of regulations that might result from any future legislative or administrative action. Any of these laws or regulations could cause us to incur additional expense or restrict our operations. Compliance with environmental laws and regulations may be expensive, and current or future environmental regulations may impair our research, development or production efforts.

We will depend on our patent portfolio, our licensed technology and other trade secrets in the conduct of our business and must ensure that we do not violate the patent or intellectual rights of others.

Our success in large part depends on our ability to maintain the proprietary nature of our technology and other trade secrets. To do so, we and our licensors must prosecute and maintain existing patents, obtain new patents and pursue trade secret and other intellectual property protection. We also must operate without infringing the proprietary rights of third parties or allowing third parties infringe our rights. Our research, development and commercialization activities, including any product candidates or products resulting from these activities, may infringe or be claimed to infringe patents owned by third parties and as to which we do not hold licenses or other rights. There may be rights that we are not aware of, including applications that have been filed but not published that, when issued, could be asserted against us. These third parties could bring claims against us that would cause us to incur substantial expenses and, if successful, could cause us to pay substantial damages. Further, if a patent infringement suit were brought against us, we could be forced to stop or delay research, development, manufacturing or sales of the product or biologic treatment candidate that is the subject of the suit.

In addition, competitors may infringe our patents or the patents of our collaborators or licensors. As a result, we may be required to file infringement claims to counter infringement for unauthorized use. This can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that a patent owned by us is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover our technology. An adverse determination of any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at the risk of not issuing.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

A significant portion of our sales are dependent upon our customers' capital spending policies and research and development budgets, and government funding of research and development programs at universities and other organizations, which are each subject to significant and unexpected decrease.

Our prospective customers include pharmaceutical and biotechnology companies, academic institutions, government laboratories, and private research foundations. Fluctuations in the research and development budgets at these organizations could have a significant effect on the demand for our products and services. Research and development budgets fluctuate due to changes in available resources, patent expirations, mergers of pharmaceutical and biotechnology companies, spending priorities, general economic conditions, and institutional and governmental budgetary policies, including but not limited to reductions in grants for research by educational institutions. In addition, our business could be seriously damaged by any significant decrease in life sciences research and development expenditures by pharmaceutical and biotechnology companies, academic institutions, government laboratories, or private foundations.

The timing and amount of revenues from customers that rely on government funding of research may vary significantly due to factors that can be difficult to forecast. Research funding for life science research has increased more slowly during the past several years compared to the previous years and has declined in some countries, and some grants have been frozen for extended periods of time or otherwise become unavailable to various institutions, sometimes without advance notice. Government funding of research and development is subject to the political process, which is inherently fluid and unpredictable. Other programs, such as homeland security or defense, or general efforts to reduce the federal budget deficit could be viewed by the United States government as a higher priority. These budgetary pressures may result in reduced allocations to government agencies that fund research and development activities. Past proposals to reduce budget deficits have included reduced National Institute of Health and other research and development allocations. Any shift away from the funding of life sciences research and development or delays surrounding the approval of government budget proposals may cause our customers to delay or forego purchases of our products or services, which could seriously damage our business.

Risks Related to Our Common Stock and Liquidity Risks

Our securities are a "Penny Stock" and subject to specific rules governing their sale to investors

The SEC has adopted Rule 15g-9 which establishes the definition of a "penny stock," for the purposes relevant to our Common Stock, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require that a broker or dealer approve a person's account for transactions in penny stocks; and the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must obtain financial information and investment experience objectives of the person; and make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form sets forth the basis on which the broker or dealer made the suitability determination; and that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors sell shares of our common stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

There is no recent trading activity in our Common Stock and there is no assurance that an active market will develop in the future.

There is no recent trading activity in our Common Stock. Further, although our Common Stock is currently quoted on the OTCQB, trading of our Common Stock may be extremely sporadic. For example, several days may pass before any shares may be traded. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations of the price of our Common Stock. There can be no assurance that a more active market for our Common Stock will develop, or if one should develop, there is no assurance that it will be sustained. This severely limits the liquidity of our Common Stock, and would likely have a material adverse effect on the market price of our Common Stock and on our ability to raise additional capital.

Because we became public by means of a reverse merger we may not be able to attract the attention of brokerage firms.

Additional risks may exist since we became public through a "reverse merger." Securities analysts of brokerage firms may not provide coverage of us since there is little incentive to brokerage firms to recommend the purchase of our Common Stock. No assurance can be given that brokerage firms will want to conduct any secondary offerings on our behalf in the future.

Compliance with the reporting requirements of federal securities laws can be expensive.

We are a public reporting company in the United States, and accordingly, subject to the information and reporting requirements of the Exchange Act and other federal securities laws, and the compliance obligations of the Sarbanes-Oxley Act. The costs of preparing and filing annual and quarterly reports and other information with the SEC and furnishing audited reports to stockholders are substantial. In addition, we will incur substantial expenses in connection with the preparation of the Registration Statement and related documents with respect to the registration of resales of the Common Stock sold in the Offering.

Applicable regulatory requirements, including those contained in and issued under the Sarbanes-Oxley Act of 2002, may make it difficult for us to retain or attract qualified officers and directors, which could adversely affect the management of its business and its ability to obtain or retain listing of our Common Stock.

We may be unable to attract and retain those qualified officers, directors and members of board committees required to provide for effective management because of the rules and regulations that govern publicly held companies, including, but not limited to, certifications by principal executive officers. The enactment of the Sarbanes-Oxley Act has resulted in the issuance of a series of related rules and regulations and the strengthening of existing rules and regulations by the SEC, as well as the adoption of new and more stringent rules by the stock exchanges. The perceived increased personal risk associated with these changes may deter qualified individuals from accepting roles as directors and executive officers.

Further, some of these changes heighten the requirements for board or committee membership, particularly with respect to an individual's independence from the corporation and level of experience in finance and accounting matters. We may have difficulty attracting and retaining directors with the requisite qualifications. If we are unable to attract and retain qualified officers and directors, the management of our business and our ability to obtain or retain listing of our shares of Common Stock on any stock exchange (assuming we elect to seek and are successful in obtaining such listing) could be adversely affected.

We may have undisclosed liabilities and any such liabilities could harm our revenues, business, prospects, financial condition and results of operations.

Even though our pre-merger assets and liabilities were transferred to the Split-Off Shareholders in the Split-Off, there can be no assurance that we will not be liable for any or all of such liabilities. Any such liabilities that survived the Merger could harm our revenues, business, prospects, financial condition and results of operations upon our acceptance of responsibility for such liabilities.

The transfer of the operating assets and liabilities to PSOS, coupled with the Split-Off of PSOS, will result in taxable income to us in an amount equal to the difference between the fair market value of the assets transferred and the pre-merger tax basis of the assets. Any gain recognized, to the extent not offset by our net operating loss carryforward, if any, will be subject to federal income tax at regular corporate income tax rates.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or detect fraud. Consequently, investors could lose confidence in our financial reporting and this may decrease the trading price of our stock.

We must maintain effective internal controls to provide reliable financial reports and detect fraud. We have been assessing our internal controls to identify areas that need improvement. We are in the process of implementing changes to internal controls, but have not yet completed implementing these changes. Failure to implement these changes to our internal controls or any others that it identifies as necessary to maintain an effective system of internal controls could harm our operating results and cause investors to lose confidence in our reported financial information. Any such loss of confidence would have a negative effect on the trading price of our stock.

The price of our Common Stock may become volatile, which could lead to losses by investors and costly securities litigation.

The trading price of our Common Stock is likely to be highly volatile and could fluctuate in response to factors such as:

- actual or anticipated variations in our operating results;
- announcements of developments by us or our competitors;
- the timing of IDE and/or NDA approval, the completion and/or results of our clinical trials
- regulatory actions regarding our products
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- adoption of new accounting standards affecting the our industry;
- additions or departures of key personnel;
- introduction of new products by us or our competitors;
- sales of the our Common Stock or other securities in the open market; and
- other events or factors, many of which are beyond our control.

The stock market is subject to significant price and volume fluctuations. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been initiated against such a company. Litigation initiated against us, whether or not successful, could result in substantial costs and diversion of our management's attention and resources, which could harm our business and financial condition.

Investors may experience dilution of their ownership interests because of the future issuance of additional shares of our Common Stock.

In the future, we may issue additional authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We may also issue additional shares of our Common Stock or other securities that are convertible into or exercisable for our Common Stock in connection with hiring or retaining employees, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of Common Stock may create downward pressure on the trading price of our Common Stock. There can be no assurance that the we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with any capital raising efforts, including at a price (or exercise prices) below the price at which shares of our Common Stock is currently quoted on the OTCQB.

Our Common Stock is controlled by insiders

Our officers and directors beneficially own approximately 21% of our outstanding shares of Common Stock. Such concentrated control may adversely affect the price of our Common Stock. Investors who acquire our Common Stock may have no effective voice in the management of our operations. Sales by our insiders or affiliates, along with any other market transactions, could affect the market price of our Common Stock.

We do not intend to pay dividends for the foreseeable future.

We have paid no dividends on our Common Stock to date and it is not anticipated that any dividends will be paid to holders of our Common Stock in the foreseeable future. While our future dividend policy will be based on the operating results and capital needs of our business, it is currently anticipated that any earnings will be retained to finance our future expansion and for the implementation of our business plan. As an investor, you should take note of the fact that a lack of a dividend can further affect the market value of our stock, and could significantly affect the value of any investment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis should be read in conjunction with Organovo's historical financial statements and the related notes. This management's discussion and analysis contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements in this Current Report. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" included elsewhere in this Current Report. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this Current Report.

As the result of the Transactions and the change in our business and operations from a shell company to a biotechnology company, a discussion of the past financial results of Pubco is not pertinent, and the financial results of Organovo, the accounting acquirer, are considered our financial results on a historical and going-forward basis.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion and analysis of our financial condition and results of operations are based on Organovo's financial statements, which Organovo has prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires Organovo to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, Organovo evaluates such estimates and judgments, including those described in greater detail below. Organovo bases its estimates on historical experience and on various other factors that Organovo believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Critical Accounting Policies

Our financial statements, which appear at Item 9.01(a) have been prepared in accordance with accounting principles generally accepted in the United States, which require that we make certain assumptions and estimates and, in connection therewith, adopt certain accounting policies. Our significant accounting policies are set forth in Note 1 to our financial statements. Of those policies, we believe that the policies discussed below may involve a higher degree of judgment and may be more critical to an accurate reflection of our financial condition and results of operations.

Revenue Recognition

The Company's revenues are derived from the sale of bioprinter related products and services, NIH and U.S. Treasury Department Grants, collaboration agreements, and license agreements.

The Company recognizes revenue when the following criteria have been met: (i) persuasive evidence of an arrangement exists; (ii) services have been rendered or product has been delivered; (iii) price to the customer is fixed and determinable; and (iv) collection of the underlying receivable is reasonably assured.

Billings to customers or payments received from customers are included in deferred revenue on the balance sheet until all revenue recognition criteria are met. As of December 31, 2011 and 2010, the Company had approximately $152,500 and $107,000 in deferred revenue related to its collaborative research programs. The Company expects to recognize all revenues deferred at December 31, 2011 in the second quarter 2012.

Product Revenue

The Company recognizes product revenue at the time of shipment to the customer, provided all other revenue recognition criteria have been met. The Company recognizes product revenues upon shipment to distributors, provided that (i) the price is substantially fixed or determinable at the time of sale; (ii) the distributor's obligation to pay the Company is not contingent upon resale of the products; (iii) title and risk of loss passes to the distributor at time of shipment; (iv) the distributor has economic substance apart from that provided by the Company; (v) the Company has no significant obligation to the distributor to bring about resale of the products; and (vi) future returns can be reasonably estimated. For any sales that do not meet all of the above criteria, revenue is deferred until all such criteria have been met. The Company's collaboration revenue consists of license and collaboration agreements that contain multiple elements, including non-refundable upfront fees, payments for reimbursement of third-party research costs, payments for ongoing research, payments associated with achieving specific development milestones and royalties based on specified percentages of net product sales, if any. The Company considers a variety of factors in determining the appropriate method of revenue recognition under these arrangements, such as whether the elements are separable, whether there are determinable fair values and whether there is a unique earnings process associated with each element of a contract.

Collaborative and License Revenue

The Company recognizes revenue from research funding under collaboration agreements when earned on a "proportional performance" basis as research hours are incurred. The Company performs services as specified in each respective agreement on a best-efforts basis, and is reimbursed based on labor hours incurred on each contract. The Company initially defers revenue for any amounts billed, or payments received, in advance of the services being performed and recognizes revenue pursuant to the related pattern of performance, based on total labor hours incurred relative to total labor hours estimated under the contract.

In December 2010, the Company entered into a 12 month research contract agreement with a third party, whereby the Company was engaged to perform research and development services on a fixed-fee basis for approximately $600,000. Based on proportional performance criteria, the Company recognized approximately $450,000 in revenue related to the contract during 2011, and expects to recognize the remaining $150,000 in revenue during 2012.

In October 2011, the Company entered into a research contract agreement with a third party, whereby the Company will perform research and development services on a fixed-fee basis for $1,365,000. The agreement included an initial payment to the Company of approximately $239,000, with remaining payments expected to occur over a 21-month period. At December 31, 2011, the Company recorded approximately $239,000 in revenue related to the research contract in recognition of the proportional performance achieved by the Company during the fourth quarter 2011.

Revenue Arrangements with Multiple Deliverables

The Company occasionally enters into revenue arrangements that contain multiple deliverables. Judgment is required to properly identify the accounting units of the multiple deliverable transactions and to determine the manner in which revenue should be allocated among the accounting units. Moreover, judgment is used in interpreting the commercial terms and determining when all criteria of revenue recognition have been met for each deliverable in order for revenue recognition to occur in the appropriate accounting period. For multiple deliverable agreements, consideration is allocated at the inception of the agreement to all deliverables based on their relative selling price. The relative selling price for each deliverable is determined using VSOE of selling price or third-party evidence of selling price if VSOE does not exist. If neither VSOE nor third-party evidence of selling price exists, the Company uses its best estimate of the selling price for the deliverable.

The Company recognizes revenue for delivered elements only when it determines there are no uncertainties regarding customer acceptance. While changes in the allocation of the arrangement consideration between the units of accounting will not affect the amount of total revenue recognized for a particular sales arrangement, any material changes in these allocations could impact the timing of revenue recognition, which could affect the Company's results of operations.

NIH and U.S. Treasury Grant Revenues

During 2010, the U.S. Treasury awarded the Company two one-time grants totaling approximately $397,300 for investments in qualifying therapeutic discovery projects under section 48D of the Internal Revenue Code. The grants cover reimbursement for qualifying expenses incurred by the Company in 2010 and 2009. The proceeds from these grants are classified in "Revenues – Grants" in the 2010 statement of operations.

During 2010 and 2009, the NHLBI, a division of the NIH, awarded the Company two research grants totaling approximately $267,600. Revenues from the NIH grants are based upon internal and subcontractor costs incurred that are specifically covered by the grant, and where applicable, an additional facilities and administrative rate that provides funding for overhead expenses. These revenues are recognized when expenses have been incurred by subcontractors and as the Company incurs internal expenses that are related to the grant. Revenue recognized under these grants for the years ended December 31, 2011 and 2010 was approximately $56,900 and $131,100, respectively.

Allowance for Doubtful Accounts

When needed we maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. The allowance for doubtful accounts is reviewed quarterly and is estimated based on the aging of account balances, collection history and known trends with current customers and in the economy in general. As a result of this review, the allowance is adjusted on a specific identification basis. An increase to the allowance for doubtful accounts results in a corresponding charge to sales, marketing and administrative expense. Historically our customer base is relatively concentrated and so we are subject to risk of concentration with any one particular customer. That risk is mitigated by the fact that payments from our collaborative agreements are typically prepaid, and our grant revenues are typically paid by units of the U.S. government. To-date we have fully collected all receivables. As a result our current and historic allowance is zero.

When we begin to sell commercial product we expect to establish a reserve for estimated sales returns that are recorded as a reduction to revenue. That reserve will be maintained to account for future return of products sold in the current period. The reserve will be reviewed quarterly and will be estimated based on an analysis of our historical experience related to product returns.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks.

The Company reviews the terms of convertible debt and equity instruments it issues to determine whether there are embedded derivative instruments, including an embedded conversion option that is required to be bifurcated and accounted for separately as a derivative financial instrument. In circumstances where the convertible instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument. Also, in connection with the sale of convertible debt and equity instruments, the Company may issue freestanding warrants that may, depending on their terms, be accounted for as derivative instrument liabilities, rather than as equity.

Derivative instruments are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as non-operating income or expense. When the convertible debt or equity instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds allocated to the convertible host instruments are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the convertible instruments themselves, usually resulting in those instruments being recorded at a discount from their face value.

Fair Value Measurements

Financial assets and liabilities are measured at fair value, which is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company used Level 3 inputs for its valuation methodology for the warrant derivative liabilities. The estimated fair values were determined using a Monte Carlo option pricing model based on various assumptions (see Note 4). The Company’s derivative liabilities are adjusted to reflect estimated fair value at each period end, with any decrease or increase in the estimated fair value being recorded in other income or expense accordingly, as adjustments to fair value of derivative liabilities.

Stock-Based Compensation

For purposes of calculating stock-based compensation, we estimate the fair value of stock options using a Black-Scholes option-pricing model. The determination of the fair value of share-based payment awards utilizing the Black-Scholes model is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The expected volatility is based on the historical volatility of our common stock over the most recent period commensurate with the estimated expected term of the stock options. The expected life of the stock options is based on historical and other economic data trended into the future. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of our stock options. The dividend yield assumption is based on our history and expectation of no dividend payouts. If factors change and we employ different assumptions, stock-based compensation expense may differ significantly from what we have recorded in the past. If there is a difference between the assumptions used in determining stock-based compensation expense and the actual factors which become known over time, specifically with respect to anticipated forfeitures, we may change the input factors used in determining stock-based compensation costs for future grants. These changes, if any, may materially impact our results of operations in the period such changes are made.

Results of Operations

Overview

Organovo was founded in Delaware in April 2007. Activities since the Company’s inception through 2010 were devoted primarily to developing a platform technology for the generation of three-dimensional (3D) human tissues that can be employed in drug discovery and development, biological research, and as therapeutic implants for the treatment of damaged or degenerating tissues and organs.

As of December 31, 2011, the Company had devoted substantially all of its efforts to product development, raising capital and building infrastructure. The Company did not, as of that date, realize significant revenues from its planned principal operations. Accordingly, the Company is considered to be in the development stage.

Comparison of the twelve months ended December 31, 2011 and 2010

Revenues

2011 total revenues of $968,513 increased $365,101, or 61%, over 2010 revenues of $603,412. That increase was due to a $613,088 increase in collaborative agreement revenues, and a $223,500 increase in product revenues, partially offset by a $471,487 reduction in grant revenues. While grant revenues are expected to continue through 2012 they are expected to represent a declining portion of total revenues as the Company focuses efforts on collaborative agreements and continued development of research tools.

Cost of Goods Sold, Gross Profit and Gross Profit Margin

Cost of goods sold ("COGS") consists of purchased goods, and inventory-related costs. The Company did not have product revenues in 2010 and consequently did not have COGS. 2011 COGS of $133,607 were approximately 60% of product related revenues and 14% of total revenues.

Operating Expenses

Overview

Operating expenses increased approximately $1,343,259, or 75%, in 2011 over 2010, from $1,781,630 in 2010 to $3,124,889 in 2011. Most significantly, the Company invested in building its executive, research, and development staff, increasing payroll related expenses by $736,239 or 102% over 2010, from $720,759 to $1,456,998. Payroll related expenses accounted for approximately 55% of total year-to-year increase in operating expenses. General corporate expenses grew from $131,362 in 2010 to $421,063 in 2011, an increase of $289,700, or 221%, representing 22% of total operating expense growth. 85% of that expense increase was the result of increased legal activity, primarily focused on intellectual property (patent) protection. In addition, the Company utilized the services of outside consultants and research services to meet short-term spikes in scientific and professional service demands. Outsourcing those services to meet short-term demands increased Company expenses by $261,213, from $540,458 in 2010 to $801,671 in 2011, accounting for 19% of the total operating expense increases. The Company did not engage an independent accounting firm in 2010 but did so in 2011 to audit the 2009 and 2010 financials. As a result overall operating expenses increased by $24,688 in 2011 over the prior year.

Research and Development Expenses

2011 research and development expenses increased by $216,002, or 18%, over 2010 expenses of $1,203,716 as the Company increased its research staff to accommodate its obligations under certain collaborative research agreements and to expand product development efforts in preparation for research-derived revenues. Full-time research and development staffing increased from four scientists and engineers at the 12 months ended December 31, 2010 to seven in in 2011. In addition, the Company outsourced certain research related activities in response to short-term demand spikes that increased expenses nearly $90,000 over prior year.

Selling, General and Administrative Expenses

Selling, general and administrative expenses grew from $577,914 in 2010 to $1,705,171 in 2011, an increase of $1,127,257 or 195%. Most notably the Company invested in its general and administrative staff, building needed infrastructure to meet the needs of operating in a publicly traded environment. Salaries, fringes and payroll related expenses increased by approximately $686,000, or 61% of the total increase. Legal expenses increased $244,861from $114,099 in 2010 to $358,960 in 2011. 78% of the legal expense increases were related to our patent related legal activities as we work diligently to secure additional patent protection in select markets. In 2011 we secured a short-term lease on office space near our main facility to accommodate our staff increases and need for additional meeting space. Rent expense grew from $107,481 in 2010 to $145, 218 for the year ended December 31, 2011, an increase of approximately $38,000. During 2011 we engaged an independent accounting firm to audit our 2009 and 2010 financial statements, adding approximately $25,000 in administrative expense that was not incurred in the prior year.

Interest Expense

Interest expense increased by $1,906,016 from $160,873 in 2010 to $2,066,889 in 2011. The 2011 interest expense was primarily related to non-cash components including:

1) Accretion of debt discounts to interest expense of approximately $1.2 million
2) Amortization of deferred financing costs of approximately $119,500
3) Fair value of warrants issued in connection with the exchange agreement of approximately $527.6K

In the fourth quarter of 2011, the Company exchanged all outstanding convertible promissory notes for common stock equity, except for one $100,000 note, the principal and accrued but unpaid interest thereon to be paid at the close of a qualified equity financing. Following the exchange of earlier notes for equity, the Company completed a Bridge Financing, in which it sold $1,500,000 in principal amount of 6% promissory notes due March 31, 2012. Those notes will automatically convert to equity, including accrued but unpaid interest, upon the first close of a qualified equity financing.

Financial Condition, Liquidity and Capital Resources

Since its inception, the Company has primarily devoted its efforts to research and development, business planning, raising capital, recruiting management and technical staff, and acquiring operating assets. Accordingly, the Company is considered to be in the development stage.

Since inception, the Company incurred negative cash flows from operations. As of December 31, 2010, the Company had cash and cash equivalents of $285,308 and an accumulated deficit of $2,308,294. The Company also had negative cash flow from operations of $820,096 during the year ended December 31, 2010. At December 31, 2011, the Company had cash of $339,607 and an accumulated deficit of $6,691,556.

At December 31, 2011 we had total current assets of $1,030,205 and current liabilities of $1,975,748, resulting in a working capital deficit of $945,543. At December 31, 2010, we had total current assets of $424,116 and current liabilities of $1,173,258, resulting in a working capital deficit of $749,142.

Net cash used by operating activities for the year ended December 31, 2011 was $1,914,358. The Company raised $2,542,000 in gross proceeds from the issuance of convertible notes payable, and $968,513 in revenue during the year.

Net cash used by operating activities for the year ended December 31, 2010 was $820,096. In the year ended December 31, 2010, the Company raised $992,500 in cash from the sale of convertible notes, $25,000 in cash in exchange for a note from a related party, and $603,412 in cash receipts, collaborative research agreements, and government grants.

The Company has financed its operations primarily through the sale of convertible notes, and through revenue derived from grants or collaborative research agreements. The Company expects to cover its anticipated operating expenses through cash on hand, through additional financing from existing and prospective investors, and from revenue derived from collaborative research agreements.

The Company will need additional capital to further fund product development and commercialization of its human tissues that can be employed in drug discovery and development, biological research, and as therapeutic implants for the treatment of damaged or degenerating tissues and organs.

Subsequent to December 31, 2011, during February and March 2012, the Company received gross proceeds of $15,247,987 from the private placement of equity securities. On February 8, February 29, and March 16, 2012, the Company completed the first, second and final closings, respectively, of the private placement offering. In these three closings, the Company issued 6,525,887 Units, 1,806,100 Units, and 6,916,000 units, respectively, to accredited investors at a price of $1.00 per Unit, including the conversion of $1,500,000 of principal and $25,379 of accrued interest under certain bridge promissory notes issued in 2011. The first closing was conducted simultaneously with the completion of the Company's merger (the "Merger") with Organovo, Inc. Each Unit consisted of one share of common stock of the Company, $0.001 par value per share and a 5 year warrant to purchase one share of Common Stock at $1.00 per share. Total net proceeds were $11,593,065 (or $12,811,897, including the conversion of the bridge promissory notes referred to above). The Company issued 15,247,987 shares and 16,747,987 warrants (including 1,500,000 warrants to former holders of the bridge promissory notes). The Placement Agent and its selected dealers were paid total cash commissions of $1,372,260 and the Placement Agent was paid an expense allowance of $411,678 and was issued Placement Agent Warrants to purchase 6,099,195 shares of Common Stock at an exercise price of $1.00 per share (including 610,155 warrants issued in connection with issuance of the bridge promissory notes and subsequently exchanged for new warrants in the Merger). In addition, the Company generated approximately $270,000 in revenue in January, 2012.

On February 8, 2012, Organovo Acquisition Corp. ("Acquisition Corp."), a wholly-owned subsidiary of Pubco, merged (the "Merger") with and into Organovo, Inc., a Delaware corporation ("Organovo"). Organovo was the surviving corporation of that Merger. As a result of the Merger, Pubco acquired the business of Organovo, and will continue the existing business operations of Organovo as a wholly-owned subsidiary.

Simultaneously with the Merger, on the Closing Date, all of the issued and outstanding shares of Organovo common stock converted, on a 1 for 1 basis, into shares of the Company's common stock, par value $0.001 per share ("Common Stock"). Also on the Closing Date, all of the issued and outstanding options to purchase shares of Organovo common stock, all of the issued and outstanding Bridge Warrants (as defined below) to purchase shares of Organovo Common Stock, and other outstanding warrants to purchase Organovo Common Stock converted, respectively, into options (the "New Options"), new bridge warrants (the "New Bridge Warrants") and new warrants (the "New Warrants") to purchase shares of Common Stock. The New Bridge Warrants, the New Warrants and New Bridge Options were converted on a 1 for 1 basis. The New Options will be administered under Organovo's 2008 Equity Incentive Plan (the "2008 Plan"), which the Company assumed and adopted on the Closing Date in connection with the Merger.

Specifically, on the Closing Date, (i) 22,445,254 shares of Common Stock were issued to former Organovo stockholders; (ii) New Options to purchase 896,256 shares of Common Stock granted under the 2008 Plan were issued to optionees pursuant to the assumption of the 2008 Plan; (iii) New Warrants to purchase 1,309,750 shares of Common Stock at $1.00 per share were issued to holders of Organovo warrants; and (iv) New Bridge Warrants to purchase 1,500,000 shares of Common Stock at $1.00 per share were issued to Bridge Investors (as defined below).

Additionally, New Warrants to purchase 100,000 shares of Common Stock at $1.00 per share were issued to a former noteholder of Organovo in connection with the repayment at the Closing Date of a promissory note in the principal amount of $100,000.

As of April 30, 2012, the Company had 43,693,241 total issued and outstanding shares of Common Stock, and five year warrants for the opportunity to purchase an additional 24,256,932 shares of Common Stock at $1.00 per share. If all warrants were exercised on a cash basis, the Company would realize an additional $24,256,932 in gross proceeds.

The Merger will be treated as a recapitalization of the Company for financial accounting purposes. The historical financial statements of Pubco before the Merger will be replaced with the historical financial statements of Organovo before the Merger in all future filings with the SEC.

Before the Merger, Pubco's board of directors and stockholders adopted the 2012 Equity Incentive Plan (the "2012 Plan"). The 2012 Plan provides for the issuance of up to 6,553,986 shares, or approximately 15% of our outstanding Common Stock, to executive officers, directors, advisory board members and employees. In addition, we assumed and adopted the 2008 Plan, and as described above option holders under that plan were granted New Options to purchase Common Stock. No further options will be granted under the 2008 Plan. The parties have taken all actions necessary to ensure that the Merger is treated as a tax free exchange under Section 368(a) of the Internal Revenue Code of 1986, as amended. In aggregate issued and outstanding common stock, shares underlying outstanding warrants, and shares reserved for the 2012 incentive plan total 74,504,159 shares of common stock.

DESCRIPTION OF PROPERTY

We lease office and laboratory space in two locations in San Diego. Our primary office, including administrative and laboratory space, is located at the Oberlin Science Center, 5871 Oberlin Drive, San Diego, CA 92121. We also lease additional office space at 5897 Oberlin Drive, San Diego, CA 92121. Our current monthly base rent for our primary facility is $11,486 and our currently monthly base rent for our additional office space is $1,112. These two leased premises are sufficient to meet the immediate needs of our business, research and operations, however we expect to increase our business space within the next twelve months to accommodate additional resources required to further develop our business and technology platform. Subsequent to December 31, 2011, we entered into a lease agreement with our current landlord on a facility currently undergoing renovation, which we expect to occupy in July or August 2012. The new facility will house all of our operations under one roof, replacing the two facilities we now rent at a new base rate of $38,848. The new facility provides approximately three times our existing space and is expected to meet our business, research and operational needs for at least two years. The new facility will be delivered “turnkey”, thereby minimizing our need to utilize capital to fund tenant improvements to the laboratory or office spaces.

SECURITY OWNERSHIP OF CERTAIN STOCKHOLDERS AND MANAGEMENT

The following tables set forth certain information regarding the beneficial ownership of our Common Stock as of April 30, 2012 by (i) each person who, to our knowledge, owns more than 5% of the Common Stock; (ii) each of our directors and executive officers; and (iii) all of our executive officers and directors as a group. Unless otherwise indicated in the footnotes to the following tables, each person named in the table has sole voting and investment power and that person’s address is c/o Organovo Holdings, Inc., 5871

Oberlin Drive, Suite 150, San Diego, CA 92121. Shares of Common Stock subject to options or warrants currently exercisable or exercisable within 60 days of April 30, 2012 are deemed outstanding for computing the share ownership and percentage of the person holding such options and warrants, but are not deemed outstanding for computing the percentage of any other person. Applicable percentages are based on 43,693,241 shares of common stock outstanding as of April 30, 2012.

Title of class	Name and address of Beneficial Owner	No. Shares of Common Stock Beneficially Owned	Percent of Common Stock Outstanding
Common Stock, par value $0.001 per share	Keith Murphy (1)	6,311,092 (2)	14.4%
Common Stock, par value $0.001 per share	Gabor Forgacs	6,057,741 (3)	13.9%
Common Stock, par value $0.001 per share	Andras Forgacs (1)	766,588	1.8%
Common Stock, par value $0.001 per share	Robert Baltera, Jr. (1)	126,392 (4)	0.3%
Common Stock, par value $0.001 per share	Barry D. Michaels (1)	20,000 (8)	<0.1%
Common Stock, par value $0.001 per share	Sharon Collins Presnell (1)	224,064 (9)	0.5%
Common Stock, par value $0.001 per share	Michael Renard (1)	—	—
Common Stock, par value $0.001 per share	Adam K. Stern (1)(5) c/o Spencer Trask Ventures 750 Third Avenue New York, NY 10017	1,763,354	4.0%
Common Stock, par value $0.001 per share	Kevin Kimberlin (6) 1700 East Putnam Avenue Suite 401 Greenwich, CT 06870	3,212,824	7.0%
	All directors and executive officers as a group (7 persons)	9,211,490 (7)	20.8%

(1) Executive officer and/or director.

(2) 255,255 of these shares are held by Equity Trust Co., Custodian FBO Keith Murphy IRA. Includes warrants to purchase 30,000 shares of Common Stock at an exercise price of $1.00 per share.

(3) Includes warrants to purchase 3,750 shares of Common Stock at an exercise price of $1.00 per share.

(4) 18,114 of these shares vested in or before October, 2011. Includes warrants to purchase 28,000 shares of Common Stock at an exercise price of $1.00 per share.

(5) Represents (i) 584,284 shares owned by Adam Stern, (ii) 360,000 shares underlying warrants owned by Adam Stern; (iii) 476,611 shares owned by ST Neuroscience Partners, LLC; (i v) 211,827 shares owned by Pavilion Capital Partners, LLC; and (v) 132,392 shares owned by Piper Venture Partners, LLC. Does not include shares underlying warrants held by the Placement Agent or its affiliates issued in connection with the Bridge Financing or the Offering.

(6) Represents (i) 1,082,489 shares held by Spencer Trask Investment Partners, LLP and (ii) 2,130,335 shares underlying warrants owned by the Placement Agent issued in connection with the Bridge Financing or the Offering.

(7) Includes warrants to purchase 428,000 shares of Common Stock at an exercise price of $1.00 per share. Does not include shares underlying warrants issued to the Placement Agent in connection with the Bridge Financing or the Offering.

(8) Includes warrants to purchase 10,000 shares of Common Stock at an exercise price of $1.00 per share. Does not include 62,500 stock option shares subject to future vesting. 15,625 stock option shares will vest on April 18, 2013, and the remainder of the stock option shares will vest in 12 equal quarterly installments measured from the 12 month anniversary of April 18, 2012.

(9) Stock option shares that will vest within 60 days of April 30, 2012. 847,192 additional stock option shares are subject to future vesting. 224,064 stock option shares will vest on the first, second, third, and fourth anniversary of Dr. Presnell’s hire, May 4, 2011. 43,750 stock option shares will vest on April 18, 2013, and 131,250 stock option shares will vest in 12 equal quarterly installments measured from the 12 month anniversary of April 18, 2012.

Changes in Control

We are not aware of any or a party to arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change of control.

DIRECTORS AND EXECUTIVE OFFICERS

The following persons are our executive officers, non-executive officers and directors and hold the positions set forth opposite their name as of April 30, 2012.

Name	Age	Position(s)
Keith Murphy	40	Chairman of the Board, Chief Executive Officer, and President
Sharon Collins Presnell	43	Chief Technical Officer and Executive Vice President of Research and Development
Barry D. Michaels	62	Chief Financial Officer
Michael Renard	53	Executive Vice President of Commercial Operations
Robert Baltera, Jr.	46	Director
Andras Forgacs	35	Director
Adam K. Stern	47	Director

Keith Murphy, Chairman of the Board, Chief Executive Officer, and President, is one of our founders and joined us in July 2007. Mr. Murphy was formerly an employee of biotechnology company Alkermes, Inc., where he worked from July, 1993 to July, 1997 and played a role on the development team for their first approved product, Nutropin (hGH) Depot. He moved to Amgen, Inc. in August, 1997 and developed several other novel formulation and device products. He has over 18 years of experience in biotechnology, including serving in Product Strategy and Director of Process Development roles at Amgen through July, 2007. He was previously Global Operations Leader for the largest development program in Amgen's history, osteoporosis/bone cancer drug Prolia/Xgeva (denosumab). He holds a BS in Chemical Engineering from MIT, and is an alumnus of the UCLA Anderson School of Management.

Mr. Murphy's previous experience in the biotechnology field and his educational experience qualify him to be a member of our Board of Directors.

Dr. Sharon Collins Presnell, **Chief Technical Officer and Executive Vice President of Research and Development,** joined us in May, 2011. Dr. Presnell has over 15 years of experience in the leadership of product-focused R&D. As an Assistant Professor at the University of North Carolina from 1998 to 2001 Dr. Presnell's research in liver and prostate biology and carcinogenesis produced cell- and tissue-based technologies that were outlicensed for industrial applications. She joined Becton Dickinson & Co. (BD) in July, 2001 and played a key role in the early discovery and development of BD's Discovery Platform and FACS CAP™ tools for the optimization of *in vitro* culture environments and flow cytometry-based characterization of cells. In her role at BD, she grew and led a large multi-disciplinary team to establish feasibility for the Discovery Platform and FACS CAP in multiple therapeutic areas, including diabetes, and stewarded both technologies through revenue-generating commercial partnerships. Dr. Presnell joined Tengion, Inc. in February, 2007 as the Senior Vice President of Regenerative Medicine Research, a position that she held until joining us in May 2011. At Tengion, Dr. Presnell was directly involved in the discovery and early development of Tengion's Neo-Kidney Augment™ technology. Dr. Presnell holds a Ph.D. in Pathology from the Medical College of Virginia.

Barry D. Michaels, Chief Financial Officer, joined us in August, 2011. Mr. Michaels was the Chief Financial Officer of Cardima, Inc., a publicly-traded medical device company (NASDAQ: CRDM), from July, 2003 through June, 2005, and thereafter a consultant to the company through January, 2008. Mr. Michaels has been an independent consultant to medical device and technology companies since 1997, and has more than 30 years of combined industry experience. Since January, 2008 and prior to joining us, Mr. Michaels's devoted his time to his consulting practice. In addition to his consulting practice, Mr. Michaels served as Chief Financial Officer of Lipid Sciences (NASDAQ: LIPD), a biotechnology company, from May, 2001 through January, 2003. Prior to joining Lipid Sciences, Mr. Michaels served as the Chief Financial Officer of IntraTherapeutics, Inc., an endovascular company, from March, 2000 until its acquisition by Sulzer Medica in May, 2001. Mr. Michaels received an MBA in finance from San Diego State University and is a graduate of the Executive Program at the University of California, Los Angeles.

Michael Renard, Executive Vice President of Commercial Operations, joined us in April 2012. Mr. Renard has more than 29 years of recognized, revenue-generating experience in commercial operation, business development and sales and marketing for the life science industry. Prior to joining us, and since 1997, Mr. Renard worked with Beckman Coulter holding various positions in program management, business operations and business development. He most recently was the vice president of marketing for North America commercial operations where he was responsible for achieving $2 billion in revenue across 11 major product lines. Before joining Beckman Coulter, Mr. Renard was vice president and general manager in the start-up development stage incubator division of Sanofi, Inc. and director of corporate accounts at Kallestad Diagnostics. Mr. Renard has a M.B.A. from Rockhurst University and a B.A. in biology and chemistry from St. Olaf College.

Robert Baltera, Jr., Director, joined us as a director in October, 2009. Most recently, Mr. Baltera was the Chief Executive Officer of Amira Pharmaceuticals, a position he held from July, 2007 through September, 2011. Amira was sold to Bristol-Myers Squibb in September, 2011 for $325 million in cash upfront, plus additional milestone payments of up to $150 million. Mr. Baltera is a seasoned pharmaceutical industry executive who has acquired a wealth of business and product management experience during his 17 years with biotech pioneer Amgen, beginning November, 1990. In his role leading Amira Pharmaceuticals, he was instrumental in focusing the company's development efforts, strengthening and developing its pipeline and forging key collaborations with partners such as GlaxoSmithKline. Before becoming Amira's CEO, he held a number of senior management positions at Amgen, the last being vice president of corporate and contract manufacturing. He served as Amgen's team leader responsible for the approval of Kineret™ in rheumatoid arthritis. Mr. Baltera has an MBA from the Anderson School at UCLA and earned his bachelor's degree in microbiology and a master's degree in genetics from The Pennsylvania State University.

Mr. Baltera's previous experience in the biotechnology field and his educational experience qualify him to be a member of our Board of Directors.

Andras Forgacs, **Director,** is one of our founders and joined us as a director in April, 2007. Mr. Forgacs has served as a Managing Director at Richmond Global, an international technology-focused venture fund, since July, 2008. In his role at Richmond, Mr. Forgacs focuses on the day-to-day management of the fund and the sourcing of new investment opportunities. Prior to joining Richmond, beginning in November, 2005, he was a consultant in the New York office of McKinsey & Company advising global financial institutions, healthcare/pharmaceutical companies and private equity/venture capital firms. Mr. Forgacs began his career with Citigroup as an investment banker in the Financial Strategy Group in July, 1999, and helped found the client-facing E-commerce Group. Mr. Forgacs is a Kauffman Fellow with the Center for Venture Education and a Term Member with the Council on Foreign Relations. He holds an MBA from the Wharton School of Business and a Bachelor of Arts with honors from Harvard University. Mr. Forgacs is the son of Gabor Forgacs,Ph.D.,who developed Organovo's breakthrough organ printing technology while leading a team of top regenerative medicine scientists from multiple universities, with the backing of a $5MM National Science Foundation Grant. Dr. Forgacs was one of the founders of the Company.

Mr. Forgacs' previous experience with "start-up" companies in the equity/venture capital field and his educational experience qualify him to be a member of our Board of Directors.

Adam K. Stern, **Director,** Senior Managing Director of Spencer Trask Ventures, has over 20 years of venture capital and investment banking experience focusing primarily on the technology and life science sectors of the capital markets. He currently manages the structured finance group of Spencer Trask Ventures, Inc. Mr. Stern joined Spencer Trask Ventures in September 1997 from Josephthal & Co., members of the New York Stock Exchange, where he served as Senior Vice President and Managing Director of Private Equity Marketing and held increasingly responsible positions from 1989 to 1997. He has been a licensed securities broker since 1987 and a General Securities Principal since 1991. Mr. Stern currently sits on the boards of various private companies and one public company, InVivo Therapeutics Holdings Corp. (OTCBB:NVIV). Mr. Stern holds a Bachelor of Arts degree with honors from The University of South Florida in Tampa.

Mr. Stern's experience as a board member of privately held and publicly traded companies qualifies him to be a member of our Board of Directors. Additionally, his 20 years of venture capital and investment banking focusing on technology and life science sectors will be an asset to the Board of the Directors if we attempt to raise capital in the future.

Family Relationships

Andras Forgacs is the son of Gabor Forgacs, who developed Organovo's breakthrough organ printing technology while leading a team of top regenerative medicine scientists from multiple universities, with the backing of a $5MM National Science Foundation Grant. Dr. Forgacs was one of the founders of the Company.

Board of Directors and Corporate Governance

Our Board of Directors currently consists of four (4) members. On the Closing of the Merger, Deborah Lovig and James Coker, the members of the Board of Directors of Pubco, resigned, and simultaneously therewith, a new Board of Directors was appointed. Our Board consists of three (3) members who were former directors of Organovo and Adam K. Stern, who was appointed at the Closing of the Merger at the request of the Placement Agent.

Board Independence and Committees

We are not currently listed on any national securities exchange or in an inter-dealer quotation system that has a requirement that the Board of Directors be independent. However, in evaluating the independence of our members and the composition of the committees of our Board of Directors, our Board utilizes the definition of "independence" as that term is defined by applicable listing standards of the Nasdaq Stock Market and SEC rules, including the rules relating to the independence standards of an audit committee and the non-employee director definition of Rule 16b-3 promulgated under the Exchange Act.

Our Board of Directors expects to continue to evaluate its independence standards and whether and to what extent the composition of the Board and its committees meets those standards. We ultimately intend to appoint such persons to our Board and committees of our Board as are expected to be required to meet the corporate governance requirements imposed by a national securities exchange. Therefore, we intend that a majority of our directors will be independent directors of which at least one director will qualify as an "audit committee financial expert," within the meaning of Item 407(d)(5) of Regulation S-K, as promulgated by the SEC.

Additionally, our Board of Directors is expected to appoint an audit committee, governance committee and compensation committee and to adopt charters relative to each such committee.

We believe that Robert Baltera is an “independent” director as that term is defined by SEC rules, including the rules relating to the independence standards of an audit committee and the non-employee director definition of Rule 16b-3 promulgated under the Exchange Act.

Code of Ethics

We have not adopted a written code of ethics. We intend to adopt a written code of ethics in the future.

Indemnification Agreements

Our Board has approved a form of indemnification agreement for our directors and executive officers (“ **Indemnification Agreement** ”). Following Board approval, we entered into Indemnification Agreements with each of our current directors and executive officers.

The Indemnification Agreement provides for indemnification against expenses, judgments, fines and penalties actually and reasonably incurred by an indemnitee in connection with threatened, pending or completed actions, suits or other proceedings, subject to certain limitations. The Indemnification Agreement also provides for the advancement of expenses in connection with a proceeding prior to a final, nonappealable judgment or other adjudication, provided that the indemnitee provides an undertaking to repay to us any amounts advanced if the indemnitee is ultimately found not to be entitled to indemnification by us. The Indemnification Agreement sets forth procedures for making and responding to a request for indemnification or advancement of expenses, as well as dispute resolution procedures that will apply to any dispute between us and an indemnitee arising under the Indemnification Agreement.

The foregoing description is qualified in its entirety by reference to the form of Indemnification Agreement attached to this Report as Exhibit 10.17.

Classified Board

Our Board of Directors is divided into three classes (each, a “ **Class** ”). The term of office of the initial Class I director (Mr. Murphy) shall expire at the first regularly-scheduled annual meeting of the stockholders following January 30, 2012, which was the date of our reincorporation in Delaware (the “ **Effective Date** ”), the term of office of the initial Class II directors (Messrs. Forgacs and Stern) shall expire at the second annual meeting of the stockholders following the Effective Date and the term of office of the initial Class III director (Mr. Baltera) shall expire at the third annual meeting of the stockholders following the Effective Date. At each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the Effective Date, each of the successors elected to replace the directors of a Class whose term expires at such annual meeting shall be elected to hold office for a three year term.

Scientific And Business Advisory Boards

Gabor Forgacs, Scientific Founder – PhD – University of Missouri and Clarkson University

Dr, Forgacs, is one of our founders. Dr. Forgacs is the Executive and Scientific Director of the Shipley Center for Innovation at Clarkson University and the George H. Vineyard Professor of Biological Physics at the University of Missouri. Dr. Forgacs has been with the University of Missouri since 1999 and has been with Clarkson University since 2011. He developed Organovo's breakthrough bioprinting technology while leading a team of regenerative medicine scientists from multiple universities, with the backing of a $5 million National Science Foundation Grant. Dr. Forgacs is the author of more than 150 peer reviewed journal articles and the textbook Biological Physics of the Developing Embryo, (with Stuart Newman), published by Cambridge University Press. He holds a Ph.D. in theoretical physics from the Roland Eotvos University, Budapest, Hungary. He moved to the United States in the 1980's from the Institute of Physics of the French Atomic Energy Agency in Saclay to accept a professorship at Clarkson University. Dr. Forgacs is the father of Andras Forgacs.

Gordana Vunjak-Novakovic, PhD - Columbia

Dr. Vunjak-Novakovic is the Mikati Foundation Professor of Biomedical Engineering and Medicine at Columbia University, where she directs the Laboratory for Stem Cells and Tissue Engineering, the Bioreactor Core of the NIH Tissue Engineering Center, the Stem Cell Imaging Core and the Craniofacial Regeneration Center. Prof. Vunjak-Novakovic has authored books as well as numerous book chapters, journal articles and issued, licensed and pending patents in the biomedical field. She is a Fellow of the American Institute for Medical and Biological Engineering.

Glenn Prestwich, PhD – University of Utah

Dr. Glenn D. Prestwich is Presidential Professor of Medicinal Chemistry and Special Presidential Assistant for Faculty Entrepreneurism at the University of Utah, where he leads the Entrepreneurial Faculty Scholars program. His university research includes the study of biomaterials for tissue repair and tissue engineering and biological reagents. He co-founded multiple companies, including Carbylan BioSurgery, Inc. (medical devices), Sentrx Animal Care, Inc. (veterinary wound care), and Glycosan BioSystems, Inc. (cell therapy and research tools). He received the Governor's Medal for Science and Technology for 2006, the 1998 Paul Dawson Biotechnology Award and the 2008 Volwiler Research Award of the AACP, the 2010 University of Utah Distinguished Scholarly and Creative Research Award, and the 2010 "Rooster Prize" of the International Society for Hyaluronan Science.

David Mooney, PhD – Harvard University

Prof. David Mooney is a scientific author and a leader in the research of signaling mechanisms of tissue development. He studies the mechanisms by which chemical (for example, specific cell adhesion molecules) or mechanical signals (for example, cyclic strain) are sensed by cells and alter cells' proliferation and specialization to either promote tissue growth or destruction.x This work assists in the understanding of cell behavior post-processing by the organ printing technology. Dr. Mooney is the Pinkas Family Professor of Bioengineering at Harvard University, a member of the National Academy of Engineering, and holds a PhD from the Massachusetts Institute of Technology.

Dr. K. Craig Kent, MD – Columbia University/Weill Cornell Medical College

Dr. K. Craig Kent is the Chairman of the Department of Surgery at the University of Wisconsin School of Medicine and Public Health and previously served as Chief of the Division of Vascular Surgery at both Columbia University and Weill Cornell Medical College. Dr. Kent has authored or co-authored more than 300 manuscripts and chapters that have been published in peer-reviewed journals and textbooks on vascular disease. He is regularly invited to speak at local, national and international scientific meetings on a wide variety of vascular surgery topics. His National Institutes of Health (NIH)-funded basic science lab explores the mechanisms of failure for bypass grafts and angioplasty following vascular intervention. Dr. Kent served as the 2006-2007 president of the Society for Vascular Surgery. Dr. Kent was trained in general surgery at the University of California at San Francisco and completed his vascular surgery fellowship at Brigham and Women's Hospital-Harvard Medical School, where he was awarded the prestigious annual E.J. Wylie Traveling Fellowship.

In March, 2008, we entered into consulting agreements with Dr. Glenn Prestwich, Prof. David Mooney, and Dr. K. Craig Kent, all of whom are members of our Scientific Advisory Board. In April, 2008, we entered into a consulting agreement with Prof. Gordana Vunjak-Novakovic, the fourth member of our Scientific Advisory Board. Per these agreements, we made restricted stock grants of 235,483 shares of our Common Stock to Dr. Prestwich and Prof. Vunjak-Novakovic and 117,741 shares of our Common Stock to Prof. Mooney and Dr. Kent. These grants vest in four annual equal installments with the first installment vesting on the one year anniversary of the member's appointment to our Scientific Advisory Board. In addition, we agreed to pay Prof. Mooney $14,000 per year and Dr. Kent $7,000 per year. Each of the consulting agreements has a four year term which may be terminated by either us or the Scientific Advisory Board member on thirty days notice.

EXECUTIVE COMPENSATION

The following table sets forth information regarding each element of compensation that we paid or awarded to our named executive officers and for fiscal year ended December 31, 2011 and 2010.

Summary Compensation Table

Name and Principal Position	Year	Salary		Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Deferred Compensation ($)	All Other Compensation ($)		Total Compensation ($)
Keith Murphy Chairman, Chief Executive Officer, and President	2011	$217,711	[1,2]							[3]	$ 217,711
	2010	$ 46,538						$ 63,462 [4]		[5]	$ 110,000
Barry D. Michaels Chief Financial Officer	2011	$ 74,315								[6]	$ 74,315
Sharon Presnell Executive Vice- President of Research and Development	2011	$157,385								[7]	$ 157,385

Employment Arrangements with Officers and Directors

Keith Murphy, one of our founders, has served as our President and Chief Executive Office since July, 2007. The terms of Mr. Murphy's employment agreement, dated February 28, 2012, call for him to receive a base salary of $302,500 per year. The term of the employment agreement expires after one year from the effective date, and automatically renews thereafter, unless we provide Mr. Murphy advanced notice of nonrenewal. Mr. Murphy is also eligible to participate in our Annual Bonus Plan and other short-term incentive compensation plans established for our senior executives by our Board of Directors or the compensation committee. Mr. Murphy is also entitled to participate in our equity incentive awards plans.

Sharon Presnell became our Executive Vice President of Research and Development in May, 2011. The terms of Dr. Presnell's employment arrangement call for her to receive a base salary of $248,014 per year. Dr. Presnell is also eligible to receive an annual bonus, which is targeted at 30% of her base salary but which may be adjusted based on her individual performance and our performance as a whole. In addition, on October 14, 2011 we issued to Dr. Presnell options to purchase 896,256 shares of Common Stock under the 2008 Plan, which will vest in equal installments over four years from May 2011. If we terminate Dr. Presnell's employment without cause, we are required to pay her a severance of up to six months of her base salary (in effect immediately prior to the date of the termination of her employment) plus benefits.

1 Effective August 16, 2011 Mr. Murphy's annual base salary was increased to $220,000.
2 Mr. Murphy was paid an annual salary of $110,000 beginning March, 2009.
3 Excludes payments made for the reimbursement of medical insurance premiums and a personal computer used primarily for business in the aggregate of less than $10,000.
4 Base salary earned, but payment deferred to future periods.
5 Excludes payments made for the reimbursement of medical insurance premiums.
6 Excludes payments made for the reimbursement of medical insurance premiums in the aggregate of less than $10,000.
7 Excludes payments made for the reimbursement of medical insurance premiums in the aggregate of less than $10,000. Also excludes $24,681 in reimbursed relocation expenses that qualify under IRS guidelines as excludable from income.

Barry Michaels became our Chief Financial Officer in August, 2011. The terms of Mr. Michaels' employment arrangement call for him to receive a base salary of $230,022 per year. Mr. Michaels is also eligible to receive a bonus based on our and his attainment of certain goals and performance milestones. In addition, at the final closing of the Offering following the Closing Date of the Merger we intend to grant Mr. Michaels options to purchase up to 2% of our issued and outstanding Common Stock under the 2011 Plan, which will vest in equal installments over four years from August 2011. If we terminate Mr. Michaels' employment without cause we are required to pay Mr. Michaels a severance of up to six months of his base salary (in effect immediately prior to the date of the termination of his employment) plus benefits.

Outstanding Equity Awards at Fiscal Year End

The following table summarizes the equity awards made to our named executive officers that were outstanding at December 31, 2011.

Name	No. of Securities Underlying Unexercised Options (#) Exercisable	No. of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date	Number of shares or Units of stock that have not vested(#)	Market Value of shares or Units of stock that have not vested($)
Keith Murphy (1)					367,947	$ 57,422
Sharon Presnell (2)		896,256	$ 0.08	5/2021		
Barry Michaels						

(1) These shares vest in February 2012
(2) The options were granted on October 14, 2011, and vest in equal installments over four years from May 2011.

2012 Equity Incentive Plan

Our Board of Directors and stockholders adopted the 2012 Plan in January 2012. 6,553,986 shares of Common Stock are reserved for issuance under the 2012 Plan. If an incentive award granted under the 2012 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to us in connection with an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2012 Plan. Additionally, shares used to pay the tax or exercise price of an award will become available for future grant or sale under the 2012 Plan. To the extent an award under the 2012 Plan is paid out in cash rather than shares, the cash payment will not result in reducing the number of shares available for issuance under the 2012 Plan. The maximum number of shares subject to awards that may be granted to any individual during any calendar year is 2,000,000 and the maximum aggregate amount of cash that may be paid in cash during any calendar year with respect to awards payable in cash is $2,000,000.

The number and class of shares of our Common Stock subject to the 2012 Plan, the number and class of shares subject to any numerical limit in the 2012 Plan, and the number, price and class of shares subject to awards will be adjusted in the event of any change in our outstanding Common Stock by reason of any stock dividend, spin-off, split-up, stock split, reverse stock split, recapitalization, reclassification, merger, consolidation, liquidation, business combination or exchange of shares or similar transaction.

Administration

It is expected that the compensation committee of the Board, or the Board in the absence of such a committee, will administer the 2012 Plan. Subject to the terms of the 2012 Plan, the compensation committee would have complete authority and discretion to determine the terms of awards under the 2012 Plan.

Grants

The 2012 Plan authorizes the grant to 2012 Plan participants of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, performance shares, and other stock or cash awards intended to comply with Section 162(m) of the Internal Revenue Code (as amended, the " **Code**") and stock appreciation rights, as described below:

Stock Options. Stock options entitle the participant, upon exercise, to purchase a specified number of shares of common stock at a specified price for a specified period of time. The Administrator may grant incentive and/or non-statutory stock options under the 2012 Plan. The exercise price for each stock option shall be determined by the Administrator but shall not be less than 100% of the fair market value of the common stock on the date of grant. The "fair market value" means, if the stock is listed on any established stock exchange or national market system, the closing sales price of the stock, or, if the common stock is regularly quoted by a recognized securities dealer, but the selling prices are not reported, the mean between the high bid and low asked prices for the common stock on the day of determination, or in the absence of an established market for the stock, or if the stock is not regularly quoted or does not have sufficient trades or bid prices which would reflect the stock's actual fair market value, the fair market value of the common stock will be determined in good faith by the Administrator upon the advice of a qualified valuation expert.

Any stock options granted in the form of an incentive stock option will be intended to comply with the requirements of Section 422 of the Code. Only options granted to employees qualify for incentive stock option treatment.

Each stock option shall expire at such time as the Administrator shall determine at the time of grant. No stock option shall be exercisable later than the tenth anniversary of its grant. A stock option may be exercised in whole or in installments. A stock option may not be exercisable for a fraction of a share. Shares of common stock purchased upon the exercise of a stock option must be paid for in full at the time of exercise in cash or such other consideration determined by the Administrator.

Stock Appreciation Rights. A stock appreciation right (" **SAR** ") is the right to receive a payment equal to the excess of the fair market value of a specified number of shares of common stock on the date the SAR is exercised over the exercise price of the SAR. The exercise price for each SAR shall not be less than 100% of the fair market value of the common stock on the date of grant, and the term of an SAR shall be no more than ten years from the date of grant. At the discretion of the Administrator, the payment upon an SAR exercise may be in cash, in shares equivalent thereof, or in some combination thereof.

Upon exercise of an SAR, the participant shall be entitled to receive payment from Pubco in an amount determined by multiplying the excess of the fair market value of a share of common stock on the date of exercise over the exercise price of the SAR by the number of shares with respect to which the SAR is exercised.

Restricted Stock and Restricted Stock Units. Restricted stock and restricted stock units may be awarded or sold to participants under such terms and conditions as shall be established by the Administrator. Restricted stock and restricted stock units shall be subject to such restrictions as the Administrator determines, including a prohibition against sale, assignment, transfer, pledge or hypothecation, and a requirement that the participant forfeit such shares or units in the event of termination of employment. A restricted stock unit provides a participant the right to receive payment at a future date after the lapse of restrictions or achievement of performance criteria or other conditions determined by the Administrator.

Performance Stock. The Administrator shall designate the participants to whom long-term performance stock/units are to be awarded and determine the number of shares, the length of the performance period and the other vesting terms and conditions of each such award. Each award of performance stock/units shall entitle the participant to a payment in the form of shares/units of common stock upon the attainment of performance goals and other vesting terms and conditions specified by the Administrator. The Administrator may, in its discretion, make a cash payment equal to the fair market value of shares of common stock otherwise required to be issued to a participant pursuant to a Performance Stock Award.

All awards made under the 2012 Plan may be subject to vesting and other contingencies as determined by the Administrator and will be evidenced by agreements approved by the Administrator which set forth the terms and conditions of each award.

Duration, Amendment, and Termination

Unless sooner terminated by the Board, the 2012 Plan will terminate ten years after its adoption. The Board may amend, alter, suspend or terminate the 2012 Plan at any time or from time to time without stockholder approval or ratification, unless necessary and desirable to comply with applicable law. However, before an amendment may be made that would adversely affect a participant who has already been granted an award, the participant's consent must be obtained.

2011 Director Compensation

The following table sets forth compensation earned and paid to each non-employee director for service as a director during 2011.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Robert Baltera, Jr. (1)	—	$2,898	—	—	$2,898
Andras Forgacs (2)	—	—	—	—	—
Gabor Forgacs (3)	—	—	—	—	—

(1) In October, 2009 we entered into a Memorandum of Understanding with Robert Baltera, Jr. in connection with his ongoing service as one of our directors. Pursuant to this arrangement we granted Mr. Baltera 36,228 shares of restricted Common Stock, which vest in four equal annual installments, commencing one year from the date of grant, provided Mr. Baltera remains a director on the applicable vesting date. In October 2011 we additionally granted Mr. Baltera 32,423 shares of restricted Common Stock, one quarter of which vested that month and the remainder of which will vest in three equal annual installments. Our arrangement with Mr. Baltera is terminable at will by either party.

(2) In February, 2008 we issued 60,365 shares of restricted Common Stock to Andras Forgacs as compensation for his services as a director. These shares vested to the extent of 25% of the original grant on the first anniversary of the grant date, and thereafter at the rate of 6.25% of the original grant on a quarterly basis, provided that Mr. Forgacs remains a director on the applicable vesting date.

(3) Gabor Forgacs resigned as a director effective February 8, 2012.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with Pubco Shareholders

Forward Split, Split-Off and Share Cancellation

RERR's common stock was forward-split on a 10.5913504 for 1 basis, with a record date of January 23, 2012 and an effective date of January 31, 2012. As a result of this stock split and the Reincorporation Merger, there were approximately 6,000,000 shares of the Pubco's common stock issued and outstanding before taking into account the issuance of shares of Common Stock to purchasers of Units in the Offering and in the Merger and after giving pro forma effect to the Split-Off, as discussed below.

Upon the closing of the Merger, Pubco transferred all of its operating assets and liabilities to PSOS and split-off PSOS through the sale of all of the outstanding capital stock of PSOS. In connection with the Split-Off, 5,000,000 shares of Common Stock held by the Split-Off Shareholders were surrendered and cancelled without further consideration, other than the receipt of PSOS shares. An additional 1,236,000 shares of common stock were cancelled by other shareholders of Pubco for no or nominal consideration.

Transactions with the Placement Agent and its Related Parties

We retained Spencer Trask Ventures, Inc. to serve as our placement agent (the "Placement Agent") in connection with the Bridge Financing, the Merger and the Offering as described in this Current Report. Adam K. Stern, one of our directors, is a Senior Managing Director of the Placement Agent.

The Placement Agent acted as finder to Organovo in connection with our Bridge Financing, in which Organovo issued $1,500,000 of principal amount of Bridge Notes and Bridge Warrants to purchase an aggregate of 1,500,000 shares of Organovo's common stock at a price of $1.00 per share. The Placement Agent was issued warrants to purchase Organovo warrants that automatically converted into warrants to purchase 20% of the shares of Pubco Common Stock underlying the Units issued upon the conversion of the Bridge Notes in the Offering at a price of $1.00 per Share per share as compensation for acting as a finder in the Bridge Financing. These warrants were exchanged at the initial close of the Offering for warrants (which are identical to the Placement Agent Warrants discussed below) to purchase 610,155 shares of Common Stock at an exercise price of $1.00 per share.

Prior to the initial closing of the Offering, several related parties to the Placement Agent purchased an aggregate of 219,705 shares of Pubco's Common Stock (2,326,973 shares on a post stock split adjusted basis) from various shareholders of Pubco. The aggregate purchase price paid to such shareholders by the related parties for such shares was approximately $155,000. All of the foregoing shares of Common Stock are subject to a lock-up agreement. See "Lock-ups" below.

We engaged the Placement Agent as our exclusive placement agent in connection with the Offering. For its services, we paid the Placement Agent (i) a cash fee equal to 10% of the gross proceeds raised in the Offering and (ii) a non-accountable expense allowance equal to 3% of the gross proceeds raised in the Offering. In addition, we granted to the Placement Agent or its designees, for nominal consideration, five-year warrants ("Placement Agent Warrants") to purchase shares of Common Stock at an exercise price of $1.00 per share. The placement agent and its selected dealers were paid total cash commissions of $1,372,260 and the Placement Agent was paid an expense allowance of $411,678 and was issued Placement Agent Warrants to purchase 6,099,195 shares of Common Stock (including 610,155 warrants issued in connection with issuance of the bridge promissory notes and subsequently exchanged for new warrants in the Merger). As of April 30, 2012, the Placement Agent held 1,082,489 shares of the Company's Common Stock and warrants to purchase 2,130,335 shares of the Company's Common Stock.

We have agreed to engage the Placement Agent as its warrant solicitation agent in the event the Investor Warrants are called for redemption and shall pay a warrant solicitation fee to the Placement Agent equal to five (5%) percent of the amount of funds solicited by the Placement Agent upon the exercise of the Investor Warrants following such redemption.

The Placement Agent was granted the right to designate one member to our Board of Directors and has designated Adam K. Stern to fill such Board seat.

The price of the Units was been determined following our discussions with the Placement Agent. Among the factors considered in the negotiations were our limited operating history, our history of losses, an assessment of our management and our proposed operations, our current financial condition, the prospects for the industry in which we operate, the prospects for the development of our business with the capital raised in the Offering and the general condition of the securities markets at the time of the Offering. The Offering price of the Units or the exercise price of the Investor Warrants did not necessarily bear any relationship to our assets, book value or results of operations or any other generally accepted criterion of value.

As a result of these transactions, as of March 13, 2012, Mr. Stern reported holding 584,284 shares of Common Stock and warrants to purchase 360,000 shares of Common Stock. He also reported indirect beneficial ownership of 476,611 shares owned by ST Neuroscience Partners, LLC, 211,827 shares owned by Pavilion Capital Partners, LLC; and 132,392 shares owned by Piper Venture Partners, LLC.

We have agreed to indemnify the Placement Agent and other broker-dealers who are FINRA members selected by the Placement Agent to offer and sell Units, to the fullest extent permitted by law for a period of four (4) years from the Closing of the Offering, against certain liabilities that may be incurred in connection with the Offering, including certain civil liabilities under the Securities Act, and, where such indemnification is not available, to contribute to the payments the Placement Agent may be required to make in respect of such liabilities. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Placement Agent, pursuant to the foregoing provisions or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Lock-ups

Officers, directors and holders of 5% or more of our Common Stock have agreed to "lock-up" and not sell or otherwise transfer or hypothecate any of their shares for a term equal to the earlier of (i) twelve (12) months from the Closing Date of the Merger; or (ii) six (6) months following the effective date of the Registration Statement registering the shares of Common Stock that were sold in the Offering.

DESCRIPTION OF CAPITAL STOCK

Authorized Capital Stock

As of April 30, 2012, our authorized capital stock consisted of 150,000,000 shares of Common Stock, par value $0.001 per share, and 25,000,000 shares of preferred stock, par value $0.001 per share.

Issued and Outstanding Capital Stock

As of April 30, 2012, after giving effect to the Transactions, the Units sold in the Offering, the options granted under the 2008 Plan (that were exchanged for Pubco Options upon Pubco's assumption of options issued under the 2008 Plan), and the warrants issued to the Placement Agent in connection with the Offering, we have the following issued and outstanding securities:

- 43,693,241 shares of Common Stock;
- No shares of preferred stock;
- Options to purchase 896,256 shares of Common Stock granted under the 2008 Plan;
- Options to purchase 237,500 shares of Common Stock granted under the 2012 Plan;
- Warrants to purchase 15,247,987 shares of Common Stock at $1.00 per share issued to the investors in the Offering;

- Warrants to purchase 100,000 shares of Common Stock at $1.00 per share issued to a former holder of an Organovo promissory note;
- Warrants to purchase 1,309,750 shares of Common Stock at a price of $1.00 per share issued in exchange for warrants held by Organovo warrant holders;
- 5,489,040 warrants exercisable at a price of $1.00 per share issued to the Placement Agent in connection with the Offering;
- Warrants issued to Bridge Investors to purchase 1,500,000 shares of Common Stock at $1.00 per share; and
- 610,155 warrants exercisable at a price of $1.00 per share issued to the Placement Agent in exchange for warrants issued in connection with the Bridge Financing.

Description of Common Stock

The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders, including the election of directors. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all shares of Common Stock that are present in person or represented by proxy. Except as otherwise provided by law, amendments to the certificate of incorporation generally must be approved by a majority of the votes entitled to be cast by all outstanding shares of Common Stock. The certificate of incorporation does not provide for cumulative voting in the election of directors. The Common Stock holders will be entitled to such cash dividends as may be declared from time to time by the Board from funds available. Upon our liquidation, dissolution or winding up, the Common Stock holders will be entitled to receive pro rata all assets available for distribution to such holders.

Description of Preferred Stock

Our Preferred Stock, par value $0.001 per share, may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by our Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of any wholly unissued series of Preferred Stock, including without limitation authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

Registration Rights Agreement

We are required to file within 90 days of the date of the final Closing of the Offering, a Registration Statement registering for resale all shares of Common Stock issued in the Offering, including Common Stock (i) included in the Units; and (ii) issuable upon exercise of the Investor Warrants; consistent with the terms and provisions of the Registration Rights Agreement. A form of the Registration Rights Agreement is filed as Exhibit 10.5 to this Current Report. The holders of any registrable securities removed from the Registration Statement a result of a Rule 415 or other comment from the SEC shall have "piggyback" registration rights for the shares of Common Stock or Common Stock underlying such warrants with respect to any registration statement filed by us following the effectiveness of the Registration Statement which would permit the inclusion of these shares. We have agreed to use its reasonable efforts to have the registration statement declared effective within 180 days of filing the registration statement.

If the Registration Statement is not filed on or before the filing deadline or not declared effective on or before the effectiveness deadline, we shall pay to each holder of registrable securities an amount in cash equal to one-half of one percent (0.5%) of such holder's investment herein or in the Bridge Financing on every thirty (30) day anniversary of such filing deadline or effectiveness deadline failure until such failure is cured. The payment amount shall be prorated for partial thirty (30) day periods. The maximum aggregate amount of payments to be made by as the result of such failures, whether by reason of a filing deadline failure, effectiveness deadline failure or any combination thereof, shall be an amount equal to 6% of each holder's investment amount. Notwithstanding the foregoing, no payments shall be owed with respect to any period during which all of the holder's registrable securities may be sold by such holder under Rule 144 or pursuant to another exemption from registration. Moreover, no such payments shall be due and payable with respect to any registrable securities we are unable to register due to limits imposed by the SEC's interpretation of Rule 415 under the Securities Act.

We have agreed to keep the Registration Statement "evergreen" for one (1) year from the date it is declared effective by the SEC or until Rule 144 of the Securities Act is available to Investors herein with respect to all of their shares, whichever is earlier.

Investor Warrants

After the consummation of the Merger and the simultaneous closing of the Offering, there were warrants issued to purchase 15,247,987 shares of Common Stock held by investors purchasing Units in the Offering (the "Investor Warrants"). Each Investor Warrant entitles the holder to purchase one share of Common Stock at a purchase price of $1.00 during the five (5) year period commencing on the issuance of the Investor Warrants. We may call the Investor Warrants at any time our Common Stock trades above $2.50 for twenty (20) consecutive days following the effectiveness of the Registration Statement covering the resale of the underlying Investor Warrant shares. The Investor Warrants can only be called if a Registration Statement registering the shares underlying the Investor Warrants is in effect at the time of the call.

The Investor Warrants, at the option of the holder, may be exercised by cash payment of the exercise price to us. The Investor Warrants may be exercised on a cashless basis commencing one year after issuance if no registration statement registering the shares underlying the Investor Warrants is then in effect. The Placement Agent shall receive a warrant solicitation fee equal to 5% of the funds solicited by the Placement Agent upon exercise of the Investor Warrants if we elect to call the Investor Warrants. The exercise price and number of shares of Common Stock issuable on exercise of the Investor Warrants may be adjusted in certain circumstances including a weighted average adjustment in the event of future issuances of our equity securities at a price less than the exercise price of the Investor Warrant, in the event of a stock dividend, or our recapitalization, reorganization, merger or consolidation.

No fractional shares will be issued upon exercise of the Investor Warrants. If, upon exercise of the Investor Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round up to the nearest whole number, the number of shares of Common Stock to be issued to the Investor Warrant holder.

Following consummation of the Merger and the simultaneous closing of the Offering, former warrant holders and a former noteholder of Organovo were issued warrants to purchase an aggregate of 1,409,750 shares of Common Stock. These warrants are similar to the Investor Warrants, except that they do not have a call provision or registration rights, and are exercisable on a "cashless" basis.

New Bridge Warrants

There are 1,500,000 warrants outstanding, all of which were issued in exchange for the Bridge Warrants at the Closing Date (the "New Bridge Warrants"). The New Bridge Warrants, which are exercisable at a price of $1.00 per share for a five year period, are substantially similar to the Investor Warrants. Holders of the New Bridge Warrants received the same registration rights with respect to the shares of Common Stock issuable upon exercise of the New Bridge Warrants as the investors in the Offering.

Placement Agent Warrants

The warrants issued to our Placement Agent in the Offering permit the Placement Agent or its designees, to purchase for a five-year period, 5,489,040 shares of Common Stock at an exercise price of $1.00 per share (the "Placement Agent Warrants"). Additionally, as compensation for the Bridge Financing, the Placement Agent was issued Organovo warrants that were subsequently exchanged for Placement Agent Warrants to purchase 610,155 shares of Common Stock at an exercise price of $1.00 per share. The Placement Agent Warrants have no registration rights and contain weighted average anti-dilution and immediate cashless exercise provisions.

Anti-Takeover Effects of Provisions of Delaware State Law

Anti-takeover provisions in our certificate of incorporation and Delaware law could make an acquisition more difficult and could prevent attempts by our stockholders to remove or replace current management.

Anti-takeover provisions of Delaware law and in our certificate of incorporation and our bylaws may discourage, delay or prevent a change in control of our company, even if a change in control would be beneficial to our stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. In particular, under our certificate of incorporation our board of directors may issue up to 25,000,000 shares of preferred stock with rights and privileges that might be senior to our common stock, without the consent of the holders of the common stock. Moreover, without any further vote or action on the part of the stockholders, the board of directors would have the authority to determine the price, rights, preferences, privileges, and restrictions of the preferred stock. This preferred stock, if it is ever issued, may have preference over, and harm the rights of, the holders of common stock. Although the issuance of this preferred stock would provide us with flexibility in connection with possible acquisitions and other corporate purposes, this issuance may make it more difficult for a third party to acquire a majority of our outstanding voting stock. Similarly, our authorized but unissued common stock is available for future issuance without stockholder approval.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Prior to February 14, 2012, our Common Stock was available for trading in the over-the-counter market and was quoted on the OTCQB and the OTCBB under the symbol “RERR.” Effective February 14, 2012, our stock trades under the symbol “ONVO” and is quoted on the OTCQB. As of the December 31, 2011 and the Closing Date, there was no bid history for the “ONVO” Common Stock, because the Common Stock had never been traded.

Trades in our Common Stock may be subject to Rule 15g-9 of the Exchange Act, which imposes requirements on broker/dealers who sell securities subject to the rule to persons other than established customers and accredited investors. For transactions covered by the rule, broker/dealers must make a special suitability determination for purchasers of the securities and receive the purchaser’s written agreement to the transaction before the sale.

The SEC also has rules that regulate broker/dealer practices in connection with transactions in “penny stocks.” Penny stocks generally are equity securities with a price of less than $5.00 (other than securities listed on certain national exchanges, provided that the current price and volume information with respect to transactions in that security is provided by the applicable exchange or system). The penny stock rules require a broker/dealer, before effecting a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’s account. The bid and offer quotations, and the broker/dealer and salesperson compensation information, must be given to the customer orally or in writing before effecting the transaction, and must be given to the customer in writing before or with the customer’s confirmation. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for shares of our Common Stock. As a result of these rules, investors may find it difficult to sell their shares.

Holders

As of April 30, 2012, there are approximately 273 record holders of 43,693,241 shares of Common Stock. As of the date of this filing, 25,153,186 shares of Common Stock are issuable upon the exercise of outstanding warrants and options. The shares issued in connection with the Transactions, including the Common Stock issued to the former Organovo stockholders and investors in the Offering, are "restricted securities," which may be sold or otherwise transferred only if such shares are first registered under the Securities Act or are exempt from the registration requirements. As discussed elsewhere in this Current Report, we have agreed to file a registration statement within 90 days of the final closing date, to register the shares of the Common Stock and shares of Common Stock issuable upon exercise of the Investor Warrants issued in the Offering and the shares of Common Stock issuable upon exercise of the New Bridge Warrants.

Dividend Policy

We have never declared or paid dividends. We do not intend to pay cash dividends on our Common Stock for the foreseeable future, but currently intend to retain any future earnings to fund the development and growth of our business. The payment of dividends if any, on our Common Stock will rest solely within the discretion of our board of directors and will depend, among other things, upon our earnings, capital requirements, financial condition, and other relevant factors.

LEGAL PROCEEDINGS

From time to time, the Company may be named in claims arising in the ordinary course of business. Currently, no legal proceedings or claims are pending against or involve the Company that, in the opinion of management, could reasonably be expected to have a material adverse effect on our business and financial condition.

RECENT SALES OF UNREGISTERED SECURITIES

Sales by Organovo

From February 2008 through August 2011, Organovo sold unsecured convertible promissory notes in the aggregate principal amount of $3,130,000 in private placements to a limited number of accredited investors. Under their original terms, these notes generally were to convert into shares of Organovo common stock upon the occurrence of certain events or, if not so converted, into shares of Organovo preferred stock at maturity. In addition, Organovo agreed to issue common stock purchase warrants to the noteholders upon conversion. The note sales were exempt from the registration requirements of Federal and State securities laws pursuant to Section 4(2) of the Securities Act and Rule 506 of Regulation D under the Securities Act. Prior to the closing of the Bridge Financing (as discussed below), $3,030,000 principal amount of these notes, plus accrued interest, were exchanged for an aggregate of 7,676,828 shares of Organovo common stock and 1,309,750 warrants to purchase Organovo common stock at an exercise price of $1.00 per share. One note, in the original principal amount of $100,000, plus accrued interest, was repaid from the proceeds of the Offering, at which time warrants to purchase 100,000 shares of Common Stock were issued to the holder.

In October and November 2011, Organovo completed its Bridge Financing wherein it sold $1,500,000 of principal amount of Bridge Notes and 1,500,000 Bridge Warrants. Principal and accrued interest on the Bridge Notes were converted into Units in the Offering (as discussed below) and the Bridge Warrants were exchanged for 1,500,000 New Bridge Warrants to acquire 1,500,000 shares of our Common Stock at a price of $1.00 per share. The Placement Agent acted as a selling agent to Organovo in connection with the Bridge Financing and received as compensation for its services (i) a sales commission of 10% of the amount raised, or $150,000, (ii) a 3% non-accountable expense allowance, or $45,000 and (iii) Organovo warrants that converted upon the closing of the Merger into warrants to purchase 610,155 shares of our Common Stock at a price of $1.00 per share.

In February and March 2012, the Company received gross proceeds of $15,247,987 from the private placement of equity securities. On February 8, February 29, and March 16, 2012, the Company completed the first, second and final closings, respectively, of the private placement offering. In these three closings, 6,525,887 Units, 1,806,100 Units, and 6,916,000 Units, respectively, were sold to accredited investors at a price of $1.00 per Unit, including the conversion of $1,500,000 of principal and $25,379 of accrued interest under certain bridge promissory notes issued in 2011. The first closing was conducted simultaneously with the completion of the Company's merger (the "Merger") with Organovo, Inc. The notes automatically converted into equity securities on February 8, 2012, as part of the private placement offering. Each Unit consisted of one share of common stock of the Company, $0.001 par value per share, and a 5 year warrant to purchase one share of Common Stock at $1.00 per share. Total net proceeds were $11,593,065.91 (or $12,811,897.11, including the conversion of the bridge promissory notes referred to above). The Company issued 15,247,987 shares and 16,747,987 warrants (including 1,500,000 warrants to former holders of the bridge promissory notes).

The transactions described above were exempt from registration under Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder.

Sales by Our Predecessor, RERR

On January 30, 2012, we issued common stock to stockholders of Organovo Holdings, Inc., a Nevada corporation (formerly known as Real Estate Restoration and Rental, Inc.) and our sole stockholder, in connection with our reincorporation in Delaware. Such transaction was not a "sale" within the meaning of Section 2(3) of the Securities Act because it came within the exemption under Rule 145(a)(2) of the Securities Act.

Deborah Lovig, RERR's President, Chief Executive Officer, Chief Financial Officer and Director, purchased 5,000,000 (pre-split) shares of RERR common stock on December 19, 2009 for $100 in cash and $400 worth of services which she provided to RERR.

James Coker, RERR's Secretary and Director, purchased 80,000 shares of RERR common stock on March 17, 2010 and an additional 15,000 shares of RERR common stock on April 2, 2010, for a total of 95,000 shares, for $9,500.

In June, 2010, RERR completed the sale of a total of 1,802,500 shares of common stock to a number of investors, at a price of $0.10 per share, for aggregate offering proceeds of $180,250.

The transactions described above were exempt from registration under Section 4(2) of the Securities Act and/or Rule 506 of Regulation D thereunder.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Under Section 145 of the General Corporation Law of the State of Delaware, we may indemnify our directors and officers against liabilities they may incur in such capacities, including liabilities under the Securities Act. Our certificate of incorporation provides that, pursuant to Delaware law, our directors shall not be liable for monetary damages for breach of the directors' fiduciary duty of care to us and our stockholders. This provision does not eliminate the duty of care, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to us or our stockholders for acts or omissions not in good faith or involving intentional misconduct or knowing violations of the law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Our bylaws provide for the indemnification of its directors to the fullest extent permitted by the Delaware General Corporation Law. Our bylaws further provide that our Board of Directors has discretion to indemnify our officers and other employees. We are required to advance, prior to the final disposition of any proceeding, promptly on request, all expenses incurred by any director or executive officer in connection with that proceeding on receipt of an undertaking by or on behalf of that director or executive officer to repay those amounts if it should be determined ultimately that he or she is not entitled to be indemnified under our bylaws or otherwise. We are not, however, required to advance any expenses in connection with any proceeding if a determination is reasonably and promptly made by our Board of Directors by a majority vote of a quorum of disinterested Board members that (i) the party seeking an advance acted in bad faith or deliberately breached his or her duty to us or to our stockholders and (ii) as a result of such actions by the party seeking an advance, it is more likely than not that it will ultimately be determined that such party is not entitled to indemnification pursuant to the applicable sections of our bylaws.

We have been advised that in the opinion of the SEC, insofar as indemnification for liabilities arising under the Securities Act may be permitted to its directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event a claim for indemnification against such liabilities (other than the our payment of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

PART F/S

Reference is made to the disclosure set forth under Item 9.01 of this Current Report, which disclosure is incorporated herein by reference.

INDEX TO EXHIBITS

See Item 9.01(d) below, which is incorporated by reference herein.

DESCRIPTION OF EXHIBITS

See Exhibit Index below and the corresponding exhibits, which are incorporated by reference herein.

Item 3.02. Unregistered Sales of Equity Securities.

The disclosure set forth in Item 2.01 to this Current Report is incorporated into this item by reference.

Item 4.01. Changes in Registrant's Certifying Accountant.

On February 8, 2012, we engaged Mayer Hoffman McCann, P.C. as our principal independent registered public accounting firm, and effective February 8, 2012, we dismissed Webb & Company, P.A., as our principal independent registered public accounting firm. The decision to dismiss Webb & Company, P.A. and to appoint Mayer Hoffman McCann, P.C. was approved by our board of directors.

Webb & Company, P.A.'s, report on our financial statements for either of the two most recent fiscal years ended June 30, 2011 and 2010 did not contain an adverse opinion or disclaimer of opinion, or qualification or modification as to uncertainty, audit scope, or accounting principles, except that such report on our financial statements contained an explanatory paragraph in respect to the substantial doubt about our ability to continue as a going concern.

During our two most recent fiscal years ended June 30, 2011 and 2010 and in the subsequent interim period through the date of dismissal, there were no disagreements, resolved or not, with Webb & Company, P.A. on any matter of accounting principles or practices, financial statement disclosure, or audit scope and procedures, which disagreement(s), if not resolved to the satisfaction of Webb & Company, P.A., would have caused Webb & Company, P.A. to make reference to the subject matter of the disagreement(s) in connection with its report.

During our two most recent fiscal years ended June 30, 2011 and 2010 and in the subsequent interim period through the date of dismissal, there were no reportable events as described in Item 304(a)(1)(v) of Regulation S-K.

We provided Webb & Company, P.A. with a copy of the disclosure in this Item 4.01 of this Current Report on Form 8-K prior to its filing with the SEC, and requested that it furnish us with a letter addressed to the SEC stating whether it agrees with the statements made in this Item 4.01 of this current report on Form 8-K, and if not, stating the respects with which it does not agree. A copy of the letter provided from Webb & Company, P.A. is filed as an Exhibit 16.1 to this Current Report on Form 8-K.

During our two most recent fiscal years ended June 30, 2011 and 2010 and in the subsequent interim period through the date of appointment, we have not consulted with Mayer Hoffman McCann, P.C. regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, nor has Mayer Hoffman McCann, P.C. provided to us a written report or oral advice that Mayer Hoffman McCann, P.C. concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue. In addition, during such periods, we have not consulted with Mayer Hoffman McCann, P.C. regarding any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

Item 5.01. Changes in Control of the Registrant.

As a result of the Offering and the Merger, we experienced a change in control, with the former stockholders of Organovo acquiring control of us. The disclosure set forth in Item 2.01 to this Current Report is incorporated into this item by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The disclosure set forth in Item 2.01 to this Current Report is incorporated into this item by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On February 8, 2012, concurrent with the Merger, we adopted the fiscal year end of our Organovo subsidiary, thereby changing our fiscal year end from June 30 to December 31. The audited financial statements for the new fiscal year will be reflected in our Form 10-K for the year ending December 31, 2012.

Item 5.06. Change in Shell Company Status.

The disclosure set forth in Item 2.01 to this Current Report is incorporated into this item by reference. As a result of the completion of the Merger, we believe that we are no longer a shell company, as defined in Rule 405 of the Securities Act and Rule 12b-2 of the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of business acquired

In accordance with Item 9.01(a), Organovo's audited financial statements for the years ended December 31, 2011 and 2010 are included with this Current Report beginning on Page F-1.

(b) Pro forma financial information

In accordance with Item 9.01(b), unaudited pro-forma combined financial statements are included with this Current Report beginning on Page F- 24.

(d) Exhibits

Exhibit No,	Description
2.1	Agreement and Plan of Merger and Reorganization, dated as of February 8, 2012, by and among Organovo Holdings, Inc. a Delaware corporation, Organovo Acquisition Corp., a Delaware corporation and Organovo, Inc., a Delaware corporation (incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
2.2	Certificate of Merger as filed with the Delaware Secretary of State effective February 8, 2012 (incorporated by reference from Exhibit 2.2 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
2.3	Articles of Merger as filed with the Nevada Secretary of State effective December 28, 2011 (incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission (the "SEC") on February 3, 2012 (the "February 2012 Form 8-K")
2.4	Agreement and Plan of Merger, dated as of December 28, 2011, by and between Real Estate Restoration and Rental, Inc. and Organovo Holdings, Inc. (incorporated by reference from Exhibit 2.2 to the Company's Current Report on Form 8-K, as filed with the SEC on January 4, 2012)
2.5	Certificate of Merger as filed with the Delaware Secretary of State effective January 30, 2012 (incorporated by reference from Exhibit 2.3 to the February 2012 Form 8-K)
2.6	Agreement and Plan of Merger, dated as of January 30, 2012, by and between Organovo Holdings, Inc. (Nevada) and Organovo Holdings, Inc. (Delaware) (incorporated by reference from Exhibit 2.2 to the February 2012 Form 8-K)
2.7	Articles of Merger as filed with the Nevada Secretary of State effective January 30, 2012 (incorporated by reference from Exhibit 2.4 to the February 2012 Form 8-K)
3.1(i)	Articles of Incorporation of Real Estate Restoration and Rental, Inc. (incorporated by reference from Exhibit 3.1 to the Company's registration statement (SEC File No. 333-169928) on Form S-1, as filed with the SEC on October 13, 2010
3.1(ii)	Certificate of Incorporation, Certificate of Change of Registered Agent and/or Registered Office, Certificate of Correction, and Certificate of Amendment of Certificate of Incorporation, each of Organovo, Inc., as filed with the Secretary of State of the State of Delaware on April 19, 2007, January 30, 2009, July 29, 2010, and September 28, 2011 respectively (incorporated by reference from Exhibit 3.1(ii) to the Company's Amendment No. 1 to Current Report on Form 8-K/A, as filed with the SEC on March 30, 2012)
3.1(iii)	Certificate of Incorporation of Organovo Holdings, Inc. (Delaware) (incorporated by reference from Exhibit 3.1 to the February 2012 Form 8-K)
3.2	Bylaws of Organovo Holdings, Inc. (Delaware) (incorporated by reference from Exhibit 3.2 to the February 2012 Form 8-K)
4.1	Form of Bridge Warrant of Organovo, Inc. (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
4.2	Form of Bridge Promissory Note of Organovo, Inc. (incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
4.3	Form of Warrant of Organovo, Inc. issued to former holders of Organovo, Inc. promissory notes (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
4.4	Form of Investor Warrant of Organovo Holdings, Inc. (incorporated by reference from Exhibit 4.4 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
4.5(i)	Form of Warrant of Organovo Holdings, Inc. ($1.00 exercise price) issued to Placement Agent (incorporated by reference from Exhibit 4.2(i) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
4.5(ii)	Form of Warrant of Organovo, Inc. ($1.00 exercise price) issued to Selling Agent (incorporated by reference from Exhibit 4.2(ii) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
4.5(iii)	Form of Warrant of Organovo Holdings, Inc. ($1.00 exercise price) issued to Placement Agent in exchange for Organovo, Inc. warrant issued to Selling Agent (incorporated by reference from Exhibit 4.2(iii) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
4.5	Form of Warrant of Organovo Holdings, Inc. issued to former holders of Organovo, Inc. promissory notes (incorporated by reference from Exhibit 4.5 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
4.6	Form of New Bridge Warrant (incorporated by reference from Exhibit 4.6 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
4.7	Form of Lock-Up Agreement (incorporated by reference from Exhibit 4.7 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)

Exhibit No,	Description
10.1	Form of Securities Purchase Agreement between Organovo, Inc and the Bridge Investors (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.2	Escrow Agreement, by and among Organovo, Inc., the Selling Agent and Signature Bank (incorporated by reference from Exhibit 10.6 to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.3	Selling Agent Agreement between Organovo, Inc. and the Selling Agent (incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.4	Form of Subscription Agreement, by and between Organovo Holdings, Inc. and the investors in the offering (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012 Form 8-K)
10.5	Form of Registration Rights Agreement, by and between Organovo Holdings, Inc. and the investors in the offering (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.6	Escrow Agreement, by and among Organovo, Inc., the Placement Agent and Signature Bank (incorporated by reference from Exhibit 10.51 to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.6(i)	Extension to Escrow Agreement (incorporated by reference from Exhibit 10.5(iii) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.7(i)	Joinder by Organovo Holdings, Inc. to Placement Agency Agreement (incorporated by reference from Exhibit 10.4(ii) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.7(ii)	Joinder by Organovo Holdings, Inc. to Escrow Agreement (incorporated by reference from Exhibit 10.5(ii) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.8	Placement Agent Agreement between Organovo, Inc. and the Placement Agent (incorporated by reference from Exhibit 10.4(i) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.8(i)	Extension to Placement Agent Agreement (incorporated by reference from Exhibit 10.4(iii) to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2012)
10.9	Split-Off Agreement, by and among Organovo Holdings, Inc., Organovo Split Corp., Deborah Lovig and James Coker (incorporated by reference from Exhibit 10.9 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.10	General Release Agreement by and among Organovo Holdings, Inc., Organovo Split Corp., Deborah Lovig and James Coker (incorporated by reference from Exhibit 10.10 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.11	Form of Share Cancellation Agreement and Release (incorporated by reference from Exhibit 10.11 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.12	Offer Letter between Barry D. Michaels and Organovo, Inc. *** (incorporated by reference from Exhibit 10.12 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.13	Offer Letter between Sharon Collins Presnell and Organovo, Inc. *** (incorporated by reference from Exhibit 10.13 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.14	Organovo, Inc. 2008 Equity Incentive Plan *** (incorporated by reference from Exhibit 10.14 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.15	Organovo Holdings, Inc. 2012 Equity Incentive Plan*** (incorporated by reference from Exhibit 10.15 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.16	Form of Stock Option Award Agreement under the 2012 Equity Incentive Plan *** (incorporated by reference from Exhibit 10.16 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)

Exhibit No,	Description
10.17	Form of Indemnification Agreement *** (incorporated by reference from Exhibit 10.17 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.18	Memorandum of Understanding between Organovo, Inc. and Robert Baltera, Jr. *** (incorporated by reference from Exhibit 10.18 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.19	Scientific Advisory Board Consulting Agreement, dated as of March 17, 2008, by and between Organovo, Inc. and Glenn Prestwich, Ph.D. (incorporated by reference from Exhibit 10.19 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.20	Scientific Advisory Board Consulting Agreement, dated as of March 17, 2008, by and between Organovo, Inc. and David Mooney, Ph.D. (incorporated by reference from Exhibit 10.20 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.21	Scientific Advisory Board Consulting Agreement, dated as of April 14, 2008, by and between Organovo, Inc. and Gordana Vunjak-Novakovic (incorporated by reference from Exhibit 10.21 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.22	Scientific Advisory Board Consulting Agreement, dated as of June 30, 2008, by and between Organovo, Inc. and K. Craig Kent, M.D. (incorporated by reference from Exhibit 10.22 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
10.23	License Agreement dated as of March 24, 2009, by and between Organovo, Inc. and the Curators of the University of Missouri*, ****
10.24	License Agreement dated as of March 12, 2010 by and between the Company and the University of Missouri*, ****
10.25	License Agreement dated as of May 2, 2011, by and between the Company and Clemson University Research Foundation*, ****
10.26	3D Bio-Printer Development Program Agreement, dated as of March 3, 2011, by and between Invetech Pty Ltd ("Invetech") and Organovo Holdings, Inc.**** (incorporated by reference from Exhibit 10.26 to the Company's Amendment No. 1 to Current Report on Form 8-K/A, as filed with the SEC on March 30, 2012)
16.1	Letter re change in certifying accountant (incorporated by reference from Exhibit 10.25 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)
21.1	Subsidiaries of Organovo Holdings, Inc. (incorporated by reference from Exhibit 10.25 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012)

* Filed herewith

*** Designates management contracts or compensation plans.

**** This Exhibit has been filed separately with the Secretary of the Securities and Exchange Commission without the redaction pursuant to a Confidential Treatment Request under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.
Certain Confidential Information contained in this Exhibit was omitted by means of redacting a portion of the text and replacing it with an asterisk.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ORGANOVO HOLDINGS, INC.

Date: May 10, 2012

By: /s/ Keith Murphy
Name: Keith Murphy
Title: Chief Executive Officer

Organovo, Inc.
Financial Statements

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of

Organovo, Inc.

San Diego, California

We have audited the accompanying balance sheets of **Organovo, Inc.** (the "Company") as of December 31, 2011 and 2010, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended and for the period from April 19, 2007 (Inception) through December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Organovo, Inc.** as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended and for the period from April 19, 2007 (Inception) through December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ Mayer Hoffman McCann P.C.

San Diego, CA
March 30, 2012

Organovo, Inc.
(A development stage company)

Balance Sheets

	December 31, 2011	December 31, 2010
Assets		
Current Assets		
Cash and cash equivalents	$ 339,607	$ 285,308
Grant receivable	—	59,744
Inventory	291,881	68,022
Deferred financing costs	318,843	—
Prepaid expenses and other current assets	79,874	11,042
Total current assets	1,030,205	424,116
Fixed Assets - Net	278,208	295,539
Other Assets - Net	100,419	40,743
Total assets	$ 1,408,832	$ 760,398
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	$ 657,560	$ 284,217
Accrued expenses	437,837	305,580
Deferred revenue	152,500	106,925
Related party note payable	—	25,000
Accrued interest payable	24,018	251,536
Convertible notes payable, current portion	703,833	200,000
Total current liabilities	1,975,748	1,173,258
Warrant liabilities	1,266,869	—
Convertible notes payable, long-term portion	—	1,887,500
Total liabilities	$ 3,242,617	$ 3,060,758
Commitments and contingencies (Note 10)		
Stockholders' Deficit		
Common stock, $0.0001 par value; 75,000,000 shares authorized, 22,445,254 and 14,707,020 shares issued and outstanding at December 31, 2011 and December 31, 2010, respectively	2,245	1,471
Additional paid-in capital	4,855,526	6,463
Deficit accumulated during the development stage	(6,691,556)	(2,308,294)
Total stockholders' deficit	(1,833,785)	(2,300,360)
Total Liabilities and Stockholders' Deficit	$ 1,408,832	$ 760,398

The accompanying notes are an integral part of these financial statements.

Organovo, Inc.
(A development stage company)

Statements of Operations

	Year Ended December 31, 2011	Year Ended December 31, 2010	*Period from April 19, 1997 (Inception) through December 31, 2011*
Revenue			
Product	**$ 223,500**	**$ —**	$ 223,500
Collaborations	**688,088**	**75,000**	763,088
Grants	**56,925**	**528,412**	664,112
Total Revenue	**968,513**	**603,412**	1,650,700
Cost of product revenue	**133,607**	**—**	133,607
Selling, general, and administrative expenses	**1,705,171**	**577,914**	2,666,038
Research and development expenses	**1,419,718**	**1,203,716**	3,198,388
Loss from Operations	**(2,289,983)**	**(1,178,218)**	(4,347,333)
Other Income (Expense)			
Interest expense	**(2,066,889)**	**(160,873)**	(2,318,442)
Interest income	**64**	**81**	2,007
Other expense	**(26,454)**	**316**	(27,788)
Total Other Income (Expense)	**(2,093,279)**	**(160,476)**	(2,344,223)
Net Loss	**$ (4,383,262)**	**$ (1,338,694)**	$ (6,691,556)

The accompanying notes are an integral part of these financial statements.

Organovo, Inc.
(A development stage company)

Statements of Stockholders' Deficit
Period from April 19, 2007 (Inception) through December 31, 2011

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total
Balance at inception (April 19, 2007)	**—**	**$ —**	**$ —**	$ —	$ —
Issuance of Common stock	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—
Net Loss	—	—	—	—	—
Balance at December 31, 2007	**—**	**$ —**	**$ —**	**$ —**	**$ —**
Issuance of Common stock to founders	1,729,532	173	(173)	—	—
Issuance of restricted Common stock	12,627,697	1,263	(1,263)	—	—
Stock-based compensation expense	—	—	1,742	—	1,742
Net Loss	—	—	—	(97,559)	(97,559)
Balance at December 31, 2008	**14,357,229**	**$1,436**	**$ 306**	**$ (97,559)**	**$ (95,817)**
Issuance of restricted Common stock	130,422	13	(13)	—	—
Stock-based compensation expense	—	—	2,336	—	2,336
Net Loss	—	—	—	(872,041)	(872,041)
Balance at December 31, 2009	**14,487,651**	**$1,449**	**$ 2,629**	**$ (969,600)**	**$ (965,522)**
Issuance of restricted Common stock	219,369	22	(22)	—	—
Stock-based compensation expense	—	—	3,856	—	3,856
Net Loss	—	—	—	(1,338,694)	(1,338,694)
Balance at December 31, 2010	**14,707,020**	**$1,471**	**$ 6,463**	**$(2,308,294)**	**$(2,300,360)**
Issuance of Common stock through conversion of notes payable	7,676,828	768	3,488,990	—	3,489,758
Issuance of restricted Common stock	61,406	6	(6)	—	—
Warrants issued with convertible notes and upon conversion of notes payable	—	—	1,111,364	—	1,111,364
Beneficial conversion feature of convertible notes payable	—	—	239,700	—	239,700
Stock-based compensation expense	—	—	9,015	—	9,015
Net Loss	—	—	—	(4,383,262)	(4,383,262)
Balance at December 31, 2011	**22,445,254**	**$2,245**	**$4,855,526**	**$(6,691,556)**	**$(1,833,785)**

The accompanying notes are an integral part of these financial statements.

Organovo, Inc.
(A development stage company)

Statements of Cash Flows

	Year Ended December 31, 2011	Year Ended December 31, 2010	*Period from April 19, 2007 (Inception) through December 31, 2011*
Cash Flows From Operating Activities			
Net loss	**$ (4,383,262)**	**$ (1,338,694)**	$ (6,691,556)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of debt discount	**1,187,569**	**—**	1,187,569
Depreciation and amortization	**68,064**	**58,669**	156,328
Amortization of deferred financing costs	**119,451**	**—**	119,451
Warrants issued in connection with exchange agreement	**527,629**	**—**	527,629
Stock-based compensation	**9,015**	**3,856**	16,949
Change in fair value of warrants	**6,569**	**—**	6,569
Increase (decrease) in cash resulting from changes in:			
Grants receivable	**59,744**	**(54,846)**	—
Inventory	**(223,859)**	**(68,022)**	(291,881)
Prepaid expenses and other current assets	**(68,693)**	**(2,409)**	(93,005)
Accounts payable	**373,343**	**230,165**	657,560
Accrued expenses	**132,257**	**83,404**	437,837
Deferred revenue	**45,575**	**106,925**	152,500
Accrued interest payable	**232,240**	**160,856**	483,776
Net cash used in operating activities	**(1,914,358)**	**(820,096)**	(3,330,274)
Cash Flows From Investing Activities			
Purchases of fixed assets	**(45,547)**	**(48,072)**	(426,823)
Purchases of intangible assets	**(65,000)**	**(5,000)**	(95,000)
Net cash used in investing activities	**(110,547)**	**(53,072)**	(521,823)
Cash Flows From Financing Activities			
Proceeds from issuance of convertible notes payable	**2,542,500**	**992,500**	4,630,000
Proceeds from issuance of related party notes payable	**225,000**	**25,000**	250,000
Repayment of related party notes payable	**(250,000)**	**—**	(250,000)
Deferred financing costs	**(438,296)**	**—**	(438,296)
Net cash provided by financing activities	**2,079,204**	**1,017,500**	4,191,704
Net Increase in Cash and Cash Equivalents	**54,299**	**144,332**	339,607
Cash and Cash Equivalents at Beginning of Period	**285,308**	**140,976**	—
Cash and Cash Equivalents at End of Period	**$ 339,607**	**$ 285,308**	$ 339,607

The accompanying notes are an integral part of these financial statements.

Supplemental Discloures of Cash Flow Information:

Interest	$ —	$ —	$ —
Income Taxes	$ 800	$ 1,600	$ 2,400

Supplemental Disclosure of Noncash Investing and Financing Activities:

During 2008 the Company issued 1,729,532 shares of Common stock to the founders.

During 2011 and 2010 and for the period from April 19, 2007 (Inception) through December 31, 2011, the Company issued 61,406, 219,369 and 13,038,894, respectively, shares of restricted Common stock to certain employees, advisors and consultants of the Company.

During 2011 and for the period from April 19, 2007 (Inception) through December 31, 2011, the Company issued certain convertible notes payable that included warrants. The warrants and the related beneficial conversion feature, valued at $823,435 were classified as equity instruments and recorded as a discount to the carrying value of the related debt.

During 2011 and for the period from April 19, 2007 (Inception) through December 31, 2011, the Company issued warrants, valued at approximately $1,260,300, in connection with certain convertible notes payable. The warrants were recorded as a warrant liability and recorded as a discount to the carrying value related to debt.

During 2011, the Company issued 7,676,828 shares of Common stock to note holders for the conversion of Convertible Notes with a principal balance totaling $3,030,000 and accrued interest totaling $459,758.

Organovo, Inc.
(A development stage company)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of operations

Organovo, Inc. ("the Company") was founded in Delaware in April 2007 and is a Delaware Corporation. Activities since the Company's inception through 2011 were devoted primarily to developing a platform technology for the generation of three-dimensional (3D) human tissues that can be employed in drug discovery and development, biological research, and as therapeutic implants for the treatment of damaged or degenerating tissues and organs.

As of December 31, 2011, the Company has devoted substantially all of its efforts to product development, raising capital, and building infrastructure. The Company has not realized significant revenues from its planned principal operations. Accordingly, the Company is considered to be in the development stage.

On February 8, 2012, the Company merged with and into Organovo Acquisition Corp., a wholly-owned subsidiary of Organovo Holdings, Inc., a publicly traded Delaware corporation ("Organovo Holdings"), with the Company surviving the merger as a wholly-owned subsidiary of Organovo Holdings (the "Merger"). As a result of the Merger, Organovo Holdings acquired the business of the Company, and will continue the existing business operations of the Company.

Liquidity

As of December 31, 2011, the Company had an accumulated deficit of approximately $6,691,600. The Company also had negative cash flow from operations of $1,914,400 during the year ended December 31, 2011.

The Company expects to cover it's anticipated 2012 operating expenses through cash on hand including the funds raised during the first quarter of 2012 through the Private Placement of its Securities and funds received through collaborative agreements, and other commercial arrangements.

On February 8, 2012, the Company received gross proceeds of approximately $6,500,000, including $1,500,000 previously received from the sale of convertible notes payable, in a private placement offering in conjunction with the Merger. The convertible notes automatically converted into equity at the time of the Merger. On February 29, 2012 and March 16, 2012, the Company completed two additional closings of its Private Placement Offering and received total gross proceeds of approximately $8,722,100. See Note 12.

While the likelihood of a liquidity crisis is considered remote, should one occur, there are no guarantees that the Company would be able to obtain sufficient cash from outside sources on a timely basis. Management does not believe the situation represents a significant risk to the Company as of the date of these financial statements.

The Company's ability to continue its operations is dependent upon its ability to raise additional capital through equity or debt financing, and to generate capital through collaborative research agreements and other commercial arrangements. There can be no assurance that any additional financing will be available on acceptable terms or available at all. Any equity financing may result in dilution to existing stockholders and any debt financing may include restrictive covenants.

The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

Organovo, Inc.
(A development stage company)

Notes to Financial Statements

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates used in preparing the financial statements include those assumed in computing the valuation of warrants and conversion features, revenue recognized under the proportional performance model, the valuation of stock-based compensation expense, and the valuation allowance on deferred tax assets.

Cash and cash equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Financial instruments

For certain of the Company's financial instruments, including cash and cash equivalents, grants receivable, inventory, prepaid expenses and other assets, accounts payable, accrued expenses, deferred revenue, notes payable to related parties and convertible notes payable, the carrying amounts are generally considered to be representative of their respective fair values because of the short-term nature of those instruments.

Derivative financial instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks.

The Company reviews the terms of convertible debt and equity instruments it issues to determine whether there are embedded derivative instruments, including an embedded conversion option that is required to be bifurcated and accounted for separately as a derivative financial instrument. In circumstances where the convertible instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument. Also, in connection with the sale of convertible debt and equity instruments, the Company may issue freestanding warrants that may, depending on their terms, be accounted for as derivative instrument liabilities, rather than as equity.

Derivative instruments are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as non-operating income or expense. When the convertible debt or equity instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds allocated to the convertible host instruments are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the convertible instruments themselves, usually resulting in those instruments being recorded at a discount from their face value.

The discount from the face value of the convertible debt, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to interest expense, using the effective interest method.

Grants receivable

Grants receivable represent amounts due under: (i) two federal contracts with the National Heart, Lung, and Blood Institute (NHLBI), a division of the National Institutes of Health (NIH), and (ii) two U.S. Department of Treasury grant awards. The Company considers the grants receivable to be fully collectible, and accordingly no allowance for doubtful amounts has been established. If amounts become uncollectible, they are charged to operations.

Inventory

Inventories are stated at the lower of the cost or market (first-in, first out). Inventory at December 31, 2011, consisted of approximately $235,000 in finished goods and approximately $56,900 in raw materials. Inventory at December 31, 2010 consisted of approximately $40,000 of work in process and approximately $28,000 in raw materials.

The Company provides inventory allowances based on excess or obsolete inventories determined based on anticipated use in the final product. There was no obsolete inventory reserve as of December 31, 2011 or 2010.

Deferred financing costs

As of December 31, 2011, deferred financing costs consisted of approximately $140,000 associated with the Merger transaction and approximately $179,000 associated with the private placement offering that was initiated in the fourth quarter of 2011. The deferred financing costs related to the private placement offering are being amortized over the life of the Convertible Notes. The deferred financing costs associated with the Merger transaction will be recorded to equity as an offset to the proceeds received as of the effective Merger date. See Note 5.

Other assets

As of December 31, 2011, other assets consisted of approximately $13,100 in security deposits and $87,300 in net license fees related to a license obtained from Clemson University for bioprinting employing ink-jet technology, and a license obtained from the University of Missouri for 3D bioprinting. See Note 8.

Fixed assets and depreciation

Property and equipment are carried at cost. Expenditures that extend the life of the asset are capitalized and depreciated. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets or, in the case of leasehold improvements, over the lesser of the useful life of the related asset or the lease term. The estimated useful life of the fixed assets range between three and ten years.

Impairment of long-lived assets

In accordance with authoritative guidance the Company reviews its long-lived assets, including property and equipment and other assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. To determine recoverability of its long-lived assets, the Company evaluates whether future undiscounted net cash flows will be less than the carrying amount of the assets and adjusts the carrying amount of its assets to fair value. Management has determined that no impairment of long-lived assets occurred in the period from inception through December 31, 2011.

Fair value measurement

Financial assets and liabilities are measured at fair value, which is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- ☐ Level 1 — Quoted prices in active markets for identical assets or liabilities.
- ☐ Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- ☐ Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of December 31, 2011 and 2010, cash and cash equivalents were comprised of cash in checking accounts.

The Company used Level 3 inputs for its valuation methodology for the warrant derivative liabilities. The estimated fair values were determined using a Monte Carlo option pricing model based on various assumptions (see Note 4). The Company's derivative liabilities are adjusted to reflect estimated fair value at each period end, with any decrease or increase in the estimated fair value being recorded in other income or expense accordingly, as adjustments to fair value of derivative liabilities.

At December 31, 2011, the estimated fair values of the liabilities measured on a recurring basis are as follows:

Fair Value Measurements at December 31, 2011

	Balance at December, 31, 2011	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Warrant derivative liability	$ 1,266,869	—	—	$ 1,266,869

The following table presents the activity for liabilities measured at estimated fair value using unobservable inputs for the year ended December 31, 2011:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Warrant Derivative Liability
Beginning balance at December 31, 2010	$ —
Issuances	1,260,300
Adjustments to estimated fair value	6,569
Ending balance at December 31, 2011	$ 1,266,869

Revenue recognition

The Company's revenues are derived from the sale of bioprinter related products and services, NIH and U.S. Treasury Department Grants, collaboration agreements, and license agreements.

The Company recognizes revenue when the following criteria have been met: (i) persuasive evidence of an arrangement exists; (ii) services have been rendered or product has been delivered; (iii) price to the customer is fixed and determinable; and (iv) collection of the underlying receivable is reasonably assured.

Billings to customers or payments received from customers are included in deferred revenue on the balance sheet until all revenue recognition criteria are met. As of December 31, 2011 and 2010, the Company had approximately $152,500 and $107,000 in in deferred revenue related to its collaborative research programs.

Product Revenue

The Company recognizes product revenue at the time of shipment to the customer, provided all other revenue recognition criteria have been met. The Company recognizes product revenues upon shipment to distributors, provided that (i) the price is substantially fixed or determinable at the time of sale; (ii) the distributor's obligation to pay the Company is not contingent upon resale of the products; (iii) title and risk of loss passes to the distributor at time of shipment; (iv) the distributor has economic substance apart from that provided by the Company; (v) the Company has no significant obligation to the distributor to bring about resale of the products; and (vi) future returns can be reasonably estimated. For any sales that do not meet all of the above criteria, revenue is deferred until all such criteria have been met.

Research and Development Revenue Under Collaborative Agreements.

The Company's collaboration revenue consists of license and collaboration agreements that contain multiple elements, including non-refundable upfront fees, payments for reimbursement of third-party research costs, payments for ongoing research, payments associated with achieving specific development milestones and royalties based on specified percentages of net product sales, if any. The Company considers a variety of factors in determining the appropriate method of revenue recognition under these arrangements, such as whether the elements are separable, whether there are determinable fair values and whether there is a unique earnings process associated with each element of a contract.

The Company recognizes revenue from research funding under collaboration agreements when earned on a "proportional performance" basis as research hours are incurred. The Company performs services as specified in each respective agreement on a best-efforts basis, and is reimbursed based on labor hours incurred on each contract. The Company initially defers revenue for any amounts billed or payments received in advance of the services being performed and recognizes revenue pursuant to the related pattern of performance, based on total labor hours incurred relative to total labor hours estimated under the contract.

In December 2010, the Company entered into a 12 month research contract agreement with a third party, whereby the Company was engaged to perform research and development services on a fixed-fee basis for approximately $600,000. Based on proportional performance criteria, the Company recognized approximately $450,000 in revenue related to the contract during 2011, and expects to recognize the remaining $150,000 in revenue during 2012.

In October 2011, the Company entered into a research contract agreement with a third party, whereby the Company will perform research and development services on a fixed-fee basis for $1,365,000. The agreement includes an initial payment to the Company of approximately $239,000, with remaining payments expected to occur over a 21-month period. At December 31, 2011, the Company recorded approximately $239,000 in revenue related to the research contract in recognition of the proportional performance achieved by the Company during the fourth quarter of 2011.

Revenue Arrangements with Multiple Deliverables

The Company occasionally enters into revenue arrangements that contain multiple deliverables. Judgment is required to properly identify the accounting units of the multiple deliverable transactions and to determine the manner in which revenue should be allocated among the accounting units. Moreover, judgment is used in interpreting the commercial terms and determining when all criteria of revenue recognition have been met for each deliverable in order for revenue recognition to occur in the appropriate accounting period. For multiple deliverable agreements, consideration is allocated at the inception of the agreement to all deliverables based on their relative selling price. The relative selling price for each deliverable is determined using VSOE of selling price or third-party evidence of selling price if VSOE does not exist. If neither VSOE nor third-party evidence of selling price exists, the Company uses its best estimate of the selling price for the deliverable.

The Company recognizes revenue for delivered elements only when it determines there are no uncertainties regarding customer acceptance. While changes in the allocation of the arrangement consideration between the units of accounting will not affect the amount of total revenue recognized for a particular sales arrangement, any material changes in these allocations could impact the timing of revenue recognition, which could affect the Company’s results of operations.

The Company expects to periodically receive license fees for non-exclusive research licensing associated with funded research projects. License fees under these arrangements are recognized over the term of the contract or development period as it has been determined that such licenses do not have stand-alone value.

NIH and U.S. Treasury Grant Revenues

During 2010, the U.S. Treasury awarded the Company two one-time grants totaling approximately $397,300 for investments in qualifying therapeutic discovery projects under section 48D of the Internal Revenue Code. The grants cover reimbursement for qualifying expenses incurred by the Company in 2010 and 2009. The proceeds from these grants are classified in “Revenues – Grants” in the 2010 statement of operations.

During 2010 and 2009, the NHLBI, a division of the NIH, awarded the Company two research grants totaling approximately $267,600. Revenues from the NIH grants are based upon internal and subcontractor costs incurred that are specifically covered by the grant, and where applicable, an additional facilities and administrative rate that provides funding for overhead expenses. These revenues are recognized when expenses have been incurred by subcontractors and as the Company incurs internal expenses that are related to the grant. Revenue recognized under these grants for the years ended December 31, 2011 and 2010 was approximately $56,900 and $131,100, respectively.

Stock-based compensation

The Company accounts for stock-based compensation in accordance with Financial Accounting Standards Board's ASC Topic 718, *Compensation – Stock Compensation*, which establishes accounting for equity instruments exchanged for employee services. Under such provisions, stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense, under the straight-line method, over the employee's requisite service period (generally the vesting period of the equity grant).

The Company accounts for equity instruments, including restricted stock or stock options, issued to non-employees in accordance with authoritative guidance for equity based payments to non-employees. Stock options issued to non-employees are accounted for at their estimated fair value determined using the Black-Scholes option-pricing model. The fair value of options granted to non-employees is re-measured as they vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered. Restricted stock issued to non-employees is accounted for at their estimated fair value as they vest.

Research and development

Research and development expenses, including direct and allocated expenses, consist of independent research and development costs, as well as costs associated with sponsored research and development. Reseach and development costs are expensed as incurred.

Income taxes

Deferred income taxes are recognized for the tax consequences in future years for differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities.

Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. The Company is required to record all components of comprehensive income (loss) in the financial statements in the period in which they are recognized. Net income (loss) and other comprehensive income (loss), including unrealized gains and losses on investments, are reported, net of their related tax effect, to arrive at Comprehensive income (loss). For the years ended December 31, 2011 and 2010, and for the period April 19, 2007 (inception) through December 31, 2011, the comprehensive loss was equal to the net loss.

New accounting standards

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *"Fair Value Measurement"* to amend the accounting and disclosure requirements on fair value measurements. This ASU limits the highest-and-best-use measure to nonfinancial assets, permits certain financial assets and liabilities with offsetting positions in market or counterparty credit risks to be measured at a net basis, and provides guidance on the applicability of premiums and discounts. Additionally, this update expands the disclosure on Level 3 inputs by requiring quantitative disclosure of the unobservable inputs and assumptions, as well as description of the valuation processes and the sensitivity of the fair value to changes in unobservable inputs. ASU No. 2011-04 is to be applied prospectively and is effective during interim and annual periods beginning after December 15, 2011. The Company does not expect the adoption of this update to have a material effect on its financial statements.

In June 2011, FASB issued ASU No. 2011-05, *"Presentation of Comprehensive Income."* This ASU presents an entity with the option to present the total of comprehensive income, the components of net income, and the component of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This update eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity/deficit. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other Comprehensive income must be reclassified to net income. ASU No. 2011-05 should be applied retrospectively and is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. As ASU No. 2011-05 relates only to the presentation of Comprehensive income, the Company does not expect the adoption of this update to have a material effect on its financial statements.

2. Fixed Assets

Fixed assets consisted of the following:

December 31,	**2011**	2010
Laboratory equipment	**$ 345,319**	$309,057
Leasehold improvements	**34,198**	34,198
Computer software and equipment	**28,185**	28,185
Furniture and fixtures	**19,123**	9,836
	426,825	381,276
Less accumulated depreciation and amortization	**(148,617)**	(85,737)
	$ 278,208	$295,539

Depreciation and amortization expense for the years ended December 31, 2011 and 2010 was approximately $62,900 and $57,100, respectively. Depreciation and amortization expense was approximately $148,600 for the period from April 19, 2007 (inception) through December 31, 2011.

3. Accrued Expenses

Accrued expenses consisted of the following:

December 31,	**2011**	2010
Accrued compensation	**$317,097**	$129,234
Other accrued expenses	**91,884**	116,424
Deferred rent	**28,856**	59,922
	$437,837	$305,580

4. Derivative Liability

As discussed in Note 5, the Company issued Convertible Notes in 2011 that provided for the issuance of five-year warrants to purchase the Company's Common stock. The exercise price of the warrants is protected against down-round financing throughout the term of the warrant under certain conditions.

The protective provisions will be triggered if, prior to the expiration date of the warrants, the Company issues additional shares of common stock without consideration or for a consideration per share less than the exercise price of the warrants in effect immediately prior to such issue. In the event such an issuance occurs, the exercise price of the warrants will be reduced to a price (calculated to the nearest cent) determined by multiplying the exercise price by a fraction, (A) the numerator of which is (1) the number of shares of common stock outstanding immediately prior to such issue plus (2) the number of shares of common stock which the aggregate consideration received or to be received by the Company for the total number of additional shares of common stock so issued would purchase at the exercise price; and (B) the denominator of which is the number of shares of common stock outstanding immediately prior to such issue plus the number of such additional shares of common stock so issued.

For purposes of this calculation, (i) all shares of common stock issuable upon conversion or exchange of convertible securities outstanding immediately prior to such issue shall be deemed to be outstanding, and (ii) the number of shares of common stock deemed issuable upon conversion or exchange of such outstanding convertible securities shall be determined without giving effect to any adjustments to the conversion or exchange price or conversion or exchange rate of such convertible securities resulting from the issuance of additional shares of common stock that is the subject of this calculation.

For purposes of the foregoing calculations, the term "additional shares of common stock" means all shares of common stock issued by the Company after the issuance of the warrants (including any shares of common stock issuable upon conversion or exchange of any convertible securities or upon exercise of any option or warrant, on an as-converted basis), other than: (i) shares of common stock (and/or warrants for any class of equity securities of the Company) issued or issuable upon conversion or exchange of any convertible securities or exercise of any options or warrants outstanding on the date of issuance of the warrants; (ii) shares of common stock issued or issuable by reason of a dividend, stock split, split-up or other distribution on shares of common stock, including such events pursuant to a reorganization, reclassification, consolidation, merger or sale; (iii) shares of common stock (or options with respect thereto) issued or issuable to employees or directors of, or consultants to, the Company or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Company; (iv) any securities issued or issuable by the Company pursuant to (A) the Securities Purchase Agreement pursuant to which the investors purchased the convertible promissory notes and the warrants, (B) the Selling Agreement with the Spencer Trask Ventures, Inc., the selling agent in the offering, (C) the reverse triangular merger of the Company into a publicly-held company, or (D) any private placement offering that closes (including subsequent closings) as part of the reverse triangular merger of the Company into a publicly-held company; and (v) securities issued pursuant to acquisitions or strategic transactions approved by a majority of disinterested directors of the Company, provided that any such issuance may only be to a person which is, itself or through its subsidiaries, an operating company in a business synergistic with the business of the Company and in which

the Company receives benefits in addition to the investment of funds, and may not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

Upon each adjustment of the exercise price pursuant to the provisions stated above, the number of shares issuable upon exercise of the warrants shall be adjusted by multiplying a number equal to the exercise price in effect immediately prior to such adjustment by the number of shares issuable upon exercise of the warrants immediately prior to such adjustment and dividing the product so obtained by the adjusted exercise price.

Pursuant to ASC 815-15 and ASC 815-40, the fair value of the warrants of $1,260,300 was recorded as a derivative liability on the issuance date.

The fair value of the warrants was estimated at the issuance date and revalued at December 31, 2011, using a Monte Carlo simulation. At December 31, 2011, the Company has recorded a derivative liability of approximately $1,266,900. The change in fair value of the derivative liability of approximately $6,600 from the date of issuance to December 31, 2011 is included in other expense in the 2011 statement of operations.

5. Convertible Notes Payable

Convertible notes

From February 9, 2008 through December 31, 2011 the Company raised an aggregate of $2,390,000 in funds through loans consisting of convertible notes ("Convertible Notes") to certain shareholders, management, vendors, and investors. The notes bore interest at rates ranging from 8% to 10% per annum and had maturity dates ranging from 2011 to 2018. The Convertible Notes were unsecured and subordinated to certain senior indebtedness of the Company, and for all Convertible Notes the principal plus accrued interest was convertible into the Company's Common stock. During October 2011 the Convertible Notes and accrued interest converted into the Company's Common stock, as discussed below.

Local Bridge

During July and August 2011, $740,000 of Convertible Notes bearing interest at 20% per annum, and warrants to purchase shares of common stock were issued to investors. The Convertible Notes were due at the earlier of 1) one year from the issuance date or 2) one week after the consummation of the Merger (as discussed in Note 12). The number of warrants to be issued was equal to the note principal divided by the exercise price. The exercise price is the per share or per unit fair market value received in the Merger. The notes were convertible at a price per share equal to seventy-five percent (75%) of the per share fair market value of the total consideration received for a share of a public company's Common stock to be determined to be identified upon consummation of a merger.

The Company determined that the beneficial conversion feature and the warrants did not represent embedded derivative instruments. Additionally, the Company did not record the discount for the beneficial conversion feature due to the contingencies surrounding conversion. The beneficial conversion feature was to be recorded when the contingencies are resolved. In accordance with ASC 470-20, Debt with Conversion and Other Options, the Company recorded a discount of approximately $583,700 for the warrants. The discount is being amortized to interest expense over the term of the Convertible Notes using the effective interest method.

The Company calculated the fair value of the warrants using the Black-Scholes Model using a volatility of 109.84%, an interest rate of 1.12% and a dividend yield of zero.

Certain of these Convertible Notes and accrued interest were converted into the Company's Common stock in October 2011, as discussed below. Upon conversion the Company recognized the unamortized debt discount related to these notes to interest expense. The Company recognized approximately $583,700 of interest expense for the amortization of the note discount during the year ended December 31, 2011.

Exchange agreement and release

In October 2011, the Company's Board of Directors and shareholders approved an Exchange Agreement and Release whereby the note holders could exchange their Convertible Notes and accrued interest for shares of the Company's Common stock and warrants to purchase the Company's Common stock. A total of $3,030,000 of principal and approximately $459,800 of accrued interest converted, at prices ranging from $0.27 to $0.75, into 7,676,828 shares of the Company's Common stock, plus five-year warrants to purchase 1,309,750 Common shares at an exercise price of $1.00 per share. The Company calculated the fair value of the warrants using the Black-Scholes Model using a volatility of 110.13%, an interest rate of 1.11% and a dividend yield of zero. For the holders that elected to participate, the Exchange Agreement and Release resulted in the cancellation of the Convertible Notes and release from the note holders for any claims related to the Convertible Notes.

The Company determined that the warrants issued in connection with the Exchange Agreement and Release did not represent embedded derivative instruments. The warrants, valued at approximately $527,600, were classified as equity instruments and recorded as interest expense on the date of issuance.

At December 31, 2011, a $100,000 Convertible Note remained outstanding, and was paid in cash at the close of the Merger. See Note 12

Private placement

On September 18, 2011, the Company's Board of Directors authorized a private placement offering of up to 30 Units (the "Units") of its securities at a price of $50,000 per Unit for an aggregate purchase price of $1,500,000. Each Unit consists of a convertible note in the principal amount of $50,000 accruing simple interest at the rate of 6% per annum, plus five-year warrants to purchase 50,000 shares of the next Qualified Round of Equity Securities, at an exercise price of $1.00 per share. The principal plus accrued interest was convertible into the common stock of a public shell company to be identified upon consummation of a merger transaction.

During October and November 2011, $1,500,000 of Convertible Notes bearing interest at 6% per annum with a maturity date of March 30, 2012, and five-year warrants to purchase 1,500,000 shares of the Company's Common stock were issued to investors under the private placement. The Convertible Notes were outstanding at December 31, 2011, and were converted into common stock in connection with the Merger. See Note 12. The warrants are exercisable at $1.00 per share, expire in five years, and contain down-round price protection.

The Company determined that the warrants represent a derivative instrument due to the down-round price protection, and accordingly, the Company recorded a derivative liability related to the warrants of approximately $1,260,300. See Note 4. Additionally, the Company recorded the discount for the beneficial conversion feature of $239,700. The debt discount associated with the warrants and beneficial conversion feature are being amortized to interest expense over the life of the Convertible Notes. The Company recorded approximately $603,800 of interest expense for the amortization of the debt discount during the year ended December 31, 2011.

As consideration for locating investors to participate in this financing, the placement agent earned a cash payment of $195,000. Additionally, upon closing of a Merger transaction, the placement agent will earn five-year warrants to purchase 610,155 shares of the Company's Common stock at $1.00 per share. These warrants contain down round protection and will be classified as derivative liabilities upon issuance.

As of December 31, 2011 and 2010, the outstanding principal balances on the Convertible Notes were $1,600,000 and $2,087,500, respectively. As of December 31, 2011 and 2010, the accrued interest balances on the outstanding Convertible Notes were approximately $24,000 and $252,000, respectively. As of December 31, 2011 and 2010, unamortized discounts relating to the outstanding principal balances were approximately $896,200 and $0, and the $896,200 is expected to be recognized as interest expense in 2012.

Interest expense, including amortization of the note discounts, for the years ended December 31, 2011 and 2010 was approximately $2,066,900 and $161,000, respectively. Interest expense, including amortization of the note discounts, for the period from April 19, 2007 (inception) through December 31, 2011 was approximately $2,318,000.

6. Stockholders' Equity

Common stock

In September 2011, the Company amended its Certificate of Incorporation to increase its authorized Common stock from 100,000 shares to 75,000,000 shares. Each share of the Company's Common stock is entitled to one vote and all shares rank equally as to voting and other matters.

On September 18, 2011, the Company approved a 362.282-for-1 forward stock split. The Company did not change the par value of the shares. The stockholders' equity section of the accompanying financial statements and all share numbers disclosed throughout the financial statements have been retroactively adjusted to give effect to the forward stock split.

The Company issued 1,729,532 shares of Common stock to the founders in February 2008.

In October 2011, the Company issued 7,676,828 shares of Common stock to note holders for the conversion of Convertible Notes with a principal balance totaling $3,030,000 and accrued interest totaling approximately $459,800. See Note 5.

Restricted stock awards

In February 2008, four founders, including the Chief Executive Officer ("CEO") and three directors of the Company received 11,779,960 shares of restricted Common stock, 25% vesting after the first year and the remaining 75% vesting in equal quarterly portions over the following three years.

On May 8, 2008, the Board of Directors of the Company approved the 2008 Equity Incentive Plan (the "2008 Plan"). The 2008 Plan authorized the issuance of up to 1,521,584 Common shares for awards of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock unit awards, and stock appreciation rights. The 2008 Plan terminates on July 1, 2018.

From 2008 through 2011, the Company issued a total of 1,258,934 shares of restricted Common stock to various employees, advisors, and consultants of the Company. 1,086,662 of those shares were issued under the 2008 Plan and the remaining 172,272 shares were issued outside the plan.

A summary of the Company's restricted stock award activity is as follows:

	Number of Shares
Unvested at December 31, 2007	—
Granted	12,627,697
Vested	(65,211)
Canceled / forfeited	—
Unvested at December 31, 2008	12,562,486
Granted	130,422
Vested	(5,373,004)
Canceled / forfeited	—
Unvested at December 31, 2009	7,319,904
Granted	219,369
Vested	(3,256,191)
Canceled / forfeited	—
Unvested at December 31, 2010	**4,283,082**
Granted	**61,406**
Vested	**(3,233,193)**
Canceled / forfeited	—
Unvested at December 31, 2011	**1,111,295**

The fair value of each restricted Common stock award is recognized as stock-based expense over the vesting term of the award. The Company recorded restricted stock-based compensation expense in operating expenses for employees and non-employees of approximately $3,300 and $3,900 for the years ended December 31, 2011 and 2010, respectively. The Company recorded stock-based compensation expense of approximately $16,900 for the period from April 19, 2007 (inception) through December 31, 2011.

As of December 31, 2011 total unrecognized stock-based compensation expense was approximately $1,800, which will be recognized over a weighted average period of less than one year.

Stock options

Under the 2008 Plan, on October 12, 2011 the Company granted an officer of the Company incentive stock options to purchase 896,256 shares of the Company's Common stock at an exercise price of $0.08 per share, vesting over a four-year period commencing in May, 2011. After this grant, no additional issuances are authorized under the 2008 plan.

The following table summarizes stock option activity as of December 31, 2011, and the changes for the year then ended:

	Options Outstanding	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Outstanding at December 31, 2010	—	—	—
Options Granted	896,256	$ 0.08	—
Options Canceled	—	—	—
Options Exercised	—	—	—
Outstanding at December 31, 2011	896,256	$ 0.08	$ —
Vested and Exercisable at December 31, 2011	—	$ 0.08	$ —

The Company uses the Black-Scholes valuation model to calculate the fair value of stock options. The fair value of employee stock options was estimated at the grant date using the following assumptions:

	December 31, 2011
Weighted-average grant date fair value	$ 0.06
Dividend yield	—
Volatility	111%
Risk-free interest rate	1.07%
Expected life of options	5.0 years

The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. Due to the Company's limited historical data, the estimated volatility incorporates the historical and implied volatility of comparable companies whose share prices are publicly available. The risk-free interest rate assumption was based on the U.S. Treasury's rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued. The weighted average expected life of options was estimated using the average of the contractual term and the weighted average vesting term of the options.

The total employee stock-based compensation recorded as operating expenses was approximately $5,800 for the year ended December 31, 2011 and for the period from April 19, 2007 (inception) through December 31, 2011.

The total unrecognized compensation cost related to unvested stock option grants as of December 31, 2011 was approximately $48,000, and the weighted average period over which these grants are expected to vest is 4 years

Warrants

During 2011, the Company issued warrants to purchase 2,909,750 shares of its Common stock. These warrants are immediately exercisable at $1.00 per share, and have remaining terms of approximately 4.8 years. None of the warrants were exercised as of December 31, 2011. See Notes 4 and 5.

Common stock reserved for future issuance

Common stock reserved for future issuance consisted of the following at December 31, 2011:

Common stock warrants outstanding	2,909,750
Common stock options outstanding under the 2008 Plan	896,256
Common stock warrants held for convertible debt issuance	1,500,000
Authorized for future grant or issuance under the 2008 Plan	—
Total	5,306,606

7. Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred tax assets are as follows as of December 31, 2011 and 2010:

December 31,	2011	2010
Deferred tax asset:		
Net operating loss carryforwards	$ 1,620,000	$ 784,000
Research & Development Credits	190,000	99,000
Depreciation and amortization	8,000	(2,000)
Accrued expenses and reserves	107,000	36,000
Total deferred tax assets	1,925,000	917,000
Valuation Allowance	(1,925,000)	(917,000)
	$ —	$ —

A full valuation allowance has been established to offset the deferred tax assets as management cannot conclude that realization of such assets is more likely than not. The valuation allowance increased by approximately $1,008,000 in 2011.

At December 31, 2011, the Company had federal and state net operating loss carryforwards of approximately $4,067,000 and $4,063,000, respectively. The federal and state net operating loss carryforwards will begin expiring in 2029, unless previously utilized.

At December 31, 2011, the Company had federal and state research tax credit carryforwards of approximately $114,500 and $114,800, respectively. The federal research tax credit carryforwards begin expiring in 2029. The state research tax credit carryforwards do not expire.

The Company applies the authoritative guidance for uncertainty in income taxes pursuant to ASC 740-10. The adoption of this guidance did not have a material impact on the Company's financial statements. The Company did not record any accruals for income tax accounting uncertainties for the years ended December 31, 2011 or 2010.

The Company's policy is to recognize interest and penalties that would be assessed in relation to the settlement value of unrecognized tax benefits as a component of income tax expense. The Company did not accrue either interest or penalties as of December 31, 2011 or 2010.

The Company is subject to taxation in the United States, and the state of California. As of December 31, 2011, the Company's tax years from inception are subject to examination by the tax authorities. The Company is not currently under examination by the United States federal or state jurisdictions.

8. Licensing Agreements and Research Contracts

University of Missouri

On March 24, 2009 the Company entered into a license agreement with the Curators of the University of Missouri to in-license certain technology and intellectual property relating to self-assembling cell aggregates and to intermediate cellular units. The Company received the exclusive worldwide rights to commercialize products comprising this technology for all fields of use. The Company paid to the University of Missouri a nonrefundable license fee of $25,000 and has committed to reimburse the University of Missouri for certain prior and future patent costs. Each year the Company is required to pay the University of Missouri royalties ranging from 1% to 3% of net sales depending on the level of net sales achieved by the Company each year. A minimum annual royalty of $25,000 is due beginning 2 years after the calendar year of the first commercial sale and is credited to sales royalties. The license agreement terminates upon expiration of the patents licensed and is subject to certain conditions as defined in the license agreement, which are expected to expire after 2029. The $25,000 license fee is included in Other Assets in the accompanying balance sheets and is being amortized over the life of the related patent.

On March 12, 2010, the Company entered into a license agreement with the Curators of the University of Missouri to in-license certain technology and intellectual property relating to engineered biological nerve grafts. The Company received the exclusive worldwide rights to commercialize products comprising this technology for all fields of use. The Company paid to University of Missouri a nonrefundable license fee of $5,000 and has committed to reimburse the University of Missouri for certain prior and future patent costs. In 2011 and 2010, the Company paid the University of Missouri $23,789 and $40,323, respectively, for prior patent costs relating to the license agreements with the University of Missouri. Each year the Company is required to pay the University of Missouri royalties ranging from 1% to 3% of net sales depending on the level of net sales achieved by the Company each year. A minimum annual royalty of $5,000 is due beginning 2 years after the calendar year of the first commercial sale and is credited to sales royalties. An additional royalty of $12,500 is due if there are no net sales within five years from the effective date of the license. The license agreement terminates upon expiration of the patents licensed and is subject to certain conditions as defined in the license agreement. The $5,000 license fee is included in Other Assets and is being amortized over the life of the related patent.

On May 2, 2011, the Company entered into a license agreement with Clemson University Research Foundation to in-license certain technology and intellectual property relating to ink-jet printing of viable cells. The Company received the exclusive worldwide rights to commercialize products comprising this technology for all fields of use. The Company agreed to pay Clemson University a nonrefundable license fee of $32,500, payable in four quarterly payments with the last payment due in April 2012. The Company has also committed to reimburse Clemson University for certain prior and future patent costs. In 2011 the Company paid Clemson University $23,793 for prior patent costs. Each year the Company is required to pay the University royalties ranging from 1.5% to 3% of net sales depending on the level of net sales reached each year and minimum annual fees ranging from $20,000 to $40,000. Specific terms of the royalty and license agreements are confidential. The license agreement terminates upon expiration of the patents licensed, which is expected to expire in May 2024, and is subject to certain conditions as defined in the license agreement.

Clemson University 2011 licensing agreement

On May 2, 2011 the Company entered into a license agreement with Clemson University Research Foundation to in-license certain technology and intellectual property relating to ink-jet printing of viable cells. The Company received the exclusive worldwide rights to commercialize products comprising this technology for all fields of use. The Company agreed to pay Clemson University a nonrefundable license fee in cash and in the form of a convertible promissory note. The Company has also committed to reimburse Clemson University for certain prior and future patent costs. Each year the Company is required to pay the University royalties. Specific terms of the royalty and license agreements are confidential. The license agreement terminates upon expiration of the patents licensed and is subject to certain conditions as defined in the license agreement.

No royalty fees have been incurred under the license agreements as of December 31, 2011.

Capitalized license fees consisted of the following:

December 31,	**2011**	2010
License fees	**$95,000**	$30,000
Less accumulated amortization	**(7,700)**	(2,500)
License fees, net	**$87,300**	$27,500

Amortization expense of licenses was approximately $5,200, $1,500 and 7,700 for 2011, 2010 and for the period from April 19, 2007 (inception) through December 31, 2011, respectively. At December 31, 2011, the weighted average remaining amortization period for all licenses was approximately 13 years. The annual amortization expense of licenses for the next five years is estimated to be approximately $6,000 per year.

9. Related Party Transactions

Note payable - related party

In October 2010, the CEO loaned the Company $25,000 and was issued an interest-free note payable for the amount of the loan. At various points in 2011, the CEO made interest-free, short-term loans to the Company which in the aggregate totaled $225,000. All the notes were repaid in full during 2011. Imputed interest on the loans was minimal.

There was approximately $0 and $94,400 in amounts due to the CEO recorded in accounts payable as of December 31, 2011 and 2010, respectively.

10. Commitments and Contingencies

Operating leases

The Company leases office and laboratory space under non-cancelable operating leases. The Company records rent expense on a straight-line basis over the life of the lease and records the excess of expense over the amounts paid as deferred rent.

Rent expense was approximately $145,200 and $107,500 for the years ended December 31, 2011 and 2010, respectively. Rent expense was approximately $324,600 for the period from April 19, 2007 (inception) through December 31, 2011.

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending December 31,	
2012	$125,095
Thereafter	—
Total	$125,095

11. Concentrations

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments. The Company maintains cash balances at various financial institutions primarily located in San Diego. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation. At times, balances may exceed federally insured limits. The Company has not experienced losses in such accounts, and management believes that the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

12. Subsequent Events

Merger transaction

On February 8, 2012, the Company merged with and into Organovo Acquisition Corp. (“Acquisition Corp.”), a wholly-owned subsidiary of Organovo Holdings, Inc., a publicly traded Delaware corporation (“Organovo Holdings”), with the Company surviving the merger as a wholly-owned subsidiary of Organovo Holdings (the “Merger”). As a result of the Merger, Organovo Holdings acquired the business of the Company, and will continue the existing business operations of the Company.

Simultaneously with the Merger, on February 8, 2012 (the “Closing Date”), all of the issued and outstanding shares of the Company’s common stock converted, on a 1 for 1 basis, into shares of Organovo Holding’s common stock, par value $0.001 per share (“Common Stock”). Also on the Closing Date, all of the issued and outstanding options to purchase shares of the Company’s common stock and other outstanding warrants to purchase the Company’s common stock, and all of the issued and outstanding Bridge Warrants (as defined below) to purchase shares of the Company’s Common Stock, converted, respectively, into options (the “New Options”), warrants (the “New Warrants”) and new bridge warrants (the “New Bridge Warrants”) to purchase shares of Organovo Holding’s Common Stock. The New Bridge Warrants, the New Warrants and the New Bridge Options were converted on a 1 for 1 basis. The New Options will be administered under the Company’s 2008 Equity Incentive Plan (the “2008 Plan”), which Organovo Holding’s assumed and adopted on the Closing Date in connection with the Merger.

Specifically, on the Closing Date, (i) 22,445,254 shares of Common Stock were issued to the Company’s former stockholders; (ii) New Options to purchase 896,256 shares of Common Stock granted under the 2008 Plan were issued to the Company’s optionees pursuant to the assumption of the 2008 Plan by Organovo Holdings; (iii) New Warrants to purchase 1,309,750 shares of Organovo Holdings’ Common Stock at $1.00 per share were issued to holders of the Company’s warrants; and (iv) New Bridge Warrants to purchase 1,500,000 shares of Organovo Holdings’ Common Stock at $1.00 per share were issued to the Company’s Bridge Investors.

In connection with three separate closings of a private placement transaction completed in connection with the Merger (the “Offering”), the Company received gross proceeds of approximately $6,500,000 (including $1,500,000 previously received from the conversion of outstanding convertible notes payable), $1,800,000 and $6,900,000 on February 8, 2012, February 29, 2012 and March 16, 2012, respectively.

For all three closings of the Offering, the Company raised total gross proceeds of $15,247,959 and total net proceeds of $11,593,065.91 (or $12,811,897.11, including the conversion of the Bridge Notes referred to above). The Company issued 15,247,987 shares of Organovo Holdings’ Common Stock and warrants to purchase 16,747,987 shares of Organovo Holdings’ Common Stock (including warrants to purchase 1,500,000 shares to former holders of the Bridge Notes) exercisable at $1.00 to investors in the Offering. The placement agent and its selected dealers were paid total cash commissions of $1,372,260 and the Placement Agent was paid an expense allowance of $411,678 and was issued Placement Agent warrants to purchase 6,099,195 shares of Organovo Holdings’ Common Stock at an exercise price of $1.00 per share (including warrants to purchase 610,155 shares issued in connection with issuance of the Bridge Notes and subsequently exchanged for new warrants in the Merger).

The Merger will be treated as a recapitalization of the Company for financial accounting.

On February 8, 2012, the Company merged with and into Organovo Acquisition Corp. (“Acquisition Corp.”), a wholly-owned subsidiary of Organovo Holdings, Inc., a publicly traded Delaware corporation (“Organovo Holdings”), with the Company surviving the merger as a wholly-owned subsidiary of Organovo Holdings (the “Merger”). As a result of the Merger, Organovo Holdings acquired the business of the Company, and will continue the existing business operations of the Company.

Simultaneously with the Merger, on February 8, 2012 (the "Closing Date"), all of the issued and outstanding shares of the Company's common stock converted, on a 1 for 1 basis, into shares of Organovo Holding's common stock, par value $0.001 per share ("Common Stock"). Also on the Closing Date, all of the issued and outstanding options to purchase shares of the Company's common stock and other outstanding warrants to purchase the Company's common stock, and all of the issued and outstanding Bridge Warrants (as defined below) to purchase shares of the Company's Common Stock, converted, respectively, into options (the "New Options"), warrants (the "New Warrants") and new bridge warrants (the "New Bridge Warrants") to purchase shares of Organovo Holding's Common Stock. The New Bridge Warrants, the New Warrants and the New Bridge Options were converted on a 1 for 1 basis. The New Options will be administered under the Company's 2008 Equity Incentive Plan (the "2008 Plan"), which Organovo Holding's assumed and adopted on the Closing Date in connection with the Merger.

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The Merger will be treated as a recapitalization of the Company for financial accounting purposes. The historical financial statements of Organovo Holdings before the Merger will be replaced with the historical financial statements of the Company before the Merger in all future filings with the Securities and Exchange Commission (the "SEC").

Before the Merger, Organovo Holdings' board of directors and stockholders adopted the 2012 Equity Incentive Plan (the "2012 Plan"). The 2012 Plan provides for the issuance of 6,553,9856 shares of Organovo Holdings' Common Stock to executive officers, directors, advisory board members and employees. In addition, Organovo Holdings assumed and adopted the Company's 2008 Plan, and as described above option holders under that plan were granted New Options to purchase Common Stock. No further options will be granted under the 2008 Plan. The parties have taken all actions necessary to ensure that the Merger is treated as a tax free exchange under Section 368(a) of the Internal Revenue Code of 1986, as amended.

New facilities lease The Company entered into a new facilities lease at 6275 Nancy Ridge Drive, San Diego, CA 92121. The lease was signed on February 27, 2012 with target occupancy of July 15, 2012. The base rent under the lease is approximately $38,800 per month with 3% annual escalators. The lease term is 48 months with an option for the Company to extend the lease at the end of the lease term.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

Organovo Holdings, Inc. (f/k/a Real Estate Restoration & Rental, Inc.), a Delaware corporation (the "Parent"), Organovo Acquisition Corp., a Delaware corporation (the "Acquisition Subsidiary") and Organovo, Inc., a Delaware corporation (the "Company"), are collectively referred to as the "Parties."

The Parties entered into a merger agreement on February 8, 2012 that provides for a merger of the Acquisition Subsidiary with and into the Company, with the Company remaining as the surviving entity after the merger and operating a wholly-owned subsidiary of Parent (the "Merger"). In the Merger, the stockholders of the Company received common stock of the Parent in exchange for their capital stock of the Company.

Simultaneously with the closing of the Merger, the Parent completed a Private Placement (the "Private Placement") of 5,000,500 units at the purchase price of $1.00 per unit. Each unit consisted of one share of the Parent's common stock, par value $0.001 per share, and one five year warrant to purchase one share of Parent common stock at an exercise price of $1.00 per share.

Also simultaneously with the closing of the Merger, the Company converted principal and interest of $1,525,387 related to its bridge financing (the "Bridge Conversion") into 1,525,387 shares of common stock, and issued five year warrants to purchase 1,525,387 shares of common stock at $1.00 per share.

Immediately following the Merger, the Parent split-off its wholly owned subsidiary, Organovo Split Corp., a Delaware corporation (the "Split-Off Subsidiary"), through the sale of all of the outstanding capital stock of the Split-Off Subsidiary (the "Split-Off") upon the terms and conditions of a split-off agreement.

The following unaudited pro forma combined balance sheet combines the historical balance sheet of the Parent as of December 31, 2011 and the historical balance sheet of the Company as of December 31, 2011, following the completion of the Merger, Private Placement, Bridge Conversion and Split-Off (collectively "the Transactions"). The Company remained as the surviving corporation of the Merger, becoming a wholly-owned subsidiary of the Parent. The pro forma combined balance sheet presented herein reflects the effects of the Transactions as if they had been consummated on December 31, 2011.

The following unaudited pro forma combined statements of operations combines the historical statements of operations of the Parent for the year ended December 31, 2011 and the Company for the year ended December 31, 2011, giving effect to the Transactions, as if they had occurred on January 1, 2011.

The following unaudited pro forma combined financial statements are presented to illustrate the estimated effects of the Transactions. The historical financial information has been adjusted to give effect to pro forma events that are directly attributable to the Transactions and factually supportable.

The following information should be read in conjunction with the pro forma combined financial statements.

- Accompanying notes to the unaudited pro forma combined financial statements.
- Separate historical financial statements of the Parent for the year ended December 31, 2011 as filed in its Annual Report on Form 10-K with the Securities and Exchange Commission.
- Separate historical financial statements of the Company for the year ended December 31, 2011 included it this Current Report on Form 8-K/A.

The unaudited pro forma combined financial statements are presented for informational purposes only. The pro forma information is not necessarily indicative of what the financial position or results of operations actually would have been had the Transactions been completed at the dates indicated. In addition, the unaudited pro forma combined financial statements do not purport to project the future financial position or operating results of the combined company.

The unaudited pro forma combined financial statements were prepared using the reverse acquisition application of the acquisition method of accounting as described in ASC 805-40-05-2, with the Company treated as the acquiror for U.S. GAAP accounting and financial reporting purposes. Accordingly, the unaudited pro forma combined financial statements are presented as a continuation of the Company’s financial statements with adjustments to reflect the Transactions.

Organovo Holdings, Inc.
Pro Forma Combined Balance Sheet at December 31, 2011

	Real Estate Restoration & Rental, Inc. December 31, 2011	Organovo, Inc. December 31, 2011	Pro Forma Adjustments		Organovo Holdings, Inc. Pro Forma
Assets					
Current Assets					
Cash and cash equivalents	$ 753	$ 339,607	$ (104,219)	(1)	$ 4,585,823
			5,000,500	(3)	
			(650,065)	(3)	
			(753)	(4)	
Inventory	—	291,881			291,881
Deferred financing costs	—	318,843	(248,857)	(2)	69,986
Prepaid expenses and other current assets	2,500	79,874	(2,500)	(4)	79,874
Total current assets	3,253	1,030,205	3,994,106		5,027,564
Fixed Assets - Net	—	278,208			278,208
Other Assets - Net	—	100,419			100,419
Total assets	$ 3,253	$ 1,408,832	$ 3,994,106		$ 5,406,191
Liabilities and Stockholders' Equity (Deficit)					
Current Liabilities					
Accounts payable	$ 61,198	$ 657,560	$ (61,198)	(4)	$ 657,560
Accrued expenses	—	437,837			437,837
Deferred revenue	3,323	152,500	(3,323)	(4)	152,500
Accrued interest payable	—	24,018	796	(1)	—
			(4,219)	(1)	
			4,792	(2)	
			(25,387)	(2)	
Convertible notes payable, net	9,500	703,833	(100,000)	(1)	—
			(1,500,000)	(2)	
			896,167	(2)	
			(9,500)	(4)	
Total current liabilities	74,021	1,975,748	(801,872)		1,247,897
Derivative liabilities		1,266,869	52,876	(2)	1,573,169
			10,751	(2)	
			242,673	(3)	
Total liabilities	74,021	3,242,617	(495,572)		2,821,066
Commitments and Contingencies					
Stockholders' Equity (Deficit)					
Common stock, $0.0001 par value; 75,000,000 shares authorized, 22,445,254 shares issued and outstanding prior to the merger; 28,971,141 shares issued and outstanding after the merger	680	2,245	152	(2)	2,897
			500	(3)	
			(680)	(4)	
Additional paid-in capital	181,245	4,855,526	1,525,235	(2)	10,477,272
			(10,751)	(2)	
			5,000,000	(3)	
			(650,065)	(3)	
			(242,673)	(3)	
			(181,245)	(4)	
Deficit accumulated during the development stage	(252,693)	(6,691,556)	(796)	(1)	(7,895,044)
			(4,792)	(2)	
			(896,167)	(2)	
			(248,857)	(2)	
			(52,876)	(2)	
			252,693	(4)	
Total stockholders' equity (deficit)	(70,768)	(1,833,785)	4,489,678		2,585,125
Total Liabilities and Stockholders' Equity (Deficit)	$ 3,253	$ 1,408,832	$ 3,994,106		$ 5,406,191

See notes to unaudited pro forma combined financial information.

Organovo Holdings, Inc.
Pro Forma Combined Statement of Operations for the Year Ended December 31, 2011

	Real Estate Restoration & Rental, Inc. 12 Months Ended December 31, 2011	Organovo, Inc. Year Ended December 31, 2011	Pro Forma Adjustments		Organovo Holdings, Inc. Pro Forma
Revenues					
Product	$ 1,677	$ 223,500	$ (1,677)		$ 223,500
Collaborations	—	688,088	—		688,088
Grants	—	56,925	—		56,925
Total Revenues	1,677	968,513	(1,677)		745,013
Costs of product revenue		133,607			
Professional fees	111,352	—	(111,352)	(4)	—
General and administrative expenses	21,824	1,705,171	(21,824)	(4)	1,705,171
Research and development expenses	—	1,419,718	—		1,419,718
Impairment of licensing rights	27,723	—	(27,723)	(4)	—
Loss from Operations	(160,899)	(2,289,983)	160,899		(2,379,876)
Other Income (Expense)					
Interest expense	—	(2,066,889)	2,066,889	(5)	—
Interest income	—	64	—		64
Miscellaneous income (expense)	—	(26,454)	—		(26,454)
Total Other Income (Expense)	—	(2,093,279)	2,066,889		(26,390)
Net Loss	$ (160,899)	$ (4,383,262)	$ 2,214,706		$ (2,406,266)
Basic and Diluted Net Loss Per Common Share	$ (0.02)				$ (0.10)
Weighted Average Common Shares - Basic and Diluted	6,799,815		16,125,879	(6)	22,925,694

See notes to unaudited pro forma combined financial information.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

1. Description of Transaction and Basis of Presentation

Organovo Holdings, Inc. (f/k/a Real Estate Restoration & Rental, Inc.), a Delaware corporation (the "Parent"), Organovo Acquisition Corp., a Delaware corporation (the "Acquisition Subsidiary") and Organovo, Inc., a Delaware corporation (the "Company") are collectively referred to as the "Parties."

The parties entered into a merger agreement on February 8, 2012 that provides for a merger of the Acquisition Subsidiary with and into the Company, with the Company remaining as the surviving entity after the merger and operating as a wholly-owned subsidiary of Parent (the "Merger"). In the Merger, the stockholders of the Company received common stock of the Parent in exchange for their capital stock of the Company.

Simultaneously with the closing of the Merger, the Parent completed a Private Placement (the "Private Placement") of 5,000,500 units at the purchase price of $1.00 per unit. Each unit consisted of one share of the Parent's common stock, par value $0.001 per share and one five year warrant to purchase one share of Parent common stock at an exercise price of $1.00 per share.

Also simultaneously with the closing of the Merger, the Company converted principal and interest of $1,525,387 related to its bridge financing (the "Bridge Conversion") into 1,525,387 shares of common stock, and issued five year warrants to purchase 1,525,387 shares of common stock at $1.00 per share.

Immediately following the Merger, the Parent split-off its wholly owned subsidiary, Organovo Split Corp., a Delaware corporation (the "Split-Off Subsidiary"), through the sale of all of the outstanding capital stock of the Split-Off Subsidiary (the "Split-Off") upon the terms and conditions of a split-off agreement.

The unaudited pro forma combined balance sheet combines the historical balance sheet of the Parent as of December 31, 2011 and the historical balance sheet of the Company as of December 31, 2011, following the completion of the Merger, Private Placement, Bridge Conversion and the Split-Off (collectively "the Transactions"). The Company remained as the surviving corporation of the Merger, becoming a wholly-owned subsidiary of the Parent. The pro forma combined balance sheet presented herein reflects the effects of the Transactions as if they had been consummated on December 31, 2011.

The unaudited pro forma combined statements of operations combines the historical statements of operations of the Parent for the year ended December 31, 2011 and the Company for year ended December 31, 2011, giving effect to the Transactions, as if they had occurred on January 1, 2011.

The unaudited pro forma combined financial statements are presented to illustrate the estimated effects of the Transactions. The historical financial information has been adjusted to give effect to pro forma events that are directly attributable to the Transactions and factually supportable.

2. Pro Forma Adjustments

There were no inter-company balances and transactions between the Parent and the Company as of the dates and for the periods of these pro forma condensed combined financial statements.

The pro forma adjustments included in the unaudited pro forma condensed combined financial statements are as follows:

1) To record payment of a $100,000 convertible note and $4,219 of accrued interest at the Merger date.

2) To record the conversion of $1,500,000 in convertible notes payable and $25,387 in accrued interest into 1,525,387 shares of common stock issued in the Private Placement; and to record the discount of $896,167 as interest expense upon conversion; and to record interest expense of $179,177 for amortization of the deferred bridge financing costs upon conversion; and to record a reduction of equity of $139,667 to write-off merger related deferred financing costs; and to record interest expense of $52,600 related to the value of the 1,525,387 warrants issued in the Private Placement in connection with the conversion of the convertible notes; and to record offering costs of $21,040 related to the value of the 610,155 warrants issued to the placement agent.

   The exercise price of the warrants is protected against down-round financing throughout the term of the warrant. Pursuant to ASC 815-15 and ASC 815-40, the fair value of the warrants was recorded as a derivative liability on the issuance date. The Company calculated the fair value of the warrants using the Black-Scholes Model using a volatility of 109.84%, an interest rate of 0.83% and a dividend yield of zero. The use of a binomial valuation model might result in a different valuation.

3) To record the issuance of 5,000,500 units in the Private Placement; and to record transaction expenses of $650,065 payable to the placement agent; and to record a derivative liability of $241,405 related to the value of the 5,000,500 warrants issued in the Private Placement and the 2,000,200 warrants issued to the placement agent.

   The exercise price of the warrants is protected against down-round financing throughout the term of the warrant. Pursuant to ASC 815-15 and ASC 815-40, the fair value of the warrants was recorded as a derivative liability on the issuance date. The Company calculated the fair value of the warrants using the Black-Scholes

Model using a volatility of 109.84%, an interest rate of 0.83% and a dividend yield of zero. The use of a binomial valuation model might result in a different valuation.

4) To record the effect of the Split-Off.

5) To reverse interest expense of $2,066,889 related to convertible notes payable assumed to be converted as of January 1, 2011.

6) To reflect the shares issued in the Private Placement (5,000,500) and Bridge Conversion (1,525,387) as issued and outstanding as of January 1, 2011.

3. Pro Forma Net Loss Per Share

The pro forma basic and diluted net loss per share are based on the number shares of common stock issued and outstanding of the Company after the Transactions, and assumes all common shares issued in the Transactions were issued and outstanding as of January 1, 2011.

Exhibit 10.23

LICENSE AGREEMENT

THIS AGREEMENT is made and entered into this 24th day of March, 2009 ("EFFECTIVE DATE"), by and between THE CURATORS OF THE UNIVERSITY OF MISSOURI, a public corporation of the State of Missouri having a principal office at The Office of Technology Management & Industry Relations, 340 Bond Life Sciences Center, Columbia, MO 65211, ("UNIVERSITY") and Organovo having offices at 11180 Roselle St., Suite H, San Diego, CA 92121 ("LICENSEE").

WHEREAS, UNIVERSITY has a part ownership interest in PATENT RIGHTS related to LICENSED SUBJECT MATTER; and

WHEREAS, UNIVERSITY has obtained certain rights that allows UNIVERSITY to offer an exclusive license for PATENT RIGHTS pursuant to an Inter-Institutional Agreement with the MUSC Foundation for Research Development, a non-profit organization that manages and owns the intellectual property of the Medical University of South Carolina ("MUSC"); and

WHEREAS, the LICENSED SUBJECT MATTER was developed in part under a research program sponsored by the National Aeronautics and Space Administration and the National Science Foundation. Therefore, this Agreement is subject to the terms and conditions of Public Law 96-517 and 98-620 as amended; and

WHEREAS, LICENSEE is desirous of obtaining a license to practice the LICENSED SUBJECT MATTER; and

WHEREAS, UNIVERSITY is desirous of granting such a license to LICENSEE in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the covenants, representations and warranties contained herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.01 "AFFILIATE" means any business entity more than fifty percent (50%) owned by LICENSEE, any business entity which owns more than fifty percent (50%) of LICENSEE, or any business entity that is more than fifty percent (50%) owned by a business entity that owns more than fifty percent (50%) of LICENSEE.

1.02 “KNOW-HOW” means research and development information, unpatented inventions, methods and techniques, formulae, biological materials and substances, processes and technical data, whether or not patentable or copyrightable, which are needed to produce LICENSED PRODUCT and are not otherwise in the public domain.

1.03 “LICENSED FIELD” means each of the following business areas:

(a) all fields of use.

1.03 “LICENSED PRODUCT” means any product or part thereof where such product or part, and any result of a method, or the practice of a method, comprising LICENSED SUBJECT MATTER pursuant to this Agreement, is Sold by LICENSEE or a SUBLICENSEE.

1.04 “LICENSED SUBJECT MATTER” means inventions and discoveries covered by TECHNOLOGY and PATENT RIGHTS, if any, within LICENSED FIELD.

1.05 “LICENSED TERRITORY” means worldwide.

1.06 “NET SALES” means the amount billed or invoiced for the Sale of LICENSED PRODUCTS, less:

(a) Customary trade, quantity or cash discounts;

(b) Amounts repaid or credited by reason of rejection or return; and/or

(c) Charges for transportation or delivery to be paid by or on behalf of LICENSEE’s customer, to the extent such charges are separately stated on purchase orders, invoices or other documents of Sale.

1.07 “PATENT RIGHTS” means UNIVERSITY’s rights in any of the following: the United States patent application (serial number 10/590,446, titled “Self-Assembling Cell Aggregates and Methods of Making Engineered Tissue Using the Same” and serial number 61/132,977, titled “Intermediate Cellular Unit, Fabrication, and Use Thereof’) disclosing and claiming the TECHNOLOGY; and continuing applications thereof including divisions, substitutions, continuations, continuations-in-part derived from Organovo sponsored research; and any patents issuing on said applications including reissues, reexaminations and extensions; and any corresponding foreign applications or patents. All of the foregoing will be automatically incorporated in and added to this Agreement and shall periodically be added to Appendix A attached to this Agreement and made part thereof.

1.08 “Sale”, Sell”, or “Sold” means the use, transfer, distribution or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE, or SUBLICENSEE as the case may be.

1.09 “SUBLICENSEE” means any person or entity to whom LICENSEE transfers any right or interest granted to LICENSEE by UNIVERSITY under this Agreement.

1.10 “TECHNOLOGY” means

1. the information, discoveries or know how developed by Gabor Forgacs, Karoly Jakab, and Adrean Neagu at UNIVERSITY and Vladimir Mironov at MUSC prior to the date of this Agreement as disclosed in UM Disclosure No. 04UMC007 entitled “Bioink for Organ Printing” dated August 6, 2003; and
2. the information, discoveries or know how developed by Gabor Forgacs, Francoise Marga, and Cyrille Norotte at UNIVERSITY prior to the date of this Agreement as disclosed in UM Disclosure No. 08UMC050 entitled “Engineering Custom-Shaped Biological Constructs” dated February 19, 2008.

ARTICLE II

GRANT

2.01 UNIVERSITY hereby grants to LICENSEE and LICENSEE accepts, subject to the terms and conditions hereof, a royalty-bearing, exclusive license under LICENSED SUBJECT MATTER to make, have made, use, Sell, have Sold, import, distribute, or otherwise transfer LICENSED PRODUCT within the LICENSED TERRITORY for use within LICENSED FIELD for a term of the last to expire patent covered under PATENT RIGHTS. UNIVERSITY also grants to LICENSEE, a royalty free, non-exclusive license to KNOW-HOW with the right to grant sublicenses in concurrence with a sublicense to a SUBLICENESEE in accordance with 2.02 below.

2.02 The license granted in Section 2.01 above shall include the right to grant sublicenses, and the right of SUBLICENSEE to grant further sublicenses subject to approval of LICENSEE., LICENSEE must deliver to UNIVERISTY a true and correct copy of each fully executed sublicense granted by LICENSEE or SUBLICENSEE, and any modification or termination thereof, within thirty (30) days after execution, modification, or termination. LICENSEE shall, at such times as UNIVERSITY directs and at UNIVERSITY’s expense, request the inspection of the sublicensee’s records by an independent certified public accountant.

2.03 UNIVERSITY shall have the right to make and to use the LICENSED SUBJECT MATTER for research and educational purposes only, and to grant nonexclusive licenses to non-profit third parties to make and to use the LICENSED SUBJECT MATTER, for research and educational purposes only.

2.04 LICENSEE agrees that UNIVERSITY shall have a right to publish the research results related to the LICENSED SUBJECT MATTER in accordance with UNIVERSITY’s general policies and that this Agreement shall not restrict, in any fashion, UNIVERSITY’s right to publish.

2.05 LICENSEE understands that the LICENSED SUBJECT MATTER was developed under a funding agreement with the Government of the United States of America and that the Government may have certain rights relative thereto. This Agreement shall be exclusive, to the extent allowed in accordance with Public Laws 96-517 and 98-620, in the LICENSED FIELD and is explicitly made subject to the Government's rights under such Government funding agreement and any applicable law or regulation. If there is a conflict between the Government funding agreement, applicable law or regulation and this Agreement, the terms of the Government funding agreement, applicable law or regulation shall prevail. LICENSEE agrees to take any actions necessary to enable UNIVERSITY to satisfy its obligations with the United States Government relating to the LICENSED SUBJECT MATTER. LICENSEE agrees, during the period of exclusivity of this license in the United States, that any LICENSED PRODUCT produced for Sale in the United States will be manufactured substantially in the United States.

ARTICLE III

PAYMENTS

3.01 License Payments: In consideration of rights granted by UNIVERSITY to LICENSEE under this Agreement, LICENSEE will pay UNIVERSITY the following:

a. A license fee in the amount of twenty five thousand ($25,000) dollars, due and payable within 12 months of the effective date of this agreement;

b. A running royalty on Sales equal to three percent (3%) of NET SALES totaling [***] ($[***]) dollars per year or less, two percent (2%) of NET SALES totaling between [***] ($[***]) and [***] ($[***]) dollars per year, and one percent (1%) of NET SALES in excess of [***] ($[***]) per year (hereinafter "SALES ROYALTY") for LICENSED PRODUCTS Sold by LICENSEE. SALES ROYALTY accrue when LICENSED PRODUCTS are invoiced or shipped, whichever occurs first.; and

c. A minimum annual royalty of twenty five thousand dollars ($25,000) due and payable beginning 2 years after the calendar year in which the first commercial sale occurred. Each minimum annual royalty payment is creditable against SALES ROYALTY due the UNIVERSITY during the twelve (12) month period following each date the minimum annual royalty becomes due and is subsequently paid. For the avoidance of doubt, such minimum annual royalty shall be considered a payment in advance of royalties yet to accrue.

3.02 Sublicense Payments: In consideration of rights granted by UNIVERSITY to LICENSEE under this Agreement, LICENSEE further agrees to pay UNIVERSITY the following after the execution of a sublicense hereunder:

a. Within thirty (30) days from LICENSEE's receipt, LICENSEE shall pay to UNIVERSITY an additional royalty of twenty percent (20%) of all revenue received from any SUBLICENSEE. Such revenue shall include, but not be limited to, all option fees, license issue fees (up-front payments), license maintenance fees, equity, and all royalty payments. Such revenue shall not include research funding provided to LICENSEE by SUBLICENSEE.

3.03 All payments to the UNIVERSlTY pursuant to this Agreement shall be paid in U.S. dollars. Conversion of foreign currency to U.S. dollars shall be made at the conversion rate existing in the United States (as reported in the in the Wall Street Journal) on the last working day of each royalty period. Such payments shall be without deduction of exchange, collection or other charges. Such payments shall be made payable to The Curators of the University of Missouri and shall be mailed to Office of Technology Management & Industry Relations, 340a Bond Life Sciences Center, Columbia, MO 65211.

3.04 Unless stipulated otherwise, all payments due the University hereunder shall be made within thirty (30) days after the end of each calendar quarter. Late payments shall be subject to an interest charge of one and one half percent (1 1/2%) per month.

3.05 Taxes and/or other governmental charges or fees shall not be levied on SALES ROYALTY payments made to UNIVERSITY and shall not be deducted from SALES ROYALTY payments due UNIVERSITY.

ARTICLE IV

REPORTING

4.01 Prior to signing this Agreement, LICENSEE has provided to UNIVERSITY a written plan (hereinafter "COMMERCIALIZATION PLAN") for LICENSED PRODUCT within the respective LICENSED FIELD and within the respective country or countries of the LICENSED TERRITORY to be introduced by LICENSEE into commercial use. The COMMERCIALIZATION PLAN shall include, without limitation, 1) planned research and development activities, 2) milestones and evidence of sufficient financial resources to successfully implement the COMMERCIALIZATION PLAN and ensure that LICENSED PRODUCT will be kept reasonably available to the public, and 3) projection of Sales and proposed marketing efforts, Such COMMERCIALIZATION PLAN is incorporated as Appendix B.

4.02 LICENSEE shall report to UNIVERSITY the date of first Sale of LICENSED PRODUCTS in each country of LICENSED TERRITORY within thirty (30) days of occurrence.

4.03 Within 30 days after each March 31, June 30, September 30, and December 31following the first Sale of LICENSED PRODUCT, whether Sold by LICENSEE or its SUBLICENSEE, if any exists,

LICENSEE must deliver to UNIVERSITY a true and accurate written report, even if no payments are due UNIVERSITY, giving the particulars of the business conducted by LICENSEE and its SUBLICENSEE(s), during the preceding three (3) calendar months under this Agreement as are pertinent to calculating payments hereunder. This report will include at least:

a. the quantities of LICENSED PRODUCT that it has produced;

b. the total NET SALES;

c. the calculation of royalties thereon;

d. offsets of minimum annual royalties or other offsets allowed under this Agreement; and

e. the total SALES ROYALTY computed and due UNIVERSITY.

This report shall identify the issued patents and/or patent applications under PATENT RIGHTS that cover the particular LICENSED PRODUCT being reported. LICENSEE shall provide sufficient data for UNIVERSITY to verify the calculations, including gross Sales and allowable deductions to derive NET SALES figures, and any reasonable additional information UNIVERSITY requires to determine LICENSEE's satisfaction of the reporting requirements hereunder or to clarify the information contained in reports provided by LICENSEE. LICENSEE shall provide such additional information within thirty (30) days of receiving a request from UNIVERSITY. Simultaneously with the delivery of each report, LICENSEE must pay to UNIVERSITY the amount, if any, due for the period of each report.

4.04 On or before each anniversary of the EFFECTIVE DATE, irrespective of having a first Sale or offer for Sale, LICENSEE must deliver to UNIVERSITY a written annual report as to LICENSEE's (and any SUBLICENSEE's) efforts and accomplishments during the preceding year in diligently commercializing LICENSED PRODUCT in the LICENSED FIELD, including but not limited to, progress on research and development, regulatory approvals, manufacturing, sublicensing, marketing and Sales and LICENSEE's (and, if applicable, SUBLICENSEE's) commercialization plans for the upcoming year. LICENSEE shall also provide any reasonable additional information UNIVERSITY requires to evaluate LICENSEE'S performance under this Agreement.

4.05 LICENSEE agrees to keep records for a period of three (3) years following termination of this Agreement showing the manufacturing, Sales, use, sublicense, and other disposition of LICENSED PRODUCT, Sold or otherwise disposed of under the license herein granted in sufficient detail to enable the royalties payable hereunder by LICENSEE to be determined. LICENSEE agrees to permit UNIVERSITY or its representatives, at UNIVERSITY's expense, to periodically examine its books, ledgers, and records during regular business hours for the purpose of and to the extent necessary to verify any report required

under this Agreement. If the amounts due to UNIVERSITY are determined to have been underpaid, LICENSEE will pay the amount of such underpayment and interest on the amount of such underpayment, calculated in accordance with Section 3.05 with interest accruing from the date such payment was originally due the UNIVERSITY. Such examination is to be made by UNIVERSITY at the expense of UNIVERSITY, except in the event that the results of the audit reveal a discrepancy in UNIVERSITY's favor of five percent (5%) or more, then the audit fees shall be paid by LICENSEE.

ARTICLE V

DUE DILIGENCE

5.01 LICENSEE shall use reasonable efforts to effect introduction of the LICENSED PRODUCT into the commercial market as soon as practicable, consistent with sound and reasonable business practices and judgment; thereafter, until the expiration of this Agreement, LICENSEE shall keep LICENSED PRODUCT reasonably available to the public.

5.02 UNIVERSITY shall have the right, at UNIVERSITY's sole discretion, to either terminate or render this license nonexclusive in an individual LICENSED FIELD and/or individual country or countries within the LICENSED TERRITORY if LICENSEE or its SUBLICENSEE:

(a) Has not within one (1) year of the EFFECTIVE DATE presented to and obtained UNIVERSITY'S approval, which approval shall not be unreasonably withheld, a new COMMERCIALIZATION PLAN for LICENSED PRODUCT within the respective LICENSED FIELD and within the respective country or countries of the LICENSED TERRITORY not previously introduced by LICENSEE into commercial use, , or

(b) Has not within one (1) year of the EFFECTIVE DATE received capital investments totaling two hundred fifty thousand dollars ($250,000), or

(c) Has not within 10 years submitted a regulatory filing for approval to commercialize products in any country within LICENSED TERRITORY.

ARTICLE VI

LIABILITY, WARRANTIES AND INSURANCE

6.01 LICENSEE shall at all times during the term of this Agreement and thereafter, indemnify, defend and hold UNIVERSITY, the MUSC Foundation for Research Development and its related entities (including the Medical University of South Carolina, the Medical University Hospital Authority, and the University Medical Associates, and their agents, assigns, employees, affiliated companies, subsidiaries,

departments, wholly owned companies, and contractors) (collectively, “MUSC”), and their respective current or former Curators, officers, employees and affiliates (each individually an “Indemnified Party,” and collectively the “Indemnified Parties”) harmless from any judgments and against all claims and expenses, including legal expenses and reasonable attorneys’ fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever resulting from 1) the development, manufacture, use, or Sale of LICENSED PRODUCT by LICENSEE, its subsidiaries, and SUBLICENSEEs, or 2) from the use by the end users of LICENSED PRODUCT, or 3) arising from any obligation of LICENSEE hereunder. If any such claims or causes of action are made, Indemnified Parties shall be defended by counsel selected by LICENSEE, subject to each Indemnified Party’s approval, which shall not be unreasonably withheld. Each Indemnified Party reserves the right to be represented by its own counsel at its own expense.

6.02 At such time as any product, process, or service relating to, or developed pursuant to, this Agreement is being commercially distributed or Sold (other than for the purpose of obtaining regulatory approvals) by LICENSEE, a SUBLICENSEE, or a subsidiary or agent of LICENSEE, LICENSEE shall at its sole cost and expense, procure and maintain comprehensive general liability insurance in amounts not less than $1,000,000 per incident and naming the UNIVERSITY, its Curators, trustees, officers, agents, employees and affiliates, as additional insureds. Such commercial general liability insurance shall provide (i) product liability coverage and (ii) broad form contractual liability coverage for LICENSEE’s indemnification under this Agreement. Such insurance will be considered primary as to any other valid and collectible insurance, but only as to acts of the named insured. Any carrier providing coverage shall have a minimum “Best” rating of “A-XII”. The minimum amounts of insurance coverage required shall not be construed to create a limit of LICENSEE’s liability with respect to its indemnification under this Agreement.

LICENSEE shall maintain such commercial general liability insurance beyond the expiration or termination of this Agreement during (i) the period that any product, process, or service, relating to, or developed pursuant to this Agreement is being commercially distributed or Sold by LICENSEE, or its SUBLICENSEE, subsidiary or agent of LICENSEE and (ii) a reasonable period after the period referred to in (i) above which in no event shall be less than fifteen (15) years.

LICENSEE shall provide Workers’ Compensation coverage for any employee of LICENSEE that visits UNIVERSITY premises for matters relating to this Agreement. In addition, Employers’ Liability coverage shall be provided to such employee in an amount no less that $1,000,000 per occurrence.

LICENSEE shall provide UNIVERSITY with written evidence of the insurance requirements of this Section 6.02 within thirty (30) days after execution of this Agreement. LICENSEE shall provide UNIVERSITY with written notice at least fifteen (15) days prior to the cancellation, non-renewal or material change in such insurance; if LICENSEE does not obtain replacement insurance providing comparable coverage within such

fifteen (15) day period, UNIVERSITY shall have the right to terminate this Agreement effective at the end of such fifteen (15) day period without notice or any additional waiting periods. It is agreed that the insurance required is required in the public interest and the UNIVERSITY does not assume any liability for acts of LICENSEE, their officers, agents, and employees or of a SUBLICENSEE, their officers, agents, and employees, in connection with the granting of this Agreement.

LICENSEE shall require in any sublicense in which LICENSEE grants to a third party the right to make, have made, use, import, offer to Sell or Sell any LICENSED PRODUCT, provisions that provide the UNIVERSITY, its Curators, trustees, officers, agents, employees and affiliates, comparable protections as those provided the UNIVERSITY in this Article VI.

6.03 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LICENSE, UNIVERSITY AND MUSC MAKE NO REPRESENTATIONS AND EXTEND NOWARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING, OR THAT THE MANUFACTURE, USE, OR SALE OF THE LICENSED SUBJECT MATTER WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER RIGHTS.

ARTICLE VII

DOMESTIC AND FOREIGN PATENT FILING AND MAINTENANCE

7.01 LICENSEE shall reimburse UNIVERSITY for all out-of-pocket expenses UNIVERSITY has incurred prior to the execution of this Agreement for the preparation, filing, prosecution and maintenance of PATENT RIGHTS (hereinafter “PATENT EXPENSES”) within one year of execution of this Agreement. All PATENT EXPENSES UNIVERSITY incurs during the first year following the execution of this Agreement shall be reimbursed by LICENSEE within two (2) years following the execution of this agreement. PATENT EXPENSES incurred by UNIVERSITY beginning in the second year following execution of this agreement shall be reimbursed by LICNESEE on an ongoing basis following receipt of invoice by UNIVERSITY for such PATENT EXPENSES. All reimbursements for PATENT EXPENSES shall be received as a separate payment apart from any royalties or other revenues owed UNIVERSITY. Late payment of invoices of PATENT EXPENSES received by LICENSEE from UNIVERSITY shall be subject to interest charges of one and one-half percent (1 1/2%) per month. A payment under this Section 7.01 is considered late if payment is not received by UNIVERSITY within thirty (30) days from LICENSEE’s receipt of an invoice from UNIVERSITY.

7.02 UNIVERSITY shall be solely responsible for the preparation, filing, prosecution and maintenance of any and all U.S. and foreign patent applications and patents included in PATENT RIGHTS mutually

agreed upon by UNIVERSITY and LICENSEE. UNIVERSITY shall first consult with LICENSEE as to the preparation, filing, prosecution, and maintenance of such patent applications and patents and shall furnish to LICENSEE copies of documents relevant to any such preparation, filing, prosecution or maintenance.

7.03 If LICENSEE elects not to continue paying future PATENT EXPENSES, LICENSEE shall notify UNIVERSITY immediately in writing, but in no event less than sixty (60) days prior to any deadline which should or must be met in order to maintain the patent or patent application in force (a “deadline” includes a date by which an action must be taken to avoid payment of a late fee). Such notice by LICENSEE shall constitute a waiver of and relinquishment of all of LICENSEE’s rights under this Agreement related to such patent or patent application.

ARTICLE VIII

INFRINGEMENT

8.01 LICENSEE, at its expense, shall have the right to enforce PATENT RIGHTS against infringement by third parties and it is entitled to retain the recovery from such enforcement, including any cash or other consideration received by way of judgment, settlement or compromise (hereinafter “RECOVERY”). However, any RECOVERY, less direct out-of-pocket legal expenses incurred by LICENSEE for such enforcement, shall be considered lost Sales and LICENSEE shall pay UNIVERSITY a SALES ROYALTY on such lost Sales. Before LICENSEE commences a formal legal proceeding with respect to any infringement of PATENT RIGHTS, LICENSEE shall consult with UNIVERSITY regarding the potential effects such legal proceeding may have on the public interest. LICENSEE shall keep UNIVERSITY informed on all actions taken by LICENSEE in its enforcement against an infringer and shall furnish to UNIVERSITY copies of all documents related thereto.

8.02 In any infringement suit or dispute, UNIVERSITY agrees to cooperate reasonably with LICENSEE. At the request and expense of LICENSEE, the UNIVERSITY will permit access to all relevant personnel, records, papers, information, samples, specimens, etc., during regular business hours on UNIVERSITY premises as reasonably necessary for LICENSEE to vigorously conduct such proceeding. In the event that travel is required, LICENSEE agrees to reimburse UNIVERSITY for such travel.

8.03 In the event that LICENSEE elects not to exercise its right to prosecute an infringement of the PATENT RIGHTS pursuant to the above paragraphs, UNIVERSITY may do so at its own expense, controlling such action and retaining all RECOVERY therefrom. LICENSEE agrees to cooperate reasonably with UNIVERSITY in any such infringement suit or dispute.

ARTICLE IX

CONFIDENTIALITY

9.01 LICENSEE agrees that all patent prosecution information and all other information contained in documents marked “confidential” received from UNIVERSITY shall (i) be received in strict confidence, (ii) be used only for the purposes of this Agreement, and (iii) not be disclosed by LICENSEE, its employees, agents, successors or assigns, without the prior written consent of UNIVERSITY, except to the extent that the LICENSEE can establish competent written proof that such information:

a. was in the public domain at the time of disclosure;

b. later became part of the public domain through no act or omission of LICENSEE, its employees, agents, successors or assigns;

c. was lawfully disclosed to LICENSEE by a third party having the right to disclose it;

d. was already known by LICENSEE at the time of disclosure;

e. was independently developed by LICENSEE; or f. is required by law or regulation to be disclosed.

9.02 LICENSEE’s obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with UNIVERSITY’s confidential information as LICENSEE uses to protect its own confidential information, but not less than reasonable care. This obligation shall exist during the term of this Agreement and for a period of five (5) years thereafter.

ARTICLE X

TERM AND TERMINATION

10.01 This Agreement shall become effective upon the EFFECTIVE DATE and, unless sooner terminated in accordance with any of the provisions herein, shall remain in full force in the LICENSED TERRITORY during the life of the last to expire patents under PATENT RIGHTS.

10.02 In the event that either Party defaults or breaches any of the provisions of this Agreement, the other Party shall have the right to terminate this Agreement by giving written notice to the defaulting Party; provided, however, that if the said defaulting Party cures said default within thirty (30) days after said notice shall have been given, this Agreement shall continue in full force and effect. The failure on the part of either of the Parties hereto to exercise or enforce any right conferred upon it hereunder shall not be deemed to be a waiver of any such right nor operate to bar the exercise or enforcement thereof at any time or times thereafter.

10.03 Upon termination of this Agreement, LICENSEE's interest in sublicenses granted by it under this Agreement shall at UNIVERSITY's option, terminate or be assigned to UNIVERSITY. LICENSEE shall make provision for the UNIVERSITY's rights under the preceding sentence to be included in all sublicenses granted by it under this Agreement.

10.04 In the event that LICENSEE shall become insolvent, shall make an assignment for the benefit of creditors, or shall have a petition in bankruptcy filed for or against it, this Agreement shall automatically terminate.

10.05 Termination of this Agreement for any reason shall not release either Party from any obligation theretofore accrued. Articles III, VI, and IX and Sections 4.03, 4.05, 10.03, 11.07, and 11.13 shall survive the termination of this Agreement.

ARTICLE XI

GENERAL

11.01 Prior to the issuance of patents under PATENT RIGHTS, LICENSEE agrees to mark LICENSED PRODUCTS (or their containers or labels) Sold by LICENSEE, or a SUBLICENSEE, under the license granted in this Agreement with the words "Patent Pending," and following the issuance of one or more patents under PATENT RIGHTS, with the words "Patent No."

11.02 LICENSEE agrees to comply with all applicable federal, state, and local laws and regulations. In particular, it is understood and acknowledged that the transfer of certain commodities and technical data is subject to United States laws and regulations controlling the export of such commodities and technical data, including all Export Administration Regulations of the United States Department of Commerce. These laws and regulations among other things, prohibit or require a license for the export of certain types of technical data to certain specified countries. LICENSEE hereby agrees and gives written assurance that it will comply with all United States laws and regulations controlling the export of commodities and technical data, that it will be solely responsible for any violation of such by LICENSEE, its AFFILIATE, or SUBLICENSEES, and that it will defend and hold UNIVERSITY harmless in the event of any legal action of any nature occasioned by such violation.

11.03 LICENSEE agrees not to identify UNIVERSITY or MUSC in any promotional advertising or other promotional materials to be disseminated to the public or any portion thereof or to use the name of any UNIVERSITY or MUSC faculty member, employee, or student or any trademark, service mark, trade name, or symbol of UNIVERSITY or MUSC, without UNIVERSITY'S and MUSC's prior written consent.

11.04 Except in connection with the sale of substantially all of LICENSEE's assets to a third party, this Agreement may not be assigned by LICENSEE without the prior written consent of UNIVERSITY, which will not be unreasonably withheld.

11.05 If LICENSEE desires UNIVERSITY participation in performing research and development activities directed towards PATENT RIGHTS, negotiation for such assistance shall be separate and apart from this Agreement, and shall be performed according to UNIVERSITY'S procedures related to research grant and contract activities.

11.06 In the event LICENSEE wishes to engage the inventors as consultants, such an arrangement shall be separate and apart from this Agreement, but shall be in keeping with UNIVERSITY'S and MUSC's policy on consulting and ownership of intellectual property developed by UNIVERSITY and MUSC employees.

11.07 Any payment, notice, or other communication given under this Agreement (except for correspondence relating to patent filing, prosecution and/or maintenance matters under Article VII herein) shall be in writing and shall be deemed delivered when sent by certified first class mail, registered mail, or overnight courier, or by facsimile, provided that a copy of such facsimile is promptly sent by certified first class mail, registered or overnight courier, addressed to the Parties as follows (or at such other addresses as the Parties may notify each other in writing):

If to UNIVERSITY:

Office of Technology Management & Industry Relations
340A Bond Life Sciences Center
Columbia, MO 65211

Attn.: Director

If to LICENSEE: Organovo
11180 Roselle St., Suite H San Diego, CA 92121

Attn.: CEO

11.08 This Agreement constitutes the entire and only agreement between the Parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements, and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by a written document signed by both Parties.

11.09 None of the terms, covenants, and conditions of this Agreement can be waived except by the written consent of the Party waiving compliance.

11.10 A failure by one of the Parties to this Agreement to assert its rights for or upon any breach or default of this Agreement shall not be deemed a waiver of such rights nor shall any such waiver be implied from acceptance of any payment. No such failure or waiver in writing by any one of the Parties hereto with respect to any rights, shall extend to or affect any subsequent breach or impair any right consequent thereon.

11.11 If any sentence, paragraph, clause or combination of the same is found by a court of competent jurisdiction to be in violation of any applicable law or regulation, or is unenforceable or void for any reason whatsoever, such sentence, paragraph, clause or combinations of the same shall be severed from the Agreement and the remainder of the Agreement shall remain binding upon the Parties.

11.12 The headings of the paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof.

11.13 This Agreement shall be construed, interpreted, and applied in accordance with the laws of the State of Missouri. Any action to enforce the provisions of the Agreement shall be brought in a court of competent jurisdiction and proper venue in the State of Missouri.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in duplicate originals by their duly authorized officers or representatives.

THE CURATORS OF THE
UNIVERSITY OF MISSOURI

BY: /s/ Christopher M. Fender
NAME: Christopher M. Fender
TITLE: Interim Director, OTMIR
DATE: March 24, 2009

LICENSEE

BY: /s/ Keith Murphy
NAME: Keith Murphy
TITLE: Chief Executive Officer
DATE: March 24, 2009

EXHIBIT A

US Patent Application No. 10/590,446, titled “Self-Assembling Cell Aggregates and Methods of Making Engineered Tissue Using the Same”

US Patent Application No. 61/132,977, titled “Intermediate Cellular Unit, Fabrication, and Use Thereof”

Exhibit 10.24

LICENSE AGREEMENT

THIS AGREEMENT is made and entered into this 12th day of March, 2010 (“EFFECTIVE DATE”), by and between THE CURATORS OF THE UNIVERSITY OF MISSOURI, a public corporation of the State of Missouri having a principal office at The Office of Technology Management & Industry Relations, 340 Bond Life Sciences Center, Columbia, MO 65211, (“UNIVERSITY”) and Organovo having offices at 5871 Oberlin Dr., Suite 150, San Diego, CA 92121 (“LICENSEE”).

WHEREAS, UNIVERSITY has full ownership interest in PATENT RIGHTS related to LICENSED SUBJECT MATTER; and

WHEREAS, the LICENSED SUBJECT MATTER was developed in part under a research program sponsored by the National Science Foundation. Therefore, this Agreement is subject to the terms and conditions of Public Law 96-517 and 98-620 as amended; and

WHEREAS, LICENSEE is desirous of obtaining a license to practice the LICENSED SUBJECT MATTER; and

WHEREAS, UNIVERSITY is desirous of granting such a license to LICENSEE in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the covenants, representations and warranties contained herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.01 “AFFILIATE” means any business entity more than fifty percent (50%) owned by LICENSEE, any business entity which owns more than fifty percent (50%) of LICENSEE, or any business entity that is more than fifty percent (50%) owned by a business entity that owns more than fifty percent (50%) of LICENSEE.

1.02 “KNOW-HOW” means research and development information, unpatented inventions, methods and techniques, formulae, biological materials and substances, processes and technical data, whether or not patentable or copyrightable, which are needed to produce LICENSED PRODUCT and are not otherwise in the public domain.

1.03 “LICENSED FIELD” means each of the following business areas:

(a) all fields of use.

1.03 “LICENSED PRODUCT” means any product or part thereof where such product or part, and any result of a method, or the practice of a method, comprising LICENSED SUBJECT MATTER pursuant to this Agreement, is Sold by LICENSEE or a SUBLICENSEE.

1.04 “LICENSED SUBJECT MATTER” means inventions and discoveries covered by TECHNOLOGY and PATENT RIGHTS, if any, within LICENSED FIELD.

1.05 “LICENSED TERRITORY” means worldwide.

1.06 “NET SALES” means the amount billed or invoiced for the Sale of LICENSED PRODUCTS, less:

(a) Customary trade, quantity or cash discounts;

(b) Amounts repaid or credited by reason of rejection or return; and/or

(c) Charges for transportation or delivery to be paid by or on behalf of LICENSEE’s customer, to the extent such charges are separately stated on purchase orders, invoices or other documents of Sale.

1.07 “PATENT RIGHTS” means UNIVERSITY’s rights in any of the following: the United States patent application (serial number 61/337,037 titled “ENGINEERED BIOLOGICAL NERVE GRAFT,FABRICATION AND APPLICATION THEREOF”) disclosing and claiming the TECHNOLOGY; and continuing applications thereof including divisions, substitutions, continuations, continuations-in-part derived from Organovo sponsored research; and any patents issuing on said applications including reissues, reexaminations and extensions; and any corresponding foreign applications or patents. All of the foregoing will be automatically incorporated in and added to this Agreement and shall periodically be added to Appendix A attached to this Agreement and made part thereof

1.08 “Sale”, Sell”, or “Sold” means the use, transfer, distribution or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE, or SUBLICENSEE as the case may be.

1.09 “SUBLICENSEE” means any person or entity to whom LICENSEE transfers any right or interest granted to LICENSEE by UNIVERSITY under this Agreement.

1.10 “TECHNOLOGY” means the information, discoveries or know how developed by Dustin Christiansen, Stephen H. Colbert, Gabor Forgacs, Bradley A. Hubbard and Francoise Marga at UNIVERSITY prior to the date of this Agreement as disclosed in UM Disclosure No. 10UMC008 entitled “Engineering Fully Biological Nerve Graft” dated July 28, 2009

ARTICLE II

GRANT

2.01 UNIVERSITY hereby grants to LICENSEE and LICENSEE accepts, subject to the terms and conditions hereof, a royalty-bearing, exclusive license under LICENSED SUBJECT MATTER to make, have made, use, Sell, have Sold, import, distribute, or otherwise transfer LICENSED PRODUCT within the LICENSED TERRITORY for use within LICENSED FIELD for a term of the last to expire patent covered under PATENT RIGHTS. UNIVERSITY also grants to LICENSEE, a royalty free, non-exclusive license to KNOW-HOW with the right to grant sublicenses in concurrence with a sublicense to a SUBLICENESEE in accordance with 2.02 below.

2.02 The license granted in Section 2.01 above shall include the right to grant sublicenses, and the right of SUBLICENSEE to grant further sublicenses subject to approval of LICENSEE., LICENSEE must deliver to UNIVERISTY a true and correct copy of each fully executed sublicense granted by LICENSEE or SUBLICENSEE, and any modification or termination thereof, within thirty (30) days after execution, modification, or termination. LICENSEE shall, at such times as UNIVERSITY directs and at UNIVERSITY's expense, request the inspection of the sublicensee's records by an independent certified public accountant.

2.03 UNIVERSITY shall have the right to make and to use the LICENSED SUBJECT MATTER for research and educational purposes only, and to grant nonexclusive licenses to non-profit third parties to make and to use the LICENSED SUBJECT MATIER, for research and educational purposes only.

2.04 LICENSEE agrees that UNIVERSITY shall have a right to publish the research results related to the LICENSED SUBJECT MATTER in accordance with UNIVERSITY's general policies and that this Agreement shall not restrict, in any fashion, UNIVERSITY's right to publish.

2.05 LICENSEE understands that the LICENSED SUBJECT MATTER was developed under a funding agreement with the Government of the United States of America and that the Government may have certain rights relative thereto. This Agreement shall be exclusive, to the extent allowed in accordance with Public Laws 96-517 and 98-620, in the LICENSED FIELD and is explicitly made subject to the Government's rights under such Government funding agreement and any applicable law or regulation. If there is a conflict between the Government funding agreement, applicable law or regulation and this Agreement, the terms of the Government funding agreement, applicable law or regulation shall prevail. LICENSEE agrees to take any actions necessary to enable UNIVERSITY to satisfy its obligations with the United States Government relating to the LICENSED SUBJECT MATTER. LICENSEE agrees, during the period of exclusivity of this license in the United States, that any LICENSED PRODUCT produced for Sale in the United States will be manufactured substantially in the United States.

ARTICLE III

PAYMENTS

3.01 License Payments: In consideration of rights granted by UNIVERSITY to LICENSEE under this

Agreement, LICENSEE will pay UNIVERSITY the following:

a. A license fee in the amount of five thousand ($5,000) dollars, due and payable within 12 months of the effective date of this agreement;

b. A running royalty on Sales equal to three percent (3%) of NET SALES totaling [***] ($[***]) dollars per year or less, two percent (2%) of NET SALES totaling between [***] ($[***]) and [***] ($[***]) dollars per year, and one percent (1%) of NET SALES in excess of [***] ($[***]) per year (hereinafter "SALES ROYALTY") for LICENSED PRODUCTS Sold by LICENSEE. SALES ROYALTY accrue when LICENSED PRODUCTS are invoiced or shipped, whichever occurs first.; and

c. A minimum annual royalty of five thousand dollars ($5,000) due and payable beginning 2 years after the calendar year in which the first commercial sale occurred. Each minimum annual royalty payment is creditable against SALES ROYALTY due the UNIVERSITY during the twelve (12) month period following each date the minimum annual royalty becomes due and is subsequently paid. For the avoidance of doubt, such minimum annual royalty shall be considered a payment in advance of royalties yet to accrue.

d. An additional royalty of twelve thousand, five hundred ($12,500) dollars if there are no NET SALES within five years (5 years) from the EFFECTIVE DATE of this agreement.

3.02 Sublicense Payments: In consideration of rights granted by UNIVERSITY to LICENSEE under this Agreement, LICENSEE further agrees to pay UNIVERSITY the following after the execution of a sublicense hereunder:

a. Within thirty (30) days from LICENSEE's receipt, LICENSEE shall pay to UNIVERSITY an additional royalty of twenty percent (20%) of all revenue received from any SUBLICENSEE. Such revenue shall include, but not be limited to, all option fees, license issue fees (up-front payments), license maintenance fees, equity, and all royalty payments. Such revenue shall not include research funding provided to LICENSEE by SUBLICENSEE.

3.03 All payments to the UNIVERSITY pursuant to this Agreement shall be paid in U.S. dollars. Conversion of foreign currency to U.S. dollars shall be made at the conversion rate existing in the United States (as reported in the in the Wall Street Journal) on the last working day of each royalty period. Such payments shall be without deduction of exchange, collection or other charges. Such payments shall be

made payable to The Curators of the University of Missouri and shall be mailed to Office of Technology Management & Industry Relations, 340a Bond Life Sciences Center, Columbia, MO 65211.

3.04 Unless stipulated otherwise, all payments due the University hereunder shall be made within thirty (30) days after the end of each calendar quarter. Late payments shall be subject to an interest charge of one and one half percent (1 1/2%) per month.

3.05 Taxes and/or other governmental charges or fees shall not be levied on SALES ROYALTY payments made to UNIVERSITY and shall not be deducted from SALES ROYALTY payments due UNIVERSITY.

ARTICLE IV

REPORTING

4.01 Prior to signing this Agreement, LICENSEE has provided to UNIVERSITY a written plan (hereinafter “COMMERCIALIZATION PLAN”) for LICENSED PRODUCT within the respective LICENSED FIELD and within the respective country or countries of the LICENSED TERRITORY to be introduced by LICENSEE into commercial use. The COMMERCIALIZATION PLAN shall include, without limitation, 1) planned research and development activities, 2) milestones and evidence of sufficient financial resources to successfully implement the COMMERCIALIZATION PLAN and ensure that LICENSED PRODUCT will be kept reasonably available to the public, and 3) projection of Sales and proposed marketing efforts, Such COMMERCIALIZATION PLAN is incorporated as Appendix B.

4.02 LICENSEE shall report to UNIVERSITY the date of first Sale of LICENSED PRODUCTS in each country of LICENSED TERRITORY within thirty (30) days of occurrence.

4.03 Within 30 days after each March 31, June 30, September 30, and December 31following the first Sale of LICENSED PRODUCT, whether Sold by LICENSEE or its SUBLICENSEE, if any exists, LICENSEE must deliver to UNIVERSITY a true and accurate written report, even if no payments are due UNIVERSITY, giving the particulars of the business conducted by LICENSEE and its SUBLICENSEE(s), during the preceding three (3) calendar months under this Agreement as are pertinent to calculating payments hereunder. This report will include at least:

a. the quantities of LICENSED PRODUCT that it has produced;

b. the total NET SALES;

c. the calculation of royalties thereon;

d. offsets of minimum annual royalties or other offsets allowed under this Agreement; and

e. the total SALES ROYALTY computed and due UNIVERSITY.

This report shall identify the issued patents and/or patent applications under PATENT RIGHTS that cover the particular LICENSED PRODUCT being reported. LICENSEE shall provide sufficient data for UNIVERSITY to verify the calculations, including gross Sales and allowable deductions to derive NET SALES figures, and any reasonable additional information UNIVERSITY requires to determine LICENSEE's satisfaction of the reporting requirements hereunder or to clarify the information contained in reports provided by LICENSEE. LICENSEE shall provide such additional information within thirty (30) days of receiving a request from UNIVERSITY. Simultaneously with the delivery of each report, LICENSEE must pay to UNIVERSITY the amount, if any, due for the period of each report.

4.04 On or before each anniversary of the EFFECTIVE DATE, irrespective of having a first Sale or offer for Sale, LICENSEE must deliver to UNIVERSITY a written annual report as to LICENSEE's (and any SUBLICENSEE's) efforts and accomplishments during the preceding year in diligently commercializing LICENSED PRODUCT in the LICENSED FIELD, including but not limited to, progress on research and development, regulatory approvals, manufacturing, sublicensing, marketing and Sales and LICENSEE's (and, if applicable, SUBLICENSEE's) commercialization plans for the upcoming year. LICENSEE shall also provide any reasonable additional information UNIVERSITY requires to evaluate LICENSEE'S performance under this Agreement.

4.05 LICENSEE agrees to keep records for a period of three (3) years following termination of this Agreement showing the manufacturing, Sales, use, sublicense, and other disposition of LICENSED PRODUCT, Sold or otherwise disposed of under the license herein granted in sufficient detail to enable the royalties payable hereunder by LICENSEE to be determined. LICENSEE agrees to permit UNIVERSITY or its representatives, at UNIVERSITY's expense, to periodically examine its books, ledgers, and records during regular business hours for the purpose of and to the extent necessary to verify any report required under this Agreement. If the amounts due to UNIVERSITY are determined to have been underpaid, LICENSEE will pay the amount of such underpayment and interest on the amount of such underpayment, calculated in accordance with Section 3.05 with interest accruing from the date such payment was originally due the UNIVERSITY. Such examination is to be made by UNIVERSITY at the expense of UNIVERSITY, except in the event that the results of the audit reveal a discrepancy in UNIVERSITY's favor of five percent (5%) or more, then the audit fees shall be paid by LICENSEE.

ARTICLE V

DUE DILIGENCE

5.01 LICENSEE shall use reasonable efforts to effect introduction of the LICENSED PRODUCT into the commercial market as soon as practicable, consistent with sound and reasonable business practices and

judgment; thereafter, until the expiration of this Agreement, LICENSEE shall keep LICENSED PRODUCT reasonably available to the public.

5.02 UNIVERSITY shall have the right, at UNIVERSITY's sole discretion, to either terminate or render this license nonexclusive in an individual LICENSED FIELD and/or individual country or countries within the LICENSED TERRITORY if LICENSEE or its SUBLICENSEE:

(a) Has not within one (1) year of the EFFECTIVE DATE presented to and obtained UNIVERSITY'S approval, which approval shall not be unreasonably withheld, a new COMMERCIALIZATION PLAN for LICENSED PRODUCT within the respective LICENSED FIELD and within the respective country or countries of the LICENSED TERRITORY not previously introduced by LICENSEE into commercial use, , or

(b) Has not within one (1) year of the EFFECTIVE DATE received capital investments totaling two hundred fifty thousand dollars ($250,000), or

(c) Has not within three (3) years initiated an animal study to further evaluate in vivo functionality of the TECHNOLOGY, or

(d) Has not within 10 years submitted a regulatory filing for approval to commercialize products in any country within LICENSED TERRITORY.

ARTICLE VI

LIABILITY, WARRANTIES AND INSURANCE

6.01 LICENSEE shall at all times during the term of this Agreement and thereafter, indemnify, defend and hold UNIVERSITY, and their respective current or former Curators, officers, employees and affiliates (each individually an "Indemnified Party," and collectively the "Indemnified Parties") harmless from any judgments and against all claims and expenses, including legal expenses and reasonable attorneys' fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever resulting from 1) the development, manufacture, use, or Sale of LICENSED PRODUCT by LICENSEE, its subsidiaries, and SUBLICENSEEs, or 2) from the use by the end users of LICENSED PRODUCT, or 3) arising from any obligation of LICENSEE hereunder. If any such claims or causes of action are made, Indemnified Parties shall be defended by counsel selected by LICENSEE, subject to each Indemnified Party's approval, which shall not be unreasonably withheld. Each Indemnified Party reserves the right to be represented by its own counsel at its own expense.

6.02 At such time as any product, process, or service relating to, or developed pursuant to, this Agreement is being commercially distributed or Sold (other than for the purpose of obtaining regulatory approvals) by LICENSEE, a SUBLICENSEE, or a subsidiary or agent of LICENSEE, LICENSEE shall at its sole cost and expense, procure and maintain comprehensive general liability insurance in amounts not less than $1,000,000 per incident and naming the UNIVERSITY, its Curators, trustees, officers, agents, employees and affiliates, as additional insureds. Such commercial general liability insurance shall provide (i) product liability coverage and (ii) broad form contractual liability coverage for LICENSEE's indemnification under this Agreement. Such insurance will be considered primary as to any other valid and collectible insurance, but only as to acts of the named insured. Any carrier providing coverage shall have a minimum "Best" rating of "A-XII". The minimum amounts of insurance coverage required shall not be construed to create a limit of LICENSEE's liability with respect to its indemnification under this Agreement. LICENSEE shall maintain such commercial general liability insurance beyond the expiration or termination of this Agreement during (i) the period that any product, process, or service, relating to, or developed pursuant to this Agreement is being commercially distributed or Sold by LICENSEE, or its SUBLICENSEE, subsidiary or agent of LICENSEE and (ii) a reasonable period after the period referred to in (i) above which in no event shall be less than fifteen (15) years.

LICENSEE shall provide Workers' Compensation coverage for any employee of LICENSEE that visits UNIVERSITY premises for matters relating to this Agreement. In addition, Employers' Liability coverage shall be provided to such employee in an amount no less than $1,000,000 per occurrence. LICENSEE shall provide UNIVERSITY with written evidence of the insurance requirements of this Section 6.02 within thirty (30) days after execution of this Agreement. LICENSEE shall provide UNIVERSITY with written notice at least fifteen (15) days prior to the cancellation, non-renewal or material change in such insurance; if LICENSEE does not obtain replacement insurance providing comparable coverage within such fifteen (15) day period, UNIVERSITY shall have the right to terminate this Agreement effective at the end of such fifteen (15) day period without notice or any additional waiting periods. It is agreed that the insurance required is required in the public interest and the UNIVERSITY does not assume any liability for acts of LICENSEE, their officers, agents, and employees or of a SUBLICENSEE, their officers, agents, and employees, in connection with the granting of this Agreement.

LICENSEE shall require in any sublicense in which LICENSEE grants to a third party the right to make, have made, use, import, offer to Sell or Sell any LICENSED PRODUCT, provisions that provide the UNIVERSITY, its Curators, trustees, officers, agents, employees and affiliates, comparable protections as those provided the UNIVERSITY in this Article VI.

6.03 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LICENSE, UNIVERSITY MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING, OR THAT THE MANUFACTURE, USE, OR SALE OF THE LICENSED SUBJECT MATTER WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER RIGHTS.

ARTICLE VII

DOMESTIC AND FOREIGN PATENT FILING AND MAINTENANCE

7.01 LICENSEE shall reimburse UNIVERSITY for all out-of-pocket expenses UNIVERSITY has incurred prior to the execution of this Agreement for the preparation, filing, prosecution and maintenance of PATENT RIGHTS (hereinafter “PATENT EXPENSES”) within one year of execution of this Agreement. All PATENT EXPENSES UNIVERSITY incurs during the first year following the execution of this Agreement shall be reimbursed by LICENSEE within two (2) years following the execution of this agreement. PATENT EXPENSES incurred by UNIVERSITY beginning in the second year following execution of this agreement shall be reimbursed by LICNESEE on an ongoing basis following receipt of invoice by UNIVERSITY for such PATENT EXPENSES. All reimbursements for PATENT EXPENSES shall be received as a separate payment apart from any royalties or other revenues owed UNIVERSITY. Late payment of invoices of PATENT EXPENSES received by LICENSEE from UNIVERSITY shall be subject to interest charges of one and one-half percent (1 1/2%) per month. A payment under this Section 7.01 is considered late if payment is not received by UNIVERSITY within thirty (30) days from LICENSEE’s receipt of an invoice from UNIVERSITY.

7.02 UNIVERSITY shall be solely responsible for the preparation, filing, prosecution and maintenance of any and all U.S. and foreign patent applications and patents included in PATENT RIGHTS mutually agreed upon by UNIVERSITY and LICENSEE. UNIVERSITY shall first consult with LICENSEE as to the preparation, filing, prosecution, and maintenance of such patent applications and patents and shall furnish to LICENSEE copies of documents relevant to any such preparation, filing, prosecution or maintenance.

7.03 If LICENSEE elects not to continue paying future PATENT EXPENSES, LICENSEE shall notify UNIVERSITY immediately in writing, but in no event less than sixty (60) days prior to any deadline which should or must be met in order to maintain the patent or patent application in force (a “deadline” includes a date by which an action must be taken to avoid payment of a late fee). Such notice by LICENSEE shall

constitute a waiver of and relinquishment of all of LICENSEE's rights under this Agreement related to such patent or patent application.

ARTICLE VIII

INFRINGEMENT

8.01 LICENSEE, at its expense, shall have the right to enforce PATENT RIGHTS against infringement by third parties and it is entitled to retain the recovery from such enforcement, including any cash or other consideration received by way of judgment, settlement or compromise (hereinafter "RECOVERY"). However, any RECOVERY, less direct out-of-pocket legal expenses incurred by LICENSEE for such enforcement, shall be considered lost Sales and LICENSEE shall pay UNIVERSITY a SALES ROYALTY on such lost Sales. Before LICENSEE commences a formal legal proceeding with respect to any infringement of PATENT RIGHTS, LICENSEE shall consult with UNIVERSITY regarding the potential effects such legal proceeding may have on the public interest. LICENSEE shall keep UNIVERSITY informed on all actions taken by LICENSEE in its enforcement against an infringer and shall furnish to UNIVERSITY copies of all documents related thereto.

8.02 In any infringement suit or dispute, UNIVERSITY agrees to cooperate reasonably with LICENSEE. At the request and expense of LICENSEE, the UNIVERSITY will permit access to all relevant personnel, records, papers, information, samples, specimens, etc., during regular business hours on UNIVERSITY premises as reasonably necessary for LICENSEE to vigorously conduct such proceeding. In the event that travel is required, LICENSEE agrees to reimburse UNIVERSITY for such travel.

8.03 In the event that LICENSEE elects not to exercise its right to prosecute an infringement of the PATENT RIGHTS pursuant to the above paragraphs, UNIVERSITY may do so at its own expense, controlling such action and retaining all RECOVERY therefrom. LICENSEE agrees to cooperate reasonably with UNIVERSITY in any such infringement suit or dispute.

ARTICLE IX

CONFIDENTIALITY

9.01 LICENSEE agrees that all patent prosecution information and all other information contained in documents marked "confidential" received from UNIVERSITY shall (i) be received in strict confidence, (ii) be used only for the purposes of this Agreement, and (iii) not be disclosed by LICENSEE, its employees, agents, successors or assigns, without the prior written consent of UNIVERSITY, except to the extent that the LICENSEE can establish competent written proof that such information:

a. was in the public domain at the time of disclosure;

b. later became part of the public domain through no act or omission of LICENSEE, its employees, agents, successors or assigns

c. was lawfully disclosed to LICENSEE by a third party having the right to disclose it;

d. was already known by LICENSEE at the time of disclosure;

e. was independently developed by LICENSEE; or f.is required by law or regulation to be disclosed.

9.02 LICENSEE's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with UNIVERSITY's confidential information as LICENSEE uses to protect its own confidential information, but not less than reasonable care. This obligation shall exist during the term of this Agreement and for a period of five (5) years thereafter.

ARTICLE X

TERM AND TERMINATION

10.01 This Agreement shall become effective upon the EFFECTIVE DATE and, unless sooner terminated in accordance with any of the provisions herein, shall remain in full force in the LICENSED TERRITORY during the life of the last to expire patents under PATENT RIGHTS.

10.02 In the event that either Party defaults or breaches any of the provisions of this Agreement, the other Party shall have the right to terminate this Agreement by giving written notice to the defaulting Party; provided, however, that if the said defaulting Party cures said default within thirty (30) days after said notice shall have been given, this Agreement shall continue in full force and effect. The failure on the part of either of the Parties hereto to exercise or enforce any right conferred upon it hereunder shall not be deemed to be a waiver of any such right nor operate to bar the exercise or enforcement thereof at any time or times thereafter.

10.03 Upon termination of this Agreement, LICENSEE's interest in sublicenses granted by it under this Agreement shall at UNIVERSITY's option, terminate or be assigned to UNIVERSITY. LICENSEE shall make provision for the UNIVERSITY's rights under the preceding sentence to be included in all sublicenses granted by it under this Agreement.

10.04 In the event that LICENSEE shall become insolvent, shall make an assignment for the benefit of creditors, or shall have a petition in bankruptcy filed for or against it, this Agreement shall automatically terminate.

10.05 Termination of this Agreement for any reason shall not release either Party from any obligation theretofore accrued. Articles III, VI, and IX and Sections 4.03, 4.05, 10.03, 11.07, and 11.13 shall survive the termination of this Agreement.

ARTICLE XI

GENERAL

11.01 Prior to the issuance of patents under PATENT RIGHTS, LICENSEE agrees to mark LICENSED PRODUCTS (or their containers or labels) Sold by LICENSEE, or a SUBLICENSEE, under the license granted in this Agreement with the words “Patent Pending,” and following the issuance of one or more patents under PATENT RIGHTS, with the words “Patent No.”

11.02 LICENSEE agrees to comply with all applicable federal, state, and local laws and regulations. In particular, it is understood and acknowledged that the transfer of certain commodities and technical data is subject to United States laws and regulations controlling the export of such commodities and technical data, including all Export Administration Regulations of the United States Department of Commerce. These laws and regulations among other things, prohibit or require a license for the export of certain types of technical data to certain specified countries. LICENSEE hereby agrees and gives written assurance that it will comply with all United States laws and regulations controlling the export of commodities and technical data, that it will be solely responsible for any violation of such by LICENSEE, its AFFILIATE, or SUBLICENSEES, and that it will defend and hold UNIVERSITY harmless in the event of any legal action of any nature occasioned by such violation.

11.03 LICENSEE agrees not to identify UNIVERSITY in any promotional advertising or other promotional materials to be disseminated to the public or any portion thereof or to use the name of any UNIVERSITY faculty member, employee, or student or any trademark, service mark, trade name, or symbol of UNIVERSITY, without UNIVERSITY’S and prior written consent.

11.04 Except in connection with the sale of substantially all of LICENSEE’s assets to a third party, this Agreement may not be assigned by LICENSEE without the prior written consent of UNIVERSITY, which will not be unreasonably withheld.

11.05 If LICENSEE desires UNIVERSITY participation in performing research and development activities directed towards PATENT RIGHTS, negotiation for such assistance shall be separate and apart from this Agreement, and shall be performed according to UNIVERSITY’S procedures related to research grant and contract activities.

11.06 In the event LICENSEE wishes to engage the inventors as consultants, such an arrangement shall be separate and apart from this Agreement, but shall be in keeping with UNIVERSITY'S policy on consulting and ownership of intellectual property developed by UNIVERSITY employees.

11.07 Any payment, notice, or other communication given ·under this Agreement (except for correspondence relating to patent filing, prosecution and/or maintenance matters under Article VII herein) shall be in writing and shall be deemed delivered when sent by certified first class mail, registered mail, or overnight courier, or by facsimile, provided that a copy of such facsimile is promptly sent by certified first class mail, registered or overnight courier, addressed to the Parties as follows (or at such other addresses as the Parties may notify each other in writing):

If to UNIVERSITY:

Office of Technology Management & Industry Relations
340A Bond Life Sciences Center
Columbia, MO 65211
Attn.: Director

If to LICENSEE: Organovo

5871 Oberlin Dr. Suite 150
San Diego, CA 92121
Attn.: CEO

11.08 This Agreement constitutes the entire and only agreement between the Parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements, and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by a written document signed by both Parties.

11.09 None of the terms, covenants, and conditions of this Agreement can be waived except by the written consent of the Party waiving compliance.

11.10 A failure by one of the Parties to this Agreement to assert its rights for or upon any breach or default of this Agreement shall not be deemed a waiver of such rights nor shall any such waiver be implied from acceptance of any payment. No such failure or waiver in writing by any one of the Parties hereto with respect to any rights, shall extend to or affect any subsequent breach or impair any right consequent thereon.

11.11 If any sentence, paragraph, clause or combination of the same is found by a court of competent jurisdiction to be in violation of any applicable law or regulation, or is unenforceable or void for any reason whatsoever, such sentence, paragraph, clause or combinations of the same shall be severed from the Agreement and the remainder of the Agreement shall remain binding upon the Parties.

11.12 The headings of the paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof.

11.13 This Agreement shall be construed, interpreted, and applied in accordance with the laws of the State of Missouri. Any action to enforce the provisions of the Agreement shall be brought in a court of competent jurisdiction and proper venue in the State of Missouri.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in duplicate originals by their duly authorized officers or representatives.

THE CURATORS OF THE UNIVERSITY
OF MISSOURI

BY: /s/ Christopher M. Fender
NAME: Christopher M. Fender
TITLE: Director, OTMIR
DATE: March 12, 2010

LICENSEE

BY: /s/ Keith Murphy
NAME: Keith Murphy
TITLE: Chief Executive Officer
DATE: March 17, 2010

EXHIBIT A

US Patent Application No. 61/337,037 titled “ENGINEERED BIOLOGICAL NERVE GRAFT, FABRICATION AND APPLICATION THEREOF”

Exhibit 10.25

LICENSE AGREEMENT

BETWEEN

CLEMSON UNIVERSITY
RESEARCH FOUNDATION

AND

Organovo, Inc.

CURF #01-025

Patent# 7,051,654

Entitled “Ink-Jet Printing of Viable Cells”

CURF License Agreement # _____

This Agreement is made and entered into by and between the Clemson University Research Foundation, a corporation duly organized and existing under the laws of South Carolina and having its principal office at 91 Technology Drive, AMRL Building, Anderson, South Carolina 29625 (hereinafter referred to as "CURF") and Organovo, Inc., a corporation duly organized under the laws of Delaware and having its principal office at 5871 Oberlin Dr., Suite 150, San Diego, CA 92121 (hereinafter referred to as "LICENSEE"). CURF and LICENSEE shall herein also be referred to collectively as "PARTIES" or individually as "PARTY."

WITNESSETH

WHEREAS, Clemson University (hereinafter referred to as "UNIVERSITY") is the assignee of certain TECHNOLOGY (as later defined herein) and PATENT RIGHTS (as later defined herein) developed at UNIVERSITY;

WHEREAS, CURF is organized and operates exclusively for the benefit of, to perform the functions of or to carry out specific purposes of UNIVERSITY, including but not limited to promoting and encouraging scientific research at UNIVERSITY and transferring and licensing technology developed at UNIVERSITY. CURF is responsible for the management and protection of and is authorized to enter into license agreements for intellectual property developed at UNIVERSITY;

WHEREAS, CURF and UNIVERSITY desire to have TECHNOLOGY and PATENT RIGHTS developed and commercialized to benefit the public and is willing to grant a license hereunder; and

WHEREAS, LICENSEE desires to obtain an exclusive royalty -bearing license to use TECHNOLOGY, to practice under PATENT RIGHTS, and to manufacture, use and sell in the commercial market the products made in accordance therewith upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the PARTIES hereto agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 **"CONFIDENTIAL INFORMATION"** means all information pertaining to TECHNOLOGY and /or PATENT RIGHTS unless and until the TECHNOLOGY and any pending patent applications under the PATENT RIGHTS are described in or encompassed by a published U .S. or foreign patent application or issued patent. This information shall be deemed confidential.

1.2 **"EFFECTIVE DATE"** means the date of the last signature of an authorized officer or representative of the PARTIES affixed hereto below.

1.3 **"FIELD OF USE"** means all fields

1.4 **"GOVERNMENT**" means the United States Government or any agency thereof.

1.5 **“INVENTOR(S)”** means and includes Thomas Boland, Tao Xu, William C. Wilson Jr.

1.6 **“LICENSED PRODUCT” or “LICENSED PRODUCTS”** means any PROCESS or PRODUCT, or any combination thereof, made, having been made, sold, used, leased, provided and/or imported by LICENSEE or its SUBLICENSEES.

1.7 **“NET REVENUES”** means the gross amount billed or invoiced by LICENSEE or its SUBLICENSEES for (1) sale, rental, lease, use and/or other disposition of LICENSED PRODUCT and for (2) any SERVICE performed by LICENSEE or its SUBLICENSEE, less the following: (a) sales, use, occupation, and excise taxes and tariff duties; (b) outbound transportation prepaid or allowed; (c) discounts allowed in amounts customary in the trade; and (d) amounts allowed or credited on returns and allowances in lieu of return. No deductions shall be made for commissions paid to individuals whether they are with independent sales agencies or regularly employed by LICENSEE or SUBLICENSEE and on its payroll, or for costs of collections. LICENSED PRODUCT shall be considered sold, rented, leased, used or otherwise disposed of when billed out, invoiced, shipped or payment is received, whichever event occurs first.

1.8 **“NON-COMMERCIAL RESEARCH PURPOSES”** means the use or practice of the licensed TECHNOLOGY or PATENT RIGHTS for academic, research and all other not¬ for-profit or scholarly purposes.

1.9 **“PATENT RIGHTS”** shall mean (a) any U.S. patents and/or patent applications (including provisional applications) listed in Appendix A; (b) any continuations, divisions, and claims of U.S. continuations-in-part thereof; (c) any patents which issue on any of the foregoing applications including patents resulting from extensions, reissues or re-examinations thereof; and (d) any and all foreign patents and/or patent applications resulting from or corresponding to the U.S. patents and/or patent applications described in (a), (b), or (c) above, which will be automatically incorporated in and added to this Agreement and shall periodically be added to Appendix A.

1.10 **“PROCESS” or “PROCESSES”** means any process, procedure or method that is covered in whole or in part by a VALID CLAIM contained in PATENT RIGHTS.

1.11 **“PRODUCT” or “PRODUCTS”** means any product or part thereof that is (a) covered in whole or in part by a VALID CLAIM contained in PATENT RIGHTS; or (b) is manufactured by using a PROCESS.

1.12 **“SERVICE”** means any service that incorporates or uses PRODUCTS or PROCESSES.

1.13 **“SUBLICENSEE”** means a third party to which LICENSEE has granted a sublicense in accordance with the terms of this Agreement to make, have made, use, lease, sell, import and/or provide LICENSED PRODUCTS.

1.14 **“TECHNOLOGY”** means the invention described in CURF Ref. 01-025, dated 8118/2000, entitled “Protein Jet Printing onto Solid Substrata.”

1.15 **“TERRITORY”** means worldwide

1.16 **“VALID CLAIM”** means (a) a claim of an issued, unexpired patent which has not been held invalid or unenforceable by a final, un-appealable decision of a court or other

governmental agency of competent jurisdiction and which has not been admitted to be invalid through reissue, disclaimer or otherwise; or (b) any claim of a pending patent application.

ARTICLE 2 - GRANT

2.1 CURF hereby grants to LICENSEE, subject to the terms and conditions of this Agreement, the exclusive right and license for the FIELD OF USE in the TERRITORY to use TECHNOLOGY, to practice under PATENT RIGHTS, and to make, have made, use, lease, sell, provide and/or import LICENSED PRODUCTS until the end of the term for which PATENT RIGHTS are granted, all to the extent not prohibited by other patents, unless terminated earlier hereunder.

2.2 The grant in Section 2.1 shall be subject to, restricted by and non-exclusive with respect to:

(a) The reserved rights of CURF, for itself and for UNIVERSITY, to practice the licensed PATENT RIGHTS and use TECHNOLOGY for any NON-COMMERCIAL RESEARCH PURPOSES, including sponsored research and collaborations, and the right to extend these reserved rights to INVENTOR(S), any non-profit academic or research institution or organization, and any successor(s) of CURF or UNIVERSITY. LICENSEE agrees that, notwithstanding any other provisions of this Agreement, it has no right to enforce the licensed PATENT RIGHTS against CURF, UNIVERSITY, or any institution or INVENTOR(S) that are granted rights m accordance with this Section 2.2.

(b) Any non-exclusive license of TECHNOLOGY that CURF is required by law or regulation to grant to the GOVERNMENT or to a foreign country pursuant to an existing or future treaty with the United States of America.

(c) Any rights of GOVERNMENT or any restrictions or obligations that may be imposed for any TECHNOLOGY or PATENT RIGHTS developed with the support of GOVERNMENT as provided in United States laws and regulations and in its contract(s) with CURF, UNIVERSITY and/or any of the INVENTOR(S).

2.3 The provisions of this Agreement shall not be construed in such a manner as to restrict the ability of CURF or that of its licensees or assigns to use TECHNOLOGY or to practice under PATENT RIGHTS outside of the FIELD OF USE or in the FIELD OF USE outside TERRITORY for any commercial or non-commercial purposes.

2.4 LICENSEE agrees that the right of publication of TECHNOLOGY shall reside with UNIVERSITY. CURF shall use its best efforts to provide a copy of each proposed publication to LICENSEE for pre-publication review at least thirty (30) days before submission to a publisher. If LICENSEE identifies potentially patentable subject matter in any such publication, and so notifies CURF, then CURF shall notify INVENTOR(S) and shall use its best efforts to delay submission and publication for up to a combined maximum of ninety (90) days or until a patent application has been filed for such subject

matter, whichever occurs first. Such review will in no way be construed as a right to restrict such publication.

2.5 This Agreement, unless terminated earlier pursuant to Article 13, shall terminate on the expiration of the last to expire patent under PATENT RIGHTS, whereupon the exclusive licenses granted hereunder shall be fully paid and LICENSEE and SUBLICENSEES shall be free to develop, make, have made, use, sell, have sold, practice or provide LICENSED PRODUCTS without further duties or responsibilities to CURF.

2.6 LICENSEE shall have the right to enter into sublicensing agreements for the rights, privileges and license granted hereunder with respect to the use of TECHNOLOGY and the practice of PATENT RIGHTS within TERRITORY and in the FIELD OF USE provided that LICENSEE is not in default of its obligations hereunder. Upon any termination of this Agreement, SUBLICENSEE's rights shall also terminate, subject to Section 13.8 hereof. No sublicense shall relieve LICENSEE of any of its obligations under this Agreement. LICENSEE has no obligation to enter into any such sublicensing agreement.

2.7 LICENSEE agrees that any and all sublicenses granted by it shall be subject to this Agreement in all respects and each such sublicense shall:

(a) Include a requirement that the SUBLICENSEE use its best efforts to bring the subject matter of the sublicense into commercial use as quickly as is reasonably possible;

(b) Include copies of Articles 2, 5, 7, 8, 9, 10, 11, 12, 13 and 15 of this Agreement and shall provide that the obligations of LICENSEE to CURF contained in such Articles shall be binding upon the SUBLICENSEE as if it were a party to this Agreement;

(c) Prohibit further sublicensing by the SUBLICENSEE; and

(d) Contain a provision stating that CURF shall be an intended third-party beneficiary of such sublicense agreement.

2.8 LICENSEE agrees to forward to CURF a copy of any and all sublicenses (including, without limitation, all amendments and addenda) granted hereunder within thirty (30) days of execution by the parties thereto.

2.9 LICENSEE shall not receive from SUBLICENSEES anything of value in lieu of cash payments as consideration for any sublicense under this Agreement without the express prior written permission of CURF, such permission shall not be unreasonably withheld.

2.10 LICENSEE's failure to perform in accordance with any and all of these Sections relating to sublicenses with regard to a particular sublicense shall render such attempted sublicense void, shall constitute a material breach of this Agreement and shall be grounds for CURF to terminate this Agreement pursuant to Section 13.5 herein.

2.11 CURF shall have no obligation to provide LICENSEE with technical information concerning TECHNOLOGY or PATENT RIGHTS or to provide technical assistance in the development or commercialization of TECHNOLOGY or PATENT RIGHTS. In the event that LICENSEE requires technical assistance with respect to the activities conducted by LICENSEE pursuant to this Agreement, obtaining such technical assistance

(whether from the INVENTOR(S) or otherwise) shall be the responsibility of LICENSEE and at the expense of LICENSEE.

2.12 The license granted hereunder shall not be construed to confer any rights upon LICENSEE by implication, estoppel or otherwise as to any technology not specifically set forth in Appendix A.

ARTICLE 3 - DILIGENCE

3.1 LICENSEE shall use its best efforts to bring one or more LICENSED PRODUCTS to market through a thorough, vigorous and diligent program for exploitation of PATENT RIGHTS and to continue active, diligent marketing efforts for one or more LICENSED PRODUCTS throughout the life of this Agreement.

3.2 LICENSEE shall adhere to the following performance milestones:

(a) LICENSEE shall deliver to CURF within thirty (30) days of the EFFECTIVE DATE of this Agreement a commercialization plan showing the amount of money, number and kind of personnel, and time budgeted and planned for each phase of development of LICENSED PRODUCT.

(b) LICENSEE shall commit at least $100,000 USD toward development of equipment incorporating the TECHNOLOGY by 2014.

(c) LICENSEE shall develop a working model of LICENSED PRODUCT on or before December 31st 2013, which shall be certified by a signed written statement to CURF within thirty (30) days of the development.

(d) LICENSEE shall make a first commercial sale of LICENSED PRODUCT on or before December 31st 2015 and shall notify CURF in writing within thirty (30) days of the first commercial sale.

ARTICLE 4 - CONSIDERATION

4.1 For the rights, privileges and license granted hereunder, LICENSEE shall pay to CURF until expiration or termination of this Agreement the following:

(a) A License Issue Fee of thirty-two thousand five hundred U.S. dollars, ($32,500), which shall be deemed earned upon the EFFECTIVE DATE. Such License Issue Fee is neither refundable nor creditable against future fees or royalties of any type.

The License Issue Fee shall be payable in 4 quarterly payments according to the schedule here described.

i. The first payment ($8,125.00 USD) will be due immediately upon the EFFECTIVE DATE

ii. The second payment ($8,125.00 USD) will be due on or before August 31st 2011.

iii. The third payment will be will be due on or before the December 31st, 2011.

iv. The final payment will be due on or before April 31st, 2012.

(b) LICENSEE and CURF agree to execute the convertible equity promissory note with a principal value of [***], attached hereto as APPENDIX D.

(c) Running Royalties in the amount equal to a percentage of NET REVENUES

i. For annual NET REVENUES [***] of NET REVENUES

ii. For annual NET REVENUES [***] of NET REVENUES

(d) An Annual Minimum Royalty in the amount here described during the term of this Agreement.

i. An Annual Minimum Royalty in the amount of [***] payable on or before January 1, 2014.

ii. An Annual Minimum Royalty in the amount of [***] payable on and on or before January 1, 2015

iii. An Annual Minimum Royalty per year in the amount of [***] pay able on January 1, 2016, and on or before January 1 of each year thereafter during the term of this agreement

Annual Minimum Royalties paid each year shall be creditable against Running Royalties (defined above) earned and payable in the same calendar year. Annual Minimum Royalties paid in excess of Running Royalties earned and payable in a given calendar year shall not be creditable against Running Royalties in future years.

(e) In addition to Running Royalties, forty percent (40%) of all payments including but not limited to, up front payments, license fees, issue fees, maintenance fees and milestone payments received from third parties, including SUBLICENSEES, in consideration for sublicensing rights to LICENSED PRODUCTS.

4.2 Any amount due to CURF as a result of each LICENSED PRODUCT made, having been made, used, sold, rented, leased, imported or provided pursuant to the license rights granted by this Agreement shall accrue at the time LICENSEE or SUBLICENSEE leases, bills, invoices, ships or receives payment, whichever shall occur first, for such

LICENSED PRODUCT. All amounts accrued for the benefit of CURF shall be deemed held in trust for the benefit of CURF until payment of such amounts is made to CURF.

4.3 All payments due hereunder shall be paid in full, without deduction of taxes or other fees that may be imposed, except as otherwise provided in Section 1.7.

4.4 No multiple royalties shall be payable because any LICENSED PRODUCT, its manufacture, use, lease, provision or sale are or shall be covered by more than one issued patent or patent application in PATENT RIGHTS licensed under this Agreement.

4.5 Amounts payable to CURF hereunder shall be paid in United States dollars in Anderson, South Carolina, or at such other place as CURF may reasonably designate consistent with the laws and regulations controlling in any foreign country. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made using the exchange rate reported in the Wall Street Journal on the last business day of the calendar reporting period to which such payments relate.

4.6 LICENSEE's failure to make any payment under this Article 4 shall be grounds for CURF to terminate this Agreement pursuant to Section 13.3.

4.7 Any undisputed amount owed by LICENSEE to CURF shall, if overdue, bear interest at a rate of five percent (5%) after sixty (60) days of the due date specified in the Agreement. LICENSEE shall also pay all reasonable collection costs incurred by CURF in obtaining payment of past due amounts, including reasonable attorney's fees. The payment of such interest shall not foreclose CURF from exercising any other rights it may have as a consequence of the lateness of any payment.

ARTICLE 5 - REPORTS AND RECORDS

5.1 LICENSEE shall submit a Licensee Information Form attached hereto as Appendix B within ten (10) days of the Effective Date of this Agreement and shall verify and update the information annually within 30 days of notice from CURF.

5.2 No later than sixty (60) days after December 31 of each calendar year, LICENSEE shall provide to CURF a written annual progress report describing progress by LICENSEE and any SUBLICENSEES on research and development, regulatory approvals, manufacturing, sublicensing, marketing, and sales during the preceding twelve (12) month period ending December 31 and plans for the forthcoming year. If multiple technologies are covered by the license granted hereunder, the progress report shall provide the information set forth above for each technology. LICENSEE also shall provide any additional data CURF reasonably requires to evaluate LICENSEE's performance and compliance with the terms of this Agreement.

5.3 LICENSEE, within sixty (60) days after June 30 and December 31 of each year, shall submit to CURF a Royalty Report attached hereto as Appendix C. The first such Royalty Report shall be due within sixty (60) days after December 31st, 2011 and shall include all information since the Effective Date of this Agreement. With each Royalty Report

submitted, LICENSEE shall pay to CURF the royalties due and payable under this Agreement. If no royalties shall be due, LICENSEE shall so report.

5.4 LICENSEE, within ninety (90) days following the close of its fiscal year, shall provide to CURF LICENSEE's financial statements for the preceding fiscal year including, at a minimum, a balance sheet and income statement.

5.5 LICENSEE shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amount payable to CURF hereunder. The books of account shall be kept at LICENSEE's principal place of business or the principal place of business of the appropriate division of LICENSEE to which this Agreement relates. The books and the supporting data shall be open at all reasonable times for five (5) years following the end of the calendar year to which they pertain to the inspection of CURF or its agents for the purpose of verifying LICENSEE's royalty statement or compliance in other respects with this Agreement. Should such inspection lead to the discovery of a shortage equal to or greater than five percent (5%) of the total amount due in the period under audit, LICENSEE shall promptly reimburse CURF for the full cost of such inspection, the shortage and an interest of five percent (5%) on any shortage due.

ARTICLE 6 - PATENT PROSECUTION

6.1 CURF shall, be responsible for the maintenance of any and all applications and patents included in the PATENT RIGHTS. CURF shall consult with LICENSEE as to the maintenance of such applications and patents and shall furnish to LICENSEE copies of documents relevant to any such maintenance. CURF and LICENSEE shall cooperate fully in determining, in a timely manner, the countries in which patent protection shall be maintained. Each PARTY shall provide to the other prompt notice as to all matters that come to its attention and which may affect the maintenance of any such patents. In particular, LICENSEE will immediately notify CURF if LICENSEE or a SUBLICENSEE does not qualify as a "small entity" as provided by the United States Patent and Trademark Office.

6.2 Payment of all fees and costs relating to the preparation, filing, prosecution and maintenance of PATENT RIGHTS shall be reimbursed by the LICENSEE, whether such fees and costs were incurred before or after the date of this Agreement. Such reimbursements for expenses accrued prior to the EFFECTIVE DATE, as detailed in APPENDIX E are due according to the following schedule:

(a) Fifty percent (50%) of patent fees related to PATENT RIGHTS accrued prior to the EFFECTIVE DATE are due on the EFFECTIVE DATE.

(b) The remaining fifty percent (50%) of patent fees related to PATENT RIGHTS accrued prior to the EFFECTIVE DATE are due on or before June 301 2011.

Such reimbursements for expenses accrued on or after EFFECTIVE DATE shall be made within thirty (30) day of receipt of invoice from CURF, and, if overdue, shall be subject

to late charges as provided in Section 4.7. The exact amount of such expenses accrued to date are specified in APPENDIX E. No additional costs beyond that should be born without written approval of LICENSEE, except maintenance fees in existing jurisdictions, or which an estimated forward projection should be provided.

6.3 In the event LICENSEE elects to discontinue maintenance of any patent issued thereon, or if LICENSEE elects not to continue to pay the patent expenses under the PATENT RIGHTS, in any country, LICENSEE shall notify CURF no later than thirty (30) days prior to any applicable statutory bar date or response due date. From and after the date of such notice:

(a) LICENSEE and its SUBLICENSEES shall have no rights, privileges or license in the specified country(ies) under this Agreement;

(b) LICENSEE shall have no responsibility for expenses incurred in preparation, filing, prosecution and maintenance of PATENT RIGHTS in the specified country(ies);

(c) LICENSEE agrees that it will not thereafter manufacture, use, sell or provide LICENSED PRODUCTS in the specified country(ies); and

(d) The specified country(ies) will be automatically deleted from TERRITORY.

6.4 All patent applications and issued patents contained in PATENT RIGHTS shall be owned by UNIVERSITY or CURF.

ARTICLE 7 - INFRINGEMENT

7.1 Each PARTY shall inform the other PARTY promptly in writing of any alleged infringement of PATENT RIGHTS by a third party and any available evidence thereof.

7.2 During the term of this Agreement, LICENSEE shall have the first right, but shall not be obligated to prosecute at its own expense, all infringements or misappropriations of TECHNOLOGY. LICENSEE may, for such purposes, include CURF as party plaintiff, if necessary, without expense to CURF. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of CURF, which consent shall not unreasonably be withheld. The total cost of any such infringement or misappropriation action commenced or defended solely by LICENSEE shall be borne by LICENSEE, and LICENSEE shall keep any recovery or damages for past infringement or misappropriation derived therefrom subject to the payment of a percentage on any recoveries net of costs and expenses as an “other payment” in accordance with Section 4.1(e). LICENSEE shall indemnify CURF against any order for costs that may be made against CURF in such proceedings.

7.3 If within three (3) months after having been notified of any alleged infringement, LICENSEE is unsuccessful in persuading the alleged infringer to desist and has not brought or is not diligently pursuing an infringement action or if LICENSEE notifies CURF at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, CURF shall have the right, but shall not be

obligated, to prosecute at its own expense all infringements or misappropriations of TECHNOLOGY and CURF may, for such purposes, include LICENSEE as a party plaintiff in any such suit, without expense to LICENSEE. The total cost of such infringement action commenced or defended solely by CURF shall be borne by CURF and CURF shall keep any recovery or damages for past infringement derived therefrom.

7.4 In the event that LICENSEE shall undertake the enforcement and/or defense of the TECHNOLOGY by litigation, LICENSEE may withhold up to fifty percent (50%) of the payments otherwise due CURF under Article 4 hereunder and apply the same toward payment of up to half of LICENSEE's expenses, including reasonable attorney's fees, in connection therewith. LICENSEE shall modify the Royalty Report form to reflect any withholdings. Any recovery of damages by LICENSEE for each such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of LICENSEE relating to such suit, and next toward reimbursement of CURF for any payments under Article 4 past due or withheld and applied pursuant to this Section 7.4. LICENSEE shall keep the balance remaining from any such recovery subject to the payment of a percentage as an "other payment" in accordance with Section 4.1(e).

7.5 In any infringement or misappropriation suit that either PARTY may institute to enforce the PATENT RIGHTS pursuant to this Agreement, the other PARTY hereto shall, at the request and expense of the PARTY initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens and the like.

7.6 LICENSEE, during the exclusive period of this Agreement, shall have the sole right in accordance with the terms and conditions herein to sublicense any alleged infringer for the FIELD OF USE for future use of the PATENT RIGHTS. Any upfront fees as pm1 of such a sublicense shall be treated pursuant to Article 4.

ARTICLE 8 - LIABILITY AND INDEMNIFICATION

8.1 LICENSEE shall at all times during the term of this Agreement and thereafter, indemnify, defend and hold INVENTOR(S) and CURF, UNIVERSITY, and their trustees, directors, officers, employees and affiliates harmless against all claims, proceedings, demands and liabilities of any kind whatsoever, including legal expenses and reasonable attorney's fees related to third party claims, arising out of injury, including death, to any person or persons or out of any damage to property, resulting from the production, manufacture, sale, use, lease, consumption, provision or advertisement of the LICENSED PRODUCTS or arising from any obligation of LICENSEE hereunder, excepting only claims that PATENT RIGHTS infringe third party intellectual property.

8.2 LICENSEE shall obtain and carry in full force and effect commercial, general liability insurance that shall protect LICENSEE, CURF, INVENTOR(S) and UNIVERSITY with respect to events covered in Section 8.1. Such insurance shall be written by a reputable insurance company authorized to do business in the state of South Carolina, shall list CURF, INVENTOR(S) and UNIVERSITY as additional named insureds thereunder,

shall be endorsed to include product liability coverage and shall require thirty (30) days written notice to be given to CURF prior to any cancellation or material change thereof. The limits of such insurance shall not be less than one million U.S. dollars ($1,000,000.00) per occurrence with an aggregate of two million U.S. dollars ($2,000,000.00) for personal injury or death and not be less than one million U.S. dollars ($1,000,000.00) per occurrence with an aggregate of two million U.S. dollars ($2,000,000.00) for property damage. LICENSEE shall provide CURF with Certificates of Insurance evidencing the same within thirty (30) days of the EFFECTIVE DATE of this Agreement.

8.3 Except as otherwise expressly set forth in this Agreement, INVENTOR(S) and CURF, UNIVERSITY, and their trustees, directors, officers, employees and affiliates make no representations and extend no warranties of any kind, either express or implied, including but not limited to warranties of merchantability, fitness for a particular purpose, validity of PATENT RIGHTS claims, issued or pending, and the absence of latent or other defects, whether or not discoverable. Nothing in this Agreement shall be construed as a representation made or warranty given by CURF that the practice by LICENSEE of the license granted hereunder shall not infringe the patent, copyright, trademark or other intellectual property rights of any third party. In no event shall INVENTOR(S) and CURF, UNIVERSITY, and their trustees, directors, officers, employees, and affiliates be liable for incidental or consequential damage of any kind, including economic damage or injury to property and lost profits, regardless of whether INVENTOR(S), CURF or UNIVERSITY shall be advised, shall have other reason to know or in fact shall know of the possibility.

8.4 In no event shall LICENSEE, its directors, officers, employees, or affiliates be liable for incidental or consequential damages arising out of any of the terms or conditions of this Agreement, or with respect to their performance or lack thereof.

8.5 CURF shall have no liability to LICENSEE for any use of TECHNOLOGY or PATENT RIGHTS by a third party (including but not limited to UNIVERSITY and its employees) that is not specifically authorized in writing by CURF, and such use shall not constitute a breach of this Agreement.

ARTICLE 9 - EXPORT CONTROLS

9.1 It is understood that CURF is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of GOVERNMENT and /or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without prior approval of such

agency CURF neither represents that a license shall not be required nor that, if required, it shall be issued.

ARTICLE 10 - CONFIDENTIALITY AND NON-USE OF NAMES

10.1 LICENSEE and its employees, agents and contractors shall maintain in confidence all CONFIDENTIAL INFORMATION furnished to LICENSEE or its employees, agents or contractors by any of the INVENTOR(S), CURF or UNIVERSITY or by persons, offices or facilities of CURF or UNIVERSITY in connection with this Agreement. Neither LICENSEE nor any of its respective employees, agents or contractors shall use CONFIDENTIAL INFORMATION for any purpose except in connection with the exercise of the license granted hereunder. Only those employees, agents and contractors of LICENSEE who are subject to a preexisting, written obligation of confidentiality shall be assigned to perform duties that involve the use of or require access to such CONFIDENTIAL INFORMATION. LICENSEE shall inform (and shall require its SUBLICENSEES to inform) all of its employees, agents and contractors who are assigned to perform duties involving the use or exploitation of any CONFIDENTIAL INFORMATION of the confidentiality obligations created by this Agreement and shall assure their agreement to be bound by such confidentiality obligations prior to disclosing to such employees, agents and contractors any CONFIDENTIAL INFORMATION.

10.2 Notwithstanding any provision contained in this Agreement, LICENSEE shall not be required to maintain in confidence any of the following information:

(a) Information which, at the time of disclosure to LICENSEE, IS m the public knowledge;

(b) Information which, after disclosure to LICENSEE, becomes part of the public knowledge by publication or otherwise, except by breach of this Agreement;

(c) Information which was lawfully in LICENSEE’s possession (as reflected in its written records) at the time of disclosure by the disclosing party, and which was not acquired, directly or indirectly, from INVENTOR(S), CURF or the UNIVERSITY;

(d) Information which the LICENSEE can demonstrate by written documents is the result of its own research and development independent of disclosures hereunder;

(e) Information which the LICENSEE receives from third parties, provided such information was not obtained by such third parties from INVENTOR(S), CURF or the UNIVERSITY on a confidential basis and that LICENSEE has no notice of that such information is confidential; and

(f) Information which LICENSEE is required to disclose by law or pursuant to the order of a court or other tribunal of competent jurisdiction, provided LICENSEE gives CURF written notice of such order prior to the disclosure thereof and gives CURF an opportunity to seek a protective order from such court or tribunal.

10.3 LICENSEE shall not use the names, trademarks, or service marks of CURF or the UNIVERSITY, nor any adaptation thereof, nor the names of any of their employees or

any INVENTOR(S), in any advertising, promotional or sales literature without prior written consent obtained from CURF except that LICENSEE may state that it is licensed by CURF under one or more of the patents and/or applications comprising the PATENT RIGHTS. Any use of the names of CURF, UNIVERSITY, their employees or any INVENTOR(S) shall be limited to statements of fact and shall not imply endorsement of LICENSEE's products or services.

10.4 CURF shall not use the names, trademarks, or service marks of LICENSEE, nor any adaptation thereof, nor the names of any of its employees, in any advertising, promotional or sales literature without prior written consent obtained from LICENSEE. Any use of the names of LICENSEE or its employees shall be limited to statements of fact.

10.5 CURF shall maintain confidentially of information contained in reports received by the LICENSEE, which is clearly marked as confidential, to the extent permitted by state and federal law.

ARTICLE 11 - ASSIGNMENT

11.1 Neither this Agreement nor any obligation or right hereunder is assignable by LICENSEE except with written approval by CURF; provided however that LICENSEE, upon written notice to CURF, may assign this Agreement to a successor in ownership of all or substantially all of its business assets, provided such successor expressly agrees to assume LICENSEE'S obligations under this Agreement.

ARTICLE 12 - DISPUTE RESOLUTION

12.1 All disputes arising out of or related to this Agreement or the performance, enforcement, breach or termination hereof, and any remedies relating thereto, shall be construed, governed, interpreted and applied in accordance with the laws of the United States of America and of the State of South Carolina. The South Carolina State Courts of Pickens County, South Carolina (or, if there is exclusive federal jurisdiction, the United States District Court for South Carolina) shall have exclusive jurisdiction and venue over any dispute arising out of this Agreement, and LICENSEE consents to the jurisdiction of such courts, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted.

12.2 Notwithstanding the foregoing, nothing in this Article 12 shall be construed to waive rights or timely performance of any obligations existing under this Agreement.

ARTICLE 13 - TERMINATION

13.1 Upon any termination of this Agreement, excluding termination due to expiration of patents pursuant to Section 2.5, all rights, privileges and license granted hereunder shall terminate and all rights to TECHNOLOGY and PATENT RIGHTS shall revert to CURF and/or UNIVERSITY.

13.2 If LICENSEE shall cease to carry on its business, this Agreement shall terminate upon notice by CURF.

13.3 Should LICENSEE fail to make any payment whatsoever due and payable to CURF hereunder, CURF shall have the right to terminate this Agreement by providing notice of intent to terminate to LICENSEE. The Agreement shall terminate forty-five (45) days from notice unless LICENSEE shall make all such payments to CURF within the forty¬ five (45) day period or CURF shall provide LICENSEE with a written extension thereto. Upon the expiration of the forty-five (45) day period or granted extension, if LICENSEE shall not have made all such payments to CURF, this Agreement shall automatically terminate.

13.4 If LICENSEE shall at any time become insolvent or make a general assignment for the benefit of creditors or if a petition of bankruptcy or any reorganization shall be commenced by, against or in respect of LICENSEE and shall remain un-dismissed for more than ninety (90) days, this Agreement shall automatically terminate.

13.5 Upon any material breach or default of this Agreement by LICENSEE, other than those occurrences set out in Sections 13.2, 13.3, and 13.4 hereinabove, which shall always take precedence in that order over any material breach or default referred to in this Section 13.5, CURF shall have the right to terminate this Agreement effective on forty-five (45) days from receipt of notice to LICENSEE or CURF shall provide LICENSEE with a written extension thereto. Such termination shall be automatically effective unless LICENSEE shall have cured any such material breach or default prior to the expiration of the forty-five (45) day period.

13.6 LICENSEE shall have the right to terminate this Agreement at any time on six (6) months notice to CURF and upon payment of a termination fee equal to the amount of the next Annual Minimum Royalty and all amounts due CURF through the effective date of termination.

13.7 Upon termination of this Agreement for any reason, nothing herein shall be construed to release either PARTY from any obligation that matured prior to the effective date of such termination; and Articles 1, 8, 9, 10, 13.7, 13.8, and 15, excluding 15.1, shall survive any such termination. Notwithstanding the foregoing, the license rights granted to CURF and UNIVERSITY pursuant to section 15.1, shall survive termination if such improvements or modifications are being used as part of an active research project at time of termination. Such license rights will continue through the end of the project. LICENSEE and any SUBLICENSEES thereof, may, however, after the effective date of such termination, complete and sell all LICENSED PRODUCTS in the process of manufacture at the time of such termination, provided that LICENSEE shall make the payments to

CURF as required by Article 4 of this Agreement and shall submit the reports required by Article 5 hereof.

13.8 Upon termination of this Agreement for any reason, any SUBLICENSEE not then in default shall have the right to seek a license from CURF. CURF agrees to negotiate such licenses in good faith under reasonable, and substantially similar terms and conditions.

ARTICLE 14 - NOTICES, PAYMENTS AND OTHER COMMUNICATIONS

14.1 Any payment, notice or other communication pursuant to this Agreement shall be sufficiently made or given on the date of receipt if sent to such PARTY by certified U.S. Postal Service Express Mail, or by using an express courier service (such as Fed Ex, DHL, etc.) addressed to it at the address below or as it shall designate by written notice given to the other PARTY:

In the case of CURF:

Clemson University Research Foundation
Attn: Director
AMRL, Clemson Research Park
91 Technology Drive
Anderson, South Carolina, 29625

In the case of LICENSEE: Organovo, Inc.

ATTN: Chief Executive Officer
5871 Oberlin Dr. Suite 150
San Diego, CA 92121

14.2 Payments may be made by wire transfer rather than by certified mail. If payment is made by wire transfer, the wire transfer fee must be added to payment and written notice that payment was made by wire transfer must be made in accordance with Section 14.1. Wire transfers should be made to the following account:

Name on Account: Clemson University Research Foundation

Account Number: 0005126261642

Routing Number: 053201607

ARTICLE 15 - MISCELLANEOUS PROVISIONS

15.1 During the term of this Agreement, LICENSEE shall fully disclose to CURF all improvements and modifications to TECHNOLOGY and LICENSED PRODUCTS which are developed wholly or partly by LICENSEE or its SUBLICENSEES and their employees, contractors, agents and subsidiaries. The UNIVERSITY and CURF shall have a non-exclusive non -transferable royalty-free license to utilize such improvements

and modifications for NON-COMMERCIAL RESEARCH PURPOSES. LICENSEE hereby acknowledges that the provisions of this paragraph shall not in any way inhibit or detract from the rights of ownership CURF or UNIVERSITY may enjoy in any improvements or modifications to the TECHNOLOGY and LICENSED PRODUCTS developed in whole or in part by INVENTOR(S) or other employees of CURF or the UNIVERSITY.

15.2 Each PARTY expressly acknowledges that the relationship between the PARTIES to this Agreement is that of independent contractors, and not agents, employees or representatives of the other. This Agreement shall not be deemed to create a partnership, joint venture or principal-and-agent relationship between CURF and LICENSEE or UNIVERSITY and LICENSEE. Except as expressly permitted in this Agreement, neither PARTY shall have the authority to bind the other to any agreement or obligation whatsoever, nor shall either PARTY represent that it has any such right or authority to any third party.

15.3 This Agreement constitutes the entire and only agreement between the PARTIES as to the subject matter hereof and all other prior negotiations, representations, agreements and warranties are superseded in totality by this Agreement. No agreements altering or supplementing the terms hereof shall be made except by a written document signed by both PARTIES. To become effective, this Agreement must be signed by LICENSEE within twenty (20) calendar days of signature by CURF.

15.4 If any part of this Agreement is for any reason found to be invalid or unenforceable, all other parts nevertheless remain enforceable.

15.5 LICENSEE and its SUBLICENSEES shall mark all products covered by PATENT RIGHTS with patent numbers in accordance with the statutory requirements in the country(ies) of manufacture, use and sale, and pending the issue of any patents, LICENSEE and its SUBLICENSEES shall mark the products, “Patent Pending,” or the foreign equivalent as appropriate.

15.6 The failure of either PARTY to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a subsequent and/or similar failure to perform any such term or condition by the other PARTY.

15.7 Upon the request of the other PARTY, each PARTY shall execute and deliver such additional documents and perform such other acts as the other PARTY may reasonably request and as may be necessary to affect the purposes and intent of this Agreement.

15.8 All titles and article headings contained in this Agreement are inserted only as a matter of convenience and reference and do not define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions.

IN WITNESS WHEREOF, the PARTIES hereto have executed and delivered this Agreement in multiple originals by their duly authorized officers and representatives on the respective dates shown below.

CLEMSON UNIVERSITY RESEARCH FOUNDATION		Organovo, Inc.	
By	/s/ Vincie C. Albritton	By	/s/ Keith Murphy
Name	Vincie C. Albritton	Name	Keith Murphy
Title	Interim Executive Director	Title	CEO
Date	5/2/2011	Date	5/2/2011

APPENDIX A - PATENT RIGHTS

U.S. Utility Patent# 7,051,654 Entitled “Ink-Jet Printing of Viable Cells”

APPENDIX B- LICENSEE INFORMATION FORM

Clemson University Research Foundation
Annual Licensee Questionnaire

Company/Licensee: _____

CURF Agreement ID: _____

Primary Contact Information

Name: _____

Title: _____

Address: _____

Telephone: _____ Fax: _____

Email: _____

Web site: _____

Accounting Contact Information

Name: _____

Address: _____

City: _____ State _____ Zip Code _____

Telephone: _____ Fax: _____

Email: _____

Fiscal Year _____

Accounting Firm:

Name of Firm: _____

Address: _____

City: _____ State _____ Zip Code _____

Telephone: _____

Contact: _____

Who is responsible for the calculation of royalties due? _____

Does this individual have a copy of the current license agreement? _____

What procedures are performed in calculating royalties? _____

Is a second review performed? _____

Have there been any changes to management in the prior twelve (12) months? _____

If applicable, please provide the following documentation:

- Certificate of Insurance for the most recent period.
- Most current product catalogue.

I certify that the information provided in this report is accurate and complete. I understand that negligent or willful failure to disclose any requested information may result in penalty or termination of the associated agreement.

_____	_____
Authorized Signature	*Printed Name*
_____	_____
Title	*Date*

APPENDIX C - ROYALTY REPORT FORM

ROYALTY REPORT FORM

Please also complete a separate form for each AFFILIATE and sublicensee for each product sold.

Submitted by: _____ (Company Name and Address)

Submit to: Clemson University Research Foundation P.O. Box 946 Clemson, South Carolina 29633-0946

Report Period: Beginning date: _____ Ending date: _____

During the prior period:

Were any new licensed products added to your inventory? _____

Did the company have its first commercial sale? _____

If so, date of first commercial sale. _____

a. If not, please submit a progress towards commercialization update report. _____

2. Did the company grant its first sublicense? _____

a. If so, date of first sublicense. _____

3. Total amount invoiced for licensed products /processes? _____

4. Total amount invoiced for licensed services? _____

Royalty Report for the period indicated above.

A. Annual minimum royalty amount due this license year $_____

B. Less royalties previously paid this license year:

a. January – March $_____

b. April – June $_____

c. July – September $_____

d. October – December $_____

Annual minimum less payments $_____

C. Report Period:

Product Number (SKU)	Product, Process, or Service Description	Product Manufactured	Country	Units Sold or Leased	Sales Price per Unit	Gross Sales (US$)

Total gross sales $_____

a. Less Deductions $_____

I. Sales, Use, Occupation and Excise Tax $_____

2. Transportation $_____

3. Discounts $_____

4. Returns and Allowances $_____

Total net sales $_____

Royalty rate _____%

Royalty due this period

$_____

D. The greater of remaining annual minimum /royalty amount due.

$_____

E. Sublicensing Fees

$_____

F. Total amount due to CURF (D+E)

$_____

(If there were no sales of licensed product, process or service for the period, please indicate by using zeros (0) in the form above.)

I certify that the information provided in this report is accurate and complete. I understand that negligent or willful failure to disclose any requested information may result in penalty or termination of the associated agreement.

_____ _____

Authorized Signature *Printed Name*

_____ _____

Title *Date*

APPENDIX E - PATENT EXPENSES

Patent fees related to PATENT RIGHTS accrued prior to the EFFECTIVE DATE:

Vendor/Provider	TechiD	Patent Serial No	Expense Type	Vendor Invoice Date	Paid to Date by CURF	Balance Remaining
Dority & Manning	01-025		Patent Search	02/28/2001	1308.45	0.00
Dority & Manning	01-025		Patent Search	07/31/2001	120.25	0.00
Dority & Manning	01-025		Patent Search	03/31/2003	74.19	0.00
Dority & Manning	01-025	60/474,469	Provisional Patent Filings	04/30/2003	1295.63	0.00
Dority & Manning	01-025	60/474,469	Provisional Patent Filings	05/31/2003	7135.64	0.00
Dority & Manning	01-025	60/474,469	Provisional Patent Filings	08/31/2003	144.51	0.00
Dority & Manning	01-025	10/666,836	US Patent Legal Fees	08/31/2003	170.00	0.00
Dority & Manning	01-025	10/666,836	US Patent Legal Fees	09/30/2003	3581.60	0.00
Dority & Manning	01-025	10/666,836	US Patent Legal Fees	01/31/2004	208.36	0.00
Dority & Manning	01-025	10/666,836	US Patent Legal Fees	02/29/2004	1027.51	0.00
Dority & Manning	01-025	10/666,836	US Patent Legal Fees	03/31/2004	2110.58	0.00
Dority & Manning	01-025	PCT/US2004/011276	Foreign Fees	04/30/2004	2659.10	0.00
Dority & Manning	01-025	10/666,836	US Patent Legal Fees	01/31/2005	1304.56	0.00
Dority & Manning	01-025	10/666,836	US Pa tent Legal Fees	05/31/2005	1217.63	0.00
Dority & Manning	01-025	10/666,836	Miscellaneous Legal Fees	06/30/2008	720.00	0.00
Computer Packages Inc.	01-025	10/666,836	Maintenance /Annuity Fees	08/31/2009	715.00	0.00
					$23,793.01	

Note: As stated in provision 6.2, these expenses are to be reimbursed by LICENSEE to CURF

- $11,896.50 due on EFFECTIVE DATE
- 11,896.51 due on or before June 30'11 2011

Estimated* schedule of future maintenance fees due related to PATENT RIGHTS:

(*These fees and dates may be subject to change according to USPTO future policy changes)

7.5 years after issue: maintenance payment due to USPTO5/30/14

- Small entity $1,240.00
- Large entity $2,480.00

11.5 years after issue: maintenance payment due to USPTO5/30/18

- Small entity $2,055.00
- Large entity $4,110.00

ORGANOVO, INC.

NOTE PURCHASE AGREEMENT

ORGANOVO, INC.

NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT (the "Agreement") is made as of the 2nd day of May, 2011 (the "Effective Date") by and among Organovo, Inc., a Delaware corporation (the "Company"), and the persons and entities named on the Schedule of Purchasers attached hereto (individually, a "Purchaser" and collectively, the "Purchasers").

RECITAL

To provide the Company with additional resources to conduct its business, the Purchasers are willing to loan to the Company up to an aggregate amount of three million dollars ($3,000,000), subject to the conditions specified herein.

AGREEMENT

Now, Therefore, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the Company and each Purchaser, intending to be legally bound , hereby agree as follows:

1. AMOUNT AN D TERMS OF THE LOAN

1.1 The Loan. Subject to the terms of this Agreement, each Purchaser agrees to lend the Company at the Closing (as hereinafter defined) the amount set forth opposite each such Purchaser's name on the Schedule of Purchasers attached hereto (each, a "Loan Amount" and collectively the "Total Loan Amount" or "Loan") against the issuance and delivery by the Company of a convertible promissory note or notes for such amount, in substantially the form as attached hereto as Exhibit A (each, a "Note" and collectively, the "Notes"). Each Note shall be convertible into shares of Equity Securities as provided in such Note.

2. THE CLOSING

2.1 Closing Date. The closing of the sale and purchase of the Notes (the "Closing") shall be held on the Effective Date, or at such other time as the Company and a majority in interest of the Purchasers shall agree (the "Closing Date").

2.2 Delivery. At the Closing (i) each Purchaser shall deliver to the Company a check or wire transfer funds in the amount of such Purchaser's portion of the Loan Amount; and (ii) the Company shall issue and deliver to each Purchaser a Note in favor of such Purchaser payable in the principal amount of such Purchaser's Loan Amount.

2.3 Subsequent Sales of Notes. At any time on or before the 60th day following the Closing, the Company may sell additional Notes to such persons as may be approved by the Company (the "Additional Purchasers"). All such sales made at any additional closings (each an "Additional Closing"), shall be made on the terms and conditions set forth in this Agreement, and (i) the representations and warranties of the Company set forth in Section 3 hereof shall speak as of the Closing and the Company shall have no obligation to update any such disclosure,

and (ii) the representations and warranties of the Additional Purchasers in Section 4 hereof shall speak as of such Additional Closing. The Schedule of Purchasers may be amended by the Company without the consent of the Purchasers to include any Additional Purchasers upon the execution by such Additional Purchasers of a counterpart signature page hereto. Any Notes sold pursuant to this Section 2.3 shall be deemed to be "Notes" for all purposes under this Agreement and any Additional Purchasers thereof shall be deemed to be "Purchasers" for all purposes under this Agreement.

3. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF TH E COMPANY

The Company hereby represents and warrants to each Purchaser as follows:

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

3.2 Corporate Power. The Company will have at the Closing Date all requisite corporate power to execute and deliver this Agreement, to issue each Note (collectively, the "Loan Documents"), and to carry out and perform its obligations under the terms of this Agreement and under the terms of each Note. The Company's Board of Directors has approved the Loan Documents based upon a reasonable belief that the Loan is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation.

3.3 Authorization. All corporate action on the part of the Company, its directors and its stockholders necessary for the authorization, execution, delivery and performance of this Agreement by the Company and the performance of the Company's obligations hereunder, including the issuance and delivery of the Notes and the reservation of the equity securities issuable upon conversion of the Notes (the "Conversion Securities") has been taken or will be taken prior to the issuance of such Conversion Securities. This Agreement and the Notes, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and , with respect to rights to indemnity, subject to federal and state securities laws. The Conversion Securities, when issued in compliance with the provisions of this Agreement and the Notes, will be validly issued, fully paid and nonassessable and free of any liens or encumbrances and issued in compliance with all applicable federal and securities laws.

3.4 Governmental Consents. All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any governmental authority, required on the part of the Company in connection with the valid execution and

delivery of this Agreement, the offer, sale or issuance of the Notes and the Conversion Securities issuable upon conversion of the Notes, or the consummation of any other transaction contemplated hereby shall have been obtained and will be effective at the Closing.

3.5 Compliance with Laws. To its knowledge, the Company is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation of which would materially and adversely affect the business, assets, liabilities, financial condition, operations or prospects of the Company.

3.6 Compliance with Other Instruments. The Company is not in violation or default of any term of its certificate of incorporation or bylaws or of any judgment, decree, order or writ, other than such violation(s) that would not have a material adverse effect on the Company. The execution, delivery and performance of this Agreement and the Notes, and the consummation of the transactions contemplated hereby or thereby will not result in any such violation• or be in conflict with, or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, decree, order or writ or an event that results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license authorization or approval applicable to the Company, its business or operations or any of its assets or properties. Without limiting the foregoing, the Company has obtained all waivers reasonably necessary with respect to any preemptive rights, rights of first refusal or similar rights, including any notice or offering periods provided for as part of any such rights, in order for the Company to consummate the transactions contemplated hereunder without any third party obtaining any rights to cause the Company to offer or issue any securities of the Company as a result of the consummation of the transactions contemplated hereunder.

3.7 Offering. Assuming the accuracy of the representations and warranties of the Purchasers contained in Section 4 hereof, the offer, issue, and sale of the Notes and the Conversion Securities are and will be exempt from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the “Act”), and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable state securities laws.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

4.1 Purchase for Own Account. Each Purchaser represents that it is acquiring the Notes and the Conversion Securities (collectively, the “Securities”) solely for its own account and beneficial interest for investment and not for sale or with a view to distribution of the Securities or any part thereof, has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

4.2 Information and Sophistication. Without lessening or obviating the representations and warranties of the Company set forth in Section 3, each Purchaser hereby: (i) acknowledges that it has received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Securities, (ii) represents

that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and to obtain any additional information necessary to verify the accuracy of the information given the Purchaser and (iii) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

4.3 Ability to Bear Economic Risk. Each Purchaser acknowledges that investment in the Securities involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

4.4 Further Limitations on Disposition. Without in any way limiting the representations set forth above, each Purchaser further agrees not to make any disposition of all or any portion of the Securities unless and until:

(a) There is then in effect a Registration Statement under the Act covering such proposed disposition and such disposition is made in accordance with such Registration Statement; or

(b) The Purchaser shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, such Purchaser shall have furnished the Company with an opinion of counsel , reasonably satisfactory to the Company, that such disposition will not require registration under the Act or any applicable state securities laws, provided that no such opinion shall be required for dispositions in compliance with Rule 144, except in unusual circumstances.

(c) Notwithstanding the provisions of paragraphs (a) and (b) above, no such registration statement or opinion of counsel shall be necessary for a transfer by such Purchaser to a partner (or retired partner) or member (or retired member) of such Purchaser in accordance with partnership or limited liability company interests, or transfers by gift, will , or intestate succession to any spouse or lineal descendants or ancestors, if all transferees agree in writing to be subject to the terms hereof to the same extent as if they were Purchasers hereunder.

4.5 Accredited Investor Status. Each Purchaser is an “accredited investor” as such term is defined in Rule 501 under the Act.

4.6 Further Assurances. Each Purchaser agrees and covenants that at any time and from time to time it will promptly execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

5. FURTHER AGREEMENTS

5.1 Market Standoff Agreement. No Purchaser shall sell , dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities,

including without limitation of the Securities) of the Company held by such Purchaser, for a period of time specified by the managing underwriter(s) (not to exceed one hundred eighty (180) days, or such longer period as may be necessary to facilitate compliance with NASD Rule 2711 , NYSE Member Rule 472 or any similar or successor rule) following the effective date of a registration statement of the Company filed under the Act. Each Purchaser agrees to execute and deliver such other agreements as may be reasonably requested by the Company and/or the managing underwriter(s) which are consistent with the foregoing or which are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop¬ transfer instructions with respect to such Common Stock (or other securities) until the end of such period. The underwriters of the Company's stock are intended third patty beneficiaries of this Section 5.1 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

6. MISCELLANEOUS

6.1 Binding Agreement. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied , is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California, without giving effect to conflicts of laws principles.

6.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.4 Title and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified , (b) when sent by confirmed telex, electronic mail, or facsimile if sent during normal business hours of the recipient, if not then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested , postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at 5871 Oberlin Dr., Suite 150, San Diego, CA, 92121, and to Purchaser at the address(es) set forth on the Schedule of Purchasers attached here to or at such other address(es) as the Company or Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

6.6 Modification: Waiver. No modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective unless in writing and approved by the Company and the Purchasers purchasing a majority of the Total Loan Amount. Any

provision of the Notes may be amended or waived by the written consent of the Company and the holders of a majority of the outstanding principal amount of the Notes.

6.7 Expenses. The Company and each Purchaser shall each bear its respective expenses and legal fees incurred with respect to this Agreement and the transactions contemplated herein.

6.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to each Purchaser, upon any breach or default of the Company under this Agreement or any Note, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character by Purchaser of any breach or default under this Agreement, or any waiver by any Purchaser of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing and that all remedies, either under this Agreement, or by law or otherwise afforded to the Purchaser, shall be cumulative and not alternative.

6.9 Entire Agreement. This Agreement and the Exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein.

IN WITNESS WHEREOF, the parties have executed this **NOTE PURCHASE AGREEMENT** as of the date first written above.

COMPANY:

By: /s/ Keith Murphy

ORGANOVO, INC.

By: /s/ Keith Murphy

PURCHASER:

By: /s/ Vincie C. Albritton
Vincie Albritton
Interim Executive Director

Clemson University Research Foundation
AMRL, Clemson Research Park
91 Technology Drive
Anderson, South Carolina, 29625

SCHEDULES AND EXHIBITS

Schedule of Purchasers

Exhibit A: Form of Convertible Security Note

SCHEDULE OF PURCHASERS

Name	Loan Amount
Clemson University Research Foundation	$ [***]

Exhibit A

Form of Convertible Promissory Note