



## **Apnex Medical, Inc. Raises Additional \$14 Million**

**St. Paul, MN, December 2, 2009** - Apnex Medical, Inc., a private medical device company, announced that it has completed a second round of private equity financing totaling \$14 million. The funds will be used to complete a clinical study and develop a second generation of its proprietary implantable technology designed to treat obstructive sleep apnea (OSA).

Participants in the financing include Domain Associates, New Enterprise Associates (NEA), Polaris Venture Partners and Michael Berman. The current board includes Robert Atkinson, CEO, and Michael Berman, Chairman, together with Brian Chee, John Nehra and Nimesh Shah representing Polaris, NEA and Domain, respectively. This financing brings the total investment in Apnex Medical to \$30 million.

“We are very excited about the early results with the Apnex Hypoglossal Nerve Stimulation (HGNS™) System in our clinical study. Our technology really has the potential to change the lives of people suffering from OSA. This round of financing will allow us to finish our initial clinical study and get us that much closer to market,” said Robert Atkinson, CEO.

“From prior research published by Drs. Alan Schwartz and Philip Smith, we know that hypoglossal nerve stimulation has the potential to reduce OSA severity. The clinical study of the Apnex HGNS System should provide evidence of its safety and effectiveness over time,” said Mr. Atkinson. Drs. Schwartz and Smith, both Professors of Medicine at Johns Hopkins University School of Medicine, are among the early pioneers in this field and serve as consultants to Apnex Medical.

### **About Apnex Medical**

Apnex Medical was founded in 2006 with a mission to pioneer medical innovations to improve the health of people with sleep disordered breathing. The company has developed a proprietary implantable medical device for the treatment of OSA. The Apnex HGNS System is currently being evaluated in clinical studies in Australia and the United States.

### **About Obstructive Sleep Apnea (OSA)**

“OSA is a very serious health condition, and if left untreated, it can lead to major health problems. Currently the majority of sleep apnea remains undiagnosed and among those who are diagnosed, many are either untreated or only partially treated. Thus, many of us are supportive of research into new forms of therapy,” said Atul Malhotra, Medical Director of the Brigham and Women’s Sleep Disorders Research Program and an Associate Professor at Harvard Medical School in Boston. Dr. Malhotra performs research into the mechanisms underlying sleep apnea and serves as a consultant to Apnex Medical. Malhotra further stated “If you think you have a sleep problem, you should talk to your doctor or consider seeing a specialist”.

According to the World Health Organization, approximately 100 million people worldwide are suspected to have OSA. In the United States, symptomatic OSA affects 1 in 4 men and 1 in 9 women. OSA causes fragmented sleep and excessive daytime sleepiness, resulting in an increased risk in accidents and lost productivity. Untreated OSA is also associated with an increased risk in stroke, high blood pressure, coronary artery disease, heart failure and type 2 diabetes. Recent studies have also confirmed that untreated OSA is associated with an

increased risk of death. Current OSA treatments are not always successful or well tolerated. The Apnex HGNS System is designed to provide an alternative treatment for OSA that addresses these problems.

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**CAUTION:** The Apnex HGNS System is an investigational device and is limited by Federal Law to investigational use.

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