

## News From



### **IMALUX RECEIVES FUNDING, FDA CLEARANCE**

#### **For Release: Immediate**

**Cleveland, OH, August 23, 2004** -- Imalux Corporation ("Imalux"), a medical device company preparing to market its Niris Imaging System based on Optical Coherence Tomography ("OCT") technology, today announced the first close of a \$5 million Series B capital raise. The company raised \$3,724,000 toward a total round of \$5 million, and expects to close the full round at the end of September. Imalux has now raised \$9.3 million in capital since its founding in 1996.

Investors in the current raise include lead investor BIOMECH, as well as Early Stage Partners, Symark LLC, RMS Investment Corporation, and BioInfo Accelerator, all Cleveland-based, and Columbus, Ohio-based Reservoir Venture Partners.

Concurrent with the funding news, Imalux announced that the U.S. Food & Drug Administration (FDA) has cleared the Imalux Niris Probe Sheath for market release. The Imalux Niris Probe Sheath is an accessory to the Imalux Niris Imaging System, which the FDA cleared for market release this past March.

"We are pleased to lead this latest round of investment in Imalux," noted BIOMECH Chairman & CEO Trevor O. Jones. "The Imalux Niris Imaging System is a platform product, and the company has consistently hit key milestones. We have great confidence in the management team led by Lloyd Breedlove. We anticipate significant advances into clinical markets in the coming months."

"Our long-term perspective is that the Imalux System will make significant inroads into multiple clinical application areas, and become the next, broadly used imaging modality", noted Bill Sanford, Chairman of the Imalux Board of Directors. "Imalux continues Cleveland's tradition of innovation in medical imaging".

"I am grateful for the continuing support and confidence of our investors," said Imalux President & CEO J. Lloyd Breedlove. "With the second FDA clearance and the additional investment, Imalux is gathering momentum and is now prepared to begin a targeted market introduction of the Niris Imaging System." Breedlove continued, "Niris will provide an important tool to streamline the delivery of patient care without compromising clinical outcome—a single episode of care. We are anxious to enter this next phase of our company's life."

#### **About Imalux & the Niris Imaging System**

Imalux is a Cleveland-based corporation that is commercializing Optical Coherence Tomography ("OCT") technology originally developed at the Institute of Applied Physics of the Russian Academy of Sciences, one of the two main progenitors of OCT technology worldwide. OCT is a proven technology that is on the verge of becoming the sixth major imaging modality.

The company's Niris Imaging System provides real-time, high spatial resolution, two-dimensional, cross-sectional depth visualization of tissue microstructure. The compact, point-of-care system creates images utilizing harmless near infrared light. The spatial resolution of the system is on the order of 0.01 mm, surpassing conventional ultrasound imaging by an order of magnitude. The System has been under evaluation with physicians in a number of specialty areas and has been tested on over 2,000 patients worldwide at leading medical institutions including the Cleveland Clinic Foundation and George Washington University Medical Center.

#### **About Biomech**

BIOMECH Inc. is a Cleveland headquartered biomedical device company established in 1998 with the specific objective of accelerating promising technology from major medical and academic institutions,

national laboratories, and from internal proprietary developments to successful commercial products. Additionally, BIOMEC has product development and investment coalitions with several companies, including Enpath Medical Inc. in Minneapolis.

**About Early Stage Partners LP**

Early Stage Partners LP is an early stage venture capital fund based in Cleveland, Ohio. The company invests primarily in promising opportunities in the life sciences, information technology and advanced manufacturing, and polymers and advanced materials. The company's principals have over sixty years combined experience in early stage company formation and development, with a significant network of relationships throughout the United State that can be used to attract management, develop strategic partnerships, and provide later stage funding.

**About Reservoir Venture Partners**

Reservoir Venture Partners, a venture capital firm located in Columbus, Ohio, brings capital, business-building acumen, and a strong network to entrepreneurs and their teams. Reservoir targets investments in seed and early-stage technology-focused companies with an emphasis on biosciences and information technology. The firm focuses on investments in Ohio and throughout the Midwest.

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