

Capillary Biomedical Closes \$2.9 Million Series Seed Financing for Commercialization of Novel Insulin Infusion Technology

Funding boosts development of breakthrough infusion set designed to eliminate failures and improve the quality of life for millions of diabetics

Irvine, CA – August 14, 2018 – Capillary Biomedical, Inc. (CapBio) today announced that it has raised \$2.9 million in a Series Seed funding led by the **Cove Fund** with participation by a broad syndicate of Angel Groups and accredited investors. The use of funds will include clinical studies to support an initial 510(k) filing and preparation for market launch in 2019.

CapBio has developed the SteadiSet™ infusion set with SteadiFlow™ technology, a patented design that addresses several key failure points with current infusion sets that dramatically affect the health, quality of life, and cost for the 1.2 million worldwide insulin pump users. Research results specific to CapBio's SteadiFlow technology were announced at this year's Scientific Sessions of the American Diabetes Association in Orlando.

CapBio CEO Paul Strasma stated, "Our SteadiFlow infusion set technology is designed to reduce set failures, improve comfort and simplify insertion. It is a best of both worlds design, with a kink-proof cannula that is more reliable than Teflon cannulas and gentler to the tissue than steel needles."

CapBio VP of Sales and Marketing, Mark Estes added, "We intend to partner with leading pump companies to distribute our infusion set technology. We believe that SteadiFlow technology will help pump users and those who help care for them by reducing the stress and burden of pump therapy"

CapBio Co-founder Professor Jeffrey Joseph of the Sidney Kimmel Medical College at Thomas Jefferson University, added, "Our novel approach is intended to address the root causes of insulin absorption variability and infusion set failure which will improve the predictability of insulin pump therapy."

The core cannula technology was developed by Dr. Joseph at the Jefferson Artificial Pancreas Center of Thomas Jefferson University with grant funding from the National Institutes of Health and JDRF, the leading global organization funding Type 1 diabetes research.

The patent-pending helical infusion set inserter was developed by the Capillary Biomedical, Inc. team while resident at "The Cove" at UC Irvine Applied

Innovation. The resulting device is expected to have significant advantages over current infusion sets available in the market with greater reliability, improved comfort, and greater ease of insertion.

The Series Seed financing involved several Angel groups, including **Tech Coast Angels, New York Angels, HBS Alumni Angels of New York, Pasadena Angels and the Mass Medical Angels**, making the financing one of the broadest and most successful syndications among Angel investor groups. Other investors included the ACE Fund, PA Fund and NYA Fund.

About Capillary Biomedical, Inc.

Capillary Biomedical, Inc. (CapBio), headquartered in Irvine, California, is developing a novel infusion set for use with insulin pumps for the intensive management of diabetes. The company has assembled a veteran team of diabetes technology entrepreneurs, conducted extensive preclinical research, developed a minimal viable product, and filed multiple patent applications. The company recently completed a series seed preferred equity financing led by the Cove Fund of Orange County and syndicated among leading angel groups. Funds will be used for clinical trials and regulatory clearance leading to commercial launch in 2019. Learn more about Capillary Biomedical by visiting www.capillarybio.com.

About the Cove Fund

The Cove Fund is a family of seed-stage venture capital funds that provides startup funding for promising new Southern California ventures. The Fund is headquartered in “The Cove” at UC Irvine Applied Innovation, a centrally located and vibrant gathering place for entrepreneurs, innovators and investors in the Southern California startup ecosystem. The \$5.6M Cove Fund I began investing in 2015 and currently has 16 companies in its portfolio. Cove Fund II launched in early 2018 with \$14.2M in capital. The funds invest in early stage technology and life science companies that demonstrate the potential to address large markets with highly differentiated products and services, and that can achieve significant value-creating inflection points with their seed funding.

Learn more about the other participating Angel groups:

Tech Coast Angels <https://www.techcoastangels.com/>

New York Angels <http://www.newyorkangels.com/>

HBS Alumni Angels of New York <https://www.hbsangelsny.com/members>

Pasadena Angels <http://pasadenaangels.com/>

Mass Medical Angels <http://www.massmedangels.com/>

To obtain illustrations, more information, or to conduct interviews with Capillary principals or Dr. Jeffrey Joseph, contact Paul Williams at paul@medialinecommunications.com or 310/569-0023.