

## **Pathway Medical Closes \$25 Million in Funding**

### ***Continues focus on Endovascular Treatment for Peripheral Arterial Disease***

**November 1, 2006—Redmond, WA**—Pathway Medical Technologies, Inc., an innovator of endovascular treatments for peripheral arterial disease (PAD), announced today that it has closed a \$25 million Series B round of financing. Two new investors joined the financing round: lead investor HLM Venture Partners and Latterell Venture Partners. In addition, previous investors Oxford Bioscience, Giza Ventures and ABN ARMO also participated.

"We see this investment as a way to participate in an exciting market with a differentiated and compelling technology," said Dan Galles, General Partner at HLM. "In early clinicals, the Pathway Atherectomy System has shown great promise as an effective way to treat patients suffering from peripheral arterial disease." He adds, "Physicians performing endovascular procedures continue to face clinical challenges. As a result, they look for easy-to-use, effective technologies. The Pathway Atherectomy System has the potential to address these challenges."

Pathway CEO and President Tom Clement commented: "We are very pleased with this financing and the addition of HLM and Latterell as investors in Pathway. This investment round not only validates our team but also our technology and its potential in the marketplace."

PAD is a serious disease affecting an estimated 14 million people in the U.S. PAD results when atherosclerotic obstructions cause narrowed or blocked arteries that reduce blood flow to the arms or legs. These blood flow restrictions can cause severe pain while performing relatively simple tasks. Over time, avoiding treatment could result in more severe complications, such as skin discoloration, infections and sores that will not heal and, in extreme cases, eventual amputation.

#### **About Pathway Medical**

Pathway Medical Technologies, Inc., located in Redmond, Washington, was founded in 1998 to design, develop and manufacture innovative medical devices intended for the treatment of arterial disease. The company's initial focus is on peripheral artery disease.

#### **About HLM Venture Partners**

Boston-based HLM provides venture capital to emerging companies focused on health care information technology, health care services and medical technology. HLM's partners offer invaluable support to entrepreneurs as they turn innovative ideas into market-leading businesses, offering guidance on financial structuring and mergers, resource allocation and deployment, strategic planning, strategic introductions and recruitment.

#### **About Latterell Venture Partners**

Latterell Venture Partners (LVP) is a San Francisco based venture capital firm specializing in creating and investing in early stage medical device and biopharmaceutical companies. The General Partners at LVP have more than 100 years of combined experience building successful companies and have played a significant role at a large number of successful medical device companies including

Boston Scientific, Cardiothoracic Systems, Cardiovascular Imaging Systems, Ensure Medical, EP Technologies, Integrated Vascular Systems, Omniflow, Oratec Interventions and Xtent, among others.

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