



Satiety, Inc. Completes \$30 Million Series D Financing

17 July 2007

Business Wire

PALO ALTO, Calif. - (BUSINESS WIRE) - Satiety, Inc. today announced the closing of a \$30 million Series D financing. The financing was led by new investor Skyline Ventures of Palo Alto, CA and Waltham, MA. Other new investors included HLM Venture Partners and Pinnacle Ventures. Existing investors Venrock, Three Arch Partners, Morgenthaler Ventures and Thomas Fogarty also participated in the financing. John Freund of Skyline Ventures will join the company's board of directors and Stephen Sullivan of Skyline and Al Wiegman of HLM will be observers to the board.

"We have been watching the obesity device space for a number of years and finally found an investment that we found compelling," said John Freund of Skyline. "We were impressed with Satiety's strong clinical data showing weight loss, and the fact that the company's TOGa procedure mimics the restrictive anatomy created with other surgical procedures for obesity, but is performed entirely transorally. We think the promise of significant weight loss, coupled with significantly reduced risk, makes Satiety very exciting."

"We are very pleased to have teamed up with a strong group of new investors, and to benefit from the continued support of our existing investors," said Greg Patterson, President and CEO of Satiety. "To date we have made great strides in clinical studies outside the U.S. This round will enable us to embark on our U.S. pivotal study for FDA approval, which we expect to begin later this year."

About Obesity, Current Treatment

Obesity is a global disease that affects more than 300 million people worldwide, according to WHO. Obesity causes or contributes to numerous serious medical conditions including type 2 diabetes, hypertension, cardiovascular disease, arthritis, sleep apnea, and certain types of cancer. Approximately 22 million adults in the U.S. are considered morbidly obese (BMI greater than 35) and another 50 million are obese (BMI greater than 30).

The most common treatments for obesity - diet, exercise and pharmacologic therapy - have poor long-term success rates. Obesity surgery, which entails surgical restriction of the size of the stomach with or without re-routing the intestine to cause malabsorption, has been proven to be the only effective means of achieving sustainable weight loss in obese patients. While the current surgical treatments for obesity are effective, they are major procedures involving irreversible reconstruction of gastrointestinal anatomy or requiring surgical implants. Many patients who could benefit from these procedures forgo surgery due to the significant complications and long-term adverse event rates associated with these procedures. In 2005, 170,000 patients underwent bariatric surgical procedures, or 1.2% of the eligible patient population.

About the TOGa(TM) Procedure and Satiety, Inc.

The TOGa Procedure is a completely transoral procedure designed to achieve similar weight loss to restrictive surgeries. The procedure is designed to be less invasive, require significantly less recovery time and have dramatically reduced complications, compared to existing surgical options. In the TOGa Procedure, the physician introduces a stapling device transorally and creates a restrictive pouch at the entry of the stomach. The effect is anatomically similar to other

restrictive procedures, which physically restrict the amount of food a patient can eat. The procedure is non-surgical, endoscopic, and may be performed by properly trained bariatric surgeons, general endoscopic surgeons, and gastroenterologists. The TOGa System is an investigational device, and is not approved by the FDA or any other regulatory agency.

Satiety, Inc. was founded in 2001 through a collaboration of medical device incubators Thomas Fogarty Engineering and The Foundry, and is headquartered in Palo Alto, California.

About Skyline Ventures

Skyline Ventures is a nationally-known venture capital firm with offices in Palo Alto, CA and Waltham, MA, that specializes in hands-on investing in medical device and biopharmaceutical companies. Each of the six Skyline partners has either an MD or PhD degree, as well as senior operating experience in a successful growth company in healthcare.

Satiety, Inc. Rachel Croft, 650-320-2127 Vice President of Marketing rcroft@satietyinc.com