

MicroVention Raises \$12.5 Million in Late-Stage Financing: Minimally Invasive Technology Attracts Several New Medical Device Investors

August, 2001: MicroVention, Inc., a privately held company and leading developer of minimally invasive catheter-based products to treat cerebral aneurysms and ischemic stroke, recently closed a \$12.5 million round of Series C venture capital funding. Capital raised in this round brings total financing in MicroVention to over \$24 million.

The investment was led by two of Silicon Valley's top medical device venture capital firms, DeNovo Ventures and Delphi Ventures. Also participating were Asset Management Partners and previous investors Crosspoint Venture Partners, Advanced Technology Ventures and Domain Associates.

The funding will be used to increase sales and marketing initiatives and bring the company's leading endovascular devices to market. To be released in 2002, MicroVention's HydroCoil^ä device is designed to treat cerebral aneurysms, which affect approximately 5 million people annually in the U.S. Most aneurysms are currently treated by neurosurgery, which involves a craniotomy. Only about 20 percent of patients are currently treated with the less-invasive endovascular approach despite a substantial reduction of morbidity, mortality and overall cost due to the limitations of current embolization devices. MicroVention's patented devices are designed to improve the long-term outcome of endovascular treatment and significantly reduce the trauma, recovery time and costs associated with major cerebral and vascular surgery.

"MicroVention's ability to secure late-stage financing in the competitive medical device industry directly reflects the promise of our minimally invasive approach to treating cerebral aneurysms and other disorders," said Robert Rosenbluth, President and CEO. "This key round of funding places MicroVention on the fast-track for both launching our first product and aggressively bringing a second into clinical trials."

"We are very enthusiastic about the market potential of the endovascular aneurysm products that MicroVention has created," said Fred Dotzler, Managing Director, De Novo Ventures. "Our investment decision was based on extremely positive feedback from clinicians during the due diligence process, as well as the company's seasoned management team and overall market strategy."

The MicroVention Approach

MicroVention's approach to treating cerebral aneurysms and hemorrhagic stroke incorporates proprietary hydrogel technology, which allows for improved filling, leading to a more complete healing. The company estimates the worldwide market for endovascular devices for the treatment of cerebral aneurysms will grow from approximately \$125 million in 2001 to over \$500 million within the next five to ten years.

MicroVention's hydrogel-based device, called the HydroCoil^ä, expands in-situ after deployment to provide increased space filling and improved healing. The HydroCoil is designed to treat cerebral aneurysms, which occur, in approximately 2 percent of Americans. Part of the HydroCoil system involves the placement of the MicroPlex^ä Coil System. The MicroPlex device is a platinum coil with a unique design that provides improved performance characteristics, particularly in wide-necked aneurysms. The MicroPlex forms a stable matrix for further filling by the HydroCoil or may be used independently as a stand-alone product. Both the HydroCoil and MicroPlex systems use the same proprietary controllable detachment system.