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Afferent Corporation Announces \$6.2 Million of Financing

Financing combines \$4 million equity capital with existing \$2.2 million of NIH research support

Providence, RI (October 27, 2004)—Afferent Corporation, an early-stage medical device company focused on treating chronic neurologic dysfunction, today announced that it has raised \$4 million in Series-A financing and has secured more than \$2.2 million in recent National Institutes of Health (NIH) research grant awards. New Science Ventures, LLC of New York led the Series-A and was joined by New England-based co-investors Point Judith Capital Partners, Long River Ventures, and Village Ventures, and Nitta Corporation of Japan. All current institutional investors—Boston University, Slater Center for Biomedical Technology, and Pharos, LLC—also participated.

“Afferent’s unique approach to treating large under-served patient populations, combined with the scientific and clinical validation provided by recent studies and the NIH awards, made our company an attractive investment opportunity,” said Jason D. Harry, Ph.D., President and CEO of Afferent Corporation. “We are excited to have the opportunity to work with an expanded group of investors whose unique blend of financial capability, industry knowledge, and business experience complements our existing team so well.”

The company’s core technology is being developed as a means to treat diabetic neuropathy, improve post-stroke rehabilitation, and prevent elderly falls. By enhancing the function of mechanoreceptor cells involved in sensory perception, the company’s devices increase “afferent signaling,” the flow of neurological information that originates in the extremities and travels to the central nervous system. Currently, Afferent is conducting animal and human pre-clinical studies at leading academic medical centers throughout the United States and Canada, including Beth Israel Deaconess Medical Center and Spaulding Rehabilitation Hospital (affiliates of Harvard Medical School), and Northwestern University’s Feinberg School of Medicine.

“Afferent is well positioned to take advantage of an emerging healthcare trend of treating neurological problems directly with medical devices,” said Somu Subramaniam, Managing Partner of New Science Ventures. “The company’s primary advantage in the marketplace is its exceptional expertise in the area of neurosensory stimulation, and its ability to provide new treatment options for literally millions of patients in the U.S. and abroad.”

Fully half of the 16 million diabetics in the U.S. could eventually suffer from nervous system damage that may be responsive to treatment with the company’s technology. The American Stroke Association has cited that more than 700,000 individuals will suffer a stroke this year, and that some 4.5 million people in the U.S. have a chronic disability resulting from stroke. The National Center for Injury Prevention and Control has estimated the annual cost of fall-related injuries among the 35 million elderly in the U.S. to be \$20 billion; by 2020, that figure could exceed \$30 billion.

“Afferent represents the type of strong regional investment that stands out among its peers,” stated Gina Raimondo, Managing Partner, Point Judith Capital Partners. “We look forward to helping Afferent become a leading player in the neurotherapeutic medical device arena.”

Afferent will deploy the new investment capital for product development, clinical testing, regulatory filings, and initial market entry. The NIH SBIR research grants will support new technology development and pilot clinical studies. Three institutes within the NIH have provided support for work in different clinical areas: National Institute of Disorders and Stroke, the National Institute of Diabetes and Digestive and Kidney Diseases, and the National Institute of Child Health & Human Development.

About Afferent Corporation

Afferent Corporation, based in Providence, Rhode Island, is pioneering the development of a new class of medical devices to treat chronic neurological dysfunction. Its lead technology enhances the function of mechanoreceptor cells involved in sensory perception as a means of addressing complications resulting from diabetic neuropathy, restoring brain function following stroke, and improving elderly balance. Afferent’s development efforts are being pursued in collaboration with leading biomedical and clinical researchers throughout the United States and Canada. Building on this technology platform, Afferent aims to establish a leadership position in the emerging field of neurotherapeutic devices.

About New Science Ventures

New Science Ventures, LLC is a New York-based venture capital fund focused on science-based investments with an emphasis on early stage companies. Previous investments have been in the medical device, biotechnology, and material science sectors.

About Point Judith Capital Partners

Point Judith Capital Partners is an early-stage venture capital firm investing in information technology, healthcare, and communications companies in New England.

About Long River Ventures

Long River Ventures is an early-stage venture capital firm investing in information technology, healthcare and communications companies. Long River Ventures works with exceptional entrepreneurs to build great businesses in emerging geographic markets of New England. Long River Management is the management company for the Long River Venture Fund and the Worcester Venture Fund.

About Village Ventures

Village Ventures is an early-stage venture capital firm investing in exceptional entrepreneurs building technology and life sciences companies in emerging U.S. technology centers. Recognizing the potential of these markets, and with backing from leading global venture capital firms, Village Ventures has built a network of 13 Partner Funds specifically focused on identifying the highest quality investment opportunities in these regions.

About Nitta Corporation

Founded in 1885 in Japan, Nitta Corporation is a leading international technology company with deep experience in polymers, semiconductor process products, mechatronics, and sensors. Nitta is leveraging this background to create new businesses that address significant healthcare needs. In collaboration with its U.S. partner, Lucas Instruments, Nitta forms strategic relationships with select American companies to develop synergistic technology opportunities.