

## **NBI Development Closes \$5.5 Million in Seed Round Financing**

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SAN FRANCISCO--(BUSINESS WIRE)--NBI Development, Inc., an emerging medical device company developing neuromodulation therapies, today announced it has raised its first round of venture capital financing. NBI Development was founded by Mayo Clinic, Bay City Capital and the Venturi Group, and the company's initial focus will be to address unmet needs in chronic pain management using implantable devices. Three Arch Partners and Bay City Capital co-led the investment round with participation from MPM Capital, Aberdare Ventures, Mayo Clinic and the Venturi Group.

"The support of such a premier group of investors with in-depth experience and understanding of the medical device industry, in combination with the clinical expertise of Mayo Clinic and our medical advisors, positions NBI to bring to market novel therapies initially focused in chronic pain management," said Konstantinos Alataris, Ph.D., Chief Executive Officer of NBI Development.

"Three Arch Partners is thrilled to work with the NBI team and excited about the potential to bring innovative technologies into the fast growing neuromodulation space," said William Harrington, a partner at Three Arch Partners. "Neuromodulation represents one of the most significant market opportunities in the medical device industry today with a dramatically under-penetrated market," added Carl Goldfischer, managing director of Bay City Capital. Jan 2006

Neuromodulation, through the use of electrical impulses to modulate the activity in the central, peripheral or autonomic nervous systems, has the potential to enhance the quality of life in individuals who suffer severe chronic illness due to persistent pain, spasticity, movement disorders, epilepsy, ischemia, cardiac, bowel and bladder dysfunction, among other conditions. It is one of the fastest growing medical device markets, projected to grow annually in excess of 20 percent and to exceed the billion-dollar mark by 2010.

NBI Development is an implantable medical device company focused on the development of novel neuromodulation therapies. The need for improved chronic pain therapies drives the company's initial focus to develop an implantable device designed to electrically alter the pain signal pathways. NBI Development has operations in San Francisco, California as well as Rochester and St. Paul, Minnesota.