

FOR IMMEDIATE RELEASE

Kevin Nickels  
President and CEO  
Celleration, Inc.  
10250 Valley View Road  
Suite 137  
Eden Prairie, MN 55344  
(952) 224-8700  
www.celleration.com

Celleration® Receives \$20.6 Million in Series C Funding

*Advanced Wound Care Therapy Device Company to Fund Commercialization and Additional Clinical Testing of the Company's MIST Therapy® With Latest Capital Infusion*

Eden Prairie, MN – November 1, 2005 – Celleration, Inc., an early stage operating company, the developer of a non-contact ultrasound therapy treatment for chronic and hard to heal wounds, announced today it has closed \$20.6 million in Series C financing. Jeffries Broadview advised the Company and served as the placement agent for this transaction. New investors include Triathlon Medical Ventures and New Science Ventures, which co-led the round, with Baird Venture Partners, CID Capital and Seneca Health Partners following. Follow-on investors included Affinity Ventures, Upper Lake Growth Capital, Prism, Venture Investors and AAVIN Equity Partners.

As part of the financing, George Emont, Venture Partner, Triathlon Medical Ventures and Somu Subramaniam, Principal, New Science Ventures, will join the company's board of directors.

“Celleration is very pleased to have raised this additional capital to fund its commercialization plans for our MIST Therapy in patients with chronic and hard to heal wounds, notably diabetic, vascular and pressure ulcers,” said president and CEO, Kevin L. Nickels. “We believe this funding will allow us to continue our pursuit of a dedicated reimbursement code for the technology and fund additional clinical studies concurrent with establishing a solid revenue stream initiated this year. We are encouraged that leading investors such as Triathlon Medical Ventures, New Science Ventures and Baird Venture Partners chose to participate in this financing round along with CID Capital and Seneca Health Partners.”

Chronic wound care is a largely underserved market due to the lack of clinically effective and reimbursed active wound care therapies. Chronic wounds afflict and debilitate upwards of 12 million people annually worldwide; and cost the US health system over \$12 billion. Celleration's MIST Therapy is a portable active wound care therapy that has been shown to increase the incidence of closure and decrease the time to achieve complete wound closure of chronic wounds through the successful completion of a randomized control trial.

“We believe that Celleration is well on their way to commercialization of their product given the results of their clinical trials, their FDA approval, and the increasing demand for their product in the clinics. We are excited to have had the opportunity to lead this investment round and look forward to the progress that the company can now make with this additional funding.” said George Emont, Triathlon Medical Ventures.

"BVP is very pleased to be able to participate in Celleration's Series C financing and support a strong management team commercializing a compelling technology for chronic wound treatment," said Peter Shagory, Baird Venture Partners. "We look forward to working with Celleration and our fellow investors to help the company realize the full clinical and commercial potential of the MIST Therapy System."

#### **About the Company:**

Celleration, Inc., a privately held medical device company, was founded in 1999, to develop and commercialize its therapeutic ultrasound platform. The patented MIST Technology utilizes low intensity ultrasonic sound waves to produce an energized mist of sterile saline in a non-contact fashion. Critical to the Company's strategy is ongoing clinical and scientific research to provide evidence supporting the efficacy of this new technology. The Company's initial focus has been the chronic diabetic foot ulcer market and it has recently completed a prospective, randomized, double-masked, sham controlled multi-center study in diabetic foot ulcers which resulted in a statistically significant improvement in the rate of wound closure and time to wound closure.

#### **About Triathlon Medical Ventures**

Triathlon Medical Ventures is a Midwest-based venture capital firm that invests exclusively in the life sciences. We provide equity capital to early and expansion stage companies with proprietary biomedical technology platforms or products addressing significant human healthcare needs.

Triathlon is geographically focused on early stage opportunities in the Midwest but will also invest in later stage companies nationwide. We are headquartered in Cincinnati, with offices and partners in Indianapolis, Louisville and St. Louis. The partners are industry veterans with extensive experience as both operational managers and venture capitalists.

#### **About New Science Ventures**

New Science Ventures, LLC is a New York-based venture capital fund focused on science-based investments with the potential to create order of magnitude improvements in costs or performance. Previous investments have been in the medical device, biotechnology, and material science sectors. Our portfolio is balanced between early and late stage companies.

#### **About Baird Venture Partners**

With more than 40 investment professionals in the United States and Europe, Baird's global private equity business has raised and managed over \$1.2 billion in capital. Baird Venture Partners makes venture capital investments in early- to growth-stage companies in the Business Services & Software and Healthcare/Life Sciences sectors. Baird Capital Partners provides change-of-control capital and growth capital to U.S.-based, middle-market companies in the Business Services and Manufactured Products sectors. Granville Baird Capital Partners is a long-established private equity manager targeting mid-market growth companies in the UK and Germany with a focus on the Business Services, Healthcare and Industrial Products sectors. Baird Private Equity also has an operating team located in three offices in China, focused on facilitating and executing sourcing, manufacturing and distribution opportunities in Asia for its U.S. and European portfolio companies. The group's investments are supported by Baird's full range of financial advice, operating expertise and industry research, providing a unique full-service approach to the entire private equity investment process. For more information, please visit [www.bairdventurepartners.com](http://www.bairdventurepartners.com).

**About CID Capital**

CID Capital, founded in 1981, has been a leading provider of equity and mezzanine capital to private companies headquartered throughout the United States. CID has invested in nearly one hundred companies and in each investment has partnered with high-caliber, successful entrepreneurs and business owners. In the role of investment partner, CID Capital's investment professionals work actively alongside management and other shareholders to deliver superior investment returns. CID Capital currently manages over \$300 million in venture and mezzanine capital. Visit our website at [www.cidcap.com](http://www.cidcap.com).

**About Seneca Health Partners**

Seneca is a merchant banking and venture capital firm with offices in Birmingham, MI and Lake Forest, IL, which specializes in assisting entrepreneurs and business owners. Through its healthcare venture capital fund, Seneca provides growth capital to healthcare product, service, device and technology companies based in Middle America that have demonstrated commercial success. Visit our website at [www.senecapartners.com](http://www.senecapartners.com).

**Contacts:**

Celleration, Inc., Kevin L. Nickels, 952-224-8701

Celleration, Inc., Leota Pearson, VP of Finance & CFO, 952-224-8702

CID Capital, Peter Kleinhenz, 614-222-8185

Triathlon Medical Ventures, George Emont, 502-569-1590

New Science Ventures, Somu Subramaniam, 212-661-3497

Baird Venture Partners, Timothy Mathison, 608-441-2900