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**nanoMR ANNOUNCES COMPLETION OF  
\$5.5 MILLION SERIES A FINANCING**

*Company's initial product facilitates real time, ultra-sensitive detection  
of bacteria in blood*

ALBUQUERQUE, N.M., June 27, 2008 — nanoMR, an emerging diagnostic company that is developing real time, ultra-sensitive technology for detecting target pathogens in biological samples, today announced the closing of its series A financing, which raised \$5.5 million. The company's first product is a medical device that uses proprietary miniature nuclear magnetic resonance (NMR) technology for ultra-sensitive detection of bacteremia (bacteria in blood), producing results in minutes, compared with the industry standard of 48 hours or more. The funding round was led by vSpring Capital in conjunction with Dow Venture Capital and Sun Mountain Capital.

nanoMR was founded in 2006 by serial entrepreneur Waneta Tuttle, Ph.D., MBA, of venture formation company Puente Partners. Inventors of nanoMR's core technology include Andrew McDowell, Ph.D., and Eiichi Fukushima, Ph.D., of ABQMR. ABQMR is a research and development company that pioneers new applications in the areas of magnetic resonance imaging and NMR. Fukushima and McDowell collaborated with Laurel Sillerud, Ph.D., a biochemist and immunobiology expert at University of New Mexico (UNM), to develop the detection technology. nanoMR has an exclusive worldwide license from the technology inventors at ABQMR and UNM, and has developed a significant patent portfolio.

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“The participation of such a premier group of investors in our first formal round of funding reflects the enormous potential of the science behind nanoMR’s pathogen detection technology,” said Victor Esch, Ph.D., president and CEO of nanoMR. “Our first product will dramatically improve the speed and accuracy of blood culture testing, allowing for faster detection of life-threatening diseases and therefore facilitating proper treatment early. We believe that because of ease of use and speed, our test will be performed more often and more widely. In the near future our products will transform the time-sensitive process of testing blood cultures and other diagnostic cultures into quick and easy tests performed away from the hospital and closer to the patient.”

nanoMR will use the Series A funds to conduct product development, including a prototype to be used in a pilot clinical study. The funds will also be used to establish the company’s business infrastructure and regulatory documentation processes.

### **Initial Product**

nanoMR will make its market debut with an inexpensive diagnostic medical device that addresses the significant unmet clinical need for highly sensitive, expedient detection of bacteria in blood. The U.S. healthcare system performs approximately 45 million blood cultures on 22.5 million patients annually. Currently available blood cultures typically require 12 to 24 hours or more to detect pathogens, and an additional 12 to 24 hours to identify the pathogen. In contrast, nanoMR’s product detects pathogens in minutes, as specifically as 1 bacterium per milliliter of blood. For patients with bacteremia, timing is critical; the presence of pathogens in blood can very quickly lead to sepsis, an invasion of the bloodstream from a focus of infection and the tenth leading cause of death in the United States.

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According to the *New England Journal of Medicine* , 750,000 cases of severe sepsis, including organ dysfunction, occur each year in the United States, with 29 percent of those cases resulting in death. The mortality rate for septic shock – severe sepsis with hypotension – is 60 percent. The average cost to treat sepsis is approximately \$22,000 per case.

nanoMR's technology uses miniaturized nuclear magnetic resonance to detect pathogens in raw blood samples. The system includes a detection device and disposable cartridges and is compact, inexpensive, quantitative, and capable of indicating all clinically pertinent pathogens for blood-borne infections. The detected target can be non-destructively isolated for further study as needed.

nanoMR expects to launch its initial product in Europe within three years. The company will also pursue Food and Drug Administration Premarket Notification (510k) before launching its product in the United States. Other potential market opportunities for nanoMR diagnostic products include additional body fluid cultures, circulating cancer cells, free nucleic acids and diagnostic proteins, as well as industrial and food processing applications such as vegetable produce and meat processing.

### **About vSpring Capital**

vSpring is a traditional early-stage venture capital firm with more than \$350 million of committed capital under management. The company targets information technology and life sciences companies headquartered in the Intermountain West region. Primary areas of focus include enterprise software, networking and communications, security software, Internet, mobile computing, drug discovery, drug delivery, diagnostics and medical devices. vSpring has offices in Salt Lake City and Albuquerque.

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**About Dow Venture Capital**

Dow Venture Capital is a department within The Dow Chemical Company that invests in promising start-up companies in North America, Europe and Asia. The company supports its portfolio with capital, technology, and a global network of potential development partners. Dow Venture Capital is active in investing in companies throughout their early critical years, from seed to later stage investment. Dow Venture Capital is located in The Dow Chemical Company headquarters in Midland, Mich.

**About Sun Mountain Capital**

Sun Mountain Capital was founded in 2006 by a team of senior investment professionals with over 40 years of private equity experience. Sun Mountain Capital is a boutique investment firm with significant expertise establishing and managing customized private equity programs. Sun Mountain is the General Partner of the NMSIC Co-Investment Fund, which it manages on behalf of the New Mexico State Investment Council.

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