



Company Contact
David Van Avermaete
CEO

925.895.5308

David.VanAvermaete@VeraLight.com

FOR IMMEDIATE RELEASE

VeraLight Closes \$5 Million in Series A Financing

Albuquerque, NM. – September 19, 2005. VeraLight, a pioneer in the development of a groundbreaking diabetes screening device, has closed \$5 million in Series A funding from an investor syndicate headed by vSpring Capital. vSpring was joined by Wasatch Venture Fund, Dow Chemical Company and the Southern Ute Growth Fund.

“The closing of this financing represents a significant step forward for our company,” said David Van Avermaete, VeraLight Chief Executive Officer. “Our investment partners bring a wealth of experience and passion to this opportunity.” VeraLight was established in October 2004 in Albuquerque, New Mexico as an independent spinout of InLight Solutions and has been funded to date by an NIH grant and seed funding from InLight.

“This is a very exciting time for VeraLight. Undiagnosed diabetes and pre-diabetes contributes significantly to the staggering costs of diabetes worldwide,” said Van Avermaete. “Our mission is to help stem the tide of the worldwide diabetes epidemic by driving early diabetes detection, thus enabling initiation of therapies that can prevent diabetes or reduce its complications.”

“We are very enthusiastic about the opportunity that VeraLight represents and strongly believe that the company is developing a truly innovative approach to diabetes screening,” said Mike Connolly of vSpring.

Added John Dunning of Wasatch, “VeraLight’s approach should substantially improve quality of life for earlier-identified diabetics and produce huge cost savings for the healthcare system.”

The Problem

The U.S. is facing a disastrous epidemic in type 2 diabetes. There are 18 million diabetics in the country and 41 million pre-diabetics. According to the U.S. Department of Health and Human Services, 1 in 3 children born today will develop the disease. The U.S. spent \$132 billion on diabetes treatment and complications in 2002, or approximately 10% of all national healthcare expenditures. Most of this was for complications – yet numerous clinical studies have demonstrated the effectiveness of early therapeutic intervention in preventing the disease and/or mitigating the complications. Current screening methods for diabetes are grossly inadequate, due to their inaccuracy and inconvenience. The result is that 50% of diabetics are not identified until they present 7-9 years into the disease with one or more (often irreversible) complications. A more accurate and convenient screening method could dramatically reduce the costs and morbidity associated with such complications, allowing patients to halt or reverse disease progression.

About VeraLight

VeraLight has developed Scout, a non-invasive screening device that will detect diabetes and pre-diabetes more accurately and conveniently than current methods. Scout can be performed anywhere, any time and is simpler than taking blood pressure. Results are available in less than 60 seconds and there are no fasting or blood draw requirements. Scout's performance, convenience and low cost will enable widespread screening.

www.veralight.com

About vSpring

vSpring is an early-stage venture capital firm with over \$180 million of committed capital under management. vSpring invests in information technology and life science companies that have the potential to transform their markets and create lasting value.

www.vspring.com

About Wasatch

Wasatch Venture Fund is a venture capital firm specializing in early-stage information technology and life science investments, and has invested \$90 million in over 70 companies to date. www.wasatchvc.com

About Dow

With annual sales of \$40 billion, Dow is a leader in science and technology, providing innovative chemical, plastic and agricultural products and services to many essential consumer markets. www.dow.com

About Southern Ute Growth Fund

The Southern Ute Growth Fund is the business investment arm of the Southern Ute Indian Tribe and possesses assets in several industries and investment categories that are approaching \$2 billion in value. www.gfprivateequity.com

###