

April 24, 2007 04:00 PM Eastern Daylight Time

Heartscape Technologies Announces Close of Series B Funding

Scottish Equity Partners Leads \$17 Million Investment in Heartscape to Fund U.S. Commercial Launch of PRIME ECG and Clinical Registry of Heart Attack Patients

COLUMBIA, Md.--(BUSINESS WIRE)--Leading UK venture capital firm Scottish Equity Partners (SEP) has led a \$17 million investment in healthcare pioneer Heartscape Technologies, which has launched an innovative and potentially powerful device for the early and accurate diagnosis of heart attacks in emergency room patients.

The Heartscape device, PRIME ECG®, which is designed primarily for use in hospital emergency departments, has already obtained FDA (Food and Drug Administration) approval in the United States. The device provides doctors with more detailed images and information on a patient's heart than traditional electrocardiograms (ECGs), helping save lives through early diagnosis.

Heartscape Technologies Chief Executive Officer Arthur Hiller said: "For heart attack victims rapid diagnosis can mean the difference between life and death and impacts a patient's long-term prognosis. A significant opportunity exists for PRIME ECG to benefit patients by improving the speed of diagnosis and hospital efficiency in managing high-risk cardiovascular patients."

Heartscape, which has its research and development and manufacturing base in Northern Ireland and its commercial team in the USA in Boston and Columbia, Maryland, will use the new funds for the commercial launch of PRIME ECG in the United States and for further clinical development.

SEP led second-round funding as part of an international investment syndicate which includes Investor Growth Capital of Sweden and existing investors Radius Ventures from New York and Delta Partners from Ireland.

Brian Kerr, Investment Director in SEP's Healthcare and Life Sciences team, said: "PRIME ECG represents the first major advance in non-invasive cardiovascular diagnostic devices for years. Clinical results have demonstrated its effectiveness as a front-line diagnostic tool and we believe it has the potential to become the standard of care in this field. It is precisely this sort of breakthrough and disruptive technology that builds value for investors and increases the standard of healthcare. We are pleased to add Heartscape to our portfolio of healthcare pioneers."

Brian Kerr and co-investor Dr Joachim Werr of Investor Growth Capital in Europe will join the board of Heartscape.

Dr Werr said: "PRIME ECG has the potential to fundamentally improve the way we diagnose myocardial infarction and treat coronary heart disease, the most costly and fatal disease in the EU and USA. PRIME ECG will allow early diagnosis and treatment of myocardial infarctions that are missed by the traditional 12-lead ECG. It will enable doctors to make an early identification of patients who need aggressive therapies, angioplasty or surgery to lessen the risk of longer term heart muscle damage. We are excited about Heartscape and the launch of the PRIME ECG."

Jordan Davis, Managing Partner at Radius Ventures in New York, said: "We are very pleased that the Heartscape team has received funding from a strong international venture syndicate with substantial expertise in the life sciences. Their significant investment further validates the importance of PRIME ECG technology as a major new clinical tool to deliver the best outcomes in the critical moments following admission of patients with chest pain suspected to be of cardiac origin."

The PRIME ECG system, which was initially developed from technology licensed from the University of Ulster in Northern Ireland, is comprised of a disposable plastic vest with 11 self-adhesive plastic strips containing 80 data collection points or leads which are attached to the front and back of a patient's body. It offers potentially superior diagnostic capabilities to the traditional 12-lead ECG, allowing doctors to gather critical information which may not be visible with traditional devices.

In the United States more than eight million people visit emergency rooms suffering from chest pain every year and around one million of them suffer heart attacks. The standard 12-lead ECG identifies approximately one-third of the most serious of these heart attacks. However, the remaining two-thirds of patients present a more difficult diagnostic challenge for physicians. Research has demonstrated that heart attack diagnosis is missed in 2% of patients seeking help in US emergency rooms, and 6% in the United Kingdom. Even more importantly, 1 of every 8 patients suffering an acute myocardial infarction (AMI) has been shown to have high-risk findings that are not identified, and thus they fail to receive appropriate care.

Early diagnosis and treatment are proven to result in better clinical outcomes, and patients whose heart attacks are not diagnosed at an early stage require further expensive diagnostic tests or treatment. Hospitals are also focused on enhancing their efficiency in managing heart attack patients as part of the recently announced "pay for performance" quality initiatives introduced by the government's Centers for Medicare and Medicaid Services (CMS). This program rewards top-performing hospitals with increased reimbursement for their ability to meet quality standards around management of MI and other key areas of care.

PRIME ECG is already in clinical use in several US emergency departments, and the American Medical Association (AMA) has provided specific CPT III codes for hospital use in submitting for reimbursement and for tracking nationwide patterns of use. The CPT III codes currently available for use with PRIME were approved in January and will become mandatory for reimbursement submission as of July 1, 2007. They are available on the AMA web site (www.ama-assn.org) under the category of Professional Resources.

For further information on this release or to arrange interviews please contact the following:

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NOTES TO EDITORS:

About cardiovascular disease:

Cardiovascular disease is a leading cause of death and morbidity worldwide. Acute coronary syndrome (ACS), which includes acute myocardial infarction (a heart attack), is experienced by some 700,000 Americans each year for the first time while a further 500,000 experience recurrence. Early intervention is important in reducing deaths and morbidity, and guidelines require patients suspected of suffering a heart attack to have a 12-lead ECG within 10 minutes of arriving at the hospital, followed by therapeutic or mechanical intervention in 30 or 90 minutes, respectively. However, limitations of the standard ECG system mean patients often have to wait hours for further tests such as blood biomarkers to confirm that they have had a heart attack or are experiencing ischemia which may lead to long-term damage of their heart muscle.

About Heartscape Technologies:

Heartscape Technologies is engaged in the development and marketing of the PRIME ECG system, an FDA-approved medical device that accurately and rapidly diagnoses heart attacks and ischemia (restrictions in blood supply) in emergency cases. The PRIME ECG system consists of a rapidly-applied single use disposable plastic vest containing 80 data collection points which connect to a compact mobile computer workstation. A physician can view the heart's electrical activity in either traditional ECG tracings or easily interpreted colour-coded 3D graphics. The vest does not interfere with X-ray or other imaging tests and is already used in several US hospitals. Its chief advantage over standard ECG systems is that its superior diagnostic capabilities may enable

earlier intervention, a central factor in reducing patient death and morbidity. Heartscape is also developing extensions to its existing PRIME technology, including a version of the vest that is planned to be used with pharmacologic and exercise-induced stress testing. Heartscape has sales and operation offices in the United States and R&D and manufacturing facilities in Northern Ireland. PRIME ECG (a registered trademark of Heartscape Technologies) was developed by Heartscape based on technology licensed from the University of Ulster and developed in collaboration with the Royal Victoria Hospital in Northern Ireland.

Clinical trials in nearly 3,000 patients over 12 years have consistently demonstrated the potential of PRIME ECG to deliver better results than a 12-lead standard ECG for the diagnosis of AMI (acute myocardial infarction). In late 2006, Heartscape initiated OCCULT-MI, a clinical trial designed to measure door to sheath time (DTST), in minutes, for PRIME-only STEMI (ST-elevation MI) patients vs. STEMI patients diagnosed by the standard 12-lead ECG. Time will be assessed from patient presentation to the hospital's emergency department to the time of sheath insertion in the cardiac catheterization laboratory. Secondary endpoints will evaluate the impact of PRIME ECG on various measures including cost of care, clinical diagnosis and outcomes, and the role of PRIME ECG in assessing risk in patients with cardiac ischemia. The trial expects to enroll 1400 patients. Eleven centers are participating in the study, and more than 200 patients have been enrolled to date. Results are expected later this year.

www.heartscape.com

www.primeecg.com

About Scottish Equity Partners:

Scottish Equity Partners (SEP) is one of the largest venture capital firms in Europe with more than £300 million under management. It has offices in Glasgow and London and three specialist investment teams focused on information technology, healthcare and life sciences and energy-related technologies. It invests in financings of up to £30 million and has a strong track record in trade sales and IPOs across Europe, the United States and Asia.

Its healthcare and life sciences portfolio includes device companies such as Rhytec, targeting the dermatological and cosmetic surgery markets; daily disposable contact lens pioneer Daysoft; Gendel, which is developing a novel platform device for treatment of cancerous tumours; and Biovex, a product platform company developing vaccines to treat cancer and infectious diseases. It also includes Craneware, which has developed the leading US hospital billing system and Cyclacel which is developing anti-cancer therapeutics.

www.sep.co.uk

About Investor Growth Capital:

Investor Growth Capital is the wholly-owned venture capital arm of Investor AB. Its parent company is the largest industrial holding company in the Nordic region. It invests in high-quality, growth-oriented companies, primarily in the information technology and healthcare industries. Its 25 investment professionals manage a portfolio in excess of \$800 million from offices in New York, Menlo Park, Beijing, Hong Kong, Tokyo, Stockholm and Amsterdam.

www.investorab.com

About Radius Ventures:

Radius Ventures is a venture capital firm focused on leading-edge health and life sciences companies. Investments are sought across a wide spectrum, including biotechnology and pharmaceuticals, medical devices, services, and healthcare/life sciences information technology. Radius currently manages approximately \$150 million in committed capital, and generally invests up to \$10 million in aggregate, as a lead or syndicate investor.

www.radiusventures.com

About Delta Partners:

Delta Partners is a venture capital firm established in Ireland in 1994 focusing on early stage, seed and start-up businesses. With over \$150 million under management the team has made over 50 investments in the following sectors: Communications, Internet, Software, and Life Sciences.

www.delta.ie

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