

# Pathfinder Therapeutics Closes \$4 Million in Series B Financing

*TriStar Technology Fund, LLC and Limestone Fund, LLC to co-lead Series B financing to further develop Pathfinder's surgical GPS systems for the abdomen*

**Nashville, June 1, 2010** – Pathfinder Therapeutics, Inc., a pioneering company in the field of Navigated Abdominal Surgery (NAS), is pleased to announce that it has closed a \$4 million Series B financing round co-led by TriStar Technology Fund, LLC and Limestone Fund, LLC. A number of existing investors also participated, including Hatteras Venture Partners, Florida Gulfshore Capital and Clayton Associates.

Hatteras led the \$5 million Series A round in 2008 in order to help launch Pathfinder's Explorer guidance product and Scout pre-operative planning software product used in their surgical GPS systems for the abdomen. Explorer, an integrated system of hardware, software and proprietary tracked tools, received FDA 510(k) clearance in December 2007, and Scout received FDA 510(k) clearance in September 2008. The company is currently conducting a post-clearance clinical trial for Explorer, funded by an SBIR grant from the National Cancer Institute.

The current round of financing will be used for development, clinical validation and FDA clearance of the Explorer system for minimally invasive surgical applications, as well as further development of the existing product offering. "Over the next 12 months Pathfinder will experience significant growth in several areas," said Skip Goode, President and CEO of Pathfinder. "The recent FDA clearance of our Multi Tool Tracked Adapter for use with the Explorer product will allow us to commercialize our systems at University of Pittsburgh Medical Center, Memorial Sloan Kettering and Washington University. The physicians at each participating institution will be able to utilize the Explorer and Scout systems to benefit any patient undergoing an open liver ablation or resection procedure, which will provide important clinical data to the efficacy of the systems and in turn launch the sales and revenues for the company. In parallel, we are working diligently to develop our software and hardware products for minimally invasive liver applications, as well as for use in the treatment of additional abdominal organs."

TriStar and Limestone were two of the six original recipients of funding from the Tennessee Small Business Company Investment Credit Act (TNInvestco). TNInvestco is a state program put in place to develop Tennessee's entrepreneurial infrastructure, bring additional capital into the state, diversify the state's economy and create "anchors" or "clusters" of business innovation which can result in new companies being created or spun off and new talent being

attracted to Tennessee. Securing a significant amount of Series B funding directly from this program solidifies Pathfinder's long-term commitment to staying in Tennessee. "We are excited to close the B round financing, as well as add Limestone and TriStar to our team," said Goode. "I have never before been associated with a stronger Board or investment group in my 20 years in medical devices."

TriStar Partners Christopher Rand and Harry Jacobson will serve as members of the Pathfinder Board of Directors and Medical Advisory Board, respectively. "The feedback we've received from clinicians is clear and consistent," said Rand. "Pathfinder's system will provide an added level of confidence when performing surgical cases, and the potential benefits to clinicians and patients when using this system in minimally invasive cases cannot be overstated. We are very excited to see this potential realized."

#### **About Pathfinder Therapeutics, Inc.**

Pathfinder Therapeutics, Inc. is a medical device company dedicated to increasing the number and effectiveness of surgeries on abdominal and other soft tissue organs. Pathfinder improves surgical precision by allowing surgeons to "see through" the organ they are operating on by registering the surgical instrument in three-dimensional space onto pre-operative patient medical images. Pathfinder is the first company to receive FDA clearance for a medical device to navigate liver surgery using preoperative medical images. The Explorer system uses state-of-the-art line of sight localization and laser range scanning surface registration techniques to show surgeons where they are in the context of their target organ and underlying structures. In addition to Explorer, Pathfinder sells Scout, a software system for liver surgery planning. The Company is also developing an embodiment of Explorer to be used in minimally invasive surgical interventions in the liver. Beyond the liver, Pathfinder is developing guidance systems for the kidney, pancreas, and other organs. For more information go to [www.pathsurg.com](http://www.pathsurg.com) [1].

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