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## **NeoMatrix Completes Oversubscribed \$15M Funding Round for HALO Breast Pap Test**

### ***Strong Investor Demand Prompts Expanded Offering***

IRVINE, Calif. – NeoMatrix announced today that it has successfully completed its C2 funding round totaling \$15 million.

That figure is, due to overwhelming investor demand, 50 percent more than the company's initial target of \$10 million in new funding.

In addition, NeoMatrix announced a current oversubscription of the C2 round totaling \$1.2 million. In order to accommodate those investors who are part of this \$1.2 million oversubscription -- as well as those investors who indicated interest but were unable to participate -- the company is initiating a small C3 Round that will total \$2 million to \$3 million, under the exact terms and conditions as the C2 Round.

The funding will be used to support further commercialization of the company's proprietary technology for its HALO™ Breast Pap Test.

“The success of our efforts is notable in what is obviously a very difficult financial climate,” said John Stroh, NeoMatrix’s CEO. “Clearly, our investors have recognized the exceptional investment opportunity of NeoMatrix and its Halo technology. Oversubscribing our offering confirms that opportunity and the strength of our HALO technology.”

“Our story resonates with investors on several levels,” Stroh added. “The potential to save lives through our HALO Breast Pap Test is obviously compelling. Beyond that, investing in NeoMatrix provides investors the opportunity to diversify their portfolio with an asset that is less volatile and non-correlative to the public financial markets.”

Stroh noted that investors understand NeoMatrix has significantly reduced typical risks, in that the company has:

- Cleared FDA regulatory hurdles;

- Built strong intellectual property protecting its technology;
- Completed product development; and
- Placed a substantial number of units at healthcare facilities around the U.S. during the product's launch phase.

HALO is a 5-minute, noninvasive test that helps physicians and their patients determine an individual woman's risk of getting breast cancer.

The test is performed with a proprietary device for collecting nipple aspirate fluid (NAF). The device delivers a combination of warmth, massage, and suction – much like a breast pump -- to collect NAF. The fluid is then examined to identify women with abnormal cells (or atypia) in their NAF, who are at high risk of developing breast cancer. These women can then be guided toward lifestyle changes, increased monitoring, or medical interventions aimed at preventing the disease, or detecting it at its earliest, most treatable stage.

HALO helps to solve a major dilemma in breast healthcare. There are now established methods for reducing risk in women with atypia, even to the extent of preventing breast cancer altogether. However, before HALO, there was no method for conveniently identifying patients who could benefit from these methods.

Women with atypia have a four-to-five times greater risk of developing breast cancer, making NAF a valuable biomarker. Well-tolerated by patients and easy to use, the HALO device is the first means of collecting NAF to be practical for general care.

HALO is not a replacement for current routine screening with breast exams and mammograms. It is recommended annually for women 25 and older. It is especially helpful in younger women who are not yet getting mammograms, or whose mammograms are less effective due to dense breast tissue that can obscure the detection of lesions.

Waveland Capital Group acted as investment bankers for the NeoMatrix funding round.

### **About NeoMatrix**

NeoMatrix© is a medical device company developing innovative devices that allow women and their doctors to promote optimal breast health. The HALO Breast Pap Test is the first fully automated, noninvasive breast disease-screening device designed for use in the primary care setting. For further information, visit [www.neomatrix.com](http://www.neomatrix.com).

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