

NovaShunt AG raises \$25 Million in a Series B Financing Co-Led by BioMedInvest AG, Entrepreneurs Fund and Capricorn Health-tech Fund

Zug, SWITZERLAND – March 9, 2011 - NovaShunt AG, a private Swiss medical device company with innovative fluid management technologies, announced today that it has raised CHF 23.7 million (about \$25 million) in a Series B preferred share financing round co-led by BioMedInvest AG, Entrepreneurs Fund and Capricorn Health-tech Fund. Existing investors, NeoMed and VI Partners, were also significant participants in the new financing and NeoMed retains its role as the lead investor and largest shareholder of NovaShunt.

NovaShunt's ALFApump System is a proprietary, implantable pump system that continually removes excess abdominal fluid, known as ascites, in patients suffering from liver cirrhosis, certain cancers and congestive heart failure. Refractory ascites occurs when patients with excess ascites no longer respond to medical therapy and it affects over 100,000 patients in Europe and the US every year. The number of patients suffering from ascites is growing due to the accelerating incidence of hepatitis and obesity-related liver disease (NAFLD).

"This is a significant milestone for NovaShunt", said Noel Johnson, CEO and co-founder of NovaShunt. "Fluid overload in ascites and other indications is an area of significant unmet clinical need and represents more than a \$1 billion market opportunity for NovaShunt's proprietary technology. Our clinical experience to date has demonstrated that the ALFApump System is safe and highly effective. This financing enables NovaShunt to embark on European commercialization and to conduct clinical studies in the U.S."

"We believe NovaShunt's implantable pump system has the potential to dramatically improve the treatment options for patients suffering from refractory ascites," said Thomas Möller, partner at BioMedInvest. "The ALFApump System can dramatically reduce the cost and burden of care associated with managing refractory ascites while offering improved quality of life for patients."

"We are pleased to be joined by this group of experienced investors and look forward to working closely with them to make NovaShunt's highly innovative ALFApump System available to patients who are in desperate need for alternative treatment options. NovaShunt's core technology is robust and adaptable, with broad potential applications in the management of medical conditions where fluid overload is an issue, including pleural effusions," said Erik Amble, NovaShunt's Chairman and Managing Partner at NeoMed.

As part of the Series B financing, Thomas Möller (BioMedInvest), Els Hubloux (Capricorn) and Maciek Drozd (Entrepreneurs Fund) will join NovaShunt's Board of Directors.

NovaShunt's ALFApump System consists of a subcutaneously implanted battery-powered pump with a catheter placed in the abdominal cavity and another catheter connected to the bladder. The ALFApump System automatically and continually collects fluid as it forms in the abdominal cavity and moves it to the bladder, where it is eliminated through normal urination.

The Company is currently completing enrollment in the PIONEER Study, a prospective, multi-center, open label study designed to evaluate the safety and performance of the ALFApump System in obviating the need for paracentesis, the standard therapy for patients with refractory ascites. Paracentesis is a procedure in which a large bore needle is inserted into the patient's abdomen, sometimes weekly or bi-weekly, to remove between 5-10 liters of accumulated ascites. The cumulative cost of repeat paracentesis for these patients often exceeds \$25,000 each year.

About NovaShunt

NovaShunt is a privately owned Swiss medical device company that is dedicated to improving the lives of patients through innovative technologies to manage fluid within the body. NovaShunt is focused on areas of unmet clinical need where its products can significantly improve clinical outcomes, reduce healthcare costs and improve patients' quality of life.

About BioMedPartners

BioMedPartners is an independent European venture capital firm providing private equity and mezzanine financing to early- to mid-stage healthcare and life-science companies. Currently, BioMedPartners manages three funds with more than CHF 250 million in capital under management and a strong team of experienced specialists and industry experts as well as an extensive scientific and financial network.

About Entrepreneurs Fund

The Entrepreneurs Fund is the venture capital member of COFRA, a global, family-controlled group of businesses. The Entrepreneurs Fund has €100 million under management, which it invests in early stage and growth companies owning strong technology/IP, with a focus on Europe. Sectors of interest include life sciences and clean technology sectors. The Entrepreneurs Fund is an active investor working closely with outstanding management teams in developing their businesses.

About Capricorn Venture Partners

Capricorn Venture Partners is a pan-European manager of venture capital funds investing in early to mid-stage technology based companies in Europe. Capricorn's dedicated investment teams are composed of experienced investment managers with deep technology expertise and a broad industrial experience. Capricorn is investing out of its Health-tech Fund which is Capricorn's fourth consecutive venture capital fund.