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**Afferent Corporation Announces Over \$1 Million in Funding**  
*Medical Device Company Moves Forward in its Research and Development Activities*

**Providence, RI, August 26, 2003**—Providence-based Afferent Corporation today announced that the Company has recently received funding commitments of \$1,050,000. A portion of these commitments is from the National Institutes of Health (NIH) in the form of a \$750,000 Phase II Small Business Innovation Research (SBIR) grant from the National Institute of Child Health and Human Development (NICHD). Additional financing of \$300,000 was provided by a consortium of investors including Rhode Island's Slater Center for Biomedical Technology, the venture capital arm of Boston University, and Pharos, LLC, an investment firm headed by George N. Hatsopoulos, the founder and former Chairman and CEO of Thermo Electron Corp.

The \$750,000 grant from NIH will be used to advance a product development and clinical testing program for use of the Company's technology in improving elderly balance. The \$300,000 will be used for general corporate purposes and to support other development programs being pursued by the Company.

"Sensory enhancement technology represents an innovative and powerful method to address significant and unmet clinical needs," said Jason Harry, Ph.D., President and CEO of Afferent Corporation. "Our strategy as a company has been to exploit this proprietary technology, which was originally developed by Dr. James J. Collins at Boston University, in a broad range of clinical indications through collaborations with leading biomedical research institutions. To date, Afferent has established a total of 10 such collaborations. The high level of interest shown by the scientific community, along with our recent success in fund-raising, provides tangible validation that this strategy is working."

Since its inception in 2000, Afferent has raised \$1.8 million in capital from private and venture investors. In addition, the Company has been awarded Phase I SBIR grants totaling \$300,000 from 3 different institutes of NIH. These grants have been received from NICHD to support the Company's research efforts in elderly balance, from the National Institute of Diabetes and Digestive and Kidney Diseases to support research in diabetic neuropathy, and from the National Institute of Neurological Disorders and Stroke to support research in stroke.

According to Richard G. Horan, Executive Director of Slater Biomedical, one of Afferent's lead investors, "Afferent Corp. is an excellent illustration of the type of venture Slater Biomed is keen to support. We believe the Company presents a compelling opportunity to establish a leadership position in the emerging field of neurotechnology, an approach to treating disabling neurological disorders which holds considerable promise."

## **About Afferent Corporation**

Afferent Corporation, based in Providence, Rhode Island, is pioneering the development of a new class of medical devices to treat chronic neurological dysfunction. Its lead technology enhances the function of mechanoreceptor cells involved in sensory perception as a means of restoring brain function following stroke, improving elderly balance, and addressing complications resulting from diabetic neuropathy. Afferent's development efforts are being pursued in collaboration with leading biomedical and clinical researchers throughout the United States and Canada. Building on this technology platform, Afferent aims to establish a leadership position in the emerging field of neurotherapeutic devices.

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