



Interview to Greg Barrett, President and CEO of BARRX Medical August 8, 2006

In Sunnyvale, Calif., **Barrx Medical Inc.**, a maker of treatments for a precancerous condition of the lining of the esophagus, raised \$27.8 million in Series C financing.

American Venture Magazine interviewed **Greg Barrett**, President and Chief Executive Officer of BARRX Medical.

-Tell us a bit about BARRX Medical and what the company does?

BARRX Medical, Inc. develops treatment solutions for Barrett's esophagus, a precancerous condition of the lining of the esophagus caused by gastroesophageal reflux disease, or GERD.

The HALO360 System, BARRX Medical's flagship product, is the first of a new generation of ablation devices. The system circumferentially removes a thin layer of diseased esophageal tissue allowing for the re-growth of normal cells. The HALO90 System, which was cleared by the FDA in April, enables doctors to treat smaller focal areas of Barrett's esophagus and can be used either independently or in conjunction with the HALO360 System.



-Let's talk about your funding. Who is backing the company?

This series C financing of \$27.8M was lead by Montagu Newhall Associates and includes existing investors Delphi Ventures, Alloy Ventures, Frazier Healthcare Ventures, Sutter Hill Ventures and others.

-What are the company objectives with this new investment?

This funding will help BARRX Medical establish internal manufacturing operations for both the HALO360 System and the HALO90 System; further clinical trials including the recently announced AIM Dysplasia Trial, currently underway; and complete the development of a new version of the HALO90 generator.

-When did the previous rounds were effective and what was the evolution of those investments?

BARRX Medical announced Series A funding in the amount of \$6.8M in 2003 and Series B funding in the amount of \$25.6M in 2004.

-Could you briefly explain to us what's the current situation of the industry these days?

Barrett's esophagus affects three million Americans and can lead to esophageal adenocarcinoma, currently the most rapidly rising cancer in the U.S. Roughly 15,000 Americans will be diagnosed with esophageal cancer this year and it's predicted that more than 90 percent of

them will die within five years. With the increased incident rate of acid reflux, or GERD, more and more patients are being diagnosed with Barrett's.

The most common approach to managing Barrett's today is surveillance, which involves regular endoscopic procedures and tissue sampling, monitoring for disease progression, and drug therapy to control GERD symptoms and prevent acid-related injury to the esophagus.

The HALO360 System and HALO90 System enable the physician to remove Barrett's tissue before it has a chance to develop into cancer; akin to the management approach for other pre-malignant conditions, such as colon polyps. The ability to safely and effectively remove Barrett's esophagus may reduce the need for life-long endoscopic surveillance, ease patient anxiety about living with a precancerous condition, and possibly reduce the number of patients who go on to develop esophageal adenocarcinoma.

As more and more gastroenterologists and endoscopic surgeons across the country gain a deeper understanding of the HALO360 System and HALO90 System, the company continues to see an increased demand for our products. This funding will help us meet this growing demand and we look forward to a successful future with our investors.