

Breathe Technologies Secures \$23 Million in Series C Financing

John Miclot elected chairman; FDA clearance received.

SAN RAMON, Calif. — May 18, 2010. Breathe Technologies, Inc., a manufacturer of innovative technology solutions for people with respiratory conditions, including chronic obstructive pulmonary disease and sleep apnea, announced today it has secured \$23 million in Series C financing. The financing was led by DAG Ventures and included Kleiner Perkins Caufield & Byers (KPCB), Delphi Ventures, Synergy Partners International and Johnson & Johnson Development Corporation. Additionally, industry leader John L. Miclot joined as chairman of the board, and the company received FDA 510(k) clearance for its wearable ventilation system.

“Our strong team of investors, the addition of John Miclot as chairman, and recent FDA clearance further validate that Breathe is well positioned to bring breakthrough solutions to the respiratory markets,” said Gregory J. Kapust, president and CEO of Breathe Technologies. “The Series C financing will fund commercialization of Breathe’s ultralight, mobile ventilation system for the millions of people worldwide with breathing challenges, such as COPD (chronic obstructive pulmonary disease). We will also continue development of our novel solutions for the sleep-disordered breathing market.”

Chairman John Miclot, who was instrumental in building Respiroics into a global leader in the sleep and respiratory markets, believes there is an extraordinary opportunity for innovation in the respiratory industry. “When I was introduced to Breathe’s products and development plans, it was clear this company had great potential to dramatically alter this industry’s landscape,” stated Mr. Miclot, who became president and CEO of Respiroics in 2003 and led the company’s \$5.2 billion sale to Philips in March 2008. He subsequently served as CEO of Philips Home Healthcare Solutions and is currently an executive-in-residence at Warburg Pincus, serving on the boards of Wright Medical Group, ev3, and Dentsply.

“Breathe Technologies provides an opportunity to create new efficiencies in today’s healthcare markets and to improve quality of life for people with COPD and sleep apnea worldwide,” said Dr. Beth Seidenberg, partner at KPCB. “Breathe continues to make significant progress, and we look forward to working with the company as they introduce their portable and wearable ventilation systems for people suffering with COPD.”

About Breathe Technologies

Breathe Technologies, Inc., located in San Ramon, California, is a developer and manufacturer of innovative medical technologies for treating lung diseases and sleep-disordered breathing. The company was founded in January 2005 and received FDA clearance for its first- and second-generation ventilation devices, featuring the company’s proprietary, open-airway platform technology. For more information please visit www.breathetechnologies.com.