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FOR IMMEDIATE RELEASE

**VERALIGHT ANNOUNCES CE MARK APPROVAL OF THE SCOUT DS®
FOR NONINVASIVE DIABETES SCREENING**

First Noninvasive Test Can Replace Conventional Blood-Based Diabetes Screening

Psilos Group, CMEA Lead \$5 Million Equity Round To Finance Product Launch

ALBUQUERQUE, N.M., July 28, 2011 — VeraLight Inc., a privately held medical device company, today announced its SCOUT DS® Device was granted CE Mark approval for noninvasive diabetes screening. The easy to operate device needs no blood, does not require fasting, and yields an immediate result. The patient simply places their forearm onto the portable table-top unit and a quantitative result is reported in about three minutes.

Data from 421 study subjects in the CE filing shows SCOUT DS identified over 60% more people with abnormal glucose tolerance than either the fasting plasma glucose or hemoglobin A1c tests at thresholds established by The World Health Organization. The CE Mark filing was supported by safety and effectiveness studies on a cohort of 738 study subjects. SCOUT DS is Indicated for Use for the noninvasive screening of individuals 18 years or older who are at risk for prediabetes and/or type 2 diabetes to determine whether diagnostic testing is necessary. Prediabetes is defined as impaired glucose tolerance.

“SCOUT DS is an efficient, cost-effective alternative to established blood-based screening methods and we are excited to begin sales in key markets where the need for clinic-based and mass population screenings have been well-recognized by the national health systems and healthcare economists,” says VeraLight CEO David Van Avermaete.

SCOUT DS measures skin fluorescence using proprietary technology to detect biological markers found in skin related to cumulative glycemic exposure, oxidative stress and microvascular changes. A proprietary algorithm adjusts for variations in skin tone and transforms the measured skin fluorescence and reflectance into a SCOUT Diabetes Score. Over 10,000 patients have been measured on the SCOUT DS during its technology development.

The CE Mark approval is proof of conformity that certifies the product meets European safety, effectiveness, and quality requirements. SCOUT DS received Health Canada Licence approval in April 2011 and VeraLight plans for an FDA filing in 2012.

VeraLight Secures \$5 Million Series D Financing

VeraLight recently completed a Series D financing to support the SCOUT DS market rollout slated to begin later this year in Canada, India, the Middle East, and select European markets. The funding was led by Psilos Group and CMEA Capital, with participation by other existing investors, vSpring Capital and InLight Solutions.

“The International Diabetes Federation projects that the prevalence of adults with diabetes will rise from 280 million to over 400 million by the year 2030. Type 2 diabetes accounts for at least 90% of all of these cases and is almost entirely preventable,” said Lisa Suennen, Managing Member of Psilos Group and VeraLight Chairman of the Board. “Countries around the world are struggling to find an economical and practical way to screen their citizens for Type 2 diabetes early when there is still time to avoid the disease. The VeraLight SCOUT DS device is the first product we have seen to enable widespread screening for diabetes that is inexpensive, bloodless, non-fasting, and is more sensitive than cumbersome blood testing. This is an important product to address a critical public health issue and we are delighted to be involved with it.”

About VeraLight

VeraLight is a privately held medical instrumentation company led by former Johnson & Johnson executive, David Van Avermaete. The company’s mission is to help stem the tide of the global diabetes epidemic through early detection of the more than 500 million individuals who have undiagnosed diabetes or impaired glucose tolerance, thus enabling initiation of therapies that can prevent diabetes or reduce its complications and associated costs. The company is headquartered in Albuquerque, New Mexico. For more information and a product video see <http://www.veralight.com>.

About Psilos Group

Psilos Group Managers, LLC ("Psilos") is a healthcare investment firm focused on providing venture and growth capital to companies operating in the healthcare economy. The firm believes that successful healthcare innovation must reduce cost, improve quality, and align incentives across payers, providers and patients. Founded in 1998, Psilos has \$580 million under management and invests across three core healthcare sectors: healthcare services, healthcare information technology and medical technology. Funds managed by Psilos have invested in companies such as ActiveHealth, AngioScore, Definity Health, HealthEdge, Extend Health, Mauna Kea Technologies, and VeraLight, among many others, which have played, and continue to play, key roles in the transformation of the U.S. healthcare economy. Psilos has offices in New York, the San Francisco Bay Area, and in Santa Fe, New Mexico. For more information, go to <http://www.psilos.com>.

About CMEA Capital

CMEA Capital provides capital to entrepreneurs and investors in the life sciences, energy & materials, and information technology sectors. Through its combination of solid scientific credentials and seasoned management expertise, CMEA identifies, funds and manages new businesses based on the emerging, interdisciplinary science required to meet the challenges and opportunities of a rapidly changing global economy. The firm currently manages seven funds representing investments in excess of \$1 billion. CMEA has been an early stage investor in many leading companies, including Flextronics, Symmx, Codexis, Maxygen, A123 Systems, Entropic, Silicon Spice, Pixazza, Blekko, and Jobvite.

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