



2010 Company Update

Happy Holidays! In the hopes of keeping you up to speed on our progress at Microtransponder, I thought I would give you a quick update on our progress in 2010. MicroTransponder is in the final stages of finishing the wireless SAINT™ device which can deliver wireless stimulation to peripheral nerves to treat several different neurological disorders including chronic pain, urinary incontinence, tinnitus and PTSD. Our research on using paired vagus nerve stimulation therapy to reverse tinnitus in rats will be published in a prestigious peer-reviewed scientific journal (name withheld due to embargo). Additionally, the ongoing research into using neurostimulation for other neurological disorders has resulted in MicroTransponder being awarded over \$5 Million in NIH grants. The newest research area is using our wireless device to increase permeability in the blood brain barrier during chemotherapy treatments to treat refractory breast cancer, which was recently funded via a Qualified Therapeutic Discovery Project grant from the U.S. Government.

Both the company and executive team of MicroTransponder received national recognition this year.

2010 Awards/Recognition:

- MicroTransponder was awarded the Tech Titan Emerging Company Award, presented by the Metroplex Technology Business Council. [MicroTransponder Wins Tech Titan Award](#)
- Microtransponder won the Tech Fort Worth Impact Award, www.impactourworld.com/past-awards/
- Our General Counsel and CFO Frank McEachern was recognized as one of the top Corporate Counsels by Dallas Business Journal. [Frank McEachern - Best Corporate Counsel by Dallas Business Journal](#)

MicroTransponder gave 3 presentations at the North American Neuromodulation Society Conference. These presentations included updates on vagus nerve therapy for tinnitus, vagus nerve therapy for PTSD and a poster on our novel waveform for wireless stimulation, which outlined the results of a recently completed feasibility study in humans. This study showed our waveform activates nerves with less than 1/100 of the energy previously thought possible.



2010 Scientific progress:

- Completion of version 1.5 preclinical prototype, undergoing testing for treatment of craniofacial pain (Baylor Dental School)
- Completion of version 1.6 preclinical prototype, undergoing testing for treatment of neuropathic pain (CCI/SNL models) (MD Anderson)
- Completion of definitive rat studies to show the safety/efficacy of vagus nerve stimulation for the treatment of tinnitus (UTDallas)
- Completion of definitive rat studies to show the safety/efficacy of vagus nerve stimulation for the treatment of PTSD (UTDallas)
- Completion of feasibility studies in cats showing safety and efficacy of our waveform to treat urinary incontinence (Duke)
- Completion of feasibility studies to show efficacy of waveform (3 patients) (Presbyterian Hospital)
- Scheduled enrollment of tinnitus patients in December (OUS)

2010 Financing:

- \$7M Series B and \$2.6M U44 SBIR Fasttrack in May of this year [Series B Financing](#)
- \$1.7M Phase II SBIR grant [\\$1.7 Million NIDCD Grant for Tinnitus](#)
- \$244K Qualified Therapeutic Discovery Project IRS grant
- \$200K [Phase I Grant to Study Neurostimulation Therapy to Treat PTSD](#)

The focus for the Company in 2011 will be in finalizing our clinical prototype for biocompatibility testing and testing for use for patients with refractory neuropathic pain. We will also be running a clinical trial with patients who are suffering from overactive bladder. I will be at the JP Morgan Healthcare conference in San Francisco in January. I am available for meetings to present how our current funding will enable us to finish clinical trials in tinnitus, neuropathic pain and OAB by the end of 2012. We anticipate even more exciting developments to report in 2011. Please continue to check our website www.microtransponder.com for updates throughout the year.

Happy Holidays,

Will Rosellini

CEO