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PQ Bypass raises $60M

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Funds will support pivotal trial of novel DETOUR System designed for patients with tough to treat long blockages in leg arteries

PQ Bypass, a medical device company dedicated to advancing treatment options for patients with peripheral arterial disease (PAD), has entered into an agreement that provides for up to an aggregate of $60 million in equity financing, led by Deerfield Management.

Joining the round were existing investors, including Seroba Life Sciences and MedTech Venture Partners. The financing round also allowed the company to convert approximately $15 million in outstanding convertible debt and interest to equity. Funds will be used to advance the clinical development of the company's technology for the treatment of long blockages in leg arteries caused by PAD.

Richard Ferrari, Chairman and Chief Executive Officer of PQ Bypass said, "With this funding we continue our pursuit of the science that will bring us closer to commercial release of this important advancement in the care of patients with PAD. We are very fortunate to have Deerfield as an anchor investor and, together, we are working to develop a minimally-invasive treatment alternative for a disease that affects millions of people, worldwide."

In people with PAD, leg arteries can become blocked by long segments of plaque that restrict blood flow to the lower leg and foot. This can lead to pain, loss of mobility and even amputation. Extremely long blockages, such as those greater than 20 centimeters, are quite challenging to treat. Historically, physicians have performed open bypass surgery, which has the benefit of durability; however, it is associated with an increased risk of complications, lengthy hospital stays and prolonged rehabilitation. Minimally invasive approaches, including angioplasty and stenting, work very well on shorter blockages; however, they have not been as effective on longer ones, often resulting in repeat procedures within one year.

Percutaneous femoropopliteal bypass (the DETOUR procedure) is designed to provide the durability of open bypass with the benefits of a minimally-invasive approach. In this procedure, PQ Bypass' proprietary stent graft technology is placed from the superficial femoral artery, into the femoral vein, and back into the popliteal artery to create a detour around the blockage. The stent graft bypass re-directs oxygen-rich blood, with the goal of restoring blood flow to the lower leg and foot of the patient.

Andrew ElBardissi, M.D., Deerfield said, "PQ Bypass has developed a novel technology and procedure to address a true clinical conundrum in the treatment of long lesions from PAD. This technology has the potential to be the standard of care for the segment of PAD patients who, today, have to choose between either an open surgical treatment that lasts longer or less-invasive treatment options that potentially fail approximately 50% of the time. In addition to improving outcomes for patients,

this has the potential to significantly reduce the cost burden of long lesion PAD."

Peripheral Artery Disease, or PAD, is a common but serious circulatory condition wherein adequate blood flow does not reach the limbs due to a build-up of fatty deposits and calcium on the artery walls. If severe enough, blocked blood flow can cause tissue death and can sometimes lead to amputation of the foot or leg.

Lower extremity PAD is the third leading cause of atherosclerotic cardiovascular morbidity, following coronary artery disease and stroke. Systematic reviews indicate that PAD affects over 200 million people worldwide—and the prevalence of PAD is increasing as "baby boomers" enter high-risk age groups. With estimates of more than 20% of the population projected to age into the 65-and-over cohort by the year 2050, PAD is a growing epidemic with staggering social and economic costs.