

## CoolSystems Adds a Cool \$8.6M

### ***Sports injury device maker grabs funding to expand in post-surgery recovery.***

*December 30, 2005*

CoolSystems said Friday it raised \$8.6 million in late-round funding to back a sports injury treatment based on spacesuits and to move further into the field of post-surgery recovery.

The company makes healthcare devices that deliver cooling and compression to treat sprains, strains, and bruises in humans and horses. The company's Game Ready device is also being used for post-surgery recovery.

CoolSystems said the latest funding will help increase its product distribution and staff size. Part of the money will also go toward expanding the company's post-operative business following orthopedic surgery.

"We are building the market and the brand," said Gabriel Griego, CoolSystems' vice president of marketing and sales.

The Berkeley, California-based company said its cooling system is currently being used by 1,000 physical therapists, 80 professional sports teams, and 148 universities. Olympians at the 2004 Summer Games in Athens also benefited from the system.

"We believe that the Game Ready system provides a unique combination of cooling and compression to deliver a truly therapeutic system with potential applications in several distinct markets across the field of medicine," said Chris Kaster, a partner at MedVenture Associates.

#### **Finance Mix**

Mr. Kaster's firm co-led the funding along with the Roda Group, a Berkeley-based venture firm, and the Maxwell Trust, a private trust established by the founders of PowerBar.

In addition to securing venture funding, the company dug into its own profits to fuel its expansion. Until the beginning of the fourth quarter, CoolSystems was profitable, according to Mr. Griego.

"We are [more] interested in revenue growth than profitability," he said. However, he added that the company anticipates profitability again at the end of next year.

GameReady consists of flexible wraps containing a control unit connected to a reservoir filled with ice and water. Once the wrap is secured to the injured area, customized compression levels and temperature ranges can be administered.

CoolSystems' injury-healing device was inspired by NASA-related research on controlling temperature and pressure inside space suits. The company combined the scientific research with sports medicine to create its products.



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