

Swallow Solutions, LLC, Secures \$1.046 Million Series A Financing

The Associated Press

MADISON, Wis.--(BUSINESS WIRE)--Mar 1, 2013--Swallow Solutions, LLC (Swallow Solutions), a life sciences company with a novel dysphagia treatment platform, announced today it has raised \$1.046 million in Series A financing, led by Venture Management, LLC, with participation from NEW Capital Fund, LP, Wisconsin Investment Partners, and individual investors. Swallow Solutions will use the capital to commercialize a portfolio of innovative dysphagia treatment products and to add new products and services.

Affecting more than 18 million adults in the U.S. and several million more children, swallowing difficulties represent an increasingly common disorder. Especially as the population ages, risks increase for complications of dysphagia, such as pneumonia caused by the aspiration of foods and fluids into the lungs, malnutrition, and dehydration.

The annual medical system costs of hospitalization and treatment for pneumonia caused by aspiration are estimated at \$9.3 billion per year. Feeding tubes placed directly into the stomach to bypass disordered head and neck structures have also been used in recent years, but these have negative outcomes on health and quality of life and add another \$670 million per year to costs of care in the United States.

Swallow Solutions "retraining treatments" are expected to help reduce these costs, and the company estimates the national market for its novel swallowing retraining mouthpieces and devices is on the order of \$2.5 billion annually. Retraining individuals to swallow effectively will also substantially improve quality of life.

As Dr. JoAnne Robbins, founder and Chief Clinical/Scientific Officer, explained, "Our muscles weaken as we age; this includes muscles of the head and neck. Those who suffer from a neurologic disorder, such as stroke, dementia, or Parkinson's, or who have had a head injury, or head and neck cancer, often have increased swallowing deficiencies beyond those caused by normal aging. Current swallowing-related therapies range from attention to posture when eating as well as dietary changes and food and liquid modification. Now, these therapies will be substantially enhanced using Swallow Solutions' devices and systems to improve and strengthen swallowing capabilities." The new, patented products offered by Swallow Solutions were developed by Dr. Robbins and her team at the University of Wisconsin to address and minimize the effects of dysphagia on patients of all ages and medical conditions. Early trials indicate that many patients using Swallow Solutions can, and do, regain all or a significant portion of their ability to swallow effectively.

"As the population ages, increasing patient discomfort, and the resultant increases in hospital and medical costs as a result of recurrent pneumonia caused by

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Published on Medical Design Technology (<http://www.mdtmag.com>)

dysphagia, leads to a very compelling market opportunity for Swallow Solutions,” said Terry Kelly, President of Venture Management, LLC, which has made more than 25 technology company investments in Wisconsin since the 1980s. “The Swallow Solutions team has a strong track record of developing innovative medical products and bringing them to market. We look forward to complementing their deep expertise with our operating resources, and working together to support the company’s expansion and success.” “We have been meeting with Dr. Bob Carlson (Swallow’s CEO) and Dr. JoAnne Robbins, for over six months. We are impressed with their innovative work and we are pleased to have the opportunity to invest alongside Venture Management and Wisconsin Investment Partners,” said Charlie Goff, NEW Capital’s president and managing partner. “Through our participation in the Swallow Solutions financing, we continue our long-standing support of Wisconsin’s early stage companies.” About Swallow Solutions Swallow Solutions, LLC is dedicated to individuals suffering from swallowing disorders, generally known as dysphagia. We focus on two areas related to dysphagia – therapeutic devices for diagnosing and treating swallowing disorders and nutritional food products tailored to the patient’s diagnosed level of swallowing difficulty.

For more information, please visit www.swallowsolutions.com.

Source URL (retrieved on 01/30/2015 - 5:39pm):

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