

FOR IMMEDIATE RELEASE

Compact Imaging Collaborates with Global Pharma to Accelerate Development of Home Monitor for Age-Related Macular Degeneration and Diabetic Retinopathy

CI's patented MRO™ (Multiple Reference OCT) technology aims to power affordable personal devices to safely monitor disease progression

First clinical trials planned for second half of 2019

Mountain View, CA – October 25, 2018 – Compact Imaging, Inc. (CI), a developer of miniaturized optical coherence tomography (OCT) devices, today announced the signing of a collaboration agreement with Novartis Pharma AG (NYSE:NVS) under which Novartis will fund Compact Imaging's development of a low-cost home-based monitor to detect disease progression in advanced cases of age-related macular degeneration (AMD) and diabetic retinopathy (DR). These two diseases are the leading causes of blindness in developed countries and affect approximately 350 million people worldwide.

Although drug therapeutics (specifically, anti-vascular endothelial growth factor, or anti-VEGF, agents) can effectively treat active (or "wet") AMD and diabetic macular edema (DME), the therapeutic regimen can be arduous. For example, in addition to receiving periodic intraocular injections, patients must visit their physicians frequently to have disease progression monitored using a large-scale in-clinic OCT instrument. Although patients, their caregivers and physicians expend considerable time and resources for these visits, treatment often is not indicated. Such "no treatment" visits can become overly burdensome for patients, increasing the already high chances that they will drop out of treatment and risk significant loss of visual acuity. Moreover, as the number of patients with these indications has soared due to an aging population and the diabetes epidemic, the existing care model that has been built around frequent clinic visits has created an unsustainable burden across many healthcare systems.

Home retinal monitoring based on Compact Imaging's proprietary MRO™ (Multiple Reference OCT) technology is expected to provide a simple and affordable solution to these problems. The personal devices will enable quick and easy monitoring in patients' homes. The collected OCT information then will be transmitted via cloud to treating physicians. If the data show the possibility of clinically-significant disease progression, the patient will be promptly notified by his or her treating physician to visit the clinic for a complete diagnostic exam and, if indicated, anti-VEGF treatment.

"We appreciate Novartis Pharma AG's commitment to advancing development of a practical device that will enable patients to monitor progression of vision-threatening retinal diseases at home," said Don Bogue, Compact Imaging CEO. "Home monitoring and rapid reporting of results to treating physicians has the potential to dramatically transform this burdensome patient care model. Most importantly, it will help patients around the world get the full benefit of today's sight-saving therapies."

Compact Imaging has already demonstrated the technical feasibility of MRO for use in this application, achieving results comparable to clinical OCT in a study measuring retinal thickness in healthy eyes. The Company expects to begin clinical trials of a prototype system with patients having an active AMD or DME diagnosis in the second half of 2019.

“The patient-focused goals of this Compact Imaging/Novartis collaboration complement Novartis’ efforts to introduce new anti-VEGF therapeutics for active AMD and DME that will reduce the frequency of injections, extend the time between follow-up visits and provide physicians new tools to help manage these serious chronic conditions,” said Dr. Michael R. Hee, MD, PhD, Chief Medical Officer at Compact Imaging. “Clinically useful data on retinal disease progression from home monitoring devices also could prove extremely valuable in optimizing drug dosing and future drug development.”

About AMD

Age-related macular degeneration (AMD) is a leading cause of irreversible blindness and visual impairment worldwide. The risk of getting advanced AMD increases from 2% for those ages 50-59 to nearly 30% for those over age 75. Overall, between 5 and 10 percent of AMD cases progress to active (or, “wet”) AMD.

According to the [Bright Focus Foundation](#), some 11 million people in the United States have some form of AMD and nearly 22 million are expected to have AMD by 2050. Globally, 196 million are expected to have some macular degeneration by 2020. The direct health care costs of visual impairment due to AMD in North America exceeds \$100 billion.

About Diabetic Retinopathy

Diabetic retinopathy (DR) occurs when high blood sugar levels cause damage to blood vessels in the retina. It is the most common cause of vision loss among people with diabetes and a leading cause of blindness among working-age adults. Depending on demographic factors, diabetic macular edema (DME) manifests in 3 to 8 percent of DR cases.

According to the [National Eye Institute](#), the number of Americans with DR is expected to nearly double, from 7.7 million in 2010 to 14.6 million in 2050.

About Compact Imaging

Compact Imaging, based in Mountain View, CA, is a privately held company developing miniaturized Optical Coherence Tomography (OCT) devices based on its proprietary MRO™ (Multiple Reference OCT) technology. MRO devices, which will be a fraction of the cost and size of conventional clinical OCT systems, initially will be used for home monitoring of disease progression by patients with vision threatening retinal diseases, such as age-related macular degeneration (AMD) and diabetic retinopathy (DR). The Company is expediting development of these home monitors through its collaboration with Novartis Pharma AG.

Compact Imaging holds 22 US and foreign patents and numerous pending applications that cover its MRO technology for use in a variety of biological and non-biological imaging and measurement applications. For more information, visit www.compactimaging.com.