KKR

Cerêve Raises $38 Million to Fuel Launch of Insomnia Device in New Financing Led by KKR

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Investment Will Fund Launch of FDA-cleared Device to Safely Treat Insomnia

OAKMONT, Pa.--(BUSINESS WIRE)-- Cerêve Inc., a privately-held health care company preparing to launch its FDA-cleared insomnia device, announced today the closing of a $38 million Series B round of financing led by KKR, a leading global investment firm. Also participating in the financing are existing shareholders Versant Ventures, Arboretum Ventures, and Partner Ventures.

This Smart News Release features multimedia. View the full release here: http://www.businesswire.com/news/home/20170105005480/en/

Fifty-five million Americans have insomnia, not only experiencing problems getting to sleep but also serious impairment in their daytime activities. Currently, sleeping pills are the most common medical treatment for insomnia. According to the National Center for Health Statistics, nearly nine million Americans have taken prescription sleeping pills in the last 30 days. Unfortunately, these pills come with well-established safety risks, including decreased mental alertness the morning after use, along with impairment of driving and other activities that require an individual's full attention -- leading physicians and consumers alike to seek the kind of drug-free alternative that Cerêve is bringing to the market.

"We are thrilled to bring on KKR as a business partner to join our very strong and supportive current investor group and look forward to working together as we finalize preparations for our 2017 U.S. market launch," stated Craig Reynolds, CEO of Cerêve. "Beyond the launch, this funding will enable rapid expansion to meet pent-up physician and patient demand for a safe, effective insomnia treatment."

As part of the transaction, Justin Sabet-Peyman, Director on KKR's Health Care investing team, will join the company's Board of Directors. "Cerêve has developed a safe and differentiated solution for millions of people who suffer from insomnia," said Mr. Sabet-Peyman. "We are very excited to be partnering with an accomplished management team that has significant sleep sector expertise to bring this innovation to the market."

Earlier this year, Cerêve received FDA clearance for its insomnia therapy device that reduces the time it takes people with insomnia to get to sleep. Three independent clinical studies conducted on more than 230 patients over 3,800 research nights demonstrated the safety and efficacy of this novel device. With eight issued and twenty-one pending patents, the Cerêve System is comprised of an intelligent bedside device that precisely cools and pumps fluid to a forehead pad worn throughout the night. Clinical subjects found the device easy to use and to wear, and commented that it was a calming and comfortable experience.

Cerêve will initially deploy its funding to build out its infrastructure and prepare for product launch during the second half of 2017.

For KKR, the investment is part of the firm's health care growth equity strategy, which is focused on high-growth companies for which KKR can be a unique partner in helping reach scale.

About Cerêve

Based near Pittsburgh, PA, the privately-held company was formed in 2008 after the company's Founder, Eric Nofzinger M.D., performed pioneering brain imaging studies on patients with insomnia at the University of Pittsburgh. The Cerêve management team includes former executives from Respironics, a global leader in sleep and respiratory markets that was acquired by Philips in 2008 for $5 billion.

For more information, or to receive updates as Cerêve becomes available, visit www.cerevesleep.com.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

SOURCES:

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