



## Capnia Announces Exclusive Distribution Agreement for Sale of CoSense® in China

March 16, 2016

### Five-year agreement represents significant expansion of CoSense outside the US

REDWOOD CITY, Calif., March 16, 2016 (GLOBE NEWSWIRE) -- Capnia, Inc. (NASDAQ:CAPN), a diversified healthcare company that develops and commercializes innovative diagnostics, devices and therapeutics addressing unmet medical needs, today announced its entry into an exclusive international five-year distribution agreement with Shanghai CiiC Science and Technology Development Company (Shanghai CiiC) for the sale of its CoSense End-Tidal Carbon Monoxide Monitor and Precision Sampling Sets in China.

Under the terms of the agreement, Shanghai CiiC will have the exclusive right for sales, marketing, distribution and field service activities for CoSense in China. Shanghai CiiC, at its expense, will secure and maintain all registration and approvals for CoSense in China. CoSense sales are expected to commence by the end of 2016, subject to Shanghai CiiC securing all necessary regulatory approvals.

"This agreement with Shanghai CiiC allows us to pursue a rapid path to the China market, potentially one of the largest opportunities in the world for CoSense with 16 million births every year. This long-term partnership will provide synergies with respect to marketing authorization, sales, marketing and distribution, which will add significant value for CoSense," said Anish Bhatnagar, MD, Chief Executive Officer of Capnia. "In China, Shanghai CiiC is known for technological innovation in both healthcare and medical devices and they are well equipped to bring CoSense to the market in this important global territory."

Wenan Zhu, General Manager for Shanghai CiiC stated, "We are extremely excited to pursue this arrangement with Capnia. Shanghai CiiC is well positioned to bring CoSense to market in China, the world's largest healthcare market. Our joint effort will facilitate the approval and commercial launch in China, thereby providing physicians with a better tool to detect hemolysis and manage newborns with jaundice. Hemolytic disease is prevalent in our country, and we anticipate that CoSense will become a key technology for aiding in the early detection of hemolysis."

Shanghai CiiC specializes in the import and export of the latest technological applications, including healthcare and medical devices and they are currently commercializing other novel devices in the field of neonatology. They are the largest and most profitable subsidiary of CiiC, which is one of the state-owned backbone enterprises under the direct management of the Chinese Central Government.

### About Capnia

Capnia, Inc. is a diversified healthcare company that develops and commercializes innovative diagnostics, devices and therapeutics addressing unmet medical needs. Capnia's lead commercial product, CoSense®, is based on the Sensalyze™ Technology Platform. It is a portable, non-invasive device that rapidly and accurately measures carbon monoxide (CO) in exhaled breath. CoSense has 510(k) clearance for sale in the U.S. and has received CE Mark certification for sale in the European Union. CoSense is used for the monitoring of CO from internal sources (such as hemolysis, a dangerous condition in which red blood cells degrade rapidly), as well as external sources (such as CO poisoning and smoke inhalation). The initial target market is newborns with jaundice that are at risk for hemolysis, comprising approximately three million births in the U.S. and European Union. The Company's commercial, neonatology-focused product line also includes innovative pulmonary resuscitation solutions, including the NeoPIP™ Infant T-Piece Resuscitator and Universal T-Piece Circuit consumables. Capnia's proprietary therapeutic technology uses nasal, non-inhaled CO<sub>2</sub> and is being evaluated to treat the symptoms of allergies, as well as the trigeminally-mediated pain conditions such as cluster headache, trigeminal neuralgia and migraine.

### Forward-Looking Statements

This press release contains forward-looking statements that are subject to many risks and uncertainties. Forward-looking statements include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, our ongoing and planned product development, renewed focus on our therapeutic business and our ability to generate sales under this distribution agreement.

We may use terms such as "believes," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should," "approximately" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained herein, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this presentation. As a result of these factors, we cannot assure you that the forward-looking statements in this presentation will prove to be accurate. Additional factors that could materially affect actual results can be found in Capnia's Form 10-Q filed with the Securities and Exchange Commission on November 12, 2015, including under the caption titled "Risk Factors." Capnia expressly disclaims any intent or obligation to update these forward looking statements, except as required by law.

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