

## Hound Labs, Inc. Raises \$20M in Capital to Scale Operations

Funding Will Be Used to Expand Sales, Marketing, and Manufacturing Teams to Meet Demand for the HOUND® MARIJUANA BREATHALYZER

OAKLAND, Calif. – September 3, 2021 – Hound Labs, Inc., a health technology company specializing in portable health solutions, announced today the investment of \$20 million to scale production of the HOUND® MARIJUANA BREATHALYZER. Entourage Effect Capital (EEC), a private investment firm dedicated to investing in high-quality emerging growth cannabis companies, led the round. Current investors Intrinsic Capital, Benchmark, and Icon Ventures also participated. In addition, Tuatara Capital, a private equity firm focused on the burgeoning cannabis sector, joined this round of funding. Hound Labs has developed a patented and one-of-a-kind ultra-sensitive technology that is at the core of the company’s first commercial product – the HOUND MARIJUANA BREATHALYZER.

“The groundbreaking breath testing technology created by Hound Labs provides a substantial competitive advantage to the Company,” said Dov Szapiro, Managing Partner at EEC. “The Hound Labs team has accomplished an impressive scientific achievement – precisely and consistently targeting one specific type of molecule out of the more than 3,500 different compounds found in breath. Not only are we excited about the immediate capabilities of the Hound® breath technology to measure recent cannabis use, we are also excited about future applications that can detect pathogens such as SARS-CoV-2 or biomarkers for disease by changing the targeted compound.”

The ultra-sensitive technology underlying the HOUND MARIJUANA BREATHALYZER has been designed to isolate recent cannabis use by specifically measuring THC<sup>1</sup> (the primary psychoactive ingredient in cannabis). Testing for THC in breath, where it only remains for a few hours before disappearing, is the only way for employers to know whether employees have used cannabis within hours of the test. The ability to determine when an employee used cannabis is critical now that most adults in the U.S. can legally use recreational cannabis outside of work hours.

While conventional drug tests of oral fluid, urine, and hair can be effective for other drugs, their [cannabis detection windows](#)<sup>2</sup> cause employees to test positive for days, weeks, or months after impairment has subsided. In contrast, the HOUND MARIJUANA BREATHALYZER is the only ultra-sensitive cannabis testing solution that identifies recent use that correlates with the window of impairment<sup>3</sup>, allowing employers to keep employees who might otherwise test positive via conventional cannabis tests of oral fluid, urine, and hair.

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<sup>1</sup> Δ-9-tetrahydrocannabinol (Δ-9-THC) is recognized as the main psychoactive and impairing ingredient in cannabis.

<sup>2,3</sup> <https://houndlabs.com/2018/09/06/how-long-can-marijuana-be-detected-in-drug-tests/>

“In order to manage our supply chain and meet demand for inventory, we have been reaching out to employers on our [Wait List](#) to understand the volumes required for our commercial units in 2022,” stated Dr. Mike Lynn, CEO of Hound Labs. “The response has been incredible. We are negotiating multi-million-dollar contracts with companies from a variety of industries who want to secure HOUND MARIJUANA BREATHALYZERS ahead of our 1Q22 commercial launch.”

With little guidance from federal and state governments, employers have been faced with the untenable position of choosing between safety or fairness. Current cannabis tests were designed during an era of zero tolerance when cannabis use was universally illegal, and it did not matter if positive results reflected cannabis use weeks earlier. Now with widespread legalization, employers and employees across the country are clamoring for a fair cannabis test that only identifies recent use within hours of consumption – not days, weeks, or months prior to testing.

“The state-by-state (even municipality-by-municipality) approach to legalizing cannabis use has resulted in a complex patchwork of laws for employers to navigate,” explained Michael Clarkson, Co-Chair of [Ogletree Deakins’](#) Drug Testing Practice Group. “By way of example, the Drug Testing Practice Group has 67 members – all to help employers balance legal compliance with safety and workplace productivity in the era of cannabis legalization.”

Investors, companies, law enforcement agencies, and drug testing providers can learn more about the HOUND MARIJUANA BREATHALYZER and the importance of testing breath for cannabis by visiting [www.houndlabs.com](http://www.houndlabs.com).

#### About Hound Labs, Inc.

[Hound Labs](#) is a health technology company that combines science and technology in novel ways to create portable solutions that improve health and wellness. The Company believes its ultra-sensitive and portable technologies will pave the way to practical and fair solutions for some of the leading public health and safety issues. Hound Labs’ first portable solution is the HOUND® MARIJUANA BREATHALYZER, which allows employers and law enforcement to identify recent cannabis use rapidly and accurately by testing breath on-site. The Company was founded in 2014 by a team including CEO Dr. Mike Lynn, an ER physician, reserve deputy sheriff, and former venture capitalist. [Benchmark](#), [EEC](#), [Icon Ventures](#), [Intrinsic Capital Partners](#), [NFP Ventures](#), [Tuatara Capital](#), and individual investors have funded the Company.

The HOUND® MARIJUANA BREATHALYZER is intended to detect recent marijuana use. It does not measure whether, or how much, a person is impaired. It is intended solely for use in law enforcement, employment, and insurance settings. It should not be used for any medical or therapeutic purposes, or for any Federal drug testing programs, such as programs

run by the Substance Abuse and Mental Health Services Administration (SAMHSA), the Department of Transportation (DOT), and the U.S. military.

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