

SANSO

HEALTH TM

OXYGEN INSPIRED.

www.SansoHealth.com

Sanso Health, LLC

Our Mission

To help patients requiring supplemental oxygen live more active, healthier, and longer lives by optimizing their oxygen therapy.

The Problem We Solve

Patients today requiring supplemental oxygen do not receive the right amount of oxygen at the right time.

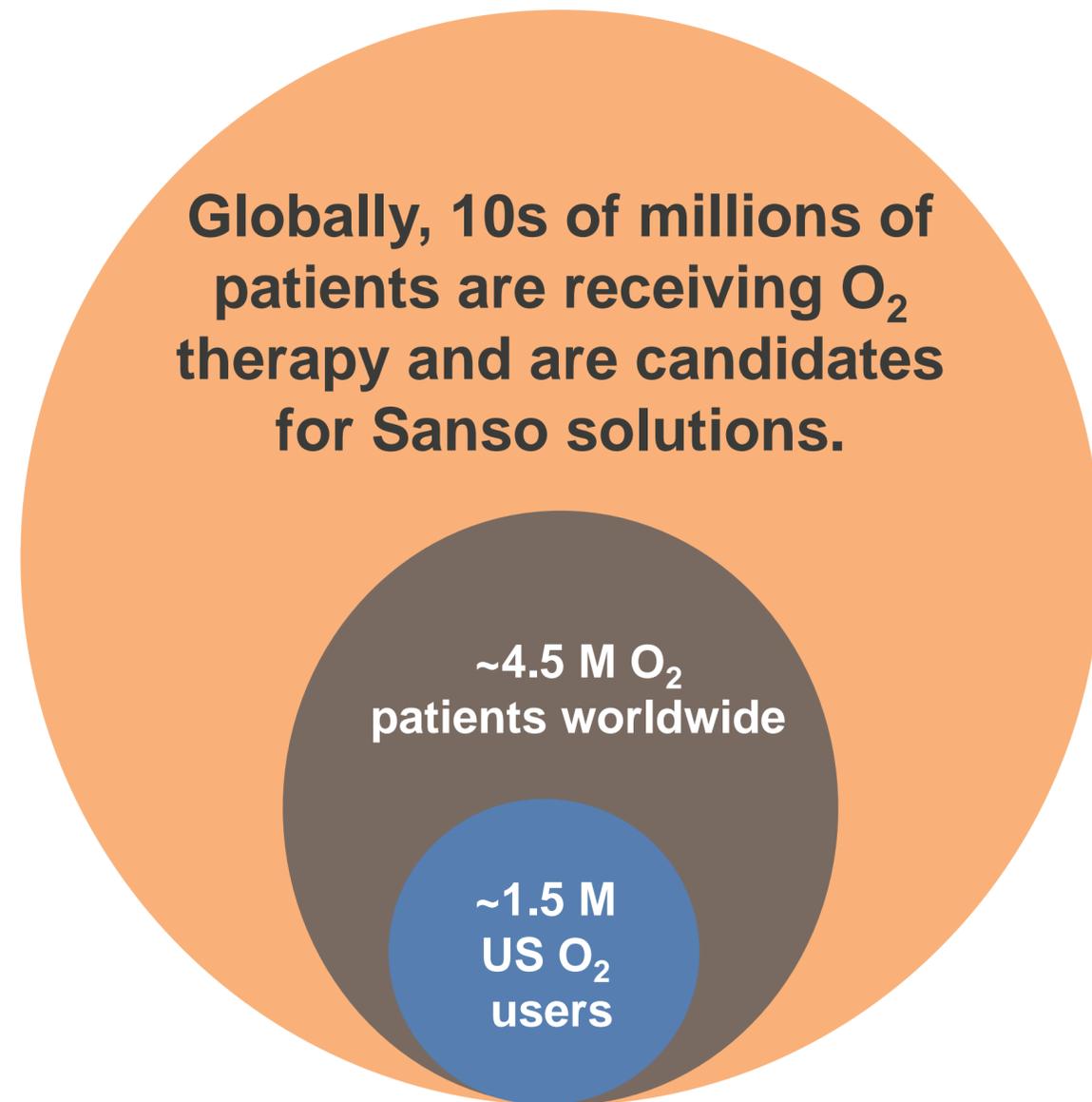
Our Customers

All patients that are prescribed long-term (e.g. COPD, CHF) and short term supplemental oxygen (e.g. emergency care).

All ACOs (Accountable Care Organizations), IDNs (Integrated Delivery Networks, Home Health, ER, Rehabilitation, Nursing Homes, SNFs (Skilled Nursing Facilities), and Assisted Living Centers



Supplemental Oxygen Therapy Market – Large & Growing



“ Each year, approximately one million patients receive O₂ through Medicare reimbursement, at a cost exceeding two billion dollars per year. This cost is increasing at an annual rate of nearly 13%. ”

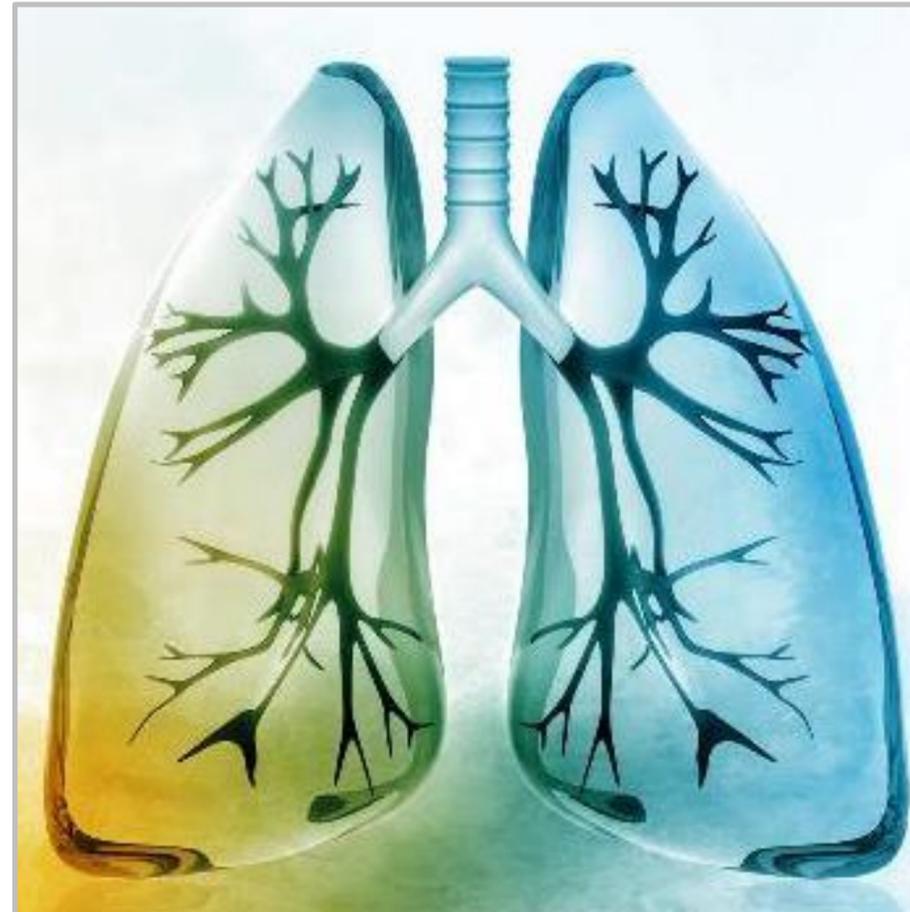
Supplemental oxygen (O₂) therapy increases survival and improves the quality of life of patients with Chronic Obstructive Pulmonary Disease (COPD) and Congestive Heart Failure (CHF).

Costs Associated with COPD and CHF Management are Skyrocketing

COPD is **3rd** leading cause of death

COPD ranks **#3** in US acute hospital admissions

CHF ranks **#1**



19.6% of COPD hospitalizations in US are readmitted within 30 days at annual cost of **\$17B**

COPD costs approx. **\$50B** / year in the US

15.7m

Americans have been diagnosed with COPD

Heart Failure **costs** an estimated **\$32B** / year

Average total cost/admission

\$15,093

700,000 COPD hospitalizations annually

80m people worldwide have COPD

1 in 5 (22.6%) are **readmitted** within 30 days



How Sanso Revolutionizes Oxygen Therapy

Sanso Auto-Adjusting Oxygen Delivery

Sanso Via:

- ✓ Connects to commercial oxygen supply devices
- ✓ Automatically optimizes dosing based individual physiological demand
- ✓ Wirelessly transmits patient's oxygen saturation (SpO₂), pulse rate, respiration rate, and O₂ consumption to caregivers in real-time



SANSO
VIA™

SpO₂ Monitoring

Patients receive a dose of O₂ when SpO₂ level drops below desired level set by their caregiver



Auto-Titrate

System automatically adjusts O₂ level to appropriately oxygenate the patient and encourage activity



Real-Time Alerting

Wireless vitals transmission helps physicians remotely determine appropriate drugs and therapy



Peace of Mind

Caregivers can be notified if vitals drop or if system is not being worn so someone (even family members) can intervene

Sanso's Solution and Value Proposition

Sanso's Solution

Sanso integrates patient monitoring with O₂ dosing to deliver as much O₂ as needed, but only when it is **actually** needed.

Sanso products are designed for use in the home and long-term care facilities where COPD and CHF patients are often **under-oxygenated**, become sedentary, and are at risk for exacerbations and costly hospitalizations.

Sanso products will be used in hospitals for lung disease patients, but also for non-COPD patients who are traditionally given fixed high-flow O₂ in emergency care, surgery, general ward, ICU, etc. and are at significant risk of **over-oxygenation**.

Value Proposition

Sanso's primary value proposition is a **reduction in hospital readmissions** of lung disease "frequent fliers" (patients that are admitted to hospital two or more times each year).

Nearly 20% of COPD patients hospitalized in the US are readmitted within 30 days, accounting for \$17 billion in annual expenditures. By focusing on these patients Sanso demonstrates to its customers a healthy return on investment as the average hospitalization for one COPD admission can quickly surpass \$15,000.

Sanso's solution to help prevent hospital readmissions will cost \$1,200 to \$2,400 per year, an excellent value for patients that cost health insurance carriers and at-risk care delivery organizations hundreds of thousands of dollars annually.

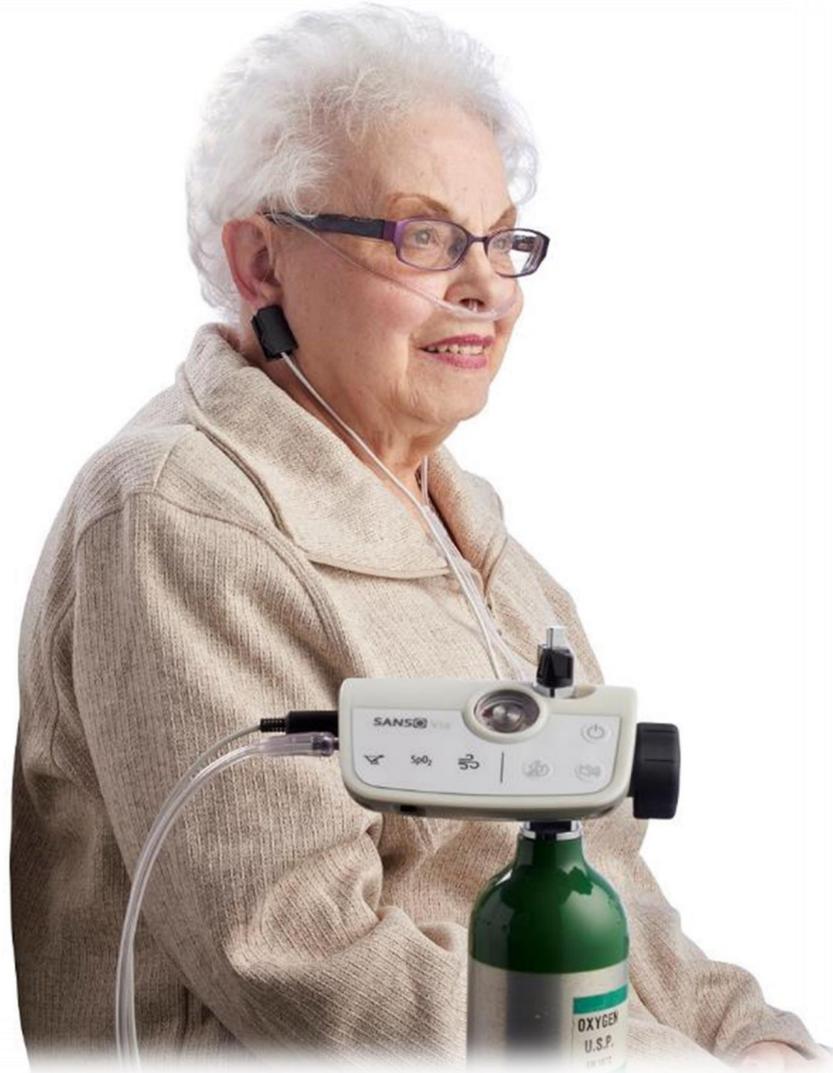
Helping Home Care Customers Reduce Exacerbations / Readmissions

Sanso solutions are intended to serve:

- ✓ The therapeutic needs of patients
- ✓ The real-time monitoring and clinical analytics needs of caregivers
- ✓ The cost reduction needs of healthcare providers and payers

Sanso has produced the first technology solution for COPD Readmission Reduction:

- Patients using fixed flow systems are less active and have less adherence to prescribed supplemental oxygen
- Decreasing 30 day readmissions is great but in an ACO world, decreasing total admissions and decreasing the total cost of care delivery is crucial



Helping Acute Care Customers Prevent Over-Oxygenation

A recent study analyzed heart attack patients who were not hypoxic and found that potentially oxygen is increasing myocardial injury, recurrent myocardial infarction, major cardiac arrhythmia, and may be associated with greater infarct size at 6 months.

Another study of COPD exacerbation found mortality was 9% in the high flow oxygen group compared to 2% in the titrated oxygen group.

Sanso's goal is to integrate automatic titration everywhere oxygen is delivered.

- Sanso technology can meet patient O₂ demand needs in bed, sitting or ambulating, automatically in every setting (ER/Triage, Surgery, General Ward, ICU, etc.)
- Sanso solutions provide monitoring information (Respiration Rate, SpO₂, O₂ consumption, etc.) from previously unmonitored beds



Sanso's Remote Monitoring and Data Analytics

The First Internet-Connected Supplemental O₂ Therapy Solution

- ✓ Programmable Thresholds, Goal Monitoring, and Rewards
- ✓ Data can be delivered to caregivers, logistics (efficient tank delivery), patients, and family members
- ✓ Data Integration with existing applications / EMRs
- ✓ Data "Hub" - collecting data from other Bluetooth devices



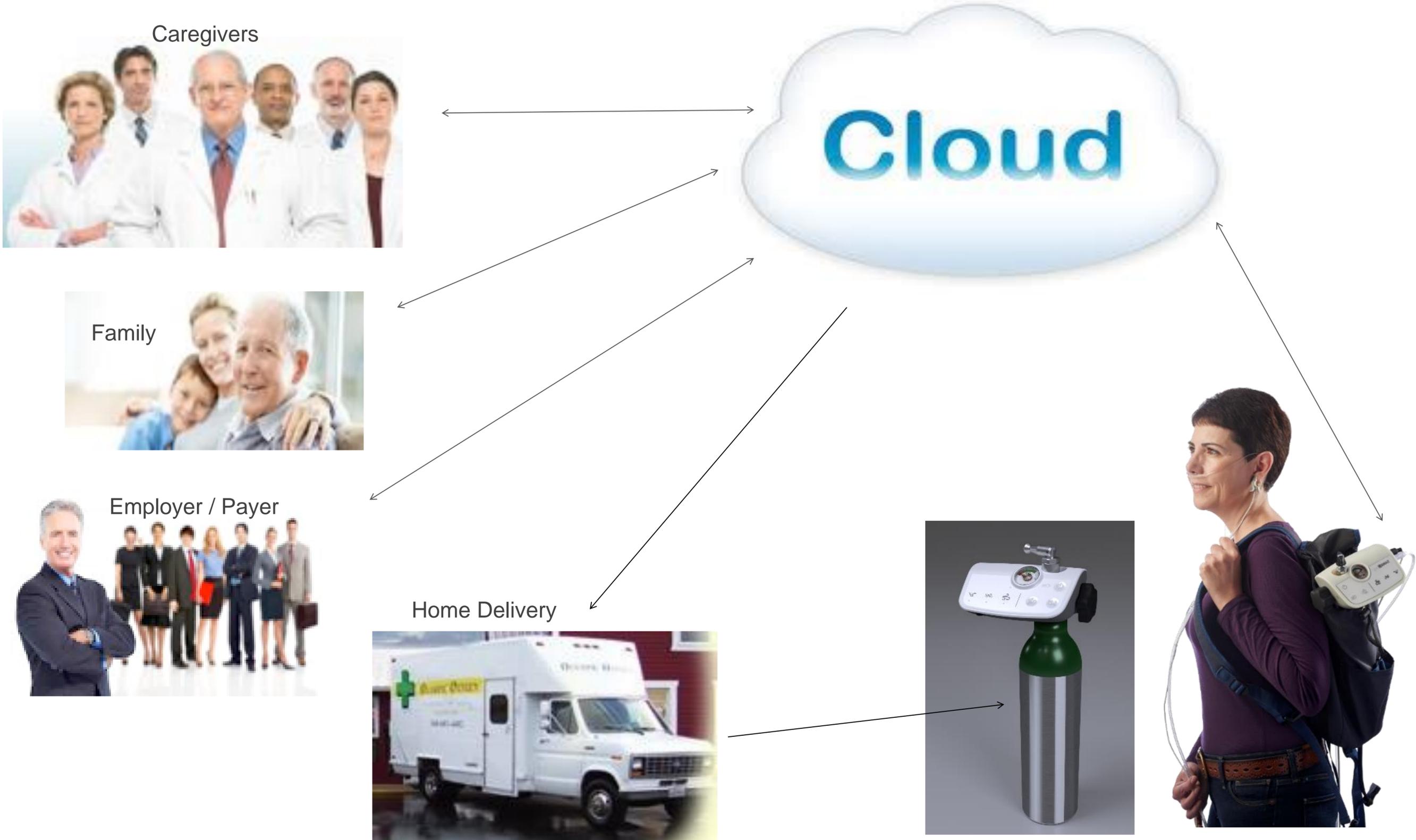
Available Parameters for Remote Monitoring

- ✓ O₂ Saturation (SpO₂)
- ✓ Respiration Rate
- ✓ Heart Rate
- ✓ O₂ Consumption
- ✓ Activity
- ✓ Weight
- ✓ Glucose

3rd party devices
integrated with
Sanso Via



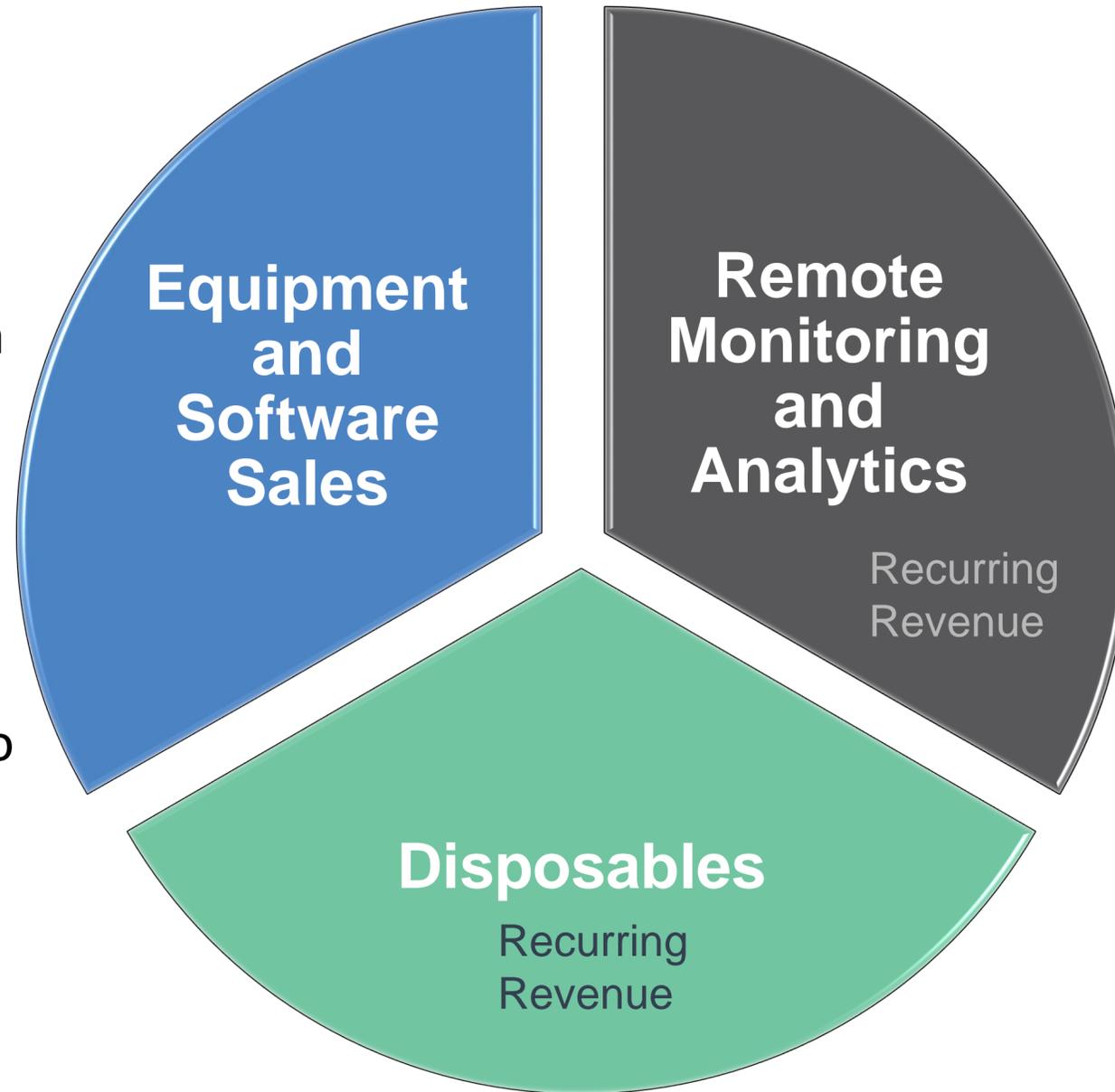
Sanso “Closes The Loop” in Oxygen Therapy



Market and Business Model

There are an estimated 1.5 million long-term O₂ therapy users in the US and 4.5 million worldwide. **All of these patient could utilize Sanso devices, software, disposables, and data services to improve outcomes and reduce costs.**

With every O₂ tank and healthcare facility bed as a potential placement, equating to a market opportunity worth several billion dollars annually, **Sanso solutions could change the standard of care with respect to O₂ delivery worldwide.**



Sanso's business model is to design, develop and commercialize several technology solutions utilizing our patented AccuO₂ algorithm to healthcare environments worldwide, and to monetize all potential from the company's proprietary capital equipment, software applications, disposables, and remote data management services.

Sales Distribution and Marketing

SALES DISTRIBUTION

Direct Sales: ACOs and IDNs (HealthPartners, Kaiser Permanente, Veterans Administration, etc.) and B2B to Home Care / Disease Management through full-time Regional Sales Managers (RSMs).

Distributor Sales: Traditional hospitals, long-term care, and other non-acute care facilities through large wholesale distributors (e.g. McKesson, Henry Schein, Cardinal Health, and Medline) via salesforce of Independent Manufacturer Representatives (IMRs).

Partner Sales: Co-op marketing and private-label arrangements through health data management and remote patient monitoring companies, including bundling with disease management from Medtronic, Optum, WebMD Health, and Healthsmart.

Foreign Sales: Sales outside the US will be managed by exclusive strategic partners / distributors in each country.

MARKETING

Internet Marketing: Reach active online community of patients with respiratory disease that seek out solutions to their problems and share their personal experiences with care treatment and new technology. Develop SEO (Search Engine Optimization), social media email campaigns (e.g. Facebook, Twitter, Linked-In, etc.), blogger content, and website referral programs.

Brand Building: Brand exposure campaign that will include advertisements in disease management journals helping to drive traffic to Sanso's website in order to convert inquiries into sales opportunities.

Telemarketing: Lead processing and cold calls to set face-to-face meetings for Sanso's field RSMs and IMRs.

Sanso Progress

TECHNOLOGY LICENSE AND EARLY FUNDING

Sanso began researching and developing a closed-loop oximeter-controlled oxygen delivery system in 2014 after obtaining a license on the AccuO₂ intellectual property from the original inventors and patent holders.

Development of the Sanso Via began in early 2015 after Sanso received non-dilutive funding of \$460,000 from Teijin, a Japanese strategic commercialization partner.

During product development the company used highly specialized contract engineers and manufacturing consultants with an emphasis on the highest quality parts from world-class suppliers. 3D printing and rapid prototype tooling were used to create early working models for the Sanso Via regulator module and ear lobe oximeter sensor.

PRE-PRODUCTION AND REGULATORY CLEARANCES

Ten pre-production Sanso Via systems are complete and in the final round of medical device testing certification, which includes biocompatibility, particulate matter testing, and all applicable elements of the IEC-60601 Medical Electrical Equipment standard.

Sanso is currently preparing its US FDA 510k application for the Sanso Via system. Simultaneously, the company is completing a technical file for CE Mark certification in order to distribute into Europe. Sanso will begin seeking its first capital investment from outside investors after completing the FDA submission.

The Sanso Via product launch into the US and Europe is projected for 2018.

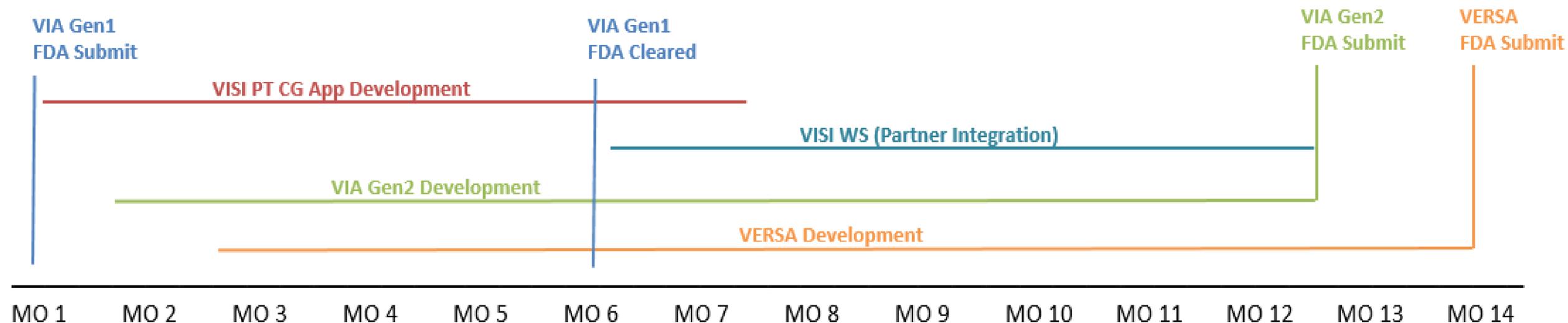
Product Pricing and Revenue Forecast

<u>Cost / Pricing Estimates (at product launch)</u>	<u>Cost</u>	<u>Wholesale Cost</u>	<u>Average Selling Price</u>
Sanso Via System (with Sanso proprietary ear sensor and cannula)	350.00	800.00	1,000.00
Sanso Versa System (with Sanso proprietary ear sensor and cannula)	200.00	400.00	500.00
SpO ₂ Ear Sensor (Sanso proprietary) – reusable	20.00	80.00	100.00
Nasal Cannula (Sanso proprietary) – disposable	0.50	4.80	6.00
Sanso VISI PT App Subscription (per user per month)	1.00	N/A	5.00
Remote Patient Monitoring Enrollment (one time per patient)	350.00	N/A	750.00
Remote Patient Monitoring Service (per patient per month)	10.00	80.00	100.00
Remote Patient Monitoring Enterprise Licensing (per site)		N/A	250,000.00
Remote Patient Monitoring Enterprise License Maintenance (per year)		N/A	30,000.00

Revenue Forecast Estimates (First Five Years):

REVENUE (USD)	Year 1	Year 2	Year 3	Year 4	Year 5
Equipment	220,000	3,301,250	7,228,000	14,247,500	21,371,250
Supplies	0	479,250	1,415,250	3,260,250	6,027,750
Remote Patient Monitoring / Data Services	0	2,044,800	6,038,400	13,910,400	25,718,400
TOTAL PROJECTED REVENUE	220,000	5,825,300	14,681,650	31,418,150	53,117,400

Time to Market and Capital Requirements



Sanso Via FDA Submission: Q4 2017
 Sanso Via US and European Launch: Q4 2018
 Sanso Versa FDA Submission: Q4 2018

Capital Requirements

Sanso's Series A round of financing is to be \$2.5 million and will begin after the submission of the Sanso Via to FDA.

If the company is not acquired within two years of product launch, the Series B round of \$10 - \$15 million is planned to fully market and commercialize the company's products and services globally.

Since its inception Sanso has raised \$600,000 in capital, the majority in a non-dilutive transaction with Teijin.

Use of Proceeds

Development Projects Budget Total	\$ 829,000
Working Capital – Parts/Inventory (Initial Builds)	\$ 400,000
Personnel, Royalties, General Admin / Payables	\$ 600,000
Intellectual Property – patents / trademarks	\$ 50,000
Optional – Potential Acquisition	<u>\$ 300,000</u>
TOTAL	\$2,179,000

Leadership Team

Spencer Lien

CEO & Founder

30 years of experience in the medical technology industry and has developed highly-tuned skills in creating winning strategies and successful startups.

Greg Ingersoll, PhD

Chief Technology Officer

17 years of product development experience encompassing electronics, embedded and application software, requirements, systems engineering, and project management.

Mary Riebe

Operations Manager

Over 20 years of operational experience in retail and medical technology, including accounting, purchasing, sales administration, and project management.

Bob McCoy, BS, RRT, FAARC

Clinical Marketing & Founder

Over 25 years in the medical industry as a clinician, entrepreneur, and consultant. He is known as a tireless patient advocate and well-known respiratory care expert and author.

Matt Mesnik, MD

Clinical Advisor & Founder

Healthcare Executive with 29 years of experience. He has a reputation for bringing innovative solutions to market, leveraging strategic partnerships, and leadership.

Peter Bliss

Product Development

30 years of experience in the design of medical oxygen devices with 18 issued patents. He was the CTO of a startup recently acquired by a Fortune 500 device company.