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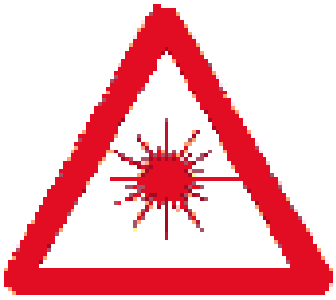

SURGEON LASER MACHINE

Executive Summary

The Company

Cardeovis Technologies Ltd**.**

Was established in 2017 after A.L.F. Enterprise company founded in 1996 by Mr. Boris Fradkin, M.Sc.E.E, to develop the founder patents. So far we have 13 PCT, USA and Israel patents and patent applications. One of them was sold to a Swedish company; another one was presented to General Electric, USA, and another one – to an Israeli company named Waisbord. In addition to the patent activity, the A.L.F company provided technical writing and translation services to big Israeli high tech and medical companies such as Tadiran Ltd., Efrat Ltd., ECI Ltd, Dr.Nona, etc.
B.Fradkin was project manager of many military and civilian projects such as US air jet F4 "Phantom" upgrading, "Shida Tiknit" submarine system, first in the world multifunctional fax machine etc.
B.Fradkin is now the CEO of A.L.F. Enterprise, Life We Protect Ltd. and Cardeovis Technologies Ltd.
In the "SURGEON LASER MACHINE" project we are working with leading specialists in the fields of medicine (Prof. Gideon Sahar, Prof. Rona Shofty, Dr. Eldad Rechavia) and high tech laser machine development (Prof. Naftaly Menn, CEO and founder of AMS advanced measurement system Ltd, professor at the Technion- Israel Institute of Technology).
By using modern project management technique – subcontracting and outsourcing, we manage to save millions of dollars in the development of our product.

The vision - To provide an efficient, innovative, high quality patented product for median sternotomy.

The pain

Median sternotomy is one of the most critical phases of bypass operation (CABG), mainly because of the potential for injury to the underlying organs or blood vessels. To avoid this harmful risk, surgeons tend to ask the anesthesiologist to deflate the lungs and to minimize ventilation during sternotomy in order to avoid displacement of the heart and lungs towards the operative incision field and to minimize the potential injury to these organs.

The operative approach of sternotomy begins with vertical skin incision made from below the suprasternal notch towards the half-way point between the xiphpoid process to the ombelicum. Subsequently the sternum itself is longitudinally dissected with the use of an oscillary cast cutter, and it is highly important to inspect all the dissected surfaces. The incision itself may have unlimited consequences both peri- and postoperatively, and meticulous incision is mandatory to avoid troublesome long run complications

Several important limitations are related to the current surgical approach of median sternotomy:

- Rough balky sternal incision
- Debilitating effect on patient's recovery after surgery with poor quality of life
- Prolonged sternal and chest wall pain (80% of patients)
- High complication rate of up to 5% with mortality rate from 7% to 68%
- 9% incidence of sternal fracture

Product

The SLM is a surgery instrument in the operating room.
The SLM includes 3 main parts:
1. Optical part. This part will include the laser, the optical interface, and the illumination optics for imaging and the software for image analysis during the surgery.
2. Control system for Optical part movement control
3. Auxiliary hardware and software for proper functioning of the instrument. This part includes ventilation, auxiliary cutting fiber optic instrument and new medical accessories needed for such kind of operations.

Market Potential

Company believes that in every operating room, especially in the western world, SLM should be installed for different kinds of operations, mostly for cardiac operations.
Today statistics show that the total amount of US hospitals is:

US Hospitals by Bed Size

Hospital Bed Size	Number of Hospitals
<100	2922
100-199	1426
200-499	1339
>=500	326

Total amount: 6013 Hospitals in USA

The average number of Operating Rooms (OR) per hospital in the US is 6.

Total number of OR (operating rooms) in USA is: 6x6013=36078 operating rooms.

Say one SLM price is US$100,000.

36078 operating rooms x US$100,000 = US$3,607,800,000 =US market

US market is 40% of the world market

The world market is US$ 9,019,550,000 if the price is US$100k (worst case) and more than US$22,5B with real price of US$250k

Target Market and projections

The SLM market worldwide is estimated at US $9Billions.
It is expected to grow at 7% over the next three years and settle down to 5% over the longer-term.

Business Model

Marketing Strategy

While the industry offers numerous opportunities for the SLM, Company management will focus on its efforts to market the product directly to hospitals in Israel, Europe and the US. LWP will focus on the high end leading hospitals and science centers, in order to bring the company to profitability in a short term , and to establish the SLM brand name (which was not chosen yet) as a synonym for quality , reliability and innovation.

- Short term marketing strategy – Company will cooperate with AMS – Advanced Measurement Systems Ltd. to produce and market the first series of SLM in Israel. After collecting the preliminary data and based on the experimental and surgical results, after solving initial problems, LWP shall produce enlarged series of SLM and shall propose the machine and technology to European, American and Japanese markets.
- Mid/Long term marketing strategy – after acquiring a brand name through the sales in Israel and other countries, Company intends to propose cooperation to leading producers of medical equipment. Company plans to increase the product production and/or to make a successful exit.

Operations:

The initial setup for the office, workstation etc. is fairly mundane. The interesting part is our development and manufacturing models.
First set of the laser machine prototypes will be designed in cooperation with AMS Ltd. as a subcontractor and Cardeovis Technologies Ltd. as a major development company. First tests will be performed at the Technion and Soroka Hospital. The first production series will be produced by AMS Ltd. We expect that pending on the success of our prototypes; this will be our initial sale as well. In addition to the first series of SLM manufacturing, we plan to outsource the manufacture of the product for the following production series.

Future staff

Thanks to the modern management we already have qualified staff for the project at AMS Ltd.
We have to recruit in Cardeovis Technologies Ltd. additional personnel to help in developing the prototypes.
Prof. Naftaly Menn, CEO and founder of AMS Ltd, is responsible for the laser machine prototypes development and first series production.
Dr. Eldad Rehavia is responsible for medical aspects of the project.
DVM, PhD, Prof. Rona Shofty will perform tests on animals.
Prof. Gideon Sahar is the project surgeon adviser and is responsible for the clinical tests at Soroka Hospital

Mr. B.Fradkin, CEO of A.L.F. Enterprise, DVM, PhD, Prof. Rona Shofty and Prof. M.D Gideon.Sahar will be responsible for CE and FDA certifications.

Financial Analysis

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenues	**0**	**0**	**0**	**1,800**	**5,100**	**19,100**	**52,100**
Operating Expenses							
Advisers Commissions on sales	0	0	0	180	510	1,910	5,210
Manufacturing Cost	0	0	0	495	1,320	4,950	13,200
Salaries / Wages	259	378	263	788	1,417	2,407	3,523
R&D	613	918	565	86	141	262	263
Operations	0	0	0	0	0	0	0
Marketing / Sales	0	0	100	193	338	650	1,090
General / Administrative	46	49	120	206	512	612	620
Total Operating Expenses	919	1,345	1,048	1,948	4,238	10,791	23,906
EBITDA	**-919**	**-1,345**	**-1,048**	**-148**	**862**	**8,309**	**28,194**
Depreciation	0	0	0	0	0	0	0
EBIT	**-919**	**-1,345**	**-1,048**	**-148**	**862**	**8,309**	**28,194**
Interest Expense	17	94	179	229	244	108	0
Profit Before Taxes	**-936**	**-1,439**	**-1,227**	**-377**	**618**	**8,201**	**28,194**
Taxes on Profit (20%)	0	0	0	-75	124	1,640	5,639
Net Profit	**-936**	**-1,439**	**-1,227**	**-302**	**494**	**6,561**	**22,555**
Cumulative Net Profit	**-936**	**-2,375**	**-3,602**	**-3,904**	**-3,409**	**3,152**	**25,707**

Cardeovis Technologies Ltd. is a privately owned company. It is fully self-funded up to date and is challenging these days its first financing round. The capital will be deployed towards developing a platform for Surgeon Laser Machines creating and procuring intellectual property required for this with the goal of proving the execution of the plan and reducing the risk component by proving the technological framework, the customer appeal and significant financial returns to investors.

We are requesting funding for development of prototypes and business development. We estimate that the 2 years long gestation period for developing the device will require an outlay of US$1million. After doing so the company will be looking to secure mass-scale financing for future expansions beyond the first scale. In our following years, we expect to spend about additional $3.5 million for tests, certifications and production.

For further information feel free to contact: fradkin@netvision.net.il

Boris Fradkin,

General Manager

Cardeovis Technologies Ltd

9 Hadas st, P.O.Box 6225, Oranit 44813 Israel

Mob. Ph.: +972-54-4720827, Office Ph.: +972-3-9360186

Fax: +972-3-9369163

E-mail: fradkin@netvision.net.il

www.lifeweprotect.com

Skype: boris.fradkin1