Physionip

Like mom's breast

Investors:

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Mission Statement

- A new nipple that **imitates** the physiologic and mechanical **characteristics of a breast**
- Young Moms – willingness to pay for premium products

- Our product is better than the competitors since it allows moms go to work and
  - continue breastfeeding at night (after work)
  - Temporary problem will not prevent breastfeeding

The problem

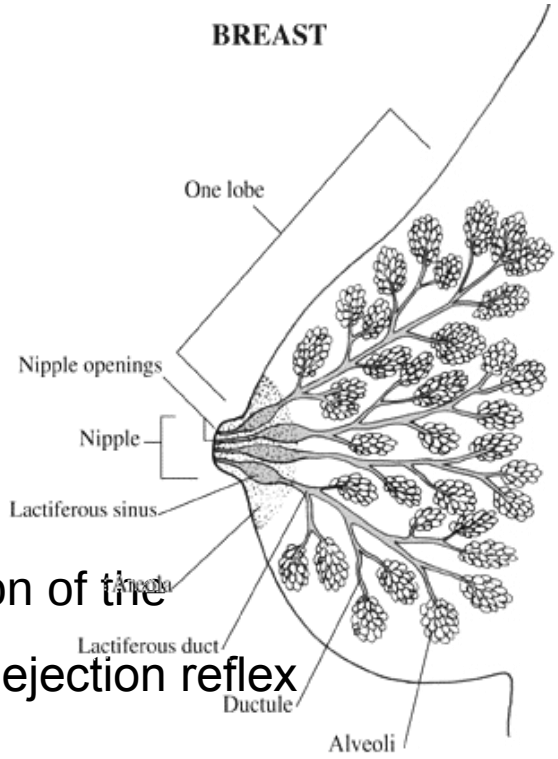
- Different Mechanisms between breast and bottle nipple
- Hard to move towards bottle and harder (to impossible) to go back or combine
  - **Nipple confusion**

- Mom can’t go to work and continue breastfeeding at night
- Temporary problem in breastfeeding (surgery, wounds etc.) prevent breastfeeding

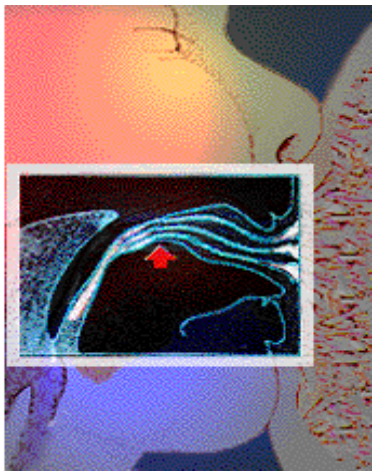
Market Potential (SAM)

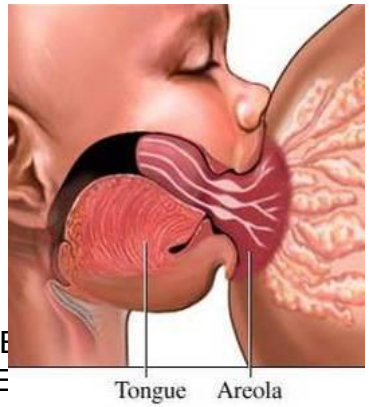
- 13 Million births in developed countries annually (130M globally)
- 1 birth = 10-20 bottle nipples / year (over 1-2 years)
- Conservative Target Price - $2.5 (equal to high-end of existing semi-generic products)
  - **$300M Market (at a $1 transfer price)**

Breast Feeding



- Milk Suckling from the breast
  - A dynamic Process
  - Requires Coupling between rhythmic pulsation of the surface of the baby's tongue & mother's milk ejection reflex
  - Milk is removed from the lactiferous sinuses to the back of the mouth by a roller-like peristaltic wave.
  - Generated by the stripping motion of the tongue against the hard palate.





The Product

- Advanced Breast-Simulating Bottle Nipple
  - Mimics the human breast in both Shape and Mechanics
  - Solid nipple interlaced with milking ducts – similar to human breast
  - Milk sinuses
  - Requires the baby for the same milk suckling action as in breast suckling (peristaltic movement).
    - Reversible switching between bottle and breast feeding

The Product (2)

- Based on research at the Biomedical Engineering department at Tel Aviv University
- IP
  - provisional written by Reinhold Cohen office was submitted
  - The submission of PCT is taking place these days

- Production cost 0.25$ per unit

Competition

Existing Bottle Nipple 	Physionip 
Resemble human breast in shape	Mimics the human breast in both Shape and Mechanics
An altogether different mechanics	Solid nipple interlaced with milking ducts
Gentle pressure releases milk	Same milk suckling action as in breast suckling (peristaltic movement).
Generic, undifferentiated	different
Mainly a brand competition, little or no innovation	Innovative ability
Nipple Confusion	Reversible switching between bottle and breast feeding

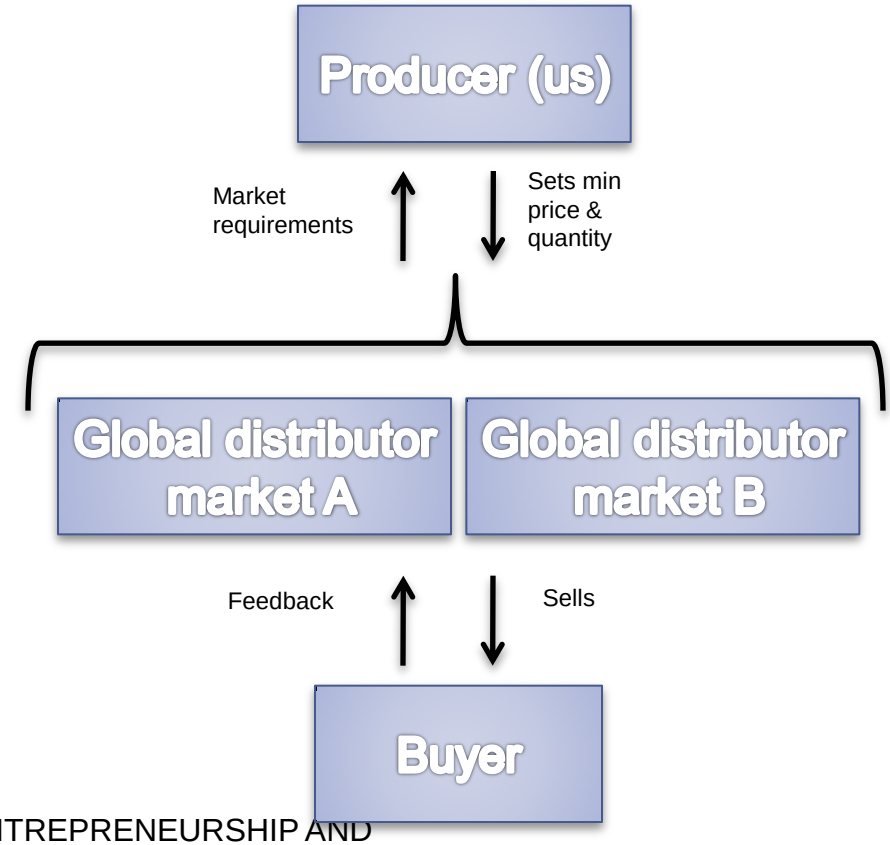
Revenue model

- Product with special characteristic
- IP protection (patent)
- Aim at the mass market (blockbuster)
- Customers pay a premium

Go to Market

- Young Moms – willingness to pay for premium products
  - And even more for those with clinical benefits for the baby
- Try all brands to check what works best for their babies

- focus on known global distributors in order to accomplish cooperation in product distribution



Cash Flow Forecast

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Milestones	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Development	Regulations & preparing for production	Marketing	Variety of products		
Revenue	---	---	$4M	$20M	$40M	$48M
Expenses	$0.6M	$1.3M	$4.5M	$12M	$21M	$24M
Operational profit	($0.6M)	$(1.3M)	($0.5M)	$8M	$19M	$24M

Timeline

- Design & production of Prototype1
- Prototype I testing
- Process and Technology Improvements
- Additional Iterations
- Final Design

- Clinical Trials & Design for Cost
- Regulation submission
- Preparation for Production
- Manufacturing

- Marketing
- Initial sales

- Global sales
- Expend manufacturing
- Revenues ramp up

summery

- Large market, basic consume product
- Unique value for costumer
- Incubator support
- Ending balance in 6th year - $50M

- We need $1.5M in 2nd year & additional $1.3M in 3rd year.

Thank You