



Lanzor Medical Equipments

# BUSINESS PLAN

Alleviating Pain • Restoring Health • Extending Life



**DAILY REPORT SCHEDULE**

PATIENT NAME	7:00AM	8:00AM	9:00AM	10:00AM	11:00AM	12:00PM	1:00PM	2:00PM	3:00PM	4:00PM	5:00PM
TIME											
TEMP											
PULSE											
B.P.											
GLUCOSE											
DIET											
DRUGS											
REMARKS											

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# Executive Summary

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## Lanzor Medical's Business



TIP

We design, develop, and are selling unique solutions for the \$4.2 billion global market for catheter-based equipment to diagnose and treat cardiovascular disease. Our clinically proven and FDA and EU approved SmartFlow® products represent the next generation in interventional cardiovascular procedures, designed to improve outcomes in the 8 million catheter-based procedures performed worldwide each year. Our proprietary algorithms, based

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### Overview

*Start Writing here...*



TIP

Achieve and maintain world leadership in the diagnosis and treatment of coronary artery and renal artery disease through novel interventional applications of computational fluid dynamics and related advanced principles.

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### Mission

*Start Writing here...*



TIP

Our primary target is coronary artery disease (CAD), a blockage of the arteries that supply blood to the heart, affecting over 12 million Americans. CAD is the number one killer in developed nations, causing over 500,000 deaths per year in the U.S. and 6.9 million deaths worldwide. In the U.S., over \$58 billion is being spent annually to treat CAD.

[Read More](#) ▾

### Market and Opportunity

*Start Writing here...*



TIP

Our products, designed to improve the treatment of narrowing arteries due to coronary artery disease, are based on the principles of Computational Fluid Dynamics. Using our proprietary algorithms, we are able to measure various parameters with unprecedented accuracy and ease. Our commercially available products include:

[Read More](#)

## Commercialized Products

*Start Writing here...*



TIP

We are developing additional modules that will significantly improve the evaluation and treatment of additional cardiovascular conditions. In all cases, existing tools are unreliable, difficult to use, expensive, and frequently lead to poor treatment decisions. We believe that Florence's products for treating the following conditions will become essential tools in the cath lab:

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## Products Under Development

*Start Writing here...*



TIP

A number of technologies for diagnosing vascular disease currently exist:

- **Direct Competition:** RADI Medical Systems (a Swedish company) and JOMED (a Swiss company) have competitive pressure-based systems. However, SmartFlow is the only product capable of measuring CFR and FFR simultaneously based on the use of a pressure wire only

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## Competition

*Start Writing here...*



TIP

Our competitive advantages include:

- SmartFlow® product benefits relative to competing technologies:
- Real-time, more accurate, quantitative functional assessments;
- Safer, easier, faster, and more economical than competing procedures;
- Definitive indications of if and when treatment is required;

[Read More](#)

## Competitive Advantages

*Start Writing here...*



TIP

We are now shipping and installing SmartFlow® products. We are developing a small direct sales force to market SmartFlow to leading cath labs worldwide. In parallel, we are developing strategic regional distribution channels, some of which are now in place. In the future, we plan to establish distribution partnerships to leverage the global sales, marketing, manufacturing, and distribution capabilities of leading interventional cardiology device

[Read More](#) ▾

## Marketing and Distribution

Start Writing here...



TIP

Lanzor Medical, Inc., was incorporated in 2000 as a Delaware C corporation. It is a wholly-owned subsidiary of Lanzor Medical, Ltd., an Israeli company founded in 1997. Corporate and marketing activities are conducted from our Wellesley, MA headquarters, while R&D is conducted in our Israeli office. We employ 13 full-time employees and 7 part-time employees and consultants.

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## Company

Start Writing here...

## Management & Advisors



### FRANK MARTIN

*President and CEO*

He Has many years of domestic and international experience in medical devices, biotech and medical electronics. He held several senior domestic and international management positions at Becton-Dickinson and Abbott Labs before becoming a founder and builder of medical device companies, including PLC Systems, CorMedica, and Advanced Biomedical. Mr. Martin serves on the boards of NMT Medical, Inc. (Nasdaq-NMTI) and several private medical device companies.





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## EVGENY SHAMAN

*Chief Scientist,*

He earned his Ph.D. in applied mathematics at Moscow University, with special expertise in viscous flow and computational fluid dynamics. He has 30 years of industrial experience in the aerospace and cardiovascular fields, where he developed his exceptional know-how in vascular mechanics, hemodynamics, and the interaction of flow and the vessel wall. Dr. Shaman is responsible for the research activities of Lanzor Medical.



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## CHEN BARAK

*VP Operations*

He is a graduate of The Technion Israel and University of Texas, Southwestern Texas, in biomedical engineering. She has 12 years of academic and industrial experience in the cardiovascular field. Dr. Barak is responsible for clinical and regulatory affairs, as well as Israeli operations.



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## DOV GAL

*VP Clinical Affairs*

He has 19 years of academic and industrial experience in the cardiovascular field, with expertise in clinical research and clinical marketing, as well as commercial experience in medical products. He has held appointments at Harvard and Tufts Medical Schools.



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## KIMBERLY PATRIC

*Director*

Global Marketing and Sales has 13 years of sales and marketing experience domestically and internationally in the medical device industry. Prior to joining Lanzor, she held various senior positions with interventional cardiology device companies including Endosonics and JOMED. She is a graduate of the University of Massachusetts with dual degrees in business administration and political science.





## ROBERT STODDARD

CFO

He has extensive experience in early-stage medical device and biotech operations, financings, and mergers and acquisitions. Previously, he served as controller, treasurer, and CFO of the U.S. operations of Biogen, Inc., and more recently as CFO of Damon Biotech and Abbott Biotech. He is the Founder and President of RMS Associates, a consulting firm specializing in providing financial services to high tech companies. Mr. Stoddard is a graduate of Princeton University and a CPA.



TIP

- Frank Martin, Chairman, and CEO, Florence Medical
- Gideon Tolkowsky, Founding Partner, Veritas Venture Partners
- Hillel Bachrach, President & CEO, Orex Computed Radiography
- Shmuel Einav, Ph.D., Berman Professor of Biovascular Engineering, Tel Aviv University
- Avi Ludemirski, M.D., Managing Director, Vitalife Life Sciences

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### Board of Directors

*Start Writing here...*



TIP

- Takashi Akasaka, M.D., Ph.D., Kawasaki Medical School, Japan
- Rafael Beyar, M.D., D.Sc., The Technion Israel Institute of Technology, Haifa, Israel
- Bernard De Bruyne, M.D., Ph.D., OLV Hospital, Aalst, Belgium
- Carlo DiMario, M.D., Ph.D., San Raffaele Hospital, Milan, Italy
- Stuart J. Higgins, M.D., Mayo Clinic, Rochester, MN

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### Scientific Advisory Board and Clinical Investigators:

*Start Writing here...*



TIP

- Gross, Kleinhendler, Hodak, Halevy, Greenberg and Co, legal council
- Nath & Associates, PLLC, intellectual property counsel

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### Professional Services:

*Start Writing here...*

# Financial Summary

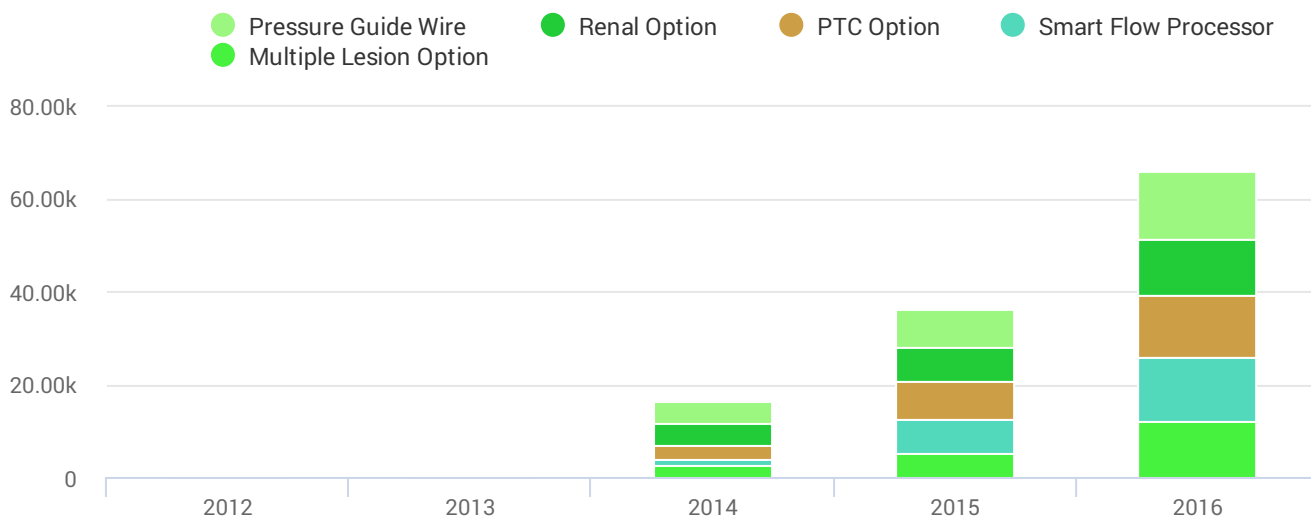


We expect to achieve profitability in 2004 on strong revenue growth

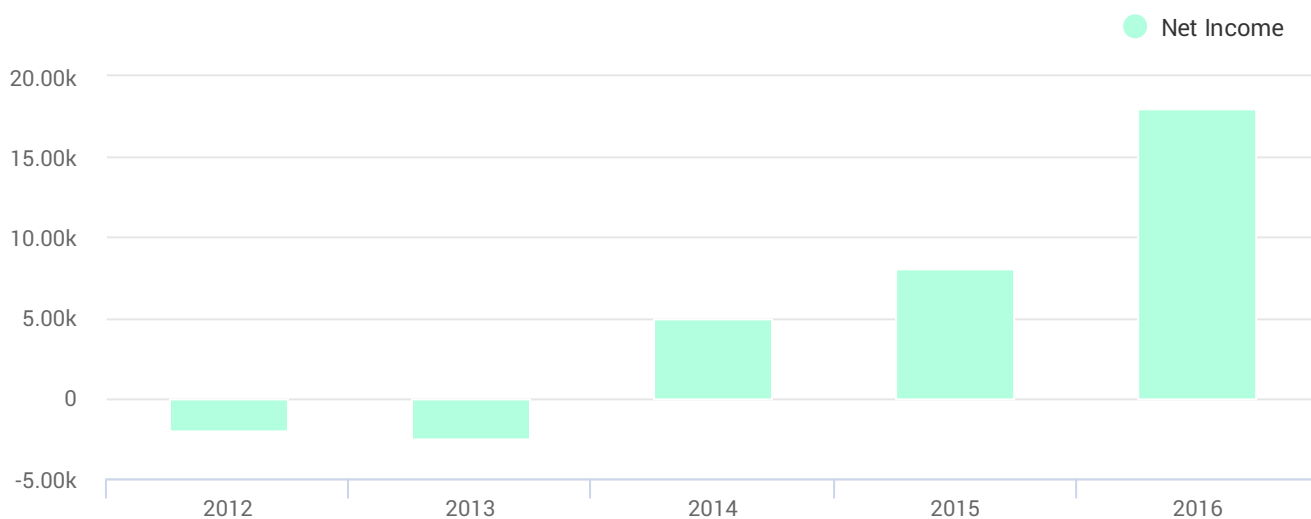
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Start Writing here...

## Projected Revenue



## Projected Net Income



Our summary P&L forecast, in thousands, is as follows:

	2012	2013	2014	2015	2016	% of revenue
Revenues						
SmartFlow Processor	200	1,743	3,560	4,988	6,364	10%
Multiple Lesion Option	52	156	260	390	520	1%
PTC Option	52	260	650	1,300	2,600	4%
Renal Option	-	60	360	660	1,200	2%
Pressure Guide Wire	-	-	14,910	30,660	50,800	83%
<b>Total Revenue</b>	304	2,219	19,740	37,998	61,484	100%
Less: Cost of Goods	140	654	6,414	11,082	15,681	26%
<b>Gross Margin</b>	164	1,565	13,326	26,916	45,803	74%
	54%	71%	68%	71%	74%	
<b>Operating Expenses</b>						
Operations	169	270	859	1,470	2,438	4%
Research & Development	1,224	1,858	2,784	3,867	5,951	10%
Sales & Marketing	587	1,239	2,785	4,265	6,503	11%
General & Administrative	316	614	1,727	2,570	3,267	5%
Depreciation	62	95	134	161	223	0%
<b>Total Operating Expenses</b>	2,358	4,076	8,289	12,333	18,382	30%
Non-Operating Income (Expense)	160	250	180	215	470	1%
Income Before Tax	(2,034)	(2,261)	5,217	14,798	27,891	45%
Tax (40%)	0	0	369	5,919	11,156	18%
<b>Net Income</b>	(2,034)	(1,011)	4,848	8,879	16,734	27%

We have sufficient funds to meet our operating objectives through Q2, 2003. To date, we have raised \$5.5 million in venture capital led by Veritas Ventures.

We are currently seeking \$10 million in capital to finance the aggressive commercialization of our initial products, continued R&D, and the acquisition of complementary products.

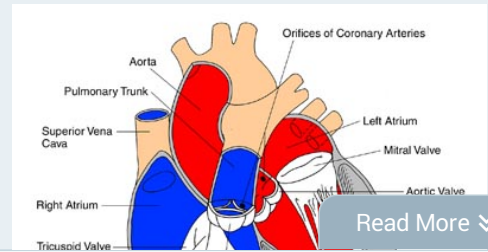
# Background

## The Heart



TIP

The human heart is a fist-sized muscle consisting of four chambers: the left and right atria, and the left and right ventricles. The right atrium receives oxygen-depleted blood from the body and delivers it to the right ventricle,



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Start Writing here...

## Coronary Artery Disease (CAD)



TIP

Cardiovascular disease (CVD) is the leading cause of death in the U.S., claiming 958,775 lives in 1999, versus 549,838 deaths due to all forms of cancer combined. Worldwide, CVD caused 16.7 million deaths in 2000. Approximately 1 in 5 Americans - nearly 62 million - has one or more types of CVD. Of the various forms of CVD, Coronary Artery Disease (CAD) is by far the most costly, both in terms of lives and economics:

[Read More](#) ▾

Start Writing here...

## Diagnosing CAD



TIP

Many tests and procedures are available for diagnosing heart conditions including CAD. In approximate order of easiness, common diagnostics include:

- **Electrocardiogram (ECG):** The ECG records electrical activity in the heart through electrodes attached to the surface of the body. These measurements can be used to detect heart rhythm disorders

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Start Writing here...

## Treating CAD



TIP

Many surgical and non-surgical treatments for CAD have been developed:

- **Lifestyle:** When detected early enough, CAD can often be treated through lifestyle changes. Some important changes include a low-fat, low-cholesterol diet, regular exercise, and smoking cessation.
- **Medications:** Early-stage CAD may be treated using one or more...

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*Start Writing here...*

## Catheter-Based Procedures



TIP

Interventional procedures such as PTCAs are catheter-based. In a typical coronary angioplasty procedure, the patient is sedated and an incision is made in a major artery under a local anesthetic, usually the femoral artery in the groin. A sheath is placed at the location of the incision to enable the insertion and removal of catheters with minimal damage to the tissue. A catheter is then threaded through the artery to the aorta, and then into the coronary...

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*Start Writing here...*

# Products and Technology

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Lanzor Medical's core technologies revolve around providing better, faster, and cheaper techniques for diagnosing and treating Coronary Artery Disease (CAD). As such, we believe that our SmartFlow® product line will set new standards in interventional cardiology, and will become indispensable in the 4,000 interventional cath labs worldwide.

Many of the products in the SmartFlow family have been cleared for

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*Start Writing here...*

## Commercialized Products



At the core of most of our products are the use of computational fluid dynamics (CFD) and related principles. CFD is the computer-simulated study of how fluids and gasses behave as they flow through or around various structures. CFD was originally developed for the aerospace industry to study airflow over aircraft wing surfaces; it has since been applied to many areas, including weather prediction, building design, environmental management, and more.

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*Start Writing here...*



The SmartFlow Console is our core hardware platform. It consists of a medical-grade computer, including a touch-screen monitor and keyboard.

We offer numerous software modules designed to measure specific physiological parameters, described below.

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## SmartFlow™ Console

*Start Writing here...*



Coronary Flow Reserve (CFR) and Fractional Flow Reserve (FFR), described in section 2.3, are physiological measures important in the diagnosis of stenosis. In clinical practice today, CFR is measured with a flow guidewire, while FFR is measured with a pressure guidewire. Since two separate guide wires are required, the process is less accurate and involves added risks, costs, and procedure time.

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## SmartFlow CFR/FFR Module

Start Writing here...



**TIP**

Very often, patients will have multiple stenoses, or lesions, within a single coronary artery. Treating all of the lesions introduces unnecessary risks and costs, since some of the lesions may be relatively insignificant. However, obtaining an accurate evaluation of the severity of each lesion using conventional diagnostic tools is impossible due to blood flow interference among lesions. Thus, interventional cardiologists have no way to d

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## SmartFlow Multiple lesion<sup>TM</sup> Module

Start Writing here...



**TIP**

Existing techniques for measuring FFR have one serious drawback: they require repeatedly administering vessel dilating drugs to induce maximum hyperemia or maximum blood flow conditions. These drugs introduce additional costs and risks, require more time and skill, and can sometimes lead to inaccuracies due to the difficulty of determining the appropriate dosages. Furthermore, hyperemia cannot be induced in certain patients such

[Read More](#)

## SmartFlow PTC Module

Start Writing here...

## Products Under Development



**TIP**

Our R&D team, in collaboration with our U.S., European, and Israeli clinical research centers, is at work on several interrelated projects. These projects are expected to add substantially to our SmartFlow product family and provide sustained growth. Our new products will be launched over the next three years. In addition, we are actively seeking a strategic product acquisition that has the same target cath lab customer base, leveraging our expertise and

[Read More](#)

Start Writing here...





TIP

Guidewires are an integral component of all interventional catheterization procedures. The ability to accurately assess hemodynamic parameters during procedures, enabled by pressure guide wires (PGWs), will grow in importance. We have designed and patented our own proprietary SmartFlow PGW, which offers superior handling characteristics at a lower cost than currently available PGWs. We believe that these features represent significant advantages.

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## SmartFlow@ Pressure Guide Wire (Consumable Product)

*Start Writing here...*



TIP

Renal Artery Stenosis (RAS) is the root cause of hypertension in 20-50% of hypertensive patients with cardiovascular disease. It is also a significant cause of reduced renal (kidney) function.

However, only 50-60% of patients with RAS benefit from treatment; in addition, the condition of 10-15% of patients may actually be impaired by the treatment, often leading to renal failure and death. Thus, accurate diagnosis is

[Read More](#)

## Smartflow Renal

*Start Writing here...*



TIP

We have a research collaboration with a European manufacturer of Quantitative Coronary Angiography equipment in which SmartFlow data will be overlaid onto angiography images. Additional parameters (i.e., vessel wall shear stress and absolute flow) are calculated in our imaging product, combining physiological measurements with imaging (QCA).

We believe that this product will set new standards for diagnosing

[Read More](#)

## Imaging

*Start Writing here...*



TIP

One of the remaining challenges in interventional cardiology is in the diagnosis and treatment of microvascular disease. This refers to impaired myocardial perfusion (blood flow) in the smallest arteries and capillaries that directly feed the heart's muscle tissue (distal vascular bed). In some cases, this can be an outcome of angioplasty procedures, when small fragments of plaque or platelet aggregates detach and become lodged in the distal vasculature.

[Read More](#)

## Myocardial Perfusion (Distal Vascular Bed)

*Start Writing here...*



**TIP**

In order to fully utilize our talent, resources, and global distribution channels, we are actively seeking to acquire more complementary products. Several candidates have been identified. Because these products have not yet been selected, they are not included in the Projected P&L, and \$4,000,000 is set aside as an Acquisition Reserve throughout the forecast period.

Acquisition candidates must meet the following criteria:

[Read More](#)

## Product Acquisitions

*Start Writing here...*

## Intellectual Property



**TIP**

We have two patents issued (with 164 total claims) and eight patents pending in the U.S., Europe, and Japan. Our intellectual property covers a range of applications in coronary and peripheral vessels utilizing our core technology of computational fluid dynamics and our proprietary pressure wire.

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*Start Writing here...*

## Potential Markets



The worldwide coronary cath lab equipment market is currently \$4.2 billion, of which 60% is in the U.S. The potential market for the SmartFlow® product family is driven by the number of interventional cath labs and the number of procedures performed in these labs. The following section highlights key facts and figures for our markets, including spending trends.

[Read More](#) ▾

Start Writing here...



According to research firm Frost & Sullivan, there were 6,000 cath labs worldwide in 19%, the latest year for which complete figures were available:

### 1996 Global Cath Lab Distribution:

Region	Cath Labs	Percent
--------	-----------	---------

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## Number of Cath Labs

Start Writing here...



IMV, an independent research firm, surveyed 1,550 U.S. cardiac cath labs in 2001 and estimated that 3.75 million cardiac and non-cardiac procedures were performed in the U.S. in 2000. Of these, 3.40 million were cardiac procedures, while the remaining 0.35 million were primarily carotid, iliac, renal, aortic, femoral, and extremity cases.

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The American Heart Association (AHA) estimated that 1.07 million

## Number of Cam Procedures

Start Writing here...



According to Business Communications, Inc., worldwide spending on cardiac catheter products is expected to be \$4.2 billion in 2002:

### Worldwide Spending on Cardiac Catheter Products (\$ Billions)

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## Spending on Oath Lab Equipment

Start Writing here...



TIP

As described in the Background chapter, cardiovascular disease (CVD) is the leading cause of death in the U.S., claiming 958,775 lives in 1999, versus 549,838 deaths due to all forms of cancer combined. Worldwide, CVD caused 16.7 million deaths in 1999. Approximately 1 in 5 Americans - nearly 62 million - has one or more types of CVD. Of the various forms of CVD, Coronary Artery Disease (CAD) is by far the most costly, both in terms of lives and

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## Patient Base

Start Writing here...



TIP

The economic cost of CAD and other cardiovascular diseases is extremely high. However, almost half of the economic cost of CAD is due to the indirect costs of lost productivity:

### 2010 U.S. Estimated Cost of Treating CAD (\$ Billion)

Category	Estimated Cost (\$ Billion)
Coronary Artery	
All Cardi	

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## Economic Impact

Start Writing here...



TIP

As described above, approximately 8 million interventional cardiovascular procedures are performed annually worldwide. If we achieve a *10% utilization rate* in these procedures, our disposable products alone (the pressure guide wire, initially priced to distributors at \$210 each) represent a total *revenue potential of \$168 million per year*.

[Read More](#) ▾

## Market Potential

Start Writing here...



TIP

Interest in physiologic data has grown rapidly in the past three years as more interventionalists begin to understand the forces at work in the formation of stenotic disease. The SmartFlow product family provides clinical information that other modalities (such as angiography) cannot yield, especially in coronary arteries with a diffuse disease or multiple lesions. At the recent American Heart Association convention, both coronary and renal physiology

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## Interest in Physiologic Data

*Start Writing here...*

## Competition & Competitive Advantages



**TIP**

Our direct competitors are firms offering technologies for measuring blood flow and pressure within the coronary arteries. Thus, our principal competitors are:

[Read More](#)

## Direct Competitors

*Start Writing here...*



## RADI Medical Systems AB

Founded in 1985, RADI is a European manufacturer and marketer of pressure guide wires and related technologies. Although RADI focuses on pressure guide wires, it also offers the RADIAnalyzer, designed to measure FFR and CFR. The device has been cleared by the FDA and has received a CE mark. We currently use RADI's Pressure Wire pressure sensing guide wire, and plan to continue doing so until we have completed the development of our own proprietary guide wire technologies.



## JOMED N.V.

Founded in 1991, JOMED is a European manufacturer and marketer of products for cardiovascular intervention. The firm has 1,200 employees and offers over 2,000 products. Although the corporate focus is on coronary stents, the company does offer physiology products. The product line is considered to be outdated since a separate system is required for each CFR and FFR. A new system that provides simultaneous CFR/FFR is in development. We currently use JOMED's WaveWire pressure sensing guide wire and plan to continue doing so until we have completed the development of our own proprietary guide wire technologies. We have also entered into a distribution partnership agreement with JOMED. We believe that our measurement technologies are far superior to JOMED technologies, and view them as a supplier, a distribution partner, and a potential acquirer.



TIP

use of a pressure wire only. Our SmartFlow Multiple Lesion and SmartFlow PTC drug-free FFR products are unmatched by competitors. In addition, the SmartFlow Pressure Guide Wire, under development, has superior handling and cost advantages. These products are *expected* to establish Florence's breakthrough technology as the market leader.

[Read More](#)

*Start Writing here...*



TIP

Indirect competitors include the various technologies available for diagnosing cardiovascular stenosis. All of the following technologies are visual, and thus subjective, means of evaluating stenoses; as such, they all produce imperfect measurements:

- **Angiography:** As discussed in Section 2, angiograms are highly subjective and can significantly over- or under-estimate the

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## Indirect Competitors

Start Writing here...



TIP

We have significant business and clinical advantages in many areas relative to competitors due to the following attributes:

- **Product Advantages:** Our technologies have many advantages over competing technologies:
- More accurate measurements.

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## Summary of Competitive Advantages

Start Writing here...

## Marketing Strategy



TIP

We will employ value-based pricing, rather than cost-plus based pricing. Our current views on achievable pricing are as follows:

Product	End User Price	Distributor Price	Comments

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## Pricing Strategy

Start Writing here...



TIP

Our marketing strategy will be highly targeted. The community of leading interventional cardiologists is small and tightly-knit. If we are able to enlist a small number of the leading interventionalists to use our products, others will follow quickly. Therefore, the bulk of our marketing efforts will consist of:

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## Sales and Marketing Strategy

Start Writing here...

## Sales Forecast



**TIP**

Direct revenues from instrumentation sales are expected to be relatively modest. However, instrumentation drives disposables sales, so acquiring a substantial installed base is important to our success.


Disposables are the key to our long-term growth. Unlike our software and instrumentation products, these are not limited by the number of cases as they are limited only by the number of patients needing cardiovascular

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Start Writing here...

# Operating Strategy

## Milestones



**TIP**


We have gained significant momentum since our founding, and intend to remain aggressive as we go to market:

<b>When</b>	<b>Corporate</b>	<b>Personnel</b>	<b>R&amp;D</b>	<b>Sales &amp; Business Development</b>
-------------	------------------	------------------	----------------	---

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Start Writing here...

## Commercialization



**TIP**


We received FDA and CE Mark clearance to market the Florence SmartFlow in June 2001. A 510K was cleared in October 2001 for an upgraded version of SmartFlow including our new Multiple Lesion software. Our Pulse Transmission Coefficient (PTC) software was cleared by the FDA in February 2002.

Registration of our products in Israel has been completed and is planned for Q3 2002.

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## Regulatory Approval

Start Writing here...



**TIP**

Medicare and Medicaid reimbursement for pressure and flow measurements were approved in the U.S. effective January 1, 1999. The CPT codes for physiology measurements are reimbursable when performed with either therapeutic intervention or with angiography.

The inclusion of CPT codes for physiological assessment by CMS (Medicare and Medicaid Services, formerly HCFA) is a strong step towards reimbursement.

[Read More](#) ▾

## Reimbursement

Start Writing here...



TIP

All of our hardware manufacturing is performed by OEM partners. The SmartFlow Console and stand are manufactured at a cost of goods of \$6,500. We have identified and qualified additional manufacturers to take over the production of the console in the event that our current supplier cannot meet our needs. All suppliers are ISO 9000/9001 approved, as is Florence Medical.

We are currently negotiating with a U.S. contract manufacturer to h

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## Manufacturing and Distribution

*Start Writing here...*

## Risks



TIP

We believe that we have taken prudent steps to address the most significant risks facing us, and plan to continue mitigating risks as they are identified.

[Read More](#)

*Start Writing here...*



TIP

[Read More](#)

## Market Risks

*Start Writing here...*



TIP

Competitors copy our products

We have several patents issued and pending covering our core technologies and methods.

We will aggressively file for additional intellectual property rights, both in the US. and abroad

[Read More](#)

## Competitive Risks

Start Writing here...



**TIP**

Product development costs more or takes longer than expected

We have proven, through our development of the SmartFlow product line, our ability to develop innovative products quickly and economically.

We have significant experience in R&D

[Read More](#)

## R&D Risks

Start Writing here...



**TIP**

Product flaw resulting in product liability suits

This is a risk in all life science companies. The stringent safety requirements of the regulatory approval process help to ensure that products are safe before they are marketed. As product safety is integral to our business, we have developed strict quality assurance controls.

[Read More](#)

## Legal Risks

Start Writing here...

# Company and Management

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## Company



TIP

Lanzor Medical, Inc., was incorporated in 2000 as a Delaware C corporation. It is a wholly owned subsidiary of Lanzor Medical, Ltd., an Israeli company founded in 1997. Corporate and marketing activities are conducted from our Wellesley, MA headquarters, while R&D is conducted from our Israeli office. We currently employ 13 full-time employees and 7 part-time employees and consultants.

[Read More](#)

## History and Structure

*Start Writing here...*



TIP

The company is headquartered in Wellesley, MA. The area has a strong medical technology base and talent pool that includes Abbott Labs, AbioMed, Biogen, Boston Scientific, DynaGen, Genzyme, Millennium Pharmaceuticals, PolyMedica, Sepracor, and Thermo Cardiosystems, as well as a number of teaching and research hospitals including Harvard Medical School's Brigham & Women's Hospital, Children's Hospital, Dana-Farber Cancer Institute, and

[Read More](#)

## Office Locations

*Start Writing here...*



TIP

Corporate Counsel

Osnat Levin

Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co.

Azrieli Center One, 39.40th Floors

[Read More](#)

## Professional Services

*Start Writing here...*

## Management and Advisors

### Management

*Start Writing here...*



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## FRANK MARTIN

*President and CEO*

Mr. Martin has many years of domestic and international experience in medical devices, biotech, and medical electronics. He held several senior domestic and international management positions at Becton-Dickinson and Abbott Labs before becoming a founder and builder of medical device companies including PLC Systems, CorMedica, and Advanced Biomedical. Mr. Martin serves on the boards of NMT Medical, Inc. (Nasdaq-NMTI) and several private medical device companies.



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## EVGENY SHALMAN

*Chief Scientist*

Dr. Shalman earned his Ph.D. in applied mathematics at the Moscow University, with special expertise in viscous flow and computational fluid dynamics. He has 30 years of industrial experience in the aerospace and cardiovascular fields, where he developed his exceptional know-how in vascular mechanics, hemodynamics, and the interaction of flow and the vessel wall. Dr. Shalman is responsible for the research activities of Lanzor Medical.



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## CHEN BARAK

*Vice President, Operations*

Dr. Barak is a graduate of The Technion Israel and University of Texas, Southwestern Texas, in biomedical engineering. She has 12 years of academic and industrial experience in the cardiovascular field. Dr. Barak is responsible for clinical and regulatory affairs, as well as Israeli operations.



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## DOV GAL, D.V.M.

*Vice President, Clinical Affairs*

Dr. Gal has 19 years of academic and industrial experience in the cardiovascular field. He has held senior R&D, marketing, and clinical positions in start-up biotech and medical device companies, and was a consultant in the biopharmaceutical industry. Dr. Gal holds D.V.M. and M.B.A. degrees and has completed a research fellowship in interventional cardiology at Tufts Medical School. He has also held appointments at Harvard and Tufts Medical Schools.

And Many more people those we have listed in first chapter '**Executive Summary**'

## Board of Directors

Start Writing here...



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### FRANK MARTIN

*Chairman and CEO, Lanzor Medical.*



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### GIDEON TOLKOWSKY

*Co-Founder of Lanzor Medical and Founding Partner*

Veritas Venture Partners, Israel's pioneering venture capital firm. He began his involvement in venture capital in 1981 through the US-based venture capital firm of Adler & Company, and later through Elron Electronic Industries in the US and Israel. He was a manager of Athena Venture Partners from co-founding it in 1985 until its dissolution in 1997 and has managed Veritas' funds since 1990. Mr. Tolkowsky is a board member of Aisys (Chairman) and Lanzor Medical (Co-Founder) and is a past board member of Accord Networks (Nasdaq), ESC Medical (Nasdaq; now Lumenis) (Chairman), Harmonic Lightwaves, M-Systems Flash Disk Pioneers (Nasdaq), and Ubique, among others. He holds a BS. in aeronautical engineering from The Technion in Haifa and an MBA from Wharton. Mr. Tolkowsky serves as a member of the International Executive Board of Wharton.



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### HILLEL BACHRACH

*President & CEO*

Orex Computed Radiography. Mr. Bachrach has over 25 years of global medical device management experience, with emphasis on marketing, sales, and business development. He has held executive management positions at Odin Medical Technologies, ESC Medical Systems, Candela Laser Corporation, General Electric Medical Systems, and Baxter International. Mr. Bachrach holds a B.S. in Electrical Engineering from The Technion and an M.B.A. from Kellogg Graduate School of Management at Northwestern University.





## SHMUEL EINAV

*Co-Founder of Lanzor Medical and Berman Professor of Biovascular Engineering, Tel-Aviv University*

Professor Einav joined the Faculty of Engineering of Tel-Aviv University in 1974. His expertise is in the fields of cardiovascular bioengineering and biomedical engineering education. He is best known for his research on blood flow through heart valves, coronary circulation, blood-tissue interaction, and blood flow dynamics and turbulent characteristics in occluded arteries. He is a Distinguished Visiting Scholar at Caltech and has held visiting professorships at UCLA, Berkeley, and MIT. Professor Einav earned his B.S. in Mechanical Engineering and his M.S. in Nuclear Engineering from The Technion, Haifa, and his Ph.D. in Biomedical Engineering from SUNY at Stony Brook.



TIP

We have assembled a world-renowned team of interventional cardiologists who act as clinical investigators and advisors. The investigators below are active participants in our clinical, scientific, and strategic efforts. An extensive bibliography of articles and abstracts is available upon request.

[Read More](#)

## Scientific Advisory Board and Clinical Investigators

*Start Writing here...*



## TAKASHI AKASAKA

*M.D., Ph.D*

Dr. Akasaka is the Director of the Cardiac Catheterization Laboratory and Associate Professor, Division of Cardiology, at the Kawasaki Medical School in Japan. He is also a Lecturer, The First Department of Medicine, Osaka City University School of Medicine. Dr. Akasaka earned his M.D. at Wakayama Medical College and his Ph.D. at the Osaka City University School of Medicine.



## RAFAEL BEYAR

*M.D., D.Sc*

Dr. Beyar is Dean of Medicine and Professor of Medicine and Biomedical Engineering at The Technion Israel Institute of Technology in Haifa, Israel. His research interests include cardiovascular dynamics and function, coronary flow and its relationship to ventricular function, coronary metal stents and the interaction with the arterial wall, interventional cardiology, and three-dimensional imaging and analysis of cardiac function. Dr. Beyar earned his M.D. at Sackler Medical School and his D.Sc. in Biomedical Engineering at The Technion.




## BERNARD DE BRUYNE

*M.D., Ph.D*

Dr. De Bruyne is Associate Director of the Cardiovascular Center of OLV Hospital in Aalst, Belgium. As an interventional cardiologist, his main interests lie in the physiology of coronary atherosclerosis and of myocardial perfusion. In a dose collaboration with Dr. Nico Pijls, he described and validated the concept of coronary pressure-derived fractional flow reserve, a method that is now widely applied in catheterization laboratories to evaluate coronary stenosis physiology.

## Organization Chart



**TIP**

Our organizational structure through the first quarter of 2003 is as follows. As the company grows, we may shift to other roles as necessary to better ensure the success of the company.

Frank Martin  
Chairman & CEO

[Read More ▾](#)

*Start Writing here...*

## Key Open Positions



**TIP**

Our current staffing priorities are the following positions:

- **Clinical Specialist** - Prior successful *cath* lab experience is critical.
- **Clinical Specialist, Europe** - Prior successful cath lab experience is critical.
- **Pressure Guide Wire Product Manager** - Prior successful ex

[Read More](#)

*Start Writing here...*

# Financial Plan

## Key Assumptions



TIP

- **Financial Scope:** Our financial projections are essentially based on that of a "pure startup", and the Company's existing financial condition are incorporated as an approximation only. Audited financials reflecting the Company's FY 2001, and Unaudited Q12002 financials are available separately upon request
- **Product Scope:**

[Read More](#) ▾

## General Assumptions and Notes

Start Writing here...



TIP

- **Market and Share Growth:**  
Our sales volume forecasts are as follows:

Product	2012	2013	2014	2015	2016
SmartFlow Processor (with CER/FFR)	20	95	200	290	

[Read More](#) ▾

## Revenue Assumptions

Start Writing here...



TIP

- **Cost of Goods:** Unit cost of goods for our products are projected as follows:

Product	2012	2013	2014	2015	2016

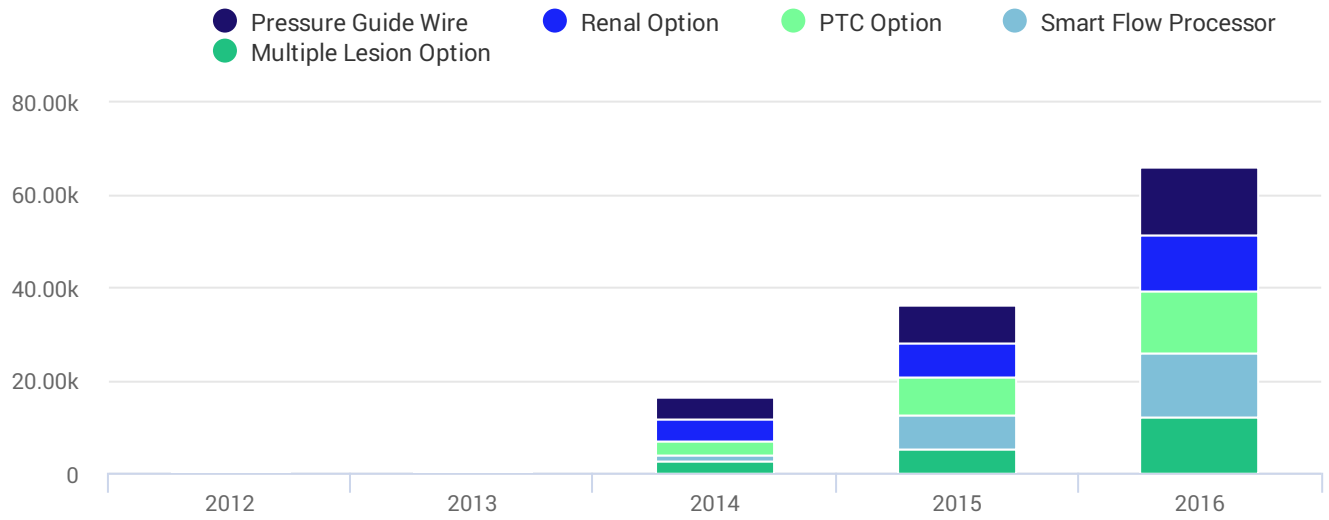
[Read More](#) ▾

## Expense Assumptions

Start Writing here...

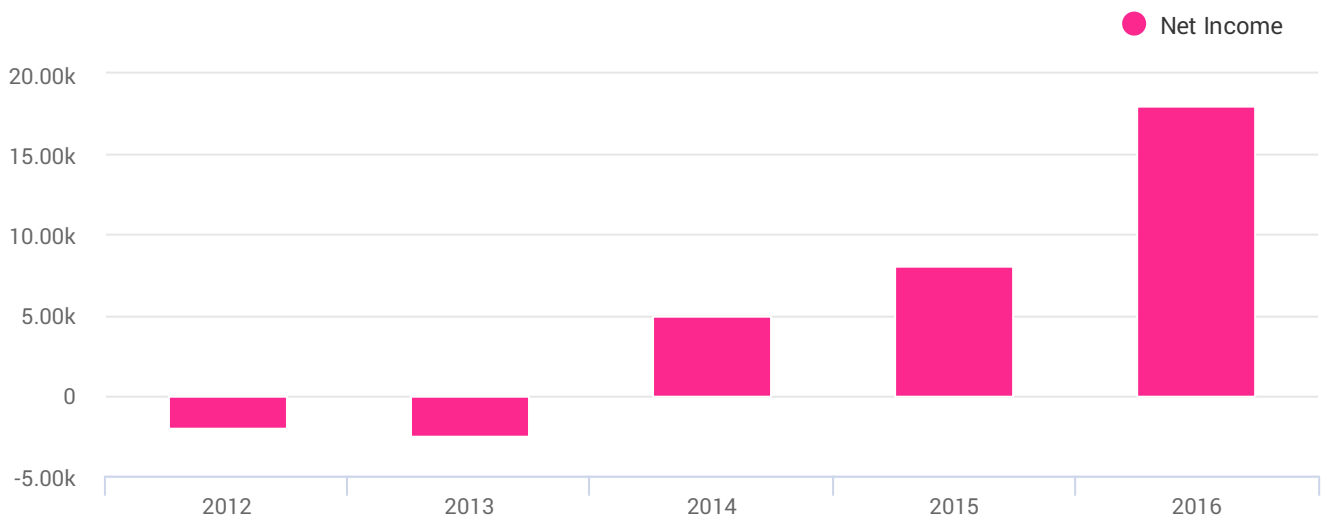
## Financial Projections

## Revenues



Financial Year	Pressure Guid...	Renal Option	PTC Option	Smart Flow Pr...	Multiple Lesio...
2012	100	50	74	40	40
2013	200	150	120	102	105
2014	5000	4500	3200	1400	2400
2015	8000	7500	8000	7600	5000
2016	15000	12000	13000	14000	12000

## Net Income



Financial Year	Net Income
2012	-2000
2013	-2500
2014	5000
2015	8000
2016	18000

## Summary Income Statement(\$000)

Our summary P&L forecast is as follows:

	Year1	Year2	Year3	Year4	Year5	% of revenue
<b>Revenues</b>						
SmartFlow Processor	200	1,743	3,560	4,988	6,364	10%
Multiple Lesion Option	52	156	260	390	520	1%
PTC Option	52	260	650	1,300	2,600	4%
Renal Option	-	60	360	660	1,200	2%
Pressure Guidewire	-	-	14,910	30,660	50,800	83%
<b>Total Revenue</b>	<b>304</b>	<b>2,219</b>	<b>19,740</b>	<b>37,998</b>	<b>61,484</b>	<b>100%</b>
Less: Cost of Goods	140	654	6,414	11,082	15,681	26%
<b>Gross Margin</b>	<b>164</b>	<b>1,565</b>	<b>13,326</b>	<b>26,916</b>	<b>45,803</b>	<b>74%</b>

	Year1	Year2	Year3	Year4	Year5	% of revenue
	54%	71%	68%	71%	74%	
Operating Expenses						
Operations	169	270	859	1,470	2,438	4%
Research & Development	1,224	1,858	2,784	3,867	5,951	10%
Sales & Marketing	587	1,239	2,785	4,265	6,503	11%
General & Administrative	316	614	1,727	2,570	3,267	5%
Depreciation	62	95	134	161	223	0%
Total Operating Expenses	2,358	4,076	8,289	12,333	18,382	30%
<b>Non-Operating Income (Expense)</b>	160	250	180	215	470	1%
Income Before Tax	(2,034)	(2,261)	5,217	14,798	27,891	45%
Tax (40%)	0	0	369	5,919	11,156	18%
<b>Net Income</b>	(2,034)	(1:i1)	4,848	8,879	16,734	27%



TIP

We have sufficient funds to *meet* our operating objectives through Q2, 2003. To date, we have raised \$5.5 million in venture capital led by Veritas Ventures.

We are currently seeking \$10 million in capital to finance the following priorities:

- Commercialization of our initial SmartFlow products

- Continued advancement of the company's intellectual property

[Read More](#) ▾

## Capital Requirements a Use of Proceeds

Start Writing here...



TIP

We will pursue several possible exit strategies:

- **Be acquired:** Companies that would benefit by acquiring Lanzor include: Medical device companies:

- American Medical Systems (Nasdaq: AMMD; Market Cap: \$1.2 billion)

[Read More](#) ▾

## Exit Strategy

Start Writing here...