

Linshom

Every Breath Counts™

Investor & Stakeholder Update – Quarter 2, 2020

July, 2020

Once again, I hope this note finds everyone healthy and virus free as this company update reaches you. In my 30+ years of medical device work, I have never seen such drastic environmental change in such a short period of time. Despite this, Linshom is pushing the technology and company forward.

Linshom has engaged Harbor Designs & Manufacturing, LLC in Baltimore, MD for the engineering work to move our one-piece sensor to a two-piece design (<https://www.harbordesigns.net>). This enables the razor / razor blade business strategy where the inexpensive thermistor is embedded into the delivery device (mask, nasal cannula, etc.) for use and disposal while the more expensive thermoelectric cooler and cable are reused. This effort will also make the sensor smaller and lighter (~50%), which is necessary for patient use and acceptance. Below is an early look at four options recently presented to Linshom. The next step is to detail the mechanical connection to the mask for attachment and removal.



On the monitor integration front (vs. current use of a laptop) we have a proposal from Zoe Medical in Boston, MA (<https://zoemedical.com>) to use their FDA cleared and CE marked monitor to display the Linshom parameters. Zoe makes monitors for many monitoring companies, one of which is CasMed which sold to Edwards LifeSciences last year. We believe we have found a solution to regulatory hurdles that will allow us to use this OEM (original equipment manufacturer) monitor without requiring a new FDA clearance.

Phase 1 of our \$50K Small Business Innovation Research (SBIR) grant from the United States Air Force (USAF) is complete and fully paid for by the USAF. We are currently awaiting the release of the RFP for phase 2 such that we can apply. This has potential for a \$750K award allowing completion of the engineering work discussed above with non-dilutive funding.

We are searching the NIH sites for additional non-dilutive funding opportunities as Linshom offers a non-invasive respiratory monitor that could solve some of the Covid-19 patient assessment and monitoring problems.

On the investment side, the \$1.5M **convertible note** is subscribed at \$1.15M or 77% leaving \$350K more to close this note out. Thank you again to our supporters. A few parties are currently engaged and doing some due diligence on Linshom, the technology, management team, markets and more.

Our current funds are focused on the two engineering tasks described above to get the product ready for clinical use.

Following the close of the convertible note, Linshom will raise a \$3M series A round which will fund:

- A small trial to quantify and document the use case of Linshom for CRM. This data will be critical for product adoption.
- Gain follow-on FDA clearance if necessary (potentially not).
- Begin commercialization.

In related news Q2 saw the publication of the PRODIGY trial whose principal investigator, Ashish Khanna, MD, is a key clinical advisor to Linshom. The study concludes:

"A PRODIGY risk prediction model, derived from continuous oximetry and capnography, accurately predicts respiratory depression episodes in patients receiving opioids on the general care floor. Implementation of the PRODIGY score to determine the need for continuous monitoring may be a first step to reduce the incidence and consequences of respiratory compromise in patients receiving opioids on the general care floor.

This is significant for Linshom as it promotes continuous respiratory monitoring (CRM) and the study solution employed of oximetry AND capnography is simply not practical or cost effective to deploy on a wide scale basis. Linshom however, is simple, practical and cost effective. This trial was sponsored by Medtronic and can be viewed here:

<https://pubmed.ncbi.nlm.nih.gov/32304460>

Should you have investor contacts that are looking for an early stage investment opportunity that has been greatly de-risked please have them contact me anytime at 443.994.1448 or RHughen@LinshomForLife.com.

Thank you for your support of Linshom.

Best Regards,
Ric Hughen
CEO