

Newsletter

Part 1: The Austrian ALKANTIS Success case

Part 2: How to start the ALKANTIS business

Part 3: The Most frequent Questions and Answers

Hello,

For this Newsletter N°8 we are very happy to introduce the ALKANTIS Austrian success story. Christian is the owner of Ortner medical, he developed by himself the ALKANTIS Austrian business which looks promising.

- The second part is dedicated to the ALKANTIS product launch in your territory.
- The third part is a list of the most frequent questions and answers which you could use to answer customers objections.

Finally here attached two events in Europe where ALKANTIS will be present with the voice of Pr Champault who will make a lecture of the clinical randomized study:

«Does perioperative local cooling improve outcomes after ambulatory open inguinal hernia repair?»



Part 1: The Austrian ALKANTIS Success case



Ortner Medical Solutions is a new startup company for the distribution of innovative and high quality products on the Austrian market. We started our business in Sep 2012 and our focus was to cooperate with small manufacturers having high quality products from all over the world. During 2012 we have started partnerships with manufacturers from the USA and several countries in Europe. Based on their products we are now developing our business in the segments of surgery, cardiology and HLA diagnostics. When we started, Alkantis was our first partner, the professional support and the excellence of the product was a key factor to get our business started and make our first money.

Alkantis is a World's first for both product and concept. At the beginning it was not so easy to convince and convert customers. Applying cold in the O.R. is something that surgeons never done before and a lot of teaching is necessary to make them understand this innovation. For nurses the use of disposable cooling compresses was considered as a waste of money and it takes time until they understand the benefits of a long lasting cold at the right Temperature which keeps hygienic aspects. We are still doing a lot of teaching for nurses to explain them all the theory around cold therapy.

Our strategy when we started was to visit a few customers from each of the potential indications given by Alkantis, we did that just to get a feeling from where sales could go in the easiest way. After 2 or 3 months we identified the cardiology departments as the best target to start, then we focused for another 2 months to visit all the cardiologists within a region. Most of them understood quickly the benefit of cold used from the O.R. and the concept behind. As they frequently have problems with hematoma after pacemaker implantation, Alkantis is a big help for them. Sterility and application immediately after the implant was important for them. Alkantis is exactly the product they where waiting for. This indication was powerful enough to help us winning the fights with the hospitals purchasers. At the first glance, any purchaser considered it as an additional cost to the hospital. The ease of use and the long-term savings by reduced complications (savings) and less wound infections was not so obvious for them! It required strong arguments from both us and the hospital's department to move ahead Alkantis.

After having entered into a first hospital department we started targeting also the other customers groups like Trauma surgeons, Orthopedics, Urologists, Gynecologists and Plastic surgeons. Recently we started with sales of a diagnostic test for delivery nurses and by this way we discovered that they also love Alkantis. We have now a success rate of 50% in obstetrics departments, which is much better than in trauma or other kinds of surgery. They use it for cooling after a perinatal tear during delivery, Alkantis is so perfect, as if it would had been developed just for this indication! Because to its ergonomic, its soft contact but also due to its long lasting cooling effect, both patients and delivery nurses love Alkantis. This indication does not give the biggest sales, but it's a very good door opener for new hospitals. Thanks' to cardiologists or delivery nurses we can open new hospitals' accounts, then the door is now open for us to meet and convince Trauma and all the other wards with bigger volumes.

8 months after the Alkantis kickoff meeting we are selling to 25 different departments within 12 hospitals. This represents about 10% of the Austria market (8,5 millions inhabitants). The volume is still not so big, as it takes time until all the surgeons and nurses start of using it, but it's growing month by month.

Alkantis is used in Trauma surgery, Vascular surgery, Obstetrics, Cardiology and Urology. We expect soon to have also customers in Dermatology and Plastic Surgery.

Christian Ortner
CEO

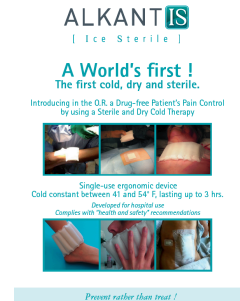


Part 2: How to start the ALKANTIS business?

Customer targets are Hospital and Day Surgery (ASC Ambulatory Surgical Center in the USA)

To make a call you need:

- ★ To know the Pitch (see Newsletter N°3) Product and CONCEPT
- ★ A print the four pages Brochure (from dropdown)
- ★ A print of the Key slides or having them available on your tablet (In dropdown)
- ★ A print of the Indications matrix (see Newsletter N°5)
- ★ To know answers to the main objection (see Newsletter N°8)

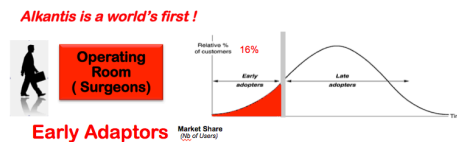


How to conduct an evaluation?

◆ First you need to target early adaptors Surgeons.

◆ Select a surgeon A

- ★ Start an evaluation
- ★ Carefully follow the evaluation
- ★ Close the evaluation
- ★ Wait outcome the the hospital committee, if any?



◆ Once approved by the committee, meet other surgeons from the same hospital using surgeon A as reference and tell them to order the ALKANTIS product.

◆ At the Hospital you can meet other people to explain both Product and Concept:

- ★ Nurses (Product and concept)
- ★ ICC committee (Safety)
- ★ Risks manager (Safety)
- ★ Materials manager (US)
- ★ Purchase (Concept, savings)

How many pilot evaluation do you need to start ?

◆ Your objective is to initiate 5 evaluations (means more calls) and to close these evaluations. within 4 to 6 weeks

- ★ If needed , provide more free samples to the hospital.



Part 3: The Most frequent questions and answers

1. **Objection: I never use cold!**

- ★ This is correct, ALKANTIS is a World's First, A new market segment to open for O.R. to control patient's pain using a drug free therapy: *The sooner the better!*
- ★ *Using cold therapy from O.R. would help to prevent swelling, control patient's pain and would help to reduce post surgery complications. Alkantis being sterile is also a cross contamination barrier.*

2. **Objection: I dont Want to use cold!**

- ★ You are right! cold could be dangerous when applied with «blue» gel or ice bag : with these products there is risks of burns, frostbites, nerves damages, condensation (infection risks), re-vascularization...
- ★ Instead use ALKANTIS! It is a world's first: sterile, dry, delivers a safe and efficient cold within a safe temperature window, up to 3 hours!

3. **Objection: I am happy with my today's cold procedure**

- ★ How do you prevent Swelling ?
- ★ How do you control patient's pain ? Is it drug free ? What about drugs side effects?
- ★ Why doing an injection of liquid in the suture line area? Don't you want to avoid edema?

4. **Question?: I use other cold pad in the rooms, what makes ALKANTIS different?**

- ★ ALKANTIS is the First Sterile and dry cold pad on the market to control patient's pain.
- ★ ALKANTIS can be used from O.R., you do not longer need to wait!
- ★ ALKANTIS delivers a long lasting cold, up to 3 hours which make cold patient's efficient
- ★ ALKANTIS being sterile it can be used from the O.R. , It prevent Cross contamination
- ★ ALKANTIS offer a dry contact avoiding moisture which occurs on all other cold pads

5. **Objection: 90 minutes to freeze is too long ?**

- ★ Prepare and make a buffer stock of ALKANTIS in a deep freezer at 0°F (-18°C)
- ★ When need it, take it from the deep freezer, it is ready to use!

6. **Objection: The size is not adequate**

- ★ For a smaller surface cut it! For a bigger use Two! Roll it!

7. **Question?: Can I use it for children?**

- ★ Yes to control fever and manage pain for example! Keep in mind narcotics are toxic!

8. **Question?: Which are the indications**

- ★ Refer to the Newsletter 5 with the list of O.R. indications!

9. **Objection: I do not have the Budget!**

- ★ How many surgery do you perform per week? *Example: 100*
- ★ Calculate 100 x market price, this budget is not an issue!



10. Question about the CONCEPT? : How ALKANTIS can generate savings?

- ★ **Proof of concept:** Refer to the HERNIA study which demonstrates the patient's pain control and the reduction of narcotics patient's consumption.
- ★ **Reduction of post surgery complications:** First the patient leave the Hospital on time, there is no additional days of hospitalization. Second, ALKANTIS is the best drug free treatment for Day Surgery.
- ★ **Cross contamination barrier:** less risks of infection when using a sterile cold.

11. Question?: Why the first hours who follow the surgery are important?

- ★ Because cold would prevent swelling and held to reduce post surgery complications.
- ★ ALKANTIS helps to avoid post surgery complications (extra days of patient's stay at the hospital). This represent significant expenditures costs for hospital which would have to pay for that! this is not reimbursed!

12. Question?: Does Alkantis contribute to prevent infections?

- ★ Yes, ALKANTIS is a cross contamination barrier. First because it is Sterile, Second because ALKANTIS keeps the skin contact dry, there is less risks of bacteria development!
- ★ Cost of nosocomial infections is huge, Alkantis helps to reduce this cost!

13. Question?: Cold therapy could creates Nerves damages, what about ALKANTIS?

- ★ Thanks to a low cold temperature control >5°C(41°F) Alkantis is safe for the patient
- ★ Which is not always the case with cold machines, google: <http://cold-therapy-lawsuits.com>

14. Question?: Why ALKANTIS does not stop the micro vessels blood circulation?

- ★ Thanks to its dry contact, ALKANTIS creates a moderate vasoconstriction which does not stop the oxygen transfer to the inflammatory area.
- ★ ALKANTIS does not hold the healing process

15. Question?: why ALKANTIS at -18°C (0°F) does not burns patient's skin?

- ★ First because of the ALKANTIS nonwoven insulation property, second because the ALKANTIS polymer inside the product keeps the nonwoven dry by absorbing the moisture generated by the difference of temperature between ALKANTIS and the patient's skin.
- ★ The two above points create an insulation layer which protect patient's skin against deep cold!

16. Question?: Are we sure cold is applied properly ?

- ★ Using ALKANTIS you Make sure Nurses apply a proper cold therapy (long lasting cold up to 3 hours)
- ★ Today's procedure with gel or a ice bag require frequent replacements, nurses are not always available!

16. Question?: Does cold remain where the patient needs it?

- ★ Thanks to its ergonomic, ALKANTIS cold stay where the patient needs it! With the other product , by gravity gel or ice drop down! Which mean the cold is not located where the patient needs it!

17. Question?: What about the Patient?

- ★ The Alkantis cold is comfortable for the patient, the ALKANTIS pad is light and the Hernia study shows a better patient rehabilitation, Patient love ALKANTIS

INTERNATIONAL CONTACT : ***We wish you the best success for launching ALKANTIS .***

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