iPill Platform

Technology to combat the opioid crisis

John Hsu MD,
CEO cofounder
john@iPilldispenser.com

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The Problem: Opioid Security at Home

Hospitals
Pharmacies

HOME

Opioids are
triple locked

Pyxis / OmniCell

Opioids are
easily accessed

Anyone can abuse

iPill

The Consequence:

Abuse

3.3 billion unused opioids enter our cities every year

Diversion

61% of people who overdose don't have a prescription

Addiction/Overdose

47,000 deaths and $696 billion per year

The Solution iPill™ for Secure Opioid Dispensing

iPill APP

"Biometric key"

iPill Dispenser

"Drug Safe"

What makes us different

- ✦ Destroy pills on tampering
- ✦ Destroy pills on in 90 days
- ✦ Biometric authentication
- ✦ Bank level security

Operating the iPill

Registration

Step #1   Patient receives a prefilled iPill from the pharmacy

Step #2   Scans QR code iPill App Automatically downloads

Step #3   Registers app
- name
- birthdate
- face / fingerprint
- personal code

Dispensing

Step #1   Authenticate ID Face / fingerprint & personal code

Step #2   Dispense opioid

2-point authentication
Physician notifications

iPill Market Size

The Drug Addiction Treatment market is estimated to be <mark>$16.47 billion in 2018[1]</mark>

and expected to reach $31.17 billion by 2027

1. https://www.globenewswire.com/news-release/2020/02/20/1988216/0/en/Drug-Addiction-Treatment-Market-To-Reach-USD-31-17-Billion-By-2027-Reports-And-Data.html

iPill Traction over the Past 3 years

2 purchase orders

Aspire-365 Treatment Centers

Wheeler Addiction Behavioral Treatment Centers

2 major university pilots

RUTGERS

UCONN SCHOOL OF PHARMACY

Rutgers Dental School
- 132 patients for 2 point Masseter blocks
- iPill will be used to monitor opioid use
- NIDA/NIH grant applied

UConn/Hartford Healthcare
- 50 postoperative patients
- iPill will be used to monitor opioid use
- Patient acceptance, iPill feasibility

FDA Innovation Challenge
FDA Registered Class I
FDA Breakthrough Class II

Insurance reimbursement coverage of FDA Breakthrough Products

iPill

IP Protection

3 Granted Patents: Tamper-Proof Pill Dispensing System and Methods of use

10426707, 10588824, 10709643
PCT Patents EU, UK, Canada

Business Model B2B

3 market verticals

Dental Practices $250 Million	Addiction Centers $2.2 Billion	Pharmacy Insurers $6.75 Billion
10 million wisdom tooth extractions	3.7 million in 14,500 treatment centers	191 million opioids prescriptions

iPill

iPill Go to Market - Value Proposition

OUD Prevention   vs.   OUD Treatment

Relapse rate is greater than 50%

$50 month

$166 and $570 month[1]

Annually
$19,333   per patient/year
$1.8 million   per death
$696 billion   per year

Plus   Inpatient treatment
$14,000 and $27,000 month[2]

Outpatient treatment
$5,000 and $10,000 for 3 months

Transportation costs
$18,000 /year transport to methadone clinic

1.Drugs.com. (2020). *Suboxone prices, coupons, and patient assistance programs*.
2.https://www.rehabs.com/addiction/how-much-does-rehab-cost/
3. 3.30 days/month roundtrip @ $25 each way = $18K annnually

iPill Go to Market 1st target

Addiction Centers

| COVID Rehab in place | → | Telehealth use accelerates |
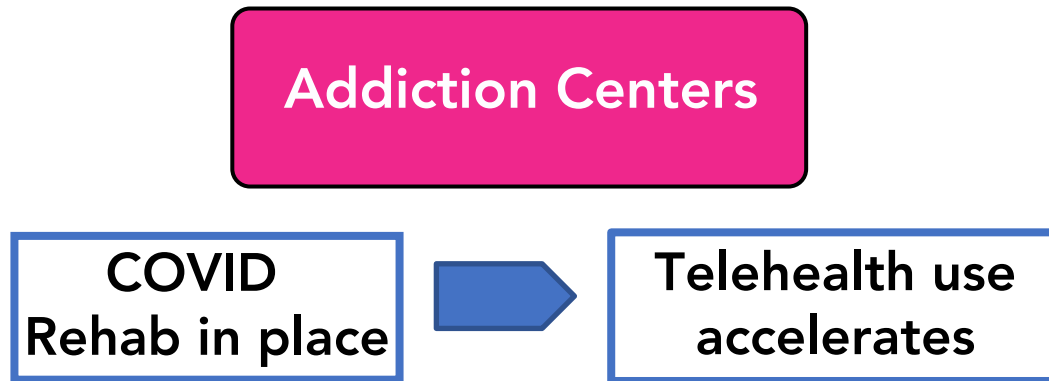
Use their telehealth software with iPill to:
- treat patients & reduce relapse rate from 91%,
- reduce transportation costs to Methadone clinics,
- Increase market brand success in treating addiction

2 purchase orders

iPill

iPill Team

Senior Management

Board

Clinical

John Hsu MD, Co-Founder
Anesthesia & Pain for 28 years

CEO

Marketing

Christopher Baker, MBA
Former SVP McKesson
Operations/Marketing

CMO

Hardware

Bruce Sargeant, BSEE
Hardware Engineer
Developer of Velodyne

CSO

Software

James Yang, BS,
Software Engineer,
Ticketmaster and Hilton Hotel apps

CTO

Sherie Hsieh, BS Co-Founder
Clinical Toxicologist

Nick Spring
Exited from medical device and biopharma company

Peter Weinstein, PhD, JD
IP Attorney, Baxter

14 senior advisors support the management team

iPill – Revenue Opportunity and Unit Economics

iPill Sales ($50/unit)					
iPill COGS ($15/unit)					
iPill 70% Gross Margin ($35/unit)	Loss	Breakeven			0
Year Market Penetration Units	Year 1 0.48% 200,000	Year 2 1.68% 715,000	Year 3 4.68% 1.9 million	Year 4 8.42 3.6 million	Year 5 12.3% 5.2 million
EBITA	($1.9) million	(0)	$5.3 million	$13.9 million	$22.1 million

Competitive Analysis
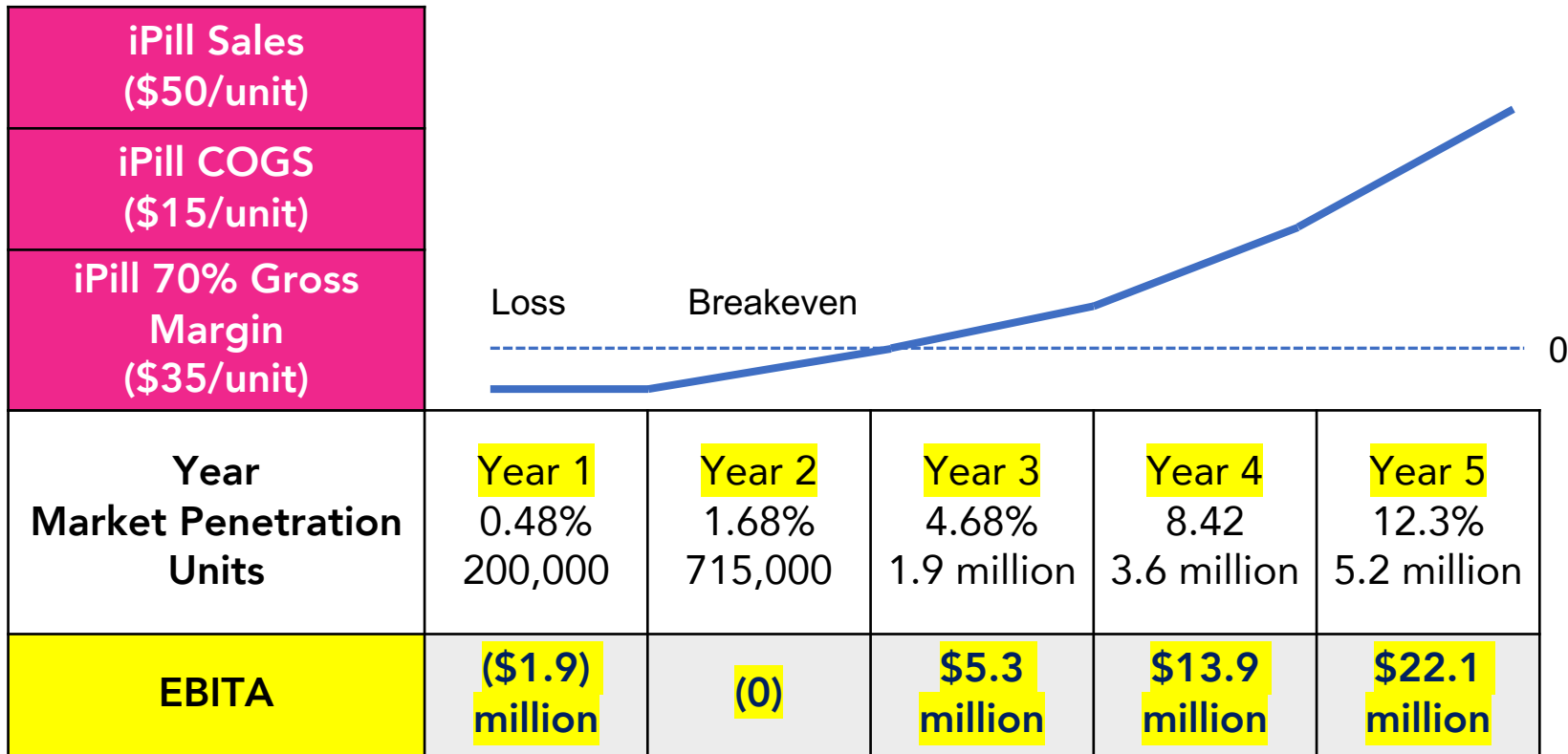
iPill the only dispenser to be covered by insurance

	iPill $50	Child Resistant Cap	Med Smart $589.99	TAD Est. $200	Medica Safe Est.$250
Medication adherence	✓✓		✓	✓	✓
2-Point biometric ID	✓✓				
Secure storage	✓✓				
Destroys unused pills	✓✓				
Insurance coverage MediCare/Medicaid	✓✓				

https://www.massdevice.com/cms-agrees-to-cover-breakthrough-medical-devices/

iPill Milestones

$500K by founders

New $500K → $1.5 million → $7-$10 million →

| 3Q20 | 1Q21 | 3Q21-3Q122 | 4Q22-4Q24 | 4Q24 |

Accomplished

- Build Prototypes
- FDA Class I Registration
- FDA Breakthrough
- 3 granted patents
- 2 purchase orders

Next Steps

- Industrial design
- Injection mold
- Fulfill purchase orders
- Pilots

Market Launch

- Build the team
- Launch to market
- Commercialize with PBM

Build Business

- Expand the team
- Increase B2B sales
- Explore other markets

Explore Exit

- Addiction centers
- Behavioral centers
- Opioid Manufacturers
- Pharmacy-Insurers
- PBMs
- GPO
- Medical Device Co

PBM – Pharmacy Benefit manager
GPO - Group Purchasing Organization

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iPill Opportunity

Founders have invested $500,000

New Seed Raise of $500K to Fulfill Purchase Orders
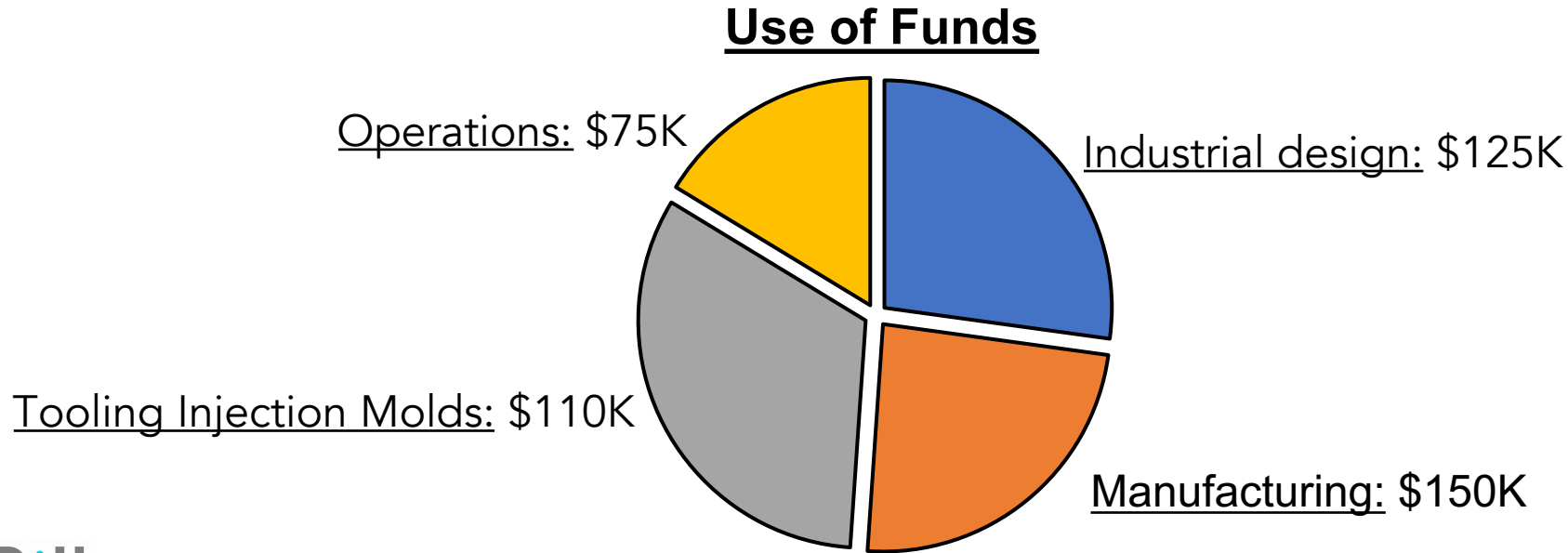
Use of Funds

Operations: $75K

Industrial design: $125K

Tooling Injection Molds: $110K

Manufacturing: $150K

iPill Platform

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iPill Current Traction

Dental Practices Targeting <26 y.o.

- Dental consortium. pilot study planned

- Scale: 320 practices across 20 states

- **$4.1MM annual sales opportunity**

Addiction Centers Targeting 26 to 54

2 purchase orders

- Wheeler addiction treatment centers (June 19, 2020)
- Aspire-365 (Sept. 9, 2020)

- Scale 13 Clinics in state of Connecticut
- Scale 3 location in 3 states

  - **$7.8MM annual sales opportunity**

Pharmacy Insurers Target >55 y.o.

- In discussions with a pharmacy-insurer and hospital system (behavioral health department) for coverage at $50 per dispenser

- Pharmacy-insurer dispenses ~20 million opioid prescriptions per year
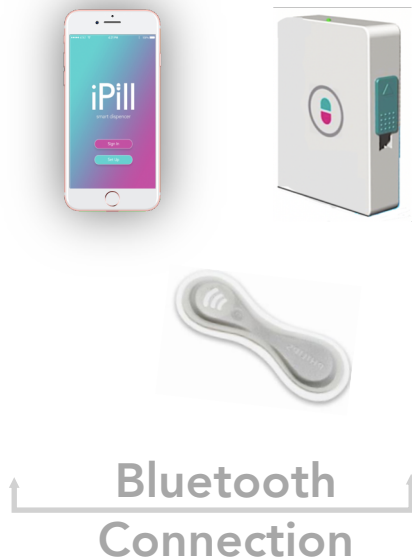
- **$1B annual sales opportunity**

iPill Solution (App + Dispenser)

Tech Enabled Device to Reduce Addiction Risk

iPill App

- **Actively controlled dispensing via mobile app.**
- **App is free for users.**
- Only the prescribed person can access pills at the prescribed dose.

Bluetooth Connection

iPill Dispenser

Generation 1 Product:
- FDA registered – Class I Medical Device
- **Secure storage and safe disposal of unused pills.**
- Tampering destroys pills by dissolving with a DEA approved solution.
- Unused pills automatically dissolved at 90 days.

Generation 2 Product:
- FDA Breakthrough Designation – Class II Medical Device
- Features listed above; and
- Respiratory sensor worn on chest to measure breathing rate.
- If respiratory distress is detected, alerts EMS and stops opioid dispensing.

Current Market Traction:
- Pilot study + first purchase order received from a CT-state funded addiction treatment center, $7.8MM annual sales opportunity
- Pilot study + purchase order in process with dental clinic consortium, $4.1MM annual sales opportunity