

A special thanks to the Mid Atlantic Venture Association for this template
NovaSterilis, Inc.

David Burns

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Web Address: www.novasterilis.com

Management:

David Burns, CEO/President
Kevin White, Sales/Mktg, Tissue Banks
Tim Christensen, Dir. Of R&D
Kirk Sigel, Software Developer

Industry: Medical Device;
Pharmaceutical

Number of Employees: 6

Bank: Tompkins Trust Company

Accountant: Sciarabba Walker Co.

Law Firm(s):

Honen & Woods, Business
Welsh & Flaxman, IP

Amount of Financing Sought:

\$3.5 million - equity

Current Investors: (\$1,015,000)

\$443,000 – supplier services

\$572,000 – Private investor

Use of Funds:

Product development - healthcare

FDA device approval – 510K

Personnel:

VP Marketing, Sales professionals, VP

Business Development, Engineering

Business Description: NS is a medical device company focused on microbial inactivation using CO₂-based technologies for bio-based industries. NS' services are used for terminal sterilization in the biomedical industry and a production platform for the vaccine market.

Company Background: NS launched in 2000 from the research of Prof. Robert Langer and his colleagues at MIT. NS has developed, scaled, productized and commercialized the technology platform.

Management:

David Burns: CEO/Pres – previous CEO experience within private equity (Kohlberg companies). Exited Ithaco at 9x in 3 years.
Bruce Ganem, Ph.D.: CSO – globally recognized chemist (Cornell). Advisor to over 20 bio/pharma companies. Founding SAB member of LeukoSite (Millenium acquired for \$660 million within four years).
Tony Eisenhut: Co-founder – serial entrepreneur who has launched 7 startups. Launched and operated a \$300 million division of Aldi.
Bonnie Howell: Board – CEO of Cayuga Medical Center for 23 years.

Products/Services: NS' sterilization process is superior for thermally and hydrolytically sensitive materials (next generation drug delivery devices and engineered tissues), because it acts in a targeted way unlike competing technologies. NS' vaccine development process has a shorter runway than existing platforms allowing for quick responses to biological weapons and mutated infectious disease causing microbes.

Technologies/Special Know-how: NS has one issued patent, two pending patents and several IP disclosures surrounding its technology.

Markets: NS is focused on two markets – biomedical sterilization and vaccine development. The sterilization market is ~\$3.4 billion while the vaccine development market is ~\$5.2 billion. Within the sterilization market NS has targeted tissue banks, healthcare facilities, and EtO replacement. NS will pursue the sterilization market via a service model and the vaccine development market via a licensing model.

Distribution Channels: Sterilization services will be sold to via a direct technical sales model to the tissue bank industry and a channel partner model for the balance of the industry. The tissue bank market is focused with 20 targeted customers in the U.S. Channel partners will be used for the healthcare, industrial and EtO replacement markets. Vaccine development licenses will be developed via direct business development efforts.

Competition: Competitors vary by market sub sector. Tissue bank competitors include contractors providing gamma radiation (limited applications) and for aseptic processing aids Allowash and Viomed. There is no terminal sterilization process available that addresses the full offering of products produced by tissue banks. In the other sterilization sub sectors, Steris, Advanced Sterilization and 3M are the primary competitors. The vaccine development market is comprised of both large pharma and small biotechs using a variety of technologies.

Financial Projections (dollars in thousands):

	2004	2005	2006	2007	2008
Revenue:	17.5	222	3,235	17,490	53,726
EBIT:	(279)	(242)	(429)	3,200	13,400