



# DESTINATION STARTUP

## SaiOx, Inc.

**One-Sentence Summary of What You Do:** SaiOx, Inc. developed Hespriro, a patented respiratory assist device that utilizes the proven benefits of heliox in a closed-loop system to provide relief to people suffering from chronic obstructive pulmonary disease (COPD).

**Affiliated Institution:** University of Arizona

**Have you formed a company yet?** Yes

**Funding/Financing:** Angel Funding (including Self or Friends/Family)

**Please describe your company and the problem you are trying to solve:** Chronic obstructive pulmonary disorder (COPD) is the fourth leading cause of death in the United States, killing more than 3 million people every year. Additionally, the rates of COPD are rapidly growing, and there is no cure. Current treatments are uncomfortable, leading to low patient adherence and high rates of hospital readmittance. A need exists for technology that is more comfortable for patients and more valuable for hospitals.

SaiOx has developed a patented respiratory assist device that utilizes the proven benefits of heliox technology in a novel system to provide relief to the 24 million Americans suffering with COPD. The device reduces the work of breathing by using heliox, which is a mixture of helium and oxygen. Helium is seven times lighter than air, so it is able to penetrate deeper into the lungs, helping increase oxygenation. The device is also closed loop, so unused gas is recirculated and reused, decreasing the cost of gas supply. This technology will disrupt the current medical device market and provide a more efficient solution to the ongoing problem through increasing patient comfort and decreasing the cost of gas supply.

The exclusive license for the technology is being licensed from the University of Arizona. SaiOx has also filed two additional patents as well as trademarks for both the company and device.

**What is/was your go-to-market strategy?** COPD, the initial target disease, burdens the healthcare industry with \$50 billion in medical expenses annually. Likewise, the market for the technology is growing, largely due to increased prevalence of respiratory diseases. This prevalence has increased due to more air contaminants, greater air pollution, the effects of COVID-19, and the presence of a wider variety of smoking products on the market. The total US therapeutic device market is \$32 billion with a serviceable addressable market for the technology of \$11.6 billion. SaiOx will account for at least \$250 million of this \$11.6 billion addressable market because of its ability to treat respiratory diseases in a novel and efficient way.



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SaiOx will access the current market through marketing to providers and hospital decision makers as well as utilizing the extensive network of the team. The company has also partnered with a sales company, which has experience in the respiratory area, to promote the product in the hospitals.

Some of the current technologies in the market include high-flow nasal cannulas, non-invasive ventilators and invasive ventilators. These types of machines differ from the heliox respiratory assist device in that they use greater force or pressure to deliver oxygen to the lungs, which could damage the lung tissue. They are also open systems, so they do not conserve gas or reduce gas supply costs. Lastly, current treatments are uncomfortable for the patient, so they have low treatment adherence and high hospital readmission rates, leading to penalties for the hospitals.

**How will/do you generate revenue?** SaiOx will generate revenue through device sales, reoccurring patient breathing kit sales, and a remote patient monitoring system for the home device. With these revenue sources, SaiOx will make money from both business and customer sales and will have reoccurring revenue from the disposable kits.

The product is competitively priced at \$9,500 in comparison to current technology. Other respiratory devices and ventilators are expensive, such as VapoTherm (\$15,500), Philips V60 (\$16,500), and Medtronic 980 (\$48,000). With current assumptions, SaiOx's device will be made for \$2,500, creating a margin for the device sales channel. In addition, the closed-loop device will help conserve gas and reduce gas usage costs, therefore providing more value for hospitals.

**How will this showcase benefit your company or technology?** The Destination Startup showcase will benefit SaiOx through providing exposure to investors, healthcare decision makers, and additional partners. Current needs of the company include funding to complete commercialization of the first generation device, establishment of sales channels and partners, and preparation for growth. Currently, SaiOx aims to open a second investment round of \$1 million. This investment round will help complete commercialization of the first generation device and will initiate development of the second generation home device. Specifically, the funds will be used to complete the clinical trial, launch hospital sales, and begin product development for the more automated home device. SaiOx is open to various forms of capital investment, and the company believes that Destination Startup is the right event to make these connections. Additionally, SaiOx has started to educate providers and hospital decision makers about their respiratory assist device due to its novelty. It is important to expose the device to these customers early so that they are ready to implement its use into the hospital. Destination Startup will be an ideal event to continue this exposure. Lastly, SaiOx believes in networking to establish relationships with potential advisors and partners. Through connecting to multiple other research institutions and organizations at Destination Startup, SaiOx will be able to strengthen this network and possibly develop partnerships.





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**Who are the members of your team and why is this the right team to get the job done?** The team at SaiOx is composed of four executive members, two associates, and multiple advisors who are dedicated to the success of the technology. CEO Manny Teran has extensive sales and leadership experience, overseeing teams that sold \$250 million in products. Teran also founded and bootstrapped a company that exited at \$30 million. Similarly, COO Don Finkle is a manufacturing executive who grew SoClean from \$6 million to \$100 million in less than 2 years, exiting at 10x earnings. SoClean is a CPAP mask cleaning business, so Finkle has experience working in the respiratory industry. Lastly, CFO Tony Grega is a CMA with financial expertise in both start-ups and corporations. The associate team includes Product Engineer Deip Sekhadia, who works on product development, and Business Development Associate Reganne Fornstrom, who focuses on funding and marketing. The advisors at SaiOx include inventor Sai Parthasarathy, MD, Chief of Pulmonary at University of Arizona Hospital, who has contributed through the invention of the device and guidance through the relevant medical research. Additionally, Marcos Teran, MD, is a medical advisor who developed the validation protocols that were submitted to the FDA and will assist with the clinical trial. David Smallhouse is a business operations advisor who has helped with business strategy. Lastly, Gene O'hara is a hospital administration advisor who has advised on the complex hospital purchasing process.