# Medtech investment in Saving Lives Preventing Medication Harm

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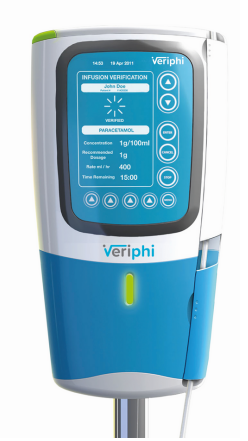
| **Name** | Veriphi |
| **Sector** | Tech |
| **Sub-sector** | Healthtech |
| **Capital raise** | NZ$5 million |
| **Looking for** | A strategic investor with capability for follow on rounds who may also bring offshore market entry connections into medtech networks in the US. |
| **Web-links** | • http://invest.veriphi.co.nz/<br>• https://www.youtube.com/watch?v=UbTo3szPVs4&feature=youtu.be<br>• https://www.youtube.com/watch?v=OGwxgkJqhpc&feature=youtu.bettps |

Unacceptable levels of medical harm are occuring in hospitals all over the world due to the wrong medication being administered to patients. In the US, incorrect medication administration leads to 1 death and 47 patients injured every hour, costing US$5B annually. Veriphi uses patented laser technology to confirm to the staff member that the correct IV (intravenous) medication and concentration is being administered.

Veriphi™




## Summary

Veriphi has developed a laser-based analyser that minimises the risk of death and injury due to intravenous medication error in hospitals. The proprietary laser technology automatically verifies the drug identity and concentration as it is compounded or administered. This provides greater safety and fits seamlessly into existing clinical practice.

## Background

Medication error is one of the most common causes of patient harm in the hospital system, costing billions of dollars and thousands of lives globally.

Hospitals are being increasingly challenged to safely deliver drugs to patients due to the growing number and potency of drugs being administered and the aging profile of the hospital patients, for whom the consequences of errors are more severe. The complexity of the task is increasingly too challenging for procedural control or manual systems alone to ensure medication safety. Intelligent autonomous systems are required to safely monitor and verify the delivery of high-risk intravenous drugs. Veriphi's revolutionary analyser addresses these issues by confirming the identity and concentration of IV drug's before they reach the patient thus preventing medication errors.

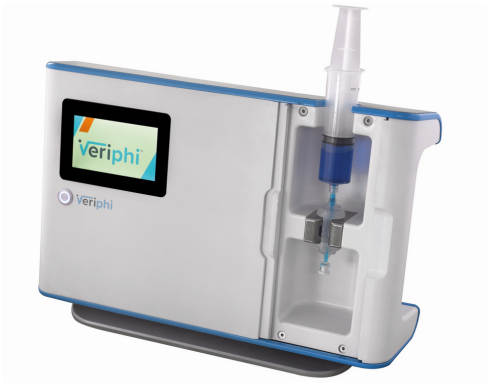
**Why this technology?**

Veriphi plan to transform the delivery of IV medication by providing a level of safety, virtually seamless with existing clinical practise. Medication error is a major issue for hospitals as medication regimens become more complex, particularly with an aging patient profile. The cost in New Zealand is $158m and in the United States US$3.5-$5.6B per annum. IV medication errors account for over half of total errors and are twice as likely to cause harm, or death than from drugs delivered via other routes. The ability to quickly and efficiently verify whether the drug in the syringe or IV bag is what it was meant to be is the best way to protect the patient.

The technology has potentially tremendous scope beyond drug verification prior to administration. This includes other pharmacy applications such as verification of opiates prior to disposal to prevent diversion and non-medical applications such as, fuel and water quality testing, and resolving the contents of any solution by infra-red laser spectroscopy.

**What is the business model?**

The Veriphi business model is “Safety as a Service”. There will be a one off set up cost, followed by monthly service fee payments. The setup cost will include installation and training. The monthly service fee will include, analyser rental, supply of consumables, maintenance, ongoing training, and data. By using a service revenue model, Veriphi lower the barrier to hospital purchase decisions, speed up the rate on customer acquisition, maximise recurring revenue for Veriphi, and maximise customer value by ongoing service and product upgrades as required.




**How will the funds be used?**

The funds will be used to achieve first commercial revenues. This means that the funds will primarily be spent on wages, trial/commercial partners and regulatory compliance costs. The first commercial analysers are built, tooling for further production completed and initial results from hospital trials are positive. Veriphi now plan to deliver the proof that they have a robust commercial solution and convert their trial partners to customers. Their focus is currently on several NZ based hospitals where they are conducting trials.

**Scaling the Business.**

Veriphi will employ a service model to speed up customer acquisition and revenue growth within and between hospitals. They remain tightly focussed on a few clinical areas e.g. oncology drugs, opiate disposal, and eyedrops, so that they can leverage success with hospitals quickly to the next with the same drug suite. They will avoid the need for medical device regulatory compliance by initially focussing on hospital pharmacies, where the compliance burden is less. Pharmacies will give them the opportunity to maximise their test volumes and recurring revenue, from a smaller distribution base. This will simplify their path to revenue growth.

Veriphi have an incredibly smart young team that continues to attract equally smart people and are supported by partners with enormous healthcare experience.

**Customers**

Veriphi is currently commencing a 3-month free trial at a New Zealand hospital for a range of drugs. These drugs have been selected by Veriphi and the hospital on the basis that they are within the current capability of the analyser. Having successfully completed trials on a range of antibiotic drugs, Veriphi is about to conduct trials on high impact oncology drugs with several hospitals and compounding pharmacies in New Zealand and Australia.

**Patents**

Veriphi has 7 US patents, with 14 granted in other overseas jurisdictions including 2 in China.

## Looking for

**Capital raise NZ$5 million**

A strategic investor with capability for follow on rounds who may also bring offshore market entry connections into medtech networks in the US.

**For more information please contact**

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