

PNI Therapeutics
821 Fenimore Road
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Industry:
Digital Therapeutics

Management:
Charlie Silvestro,
CEO & Founder
Ijaz Naem Ahmad,
CTO & VR Developer

Seeking to fill additional roles:
Chief Medical Officer
VP, Science Officer

Board: seeking members

Advisory Board:
Amir Bozorgzadeh,
CEO & Co-Founder, Virtuleap
Cederik Haverbeke,
Managing Director, XR Valley
Jelle Demanet,
Neuroscientist, Psychologist, Mgr.
Human Interface Tech Lab Howest
University, Belgium

Number of Employees: 2

Finance:
Accounting/Tax: Bilotta & Santoli,
CPAs

Funding to Date:
Founder: \$55,000

Financing Sought: \$2.2MM:
For:
Medical & VR Dev. Staff
VR Development
Clinical Studies
Operating Costs (incl. IP)

IP; Sandra Day O'Connor College of
Law

Legal: Seeking Legal Team

Business Description/Company Background

PNI Therapeutics is a digital therapeutics startup company focused on increasing the efficacy of standard of care treatments for cancer through the immersive power of Virtual Reality (VR). When founder Charlie Silvestro used a VR headset for the first time he hypothesized that VR could elicit a psychoneuroimmune response to help combat disease due to its' unique ability to create a strong sense of presence. Charlie studied the growing body of research on the use of VR among cancer patients and spoke with dozens of medical and scientific experts including those in the field of VR, Neuroscience, and Psychiatry. After these discussions, and with noted VR expert Jeremy Bailenson of Stanford University, Charlie was encouraged to prove that VR, as an adjunct therapy, can increase the efficacy of standard of care treatments for cancer.

Market Opportunity/Unmet Need

There have been great strides made in treating cancer over the last decade. However, at the same time, the cost of treating cancer has increased significantly to \$150,000 annually per patient, resulting in treatment non-adherence, patient debt/ bankruptcy, and shortened survival rates. Population growth and higher incidences of cancer have resulted in annual cancer cases of 19.3M and cancer deaths of 9.9M worldwide (IARC). New cancer drug development and deployment are both lengthy, 10-15 years, and expensive, \$1.2B (NCI). The market and problem are so large that we estimate a 1% increase in efficacy yields \$29B in annual treatment savings.

Product/Services – Launched & Pipeline

PNI Therapeutics has developed a 10-minute, guided VR mind-body intervention, named PNI Thrive, as an adjunct therapy to be paired with standard of care cancer pharmaceuticals to reduce stress, mitigate side effects, and improve patient quality of life. We believe this will quicken recovery, reducing mortality, and lower costs for patients, providers, and payers. PNI Thrive is a VR software program, intended to be used in a clinical setting or at home using commercially available VR headsets. Future enhancements to PNI Thrive include the addition of up to 15 new immersive environments, music, voice-overs, breathing, relaxation, and medical visualization mechanics to promote meditation, relaxation, and a feeling of empowerment, strength, and comfort among cancer patients.

Commercial/Technical Milestones

Achieved: PNI Thrive VR app finalized May 2021. 1st client fully funded a feasibility study with 36 cancer patients July – October 2021; statistically significant improvement in patients' reported outcomes of mental and physical health after using PNI Thrive.

Pending: Filing of provisional patent 2022. Manuscript of feasibility study in process, plans to publish it in a peer-reviewed journal 2022. In discussions and coordinating with SUNY Upstate Medical Center to run a 2nd feasibility study among cancer patients in 2022.

Competition/Competitive Advantage/Customer Benefits

\$100B is spent annually on cancer medications each year. Digital Therapeutics, evidence-based digital interventions to prevent, manage, or treat a medical disorder or disease is projected to be a \$10B market by 2025. This is a subset of the \$500B digital health landscape (proj. 2025, 29.6% CAGR '19-'25) (DTA). The use of VR to reduce pain, stress, and anxiety is growing as real-world evidence proves its effectiveness. Amongst the top competitors in this space including AppliedVR, SyncVR, BehaVR, VRelax, HypnoVR, Tripp, & Healium, **PNI Therapeutics** is one of three companies (Blue Note Therapeutics, Rocket VR Health) focused on Oncology, and the only one to tailor VR experiences to patients' spiritual/religious beliefs & values, and to use medical visualization to elicit a psychoneuroimmune response.

Financial Projections (Unaudited)

PNI Therapeutics will generate annual subscription revenue from B2B subscribers including hospitals and clinics via VR digital therapeutics distributors, and then also from direct-to-consumer subscription sales in Year 2 via VR consumer distribution platforms including the Oculus store, Steam, and others.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------|--------|---------|---------|----------|----------|
| Revenue (in 000s) | \$900 | \$3,332 | \$9,242 | \$27,611 | \$71,708 |
| Growth Rate | | 270% | 177% | 199% | 160% |
| Gross Profit | \$540 | \$2,093 | \$6,022 | \$18,464 | \$48,467 |
| Gross Margin | 60% | 62.8% | 65.2% | 66.9% | 67.6% |