

Hospital & Clinics • School of Medicine Lucile Salter Packard Children's Hospital

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### HAND SURGERY

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# **AESTHETIC & BREAST SURGERY**

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Gordon Lee, MD James Chang, MD Catherine Curtin, MD Geoffrey C. Gurtner, MD Ewa Timek, MD

### ORAL & MAXILLOFACIAL SURGERY Sabine Girod, MD, DDS, PhD

# AFFILIATED INSTITUTIONS

VA Palo Alto Health Care System Santa Clara Valley Medical Center Kaiser Permanente Santa Clara Buncke Microsurgery Clinic June 9, 2009

Dr. Edward Lin, CEO Ingenious Technologies Corp. 1109 Millpond Ct. Osprey, FL 34229-8863 USA

Dear Dr. Lin,

This letter is my most enthusiastic endorsement of your O2ACE-Sys wound treatment system. As a Professor and Chief of Pediatric Plastic Surgery at Stanford University School of Medicine, I have over 20 years of experience in clinical wound care, and also direct an NIH-funded research laboratory on skin wound healing.

The clinical wound care market is at least \$10B and continues to grow as the US population ages and chronic wounds become more prevalent. There does not presently exist a system or device capable of delivering a comprehensive range of therapies that enable the type of optimization and synergy that O2ACE-Sys can provide. Therefore, a great need for an intelligent and innovative system, such as yours, exists. The market potential is enormous.

One of the many therapies O2ACE-Sys provides is negative pressure wound therapy (NPWT) to accelerate skin healing. The KCI VAC device, which also uses NPWT, had \$1.5B in sales in 2008, and has demonstrated clinical efficacy. Thus, I am confident that the NPWT delivered by the O2ACE-Sys device will be clinically efficacious, based on concept alone. That you filed for a patent in May 2005 to produce an improved cyclical NPWT, and KCI's Wake Forest team did so only in October 2007, is yet another important strategic advantage.

Specifically, the O2ACE-Sys delivers NPWT in a superior manner than the VAC device. It provides the important added advantage of clear-view anytime visualization of the wound progression and has no dressing in contact with the wound. Therefore disruption of granulation tissue as well as the pain and discomfort associated

with dressing changes are eliminated. It's clear wound chamber with ports enable a diverse range of pharmacological and/or cell-based therapies. These include topical hyperbaric oxygen, broad-spectrum antimicrobials, and nitric oxide therapies via its wound chamber.

Being able to combine and automate an optimum regimen of therapies without close attention from physician and nurse is a great advance made possible by a creative combination of sound pathophysiology principles and innovative engineering. These unique qualities make the O2ACE-Sys best-in-class and will help drive its adoption by wound care physicians and nurses.

Furthermore, CMS will likely grant the O2ACE-Sys favorable reimbursement codes because of the exceptional efficacy and cost savings it can deliver. The O2ACE-Sys wound treatment device can deliver HBO (hyperbaric oxygen) at a fraction of the \$1,500 cost per treatment, for 40 plus treatments, for the average HBO patient. Yet, it provides sustained, around the clock, hyperbaric oxygen instead of the 90 minutes per HBO session. The cost savings to CMS will be large in that skilled nursing care needs will also be reduced from once per day to 1 – 2 times per week per patient treated with the O2ACE-Sys device compared to conventional dressings. The ultimate benefits are not simply accelerated healing time, but also preservation of bodily function (such as avoidance of amputation) and elimination of protracted chronic wound care.

The above savings justify a premium price for the O2ACE-Sys wound treatment device. In addition, the disposable wound chambers, delivery and evacuation cartridges, tubing and drug vials will be profit centers for the company providing the system. Rental of the pump will be another profit center.

I offer my full support to Ingenious Technologies and look forward to working with you to bring this much needed O2ACE-Sys wound treatment device to market.

With regards,

H. Peter Lorenz, MD

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Chief, Pediatric Plastic Surgery

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