



ViewRay, Inc.



Radiation therapy, with a market size approaching two billion dollars annually, is one of the most commonly prescribed forms of treatment for cancer. The side effects of radiation therapy are well-known: nausea, hair and weight loss, weakness, and general decline in overall health. These side effects are caused by powerful radiation beams that impact healthy tissue during treatment of cancerous cells, because current technologies do not allow precise, real-time targeting of cancer cells. The most common radiation therapy technique involves delivering X-rays via a linear accelerator (LINAC) in daily portions over many weeks. At each treatment, the patient may be in a slightly different position or his or her internal organs may not be in exactly the same position they were for previous treatments. Therefore, radiation impacts the area where it was originally targeted, and not necessarily where the cancer cells are actually located at each treatment.

The most advanced use of LINACs is in intensity modulated radiation therapy (IMRT). Although IMRT has greatly advanced radiation therapy, it nevertheless is also plagued by inaccuracies caused by the inability to accurately reposition patients and account for internal organ and target motions. Another important advancement is image guided radiation therapy (IGRT), wherein real-time 3D visualization is combined with precise radiation therapy. IGRT enables accurate treatment of moving and changing tumors (resulting from moving and changing anatomy) while preserving healthy surrounding tissues. IGRT, however, is a nascent technology that has not yet gained broad acceptance due to the monumental engineering challenges of real-time imaging of a patient while dosing with radiation.

ViewRay's exciting new technology circumvents many of these engineering challenges, offering new hope for cancer patients through more targeted radiation of cancer cells and significantly fewer side-effects.

Technology

ViewRay's patent pending technology, trade named the Renaissance™, is both a device and a process for performing high temporal and spatial resolution MRI to significantly improve the accuracy of the radiation dose delivered to a patient. The Renaissance™ competitive advantage is significant: It allows real-time imaging to occur during the actual radiation dosing, thus providing the industry's first opportunity to know where the radiation is actually going and if it's hitting the targeted tissue.

Strategy

Comprised of notable industry experts, ViewRay's Board of Directors and Scientific Advisory Board lend credibility to this small start-up in an industry dominated by giants. This beginning credibility undergirds ViewRay's other network of strategic advantages:

- (1) An excellent working relationship between ViewRay's senior business and science executives
- (2) Potentially significant NIH grant funding
- (3) A healthy intellectual property position
- (4) Clear development plans
- (5) A broad development team
- (6) A requirement for only a 510k approval from the FDA

These assets establish ViewRay as a company with an early but significant value, and move it closer to its potential of ultimately becoming a billion dollar company. Prior to product launch (and FDA approval), management anticipates hiring additional executive level individuals from the industry to begin new marketing efforts and the next phase of the company: building market share. R&D will nonetheless continue as ViewRay moves toward the second generation Renaissance™ which, in concept, is already understood. Manufacturing is expected to be accomplished via contract with an existing OEM.

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Market Potential

Currently, the most common type of radiotherapy delivery system is a linear accelerator (LINAC), priced in the \$2-4 million per unit range. LINACs are currently being sold by Varian Medical Systems, Siemens, Elekta, and TomoTherapy. Varian maintains the largest market share in private and government-administered hospitals, health care agencies, and doctors' offices. Varian's 2003 radiation delivery product sales were \$732 million, while its long-term expectations for growth are 10-15% annually. With its already superior technology and a continued focus on product development, ViewRay expects the Renaissance™ to eventually approach the level of sales of the current market leader and ultimately become the standard in radiation therapy.

Management Team

Chief Executive Officer – Russ Donda

Mr. Donda has more than twenty years of executive and entrepreneurial leadership experience. As one of the founding managers of Regeneration Technologies (RTIX), he helped author RTIX's business plan and played a supporting role in the company's initial formation and funding, and ultimately in the RTIX IPO. He is well versed in strategic planning and strategic alliance structuring, business acquisitions and mergers, intellectual property development, and has spearheaded the development of novel technologies with multiple market segments.

Chief Science Officer – James Dempsey, Ph.D.

Dr. Dempsey is the inventor of ViewRay's platform technology. An assistant professor in the University of Florida Department of Radiation Oncology, he has coauthored 57 peer-reviewed manuscripts, 86 published abstracts, and obtained over \$1,400,000 in research funding in the form of federal, state, and corporate research grants as a principal investigator. Dr. Dempsey will apply his expertise in nuclear chemistry and physics, medical physics, and optimization science to guide the scientific and technical aspects of the development of ViewRay's technology.

Vice President of Operations – Jim Carnall

During his twenty-year career at Eastman Kodak Company from 1978 to 1997, Mr. Carnall was promoted to Vice President of Manufacturing for Kodak Health Imaging Systems and for five years had responsibility for the operations functions in both Rochester, NY and Dallas, TX. He then joined the University of Florida Tissue Bank (UFTB) as Director of Operations, and the following year became the founding Director of Operations for Regeneration Technologies. During his tenure at UFTB and through RTIX's successful IPO in 2000, Mr. Carnall was instrumental in creating a nearly 16-fold increase in production output, resulting in product availability of over \$100 million annually. Mr. Carnall obtained his BSEE in 1978 from Rochester Institute of Technology.

Contact Information

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