SPEED VENTURE SUMMIT

TendoNova™
Moving Orthopedics Forward

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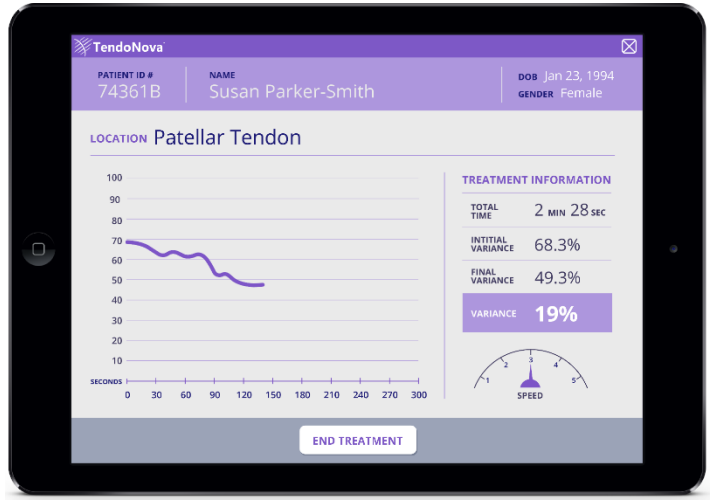
Tendinopathy is one of the most common causes of pain worldwide

- Over **30 M people** in US with chronic tendon pain
- Orthopedics has moved from open procedures to decreasing invasiveness
- Providers require specialized tools to perform procedures
- **$1.2 billion** market opportunity

TendoNova™

TendoNova's Ocelot™ system
Cost-effective, in-office device for ultrasound-guided orthopedic procedures



Procedure-specialized probe

Maximizes efficacy and minimizes procedure time for percutaneous tenotomy

Reusable, rechargeable handle

Integrates seamlessly into the clinical workflow

Provides the first real-time, objective measurement of procedure effect, reducing barriers to adoption

Data-gathering for long-term improvements

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TendoNova's technology meets the needs of physicians, payers, and patients

- Improved Clinical Outcomes
- Improved Patient Experience
- Decreased Cost of Care
- Improved Physician Experience

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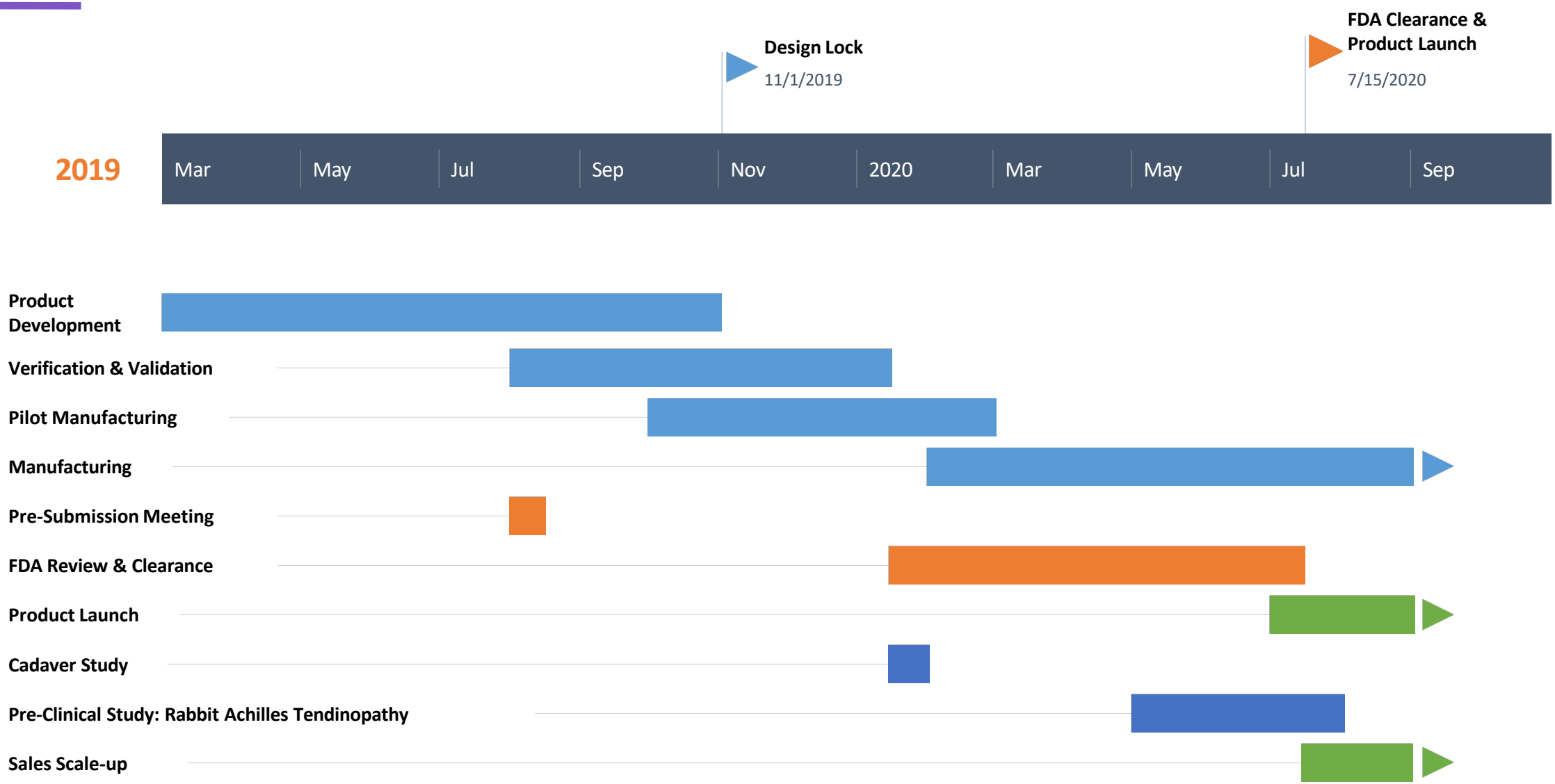
Business model

- Three system components
  - single-use disposable (revenue driver)
  - multiple use driver
  - data display and analytics
- Current technology drives patients to hospitals ⇨ market opportunity in clinics and private practice
- Reimbursement for practices higher than costs to implement

Go-to-market plan



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Competitive landscape

Technology	Short learning	Easy set-up	Predictable results	Cost effective	Office-oriented
Physical therapy					✓
Manual percutaneous technique		✓		✓	✓
Biological therapeutics	✓				✓
Tenex Health TX™1 MicroTip	✓		✓		
HydroCision TenJet	✓		✓		
TendoNova™	✓	✓	✓	✓	✓

Leadership team

LEADERSHIP

Roy Wallen, CEO

- Over 30 years of medical device experience
- Multiple, successful product launches
- Founder of Directional Healthcare Advisors

Lou Malice, Chair

- Over 30 years of medical device experience
- CEO, NFANT Labs
- Board Member, Intent Solutions, LLC
- Georgia Tech, INSEAD

CO-FOUNDERS & MANAGEMENT

Shawna Khouri
Business Management

Jonathan Shaw, DPT, OCS
Clinical and Market Management

Luka Grujic
Product Management

Brett Rogers
Engineering and Operations Management

MEDICAL ADVISORS

Kenneth Mautner, MD

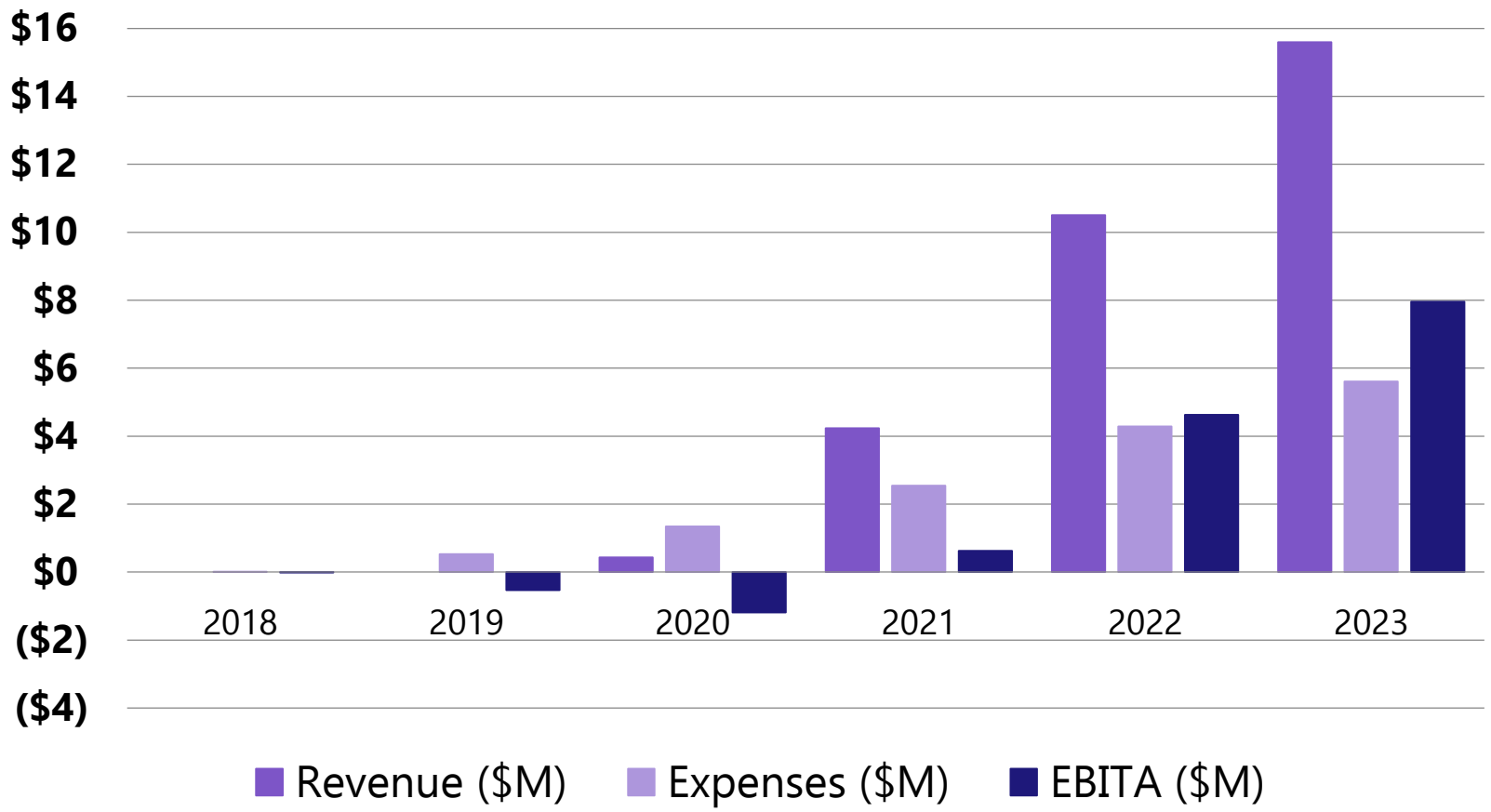
- Assist Prof Orthopaedics, Emory Univ.
- Director, Sports Medicine Physical Medicine & Rehabilitation Fellowship

Gerard Malanga, MD

- New Jersey Sports Medicine
- New Jersey Regenerative Institute

Revenue plan

- Gross Margin: 75%
- EBITA average: 40%
- Cash-flow positive in 2021
- Drivers
  - Leverage KOLs
  - Specialized sales
  - White paper
  - Peer-reviewed literature



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Key product milestones

- ✓ Substantial product development progress
  - Proof of concept demonstrated
  - Multiple design iterations complete
  - Beta prototype completed
- ✓ Strong Intellectual Property Portfolio
- ✓ Company formed as Delaware C-corp, Georgia registration, other registration pending
- ✓ Established medical advisory board
- Development execution ($1.3 million)
  - Final design (MVP), verification, validation, documentation
  - Regulatory clearance to market
  - Pilot-scale manufacturing, market launch

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Appendix

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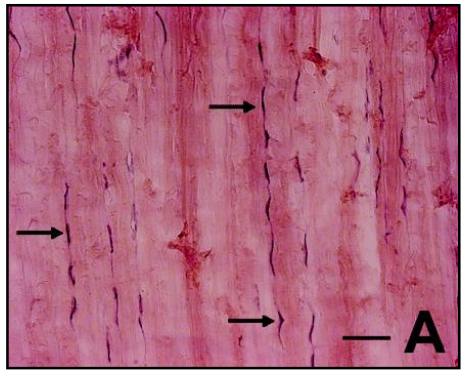
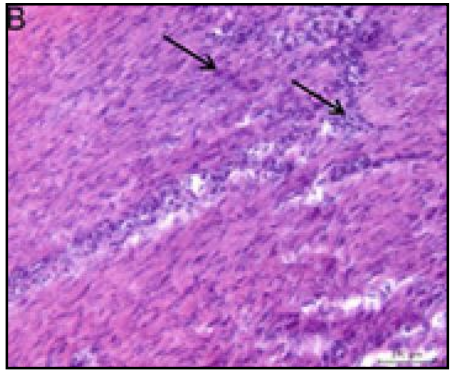
Tendinopathy: an injury that failed to heal

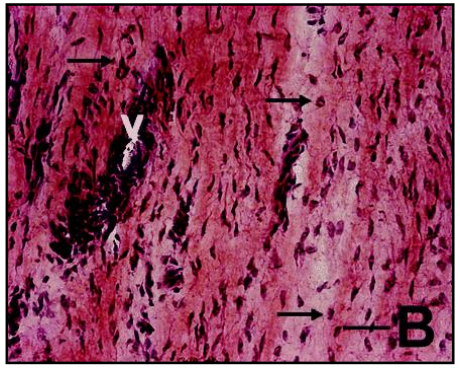
1. Healthy Tendon



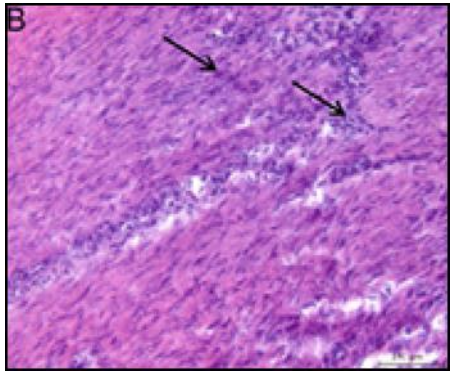
2. Acute Injury



3. Chronic Injury



4. Controlled injury



1. Normal healthy tendon resembles a rope with well organized fibers ensuring strength

2. Newly injured tissue contains inflammatory components that *facilitate* healing

3. Interruption of the healing cycle through repeated reinjury leads to living tissue in a static state
   - Nerves and arteries are present and result in persistent pain
   - Fibers become linked making natural breakdown unlikely

4. Controlled physical disruption of the pathologic tendon allows the healing cycle to restart and healthy tendon remodeling

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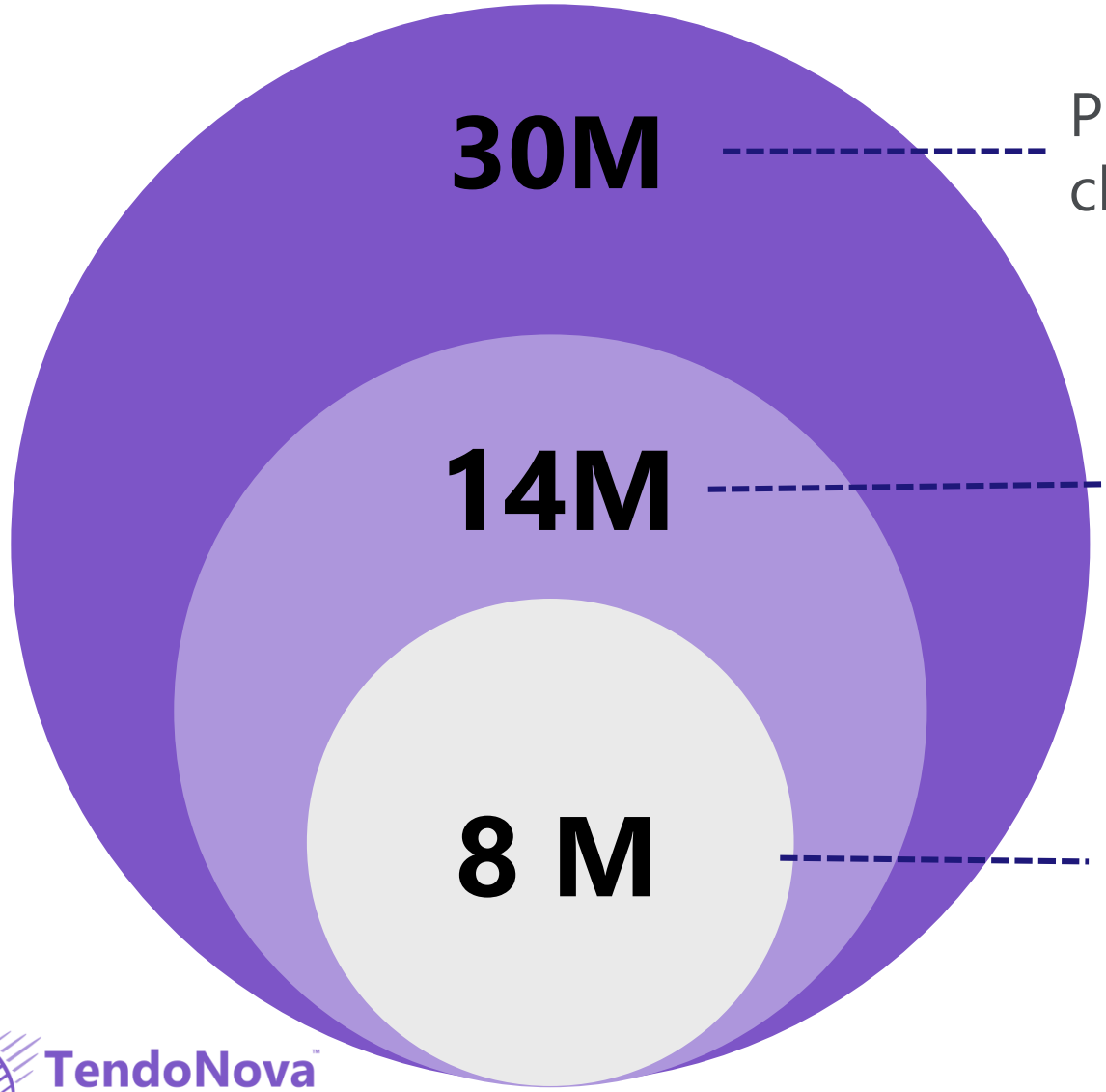
Tendinopathy: Large unmet need and a sizable market opportunity



Patients with tendinopathy-related chronic tendon pain in the US

Patients fail to respond to conservative treatment

Patients managed by clinicians currently using ultrasound guided procedures

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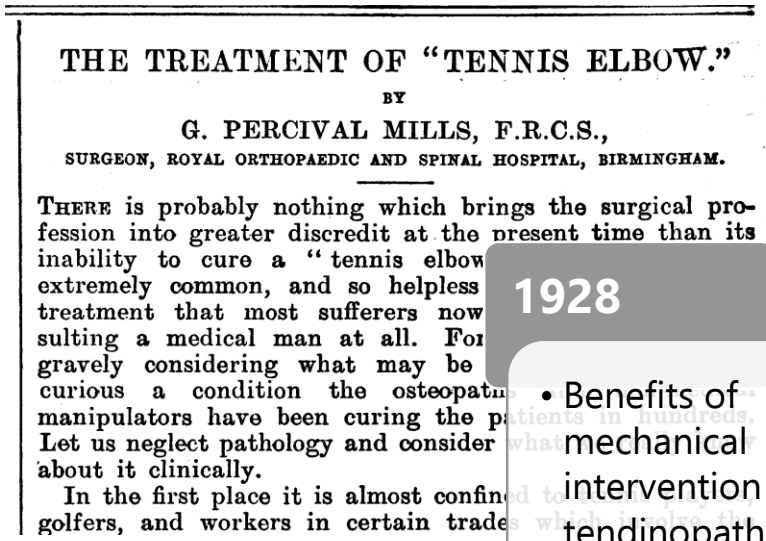
Established treatment methodology:

Mechanical disruption of soft tissue promotes new healing



THE TREATMENT OF "TENNIS ELBOW."

BY

G. PERCIVAL MILLS, F.R.C.S.,

SURGEON, ROYAL ORTHOPAEDIC AND SPINAL HOSPITAL, BIRMINGHAM.

THERE is probably nothing which brings the surgical profession into greater discredit at the present time than its inability to cure a "tennis elbow" extremely common, and so helpless treatment that most sufferers now sulting a medical man at all. For gravely considering what may be curious a condition the osteopath manipulators have been curing the patients in hundreds. Let us neglect pathology and consider what about it clinically.

In the first place it is almost confined golfers, and workers in certain trades which involve the

1928

- Benefits of mechanical intervention for tendinopathy reported in BJM

1980s

- Perioperative tendon scraping commonly adopted

2000s

- Rise of minimally invasive techniques for orthopedic procedures

Today

- Ultrasound-guided procedures gain traction in-office

Current in-office treatment options for tendinopathy are ineffective and inconsistent

Medication & Physical Therapy

The vast majority of patients with tendinopathy are referred to physical therapy

40-80% symptoms do not resolve

Percutaneous Needle Tenotomy

A controlled re-injury using a standard syringe needle to restart the healing cycle

Procedure endpoint is determined by tactile feedback resulting in a long learning process

Minimally invasive, but inconsistent results

Biologics

Highly variable outcomes

Clinician-dependent product formulation

Not currently reimbursed

TendoNova™

Next-generation orthopedic procedures will be in-office

Bringing surgical-level care to the office

- Orthopedics has moved from open procedures to decreasing levels of invasiveness
- Ultrasound has become sufficiently inexpensive and sophisticated that many soft-tissue pathologies can be identified & targeted in-office
- Providers require specialized tools to perform these percutaneous procedures

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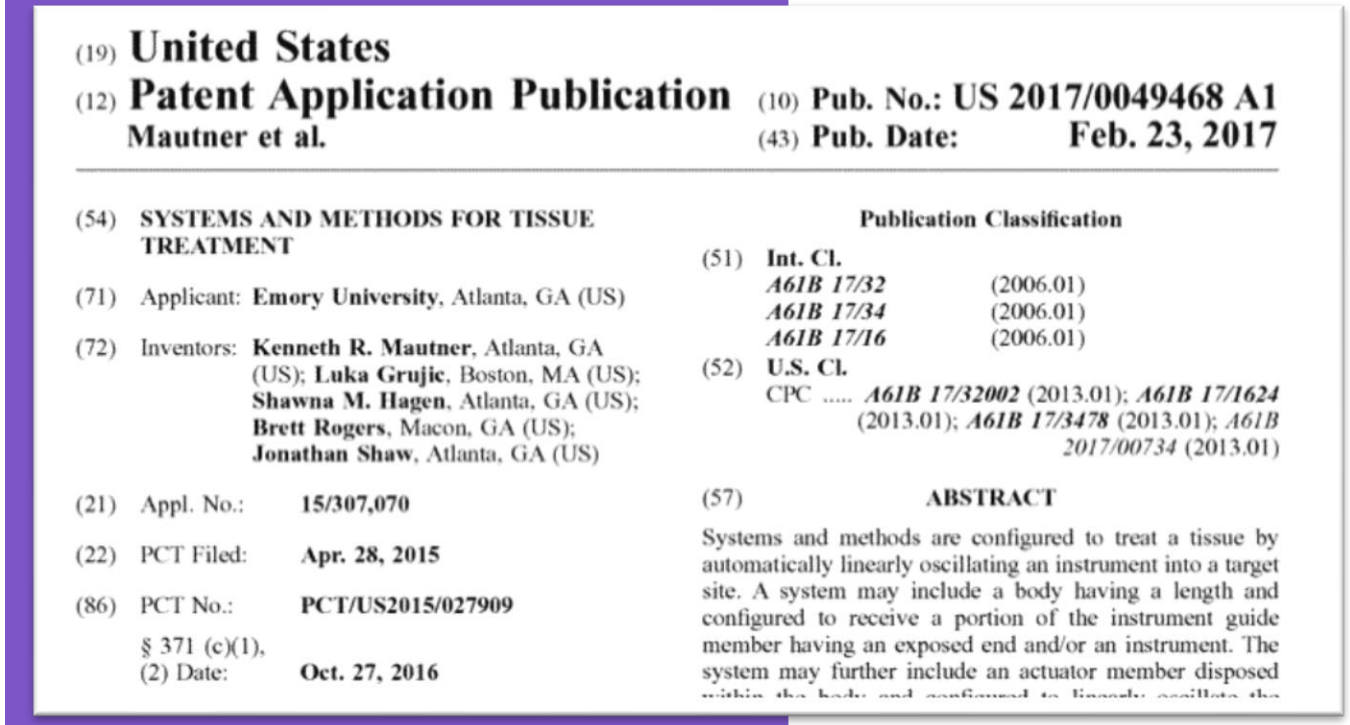
Strong Intellectual Property Portfolio

- Exclusive license in all fields
  - Emory University
  - Georgia Institute of Technology (GTRC)
- 2 patents pending (PCT)



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Mautner et al. (43) **Pub. Date: Feb. 23, 2017**

(54) **SYSTEMS AND METHODS FOR TISSUE TREATMENT**

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(72) Inventors: **Kenneth R. Mautner**, Atlanta, GA (US); **Luka Grujic**, Boston, MA (US); **Shawna M. Hagen**, Atlanta, GA (US); **Brett Rogers**, Macon, GA (US); **Jonathan Shaw**, Atlanta, GA (US)

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CPC ***A61B 17/32002*** (2013.01); ***A61B 17/1624*** (2013.01); ***A61B 17/3478*** (2013.01); *A61B 2017/00734* (2013.01)

(57) **ABSTRACT**

Systems and methods are configured to treat a tissue by automatically linearly oscillating an instrument into a target site. A system may include a body having a length and configured to receive a portion of the instrument guide member having an exposed end and/or an instrument. The system may further include an actuator member disposed

TendoNova™

Straightforward regulatory & reimbursement

US regulatory

510(k) with well-established predicates

No clinical trial

EU regulatory

ISO 13485

MDR 17/745

Reimbursement

8 in-office codes at launch

Procedure margins $146 to $645

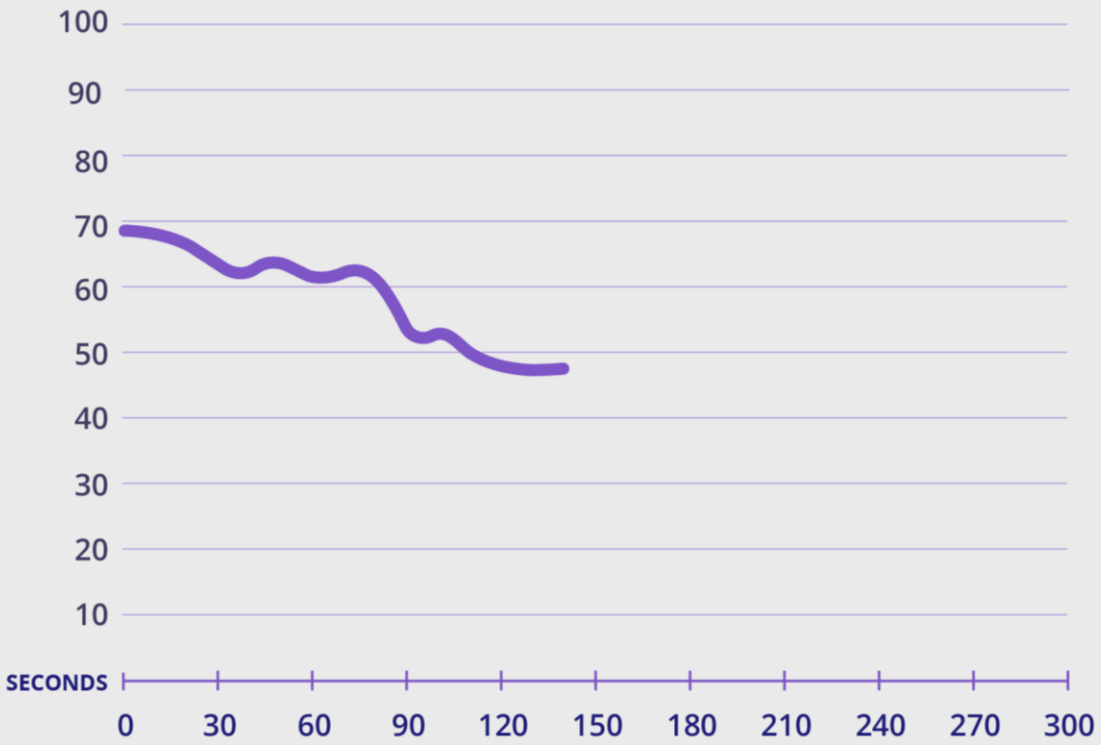
TendoNova

PATIENT ID #
74361B

NAME
Susan Parker-Smith

DOB Jan 23, 1994
GENDER Female

LOCATION Patellar Tendon



TREATMENT INFORMATION

TOTAL TIME	2 MIN 28 SEC
INTITIAL VARIANCE	68.3%
FINAL VARIANCE	49.3%
VARIANCE	19%

END TREATMENT

Investment

Convertible debt note

- Conversion Price at 80%
- 5% interest
- 2-year maturity
- $5 million valuation cap

Use of funds

- Final product development & design for manufacturing
- Regulatory strategy and execution
- Validation testing
- Patent portfolio expansion
- Pilot manufacturing
- Market launch

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