A Paradigm Shift in Minimally Invasive Surgery

Corporate Presentation | Spring 2019

Aquarius Surgical Technologies Inc. (CSE: ASTI)
FORWARD-LOOKING STATEMENTS

Apart from historical data, this document may contain information and statements concerning the future results of Aquarius Surgical Technologies Inc. (“the Company” or “Aquarius”) which should be considered as prospective and forward-looking.

These statements, when utilized, reflect the current vision of the Company concerning future events; they are based on information currently available to the Company and on assumptions which are considered reasonable. These prospective statements are subject to risks, uncertainties and other factors likely to influence the results, performance and achievements of the Company such that they could differ substantially from the results, performance and achievements prospective statements of this nature might imply.
About Us

An exclusive provider of innovative, minimally invasive medical laser systems and consumables for multiple medical disciplines, principally in the field of urology. Solutions also include clinical education, service, support and maintenance.

**Focus on:**
- increasing the availability of services for patients
- enhancing the quality of patient care
- improving operational efficiencies
- reducing total operational costs

Our lasers target these issues: Benign Prostate Hyperplasia (BPH), urinary stones (bladder & kidney) and incontinence.
Management Team & Board

- CEO has 35+ years of experience in medical laser business across multiple medical disciplines
- Core management comprise 90+ years of experience

David Hennigar
Chairman

Gordon Willox
President & Chief Technical Officer

Gary Van Nest
CEO & Vice Chairman

Dr. Stan Swierzewski III MD
Chief of Urology
Holyoke Medical Centre

Dr. Robert W. Francis MD
Founder & Chairman of The MedCan Clinic
Highlights

- ASTI’s state-of-the-art proprietary FDA approved holmium laser fiber for kidney and bladder stones gaining momentum in the market as a true innovation in laser lithotripsy.
  - Production is scheduled to begin in the first quarter of 2019. Future consumable sales will grow as this will be the only fiber optic which will be locked and matched to the high power HYPHO Holmium laser.
- With the versatility to deliver identical clinical outcomes in office-based procedures and hospital outpatient settings, ASTI’s flagship laser for Benign Prostate Hyperplasia (BPH) continues to grow market share with multiple product evaluations scheduled at private practices, surgical centers and university teaching hospitals across the country. Each laser sold will use one of ASTI’s single use consumable fibers per treatment, for the life of the laser, further building sustainable consumable sales growth.
- Multiple ongoing negotiations with leading manufacturers and distributors of surgical instruments to the urology/gynaecology marketplace in the US.

“2018 was a busy year for ASTI with several important negotiations taking place, which paved our way into an already busy start of 2019. There are many initiatives planned for this year and we are looking forward to updating the market on our further progress.”

– Gordon Willox, President
The US Market Opportunity is Enormous

Laser BPH Market

- 43 Million Men
- $5.5B

Laser Urinary Stone Market

- 30 Million People
- $21.3B

Laser Incontinence Market

- 31 Million Women
- $16.3B

TOTAL ESTIMATED US MARKET: $40B+
Current Treatment Options

**Benign Prostate Hyperplasia (BPH)**
- Medication
  - Limited outcome
  - Side effects
- Traditional Surgery
  - Significant blood loss
  - General Anesthetic
  - Requires operating room resources & overnight stay in hospital

**Urinary Stones (Bladder & Kidney)**
- Shockwave Therapy
  - Less reliable outcomes
  - Legacy system, expensive to maintain, 220V
- Older Laser Technology
  - Expensive to purchase & maintain, 220V
  - Less effective

**Incontinence**
- Pads
  - Inconvenient & Expensive
- Traditional Surgery
  - Mesh & Slings
  - Mesh erosion, surgical risks, FDA warning
  - Requires operating room resources & overnight stay in hospital
# Our Technology Advantage

<table>
<thead>
<tr>
<th>Portable</th>
<th>Benign Prostate Hyperplasia (BPH)</th>
<th>Urinary Stones (Bladder &amp; Kidney)</th>
<th>Incontinence</th>
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<td>Predictable Outcomes</td>
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On average our lasers cost **50% less** than competitive systems.

ASTI’s products cost less to purchase, are less expensive to operate (FIBER) and unlock higher margin outpatient opportunities.
Our Clinical Advantages

Benign Prostate Hyperplasia (BPH)

- Less Bleeding
- Local or General Anesthetic
- Faster Recovery
- Shorter Treatment Times
- Predictable Outcomes

Urinary Stones (Bladder & Kidney)

- Greater Precision (smaller fragments)
- Improved Safety (stone stability)
- Shorter Treatment Times
- Predictable Outcomes

Incontinence

- No Anesthetic
- 5 Min Procedure
- No Pharmaceutical or Surgery Risk
- Shorter Treatment Times
- Predictable Outcomes

ASTI’s solutions are all outpatient based, increasing patient acceptance and eliminating the requirement for overnight stay.
Our ROI Advantage for Doctors & Hospitals

- **Benign Prostate Hyperplasia (BPH)**
  - Less Expensive Laser
  - Less Expensive Fiber
  - Less Expensive to Maintain

- **Urinary Stones (Bladder & Kidney)**
  - Less Expensive Laser
  - Less Expensive Fiber
  - Less Expensive to Maintain

- **Incontinence**
  - Less Expensive Laser
  - Less Expensive to Maintain

- **Additional Benefits**
  - The **ONLY** Office Based solutions for Laser BPH
  - Higher compensation for Urologist for Office Based procedure
  - $1852.00 vs. $715 per case

  - Hospital makes more money on lower cost consumable

  - Cash pay business model
  - $3000 for series of 3 treatments
  - 5 minute treatment
  - Breakeven 43 Patients
Intellectual Property & Patents

- Patent pending on BPH fiber
- 31 Additional FDA approved fibers for multiple medical disciplines
- ASTI has input into engineering & design of all products
- Exclusive distribution rights with proprietary technology
- **Growth opportunity** to other market sectors with the same manufacturers: ENT, ophthalmology, lung surgery, dermatology, neurosurgery, etc.
Financial Forecast

Revenue and EBITDA Projection

Operational Metrics
Capital Structure and Financial Status

- Calendar YTD Revenue as at December 2018 – CDN $755,000
- Current Burn Rate – CDN $115k per month

Stock Information (as of March 2019)

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<tbody>
<tr>
<td>Share Price</td>
<td>$0.20</td>
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<tr>
<td>Market Cap</td>
<td>$3.9M</td>
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<td>52 Week High/Low</td>
<td>$0.65/0.20</td>
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<td>Shares Issued &amp; Outstanding</td>
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<td>Warrants &amp; Options</td>
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<td>Fully Diluted</td>
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Stock Chart
Exit/Liquidity

• Likely acquisition by established medical company, such as Boston Scientific, Bard, Cooke or Olympus

• Industry Comparables
  • June 2006 – AMS acquires Laserscope for US $715M
  • May 2015 – Boston Scientific acquires AMS Urology Portfolio for US $1.65B
  • February 2017 – Hologic acquires Cynosure for equity value of approx. US $1.65B

• Potential Return Scenario – 5 to 8 times revenue
  • 2019 – 5 x CDN $4.4M = CDN $22M
  • 2020 – 5 X CDN $11.5M = CDN $57.5M
  • 2021 – 5 x CDN 20.1M = CDN $100.5M
Key Takeaways

- Cost-effective, portable, practical, FDA-approved technology which addresses the demands of a growing market
- Exclusive distribution rights including proprietary private label consumable
- 31 FDA-approved fibers (profitable razor/razor blade business model with high margins)
- Strong IP with long-term partner, influence on the engineering process, first right of refusal on current patents
- 10 distribution contracts signed with projection of 10 new distributors per year growth
- Insurance reimbursement codes already in place with big positive financial impact for doctors
- Generating revenue from sales
Near-Term Plans

American Urology Association (AUA)
Annual Meeting and Trade Show
Chicago, IL
May 3 – 6, 2019
Exhibit Booth and Sponsored Cocktail Seminar

Canadian Urology Association (CUA)
Annual Meeting and Trade Show
Quebec City, QC
June 29 – July 1, 2019
Exhibit Booth and Sponsored Cocktail Seminar

Multiple Wet Labs demonstrating laser systems in a clinical simulation environment scheduled with a major manufacturer of clinical instruments, across the United States over the next several months.
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