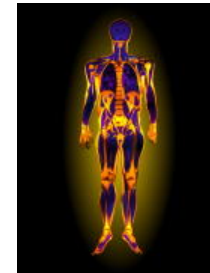
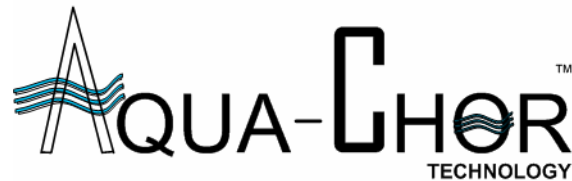




NuOrtho Surgical, Inc.

*Providing the Science Necessary for
Tissue Preservation*

with



Jeff Morrill

1/13/2009

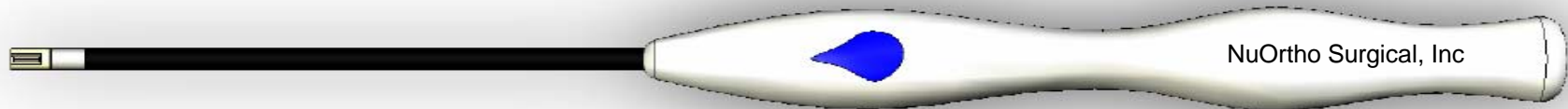
Help 2.6 Million+ Patients

Problems- Cartilage procedures not adequate

- RF products cause Necrosis = Kill Tissue

Solutions – Commercialize Cartilage Product

- Stop Killing Tissue - AquaChor Energy (ACE)
- 510K FDA Process



Customer Situation

Customers Current State

- 70-80% of lesions not addressed
- Side effect = killing tissue
- Large clinical need (baby boomers)

Desired Future State

- Effective treatment of damaged cartilage
- No necrosis- "that would be the holy grail"
- Market is asking for a safe solution

Benefit of Future State

- Reduced symptoms
 - Slow down the progression of OA
-

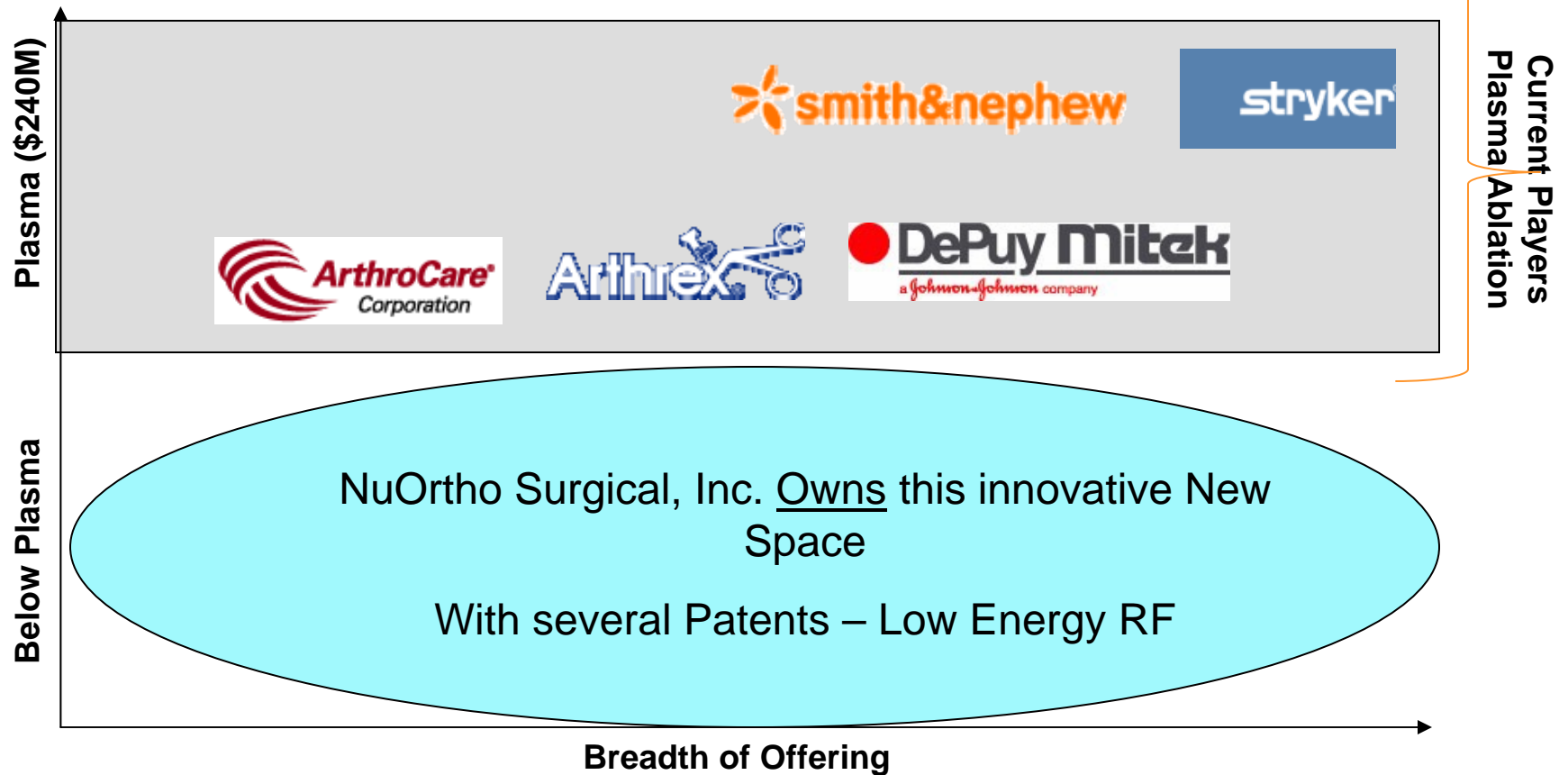
IP is a Competitive Advantage

<u>US Patent</u>	<u>Title</u>	<u>Issue Date</u>
• 6,547,794	Method for Fusing Bone during Endo.	4/03
• 6,902,564	Methods and Devices for Electrosurgery	6/05
• 7,105,011	Method for Achieving Tissue Changes in Bone	9/06
• 7,066,932	Biologically Enhanced Irrigants	7/06
• 7,354,438	Devices for Electrosurgery	4/08
• 7,445,619	Devices for Electrosurgery	10/08
• 11/847,216	Electrosurgery Devices	claims allowed
• 11/010,174	Methods for Electrosurgical Electrolysis	claims allowed

Future Market Extensions

- Meniscal, Ion Liberating, Sensor probes, Cordless cutting
 - Nano Devices
 - Collagen meshes
 - Bone Welding
-

Competitive Landscape



NuOrtho owns the new the newly defined space of tissue contouring at low energy levels

The Market – 2008

<u>Total</u>	<u>US</u>	<u>EU</u>	<u>Total</u>
Arthroscopic Cat. Procedures	\$1B 4M	\$1B 4M	\$2B 8M
RF (Plasma) Procedures	\$240M 1.4M	\$250M 1.5M	\$490M 2.9M
Knee Cases	2.5M	2.5M	5.0M
Cartilage Les.	1.5M	1.5M	3.0M
Cartilage Proc.	.2M	.2M	.4M
Opportunity	1.3M	1.3M	2.6M

Sales & Marketing Strategy

Sales/Distribution Strategy:

- Sell via Regional Sales Agents
- Contract Manufacturing
- Sales Cycle is 1 Month - Trial

Marketing Strategy:

- Drive Awareness
 - Drive Trial
 - Strategic Pricing
-

Experienced Team

Jeffrey Morrill MBA – CEO

- CMO experience at a Start up
- Marketing executive at Johnson & Johnson
- Sales Management Nestle Food Company, Borden

Wayne Augé II, MD – Chief Clinical Officer

- Board Certified Orthopedic Surgeon
- Dr. Augé has been published, numerous patents
- Northwestern University Medical School, post doctorate work at the Southern California Center

Roy Morgan PE, PMP – Chief Development Officer

- R&D expert at: Abbott Labs; Product Improvement Laboratories, LLC; Artemis Medical, Inc.; Stryker
 - Gained FDA 510K approval on multiple products
 - BSc. in Mechanical Engineering, and a BA in Semiotics from Brown University
- 

Financial Forecast

(000)	2009	2010	2011	2012
Sales	\$0	\$10,012	\$34,875	\$61,875
Net Rev.	\$0	\$6,848	\$23,994	\$42,817
Total Exp.	\$1,900	\$4,505	\$15,693	\$27,844
Profit/Loss	-\$1,900	\$2,342	\$8,300	\$14,973
Margin		70%	70%	73%
# Units		40.0	139.5	247.5
Share		2.7%	9.3%	16.5%

Uses of Funds

(000)	10/08	12/09	3/09	6/09	1/1/10
Funds Raised	\$350	\$1,350	\$2,350		\$3,000
Uses of Funds	Infrast. Doc. Control Insurance Dev.	R&D dev. House selected Prototype • Handle • Tip • Cord	Clinical Data Prepare Filing Production Material Packaging IFU	FDA Submission Marketing Materials	FDA Approval Marketing Sales Materials Samples Production Inventory

Exit Options

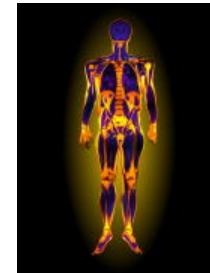
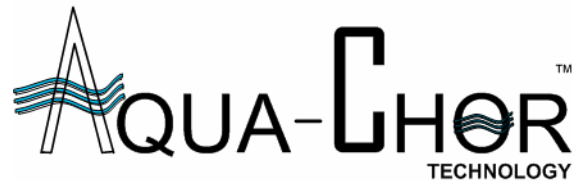
- Sell ACE to existing Player or License Tech.
- Sell to smaller strategic partner



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