

BRIDGING THE TREATMENT GAP WITH MINIMALLY INVASIVE CONTOURING

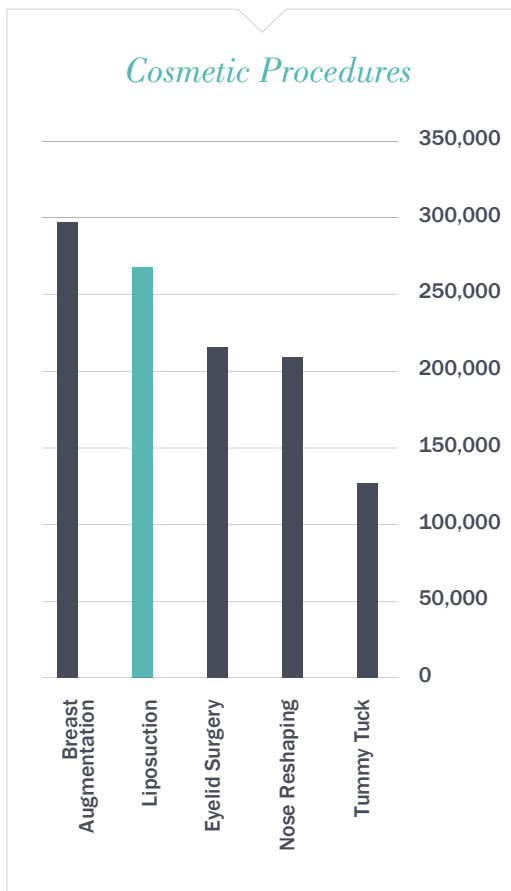
White Paper Discussing BodyTite



INTRODUCTION:

The Body Contouring Market

Global demand for aesthetic medical procedures and products continues to rapidly grow as consumers become more informed and as the industry becomes more safe and accessible. A new report from the American Society of Plastic Surgeons (ASPS) reveals that Americans spent approximately \$17 billion on cosmetic plastic surgery and minimally invasive procedures in 2019. Liposuction is the world's second most popular cosmetic procedure after breast augmentation, with more than 265K procedures performed in 2019.



“Coupled with judicious patient selection and good body contouring, RFAL has the potential to elicit a 3-dimensional soft tissue contraction reliably and predictably to both expand the base of otherwise not traditional liposuction candidates, as well as improve outcomes in patients for whom liposuction is an option. We believe that RFAL technology has the potential to deliver both.”

– DR. C. Chia & Dr. S. Theodorou, *Aesthetic Surgery Journal*

The latest report by IMARC Group reported that the global body contouring market reached US \$6.1 billion in 2018. Driving this growth were factors such as an increase in the incidence of obesity, the influence of social media and video conferencing on the importance of appearance, and the advent of monthly payment plans. The body contouring market is projected to have a 6.8% CAGR 2019-2024, driving the market to an estimated US \$9.1 billion by 2024.

ASPS also reported that non-invasive fat reduction and skin tightening procedures are gaining popularity among patients. Non-invasive skin tightening procedures that target fat and tighten sagging areas increased by 5%. This notable increase in the growth of non-excisional skin tightening indicates that an increasing number of patients are learning they can have tighter skin without having to undergo surgery – and they are pursuing those options at a rapid pace.

The Treatment Gap

InMode recognized the increased demand for minimally invasive body contouring, but noticed a key issue – concerns around skin appearance and tightening post-liposuction. This is a significant unmet need in skin tightening. Patients classified as obese, or with excessive skin, or compromised skin quality, are typically excluded as liposuction candidates as fat removal can often leave behind excess lax skin causing their skin and body contour to appear worse. Skin laxity post-liposuction can create patient dissatisfaction with the only solution being excisional surgery. Therefore, there is a need for a liposuction method that can consistently contract the skin can address these patients who were previously excluded from treatment.

To address this issue, improve results, reduce downtime, and increase safety, InMode developed and commercialized the next generation of liposuction technology, effectively creating a new category that delivers a thermal effect to the adipose tissue, skin, and sub-dermal matrix. This new technology is Radiofrequency Assisted Lipo-coagulation (RFAL). RFAL delivers RF energy for a thermal effect to the adipose tissue, skin, and subdermal matrix in a minimally invasive manner. To date, there have been more than 40,000 successful RFAL procedures conducted with superior clinical results using BodyTite, FaceTite, and AccuTite.

The Treatment Gap



OVERVIEW OF THE TECHNOLOGY & PROCEDURE:

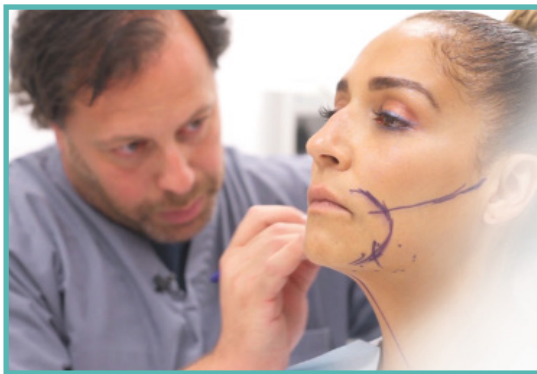
Radiofrequency Assisted Lipo-coagulation (RFAL) & Three-dimensional Contraction of the Dermis

Radiofrequency Assisted Lipo-coagulation (RFAL) deploys heat energy into fatty tissue via an internally inserted liposuction cannula to an electrode placed outside of the skin. A contained thermal field ensures a controlled and safe treatment through Acquire, Control, and Extend (A.C.E.) technology. A.C.E. technology targets deep within the skin to ensure that no areas are under or over treated, using therapeutic temperatures safely and efficiently. Built-in safeguards, including real time measurements of skin temperature, impedance monitoring, power cut-off and audible feedback, help ensure patient safety throughout the procedure.

There is an increasing number of physicians performing BodyTite or FaceTite under local anesthesia in an in-office setting. This reduces patient downtime, total required treatment time, and overall procedural costs.

Procedures mainly follow these steps:

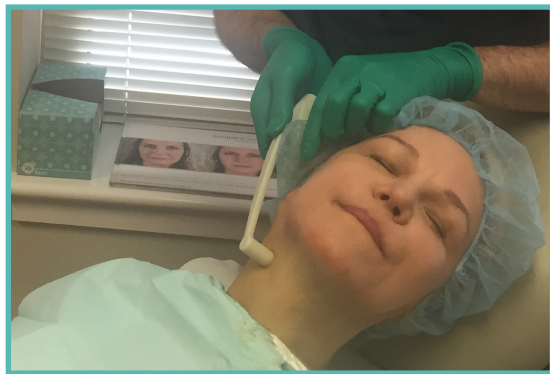
- Patient marking of thermal zones and planning of incision ports
- Applying tumescent anesthesia prior the treatment. Common methods include local anesthesia, and/or standard Klein or Hunstad techniques
- Applying sterile conductive gel to the skin surface to reduce friction and improve electrical contact
- Insertion of the BodyTite cannula into the tissue, after adjusting the desired treatment depth into the tissue. Treatment should start in deeper planes moving up to more superficial planes while staying in the same thermal zone
- Treatment of each thermal zone
- Final contouring of the area should be done without RF, with a focus on contouring and uniformity, and the possible use of a liposuction cannula (FaceTite and AccuTite can be without aspiration)
- Applying compressing foams and garments is considered critical for proper healing and symmetrical tightening, if applicable



A key concern with current fat extraction technologies is the compromised skin remaining in the treatment area. Using a unique three-dimensional contraction of the dermis, BodyTite creates a tightening effect on the skin as the fat is extracted. The outcome is dramatic results with limited scarring and downtime.

RF thermal induced contraction of collagen is well documented in medicine and is used in various orthopedic applications and aesthetic applications. Each type of collagen has an optimal contraction temperature that does not cause thermal destruction of fibroblasts, but induces a restructuring effect in collagen fibers. The reported range of temperatures causing collagen shrinkage varies from 60 °C to 80 °C. At this temperature, tissue contraction occurs immediately after tissue reaches the threshold temperature.

RFAL technology provides a higher power and more efficient energy transfer than laser energy systems and thus, allows the treatment of larger volumes of the subcutaneous tissue with optimal thermal profiles, facilitating the significant tightening of the tissue. The shrinkage of tissue is dramatic and can reach double-digit percentages of the heated tissue volume.

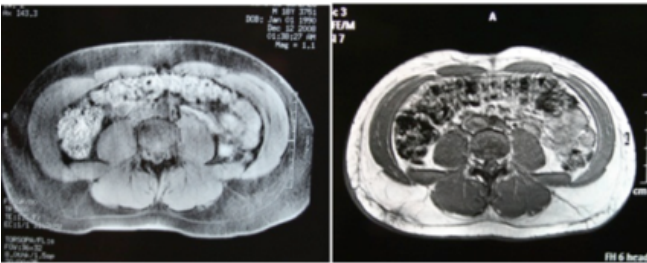


Data and feedback compiled from a few hundred BodyTite/FaceTite patients illustrate that the treatment is safe for small and large areas. Most patients were able to return to a regular routine a few days following the treatment. In addition, for single or small zone procedures, the treatment can be performed under local anesthesia thereby reducing the risks related to general anesthesia. Most patients were drawn to BodyTite as there was a reduction of downtime caused by bruising or pain.

The Treatment Gap

(S. Theodorou, D. Del Vecchio, C. Chia, Aesthetic Surgery Journal, V38(S2).

» There is a large number of these “in between” patients in this “gap” category that their clinical picture presents as “not bad enough for an excisional procedure and not good enough for liposuction.” Specifically, areas of the body described as zones of nonadherence such as the arms, neck, and medial thighs may be amenable to radiofrequency-assisted liposuction (RFAL) for satisfactory contouring who otherwise would be turned away with liposuction alone by the judicious surgeon.



Magnetic resonance imaging of the abdomen before (left) and 3 months after (right) RFAL, showing significant reduction of the abdominal fat thickness and mild edema. Note the indentation of the mid-abdominal line at 3-month follow-up, which was absent prior to the procedure.

Physicians and patients alike have been touting the results of the BodyTite platform.

“The main benefit for any patient is that you have a visible result, something that you can obtain without putting a scalpel to the skin. I think that patients have always been open to the idea of having a surgical procedure, but emotionally, or maybe financially, not ready to take that step. FaceTite patients do not have to commit to a full facelift surgery and this allows them to take a very nice first step with 40-60% of the result of a surgical lift procedure. This is new technology and is exciting for surgeons to have as part of their practices. This is going to be game changing.”

– DR. R. APPLEBAUM

“One of the biggest concerns our patients have is the visible scarring and excision that inevitably occurs with a facelift or necklift. The BodyTite workstation resolves this concern with just a small entry point and the potential for minimal downtime. The results are still spectacular, and patients are extremely satisfied after treatment.”

– DR. M. CRAIG

Accent Plastic and Reconstructive Surgery
Tupelo, MI.

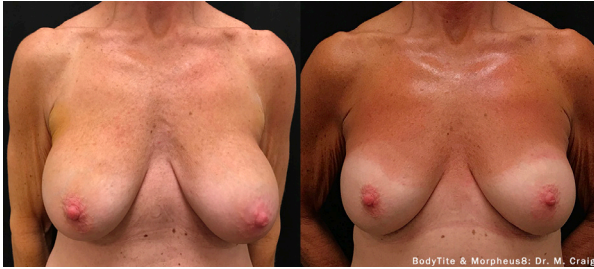
“The AccuTite bipolar radiofrequency device has transformed our practice. It allows for safe and efficient skin tightening through an 18-gauge access point. I use this device multiple times a week for patients desiring non excisional procedures such as a browlift, blepharoplasty, axillary roll reduction, or labiaplasty etc. Patients are pleased with the results and it involves little downtime.”

– DR. E. DAYAN

Avance Plastic Surgery Institute Reno, Nevada



» On *The Doctors*, Denise had a BodyTite performed by Dr. S. Davis, because her diet and exercise regimen weren't working to eliminate her back fat. As a busy mom, she didn't have room for an extended period of downtime' *"I am thrilled! I can wear all the tops that I couldn't wear before without my undergarments and it's nice to put my jeans on and not have all of that extra fat."*



» A patient of Dr. M. Craig who underwent a breast lift procedure using BodyTite commented *"The procedure was conducted in my doctor's office and done without anesthesia or large incisions. I was back to work the next day. My breasts look years younger. I'm thrilled with the results."*

"There are a growing number of people who are seeking out minimally invasive procedures that we were not able to help before. With BodyTite and FaceTite in our practice we are able to grow our patient base and help those patients who aren't willing to let you do a face lift or tummy tuck. The population of people wanting non-invasive and minimally invasive solutions is much larger than the demographic of those who are willing to have surgery, so we're happy to be able to help more people look and feel their best."

"BodyTite has helped us generate a 20% increase in our patient base. If I had to do it all over again I would – it's been a promising investment."

- DR. R. APPLEBAUM

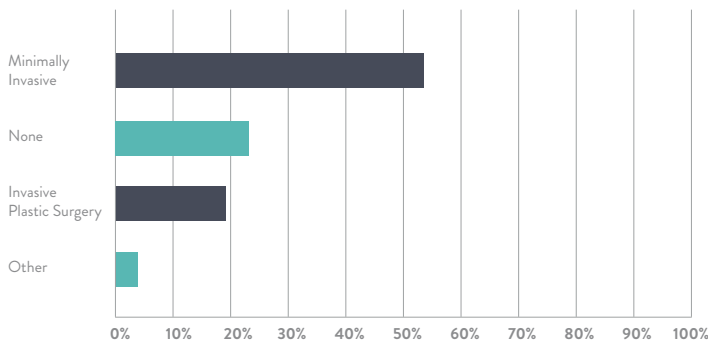
BENEFITS TO YOUR PATIENTS *and your practice*

Adopting BodyTite/FaceTite/AccuTite with three-dimensional skin contraction can help innovate your practice.

- ⬡ *Are you experiencing an increase in requests for minimally invasive procedures?*
- ⬡ *Are your patients looking for dramatic results, but hesitant to have surgery because they want less downtime?*
- ⬡ *Could your practice benefit from being able to provide the latest in aesthetic innovations?*

For most doctors, the answers to these questions is – “YES”.

Cosmetic Procedure Preferences



Out of 1,177 people who filled out a third party executed online survey, 54% of potential patients would opt for a minimally-invasive procedure, whereas only 20% would opt for invasive surgery. With RFAL, you have the potential to open your practice to an additional 34% of your patient demographic (New Frontiers of Aesthetics Survey, 2018).

Previously, patients only had the following options: multiple non-invasive treatment options with limited skin contraction results, a surgical tummy tuck or facelift with downtime, or a brachioplasty leaving large excision scars. Patients who wanted less invasive procedures were left without a solution.

With the BodyTite system, you can provide minimally invasive treatment solutions and offer your patients powerful aesthetic results previously only achievable by surgical means.

The BodyTite technology handpiece addresses larger tissue areas, while FaceTite and AccuTite provide the complete contouring solution targeting facial areas and smaller body areas. With FaceTite and AccuTite, physicians can achieve results similar to a facelift or brachioplasty without the large scars or downtime associated with invasive excisional surgery. The FaceTite and AccuTite handpieces feature a non-aspirating cannula with a plastic tip that allows physicians to work safely in the sub-dermal plane for RF inspired tissue contraction and contouring.

FaceTite and AccuTite patients see dramatic improvement in skin laxity of the face and neck, specifically for double chin, jowl line and other areas with loose skin and deep lines. By utilizing the power of radiofrequency, the procedure melts fat and contracts skin in a single procedure delivering effective, long lasting results with little downtime, as well as reduced post-procedural swelling and discomfort.

The BodyTite platform allows your practice to add a suite of minimally invasive procedures designed to contour, lift, and tighten abdomens, breasts, knees, flanks, thighs, and facial areas.

Below is insight into a plastic surgery practice that invested in the BodyTite platform:

Dr. Robert Applebaum is a board certified plastic surgeon in Beverly Hills, CA. He has been in practice for twenty years. He invests in innovative procedures to provide the most natural results for his patients. An expert in the laser surgery category, Dr. Applebaum educates physicians worldwide in the use of lasers and has also published numerous articles and scientific papers on laser surgery.

We spoke with Dr. Applebaum about 90 days after he invested in the new BodyTite system. He shared that the initial draw to the new technology is the fact that he now has an ability to provide skin tightening in addition to contouring. Another significant benefit of using BodyTite highlighted by Dr. Applebaum is the fact that it does not involve a scalpel and requires just a small entry point for the procedure.

Dr. Applebaum noted that he meets lots of patients who want contouring, but also need skin tightening – something that wasn’t available before BodyTite. In his practice, they see a lot of patients who would like to tighten their backs to address “bra back”, muffin tops and their abdomens.

He does advise physicians to make sure patients have realistic expectations. If someone has high skin laxity or a large amount of fat that requires a tummy tuck, it’s only going to provide a moderate improvement.

MAXIMIZING *your* INVESTMENT

InMode has developed many different revenue models for varied levels of practice volumes. In many cases it only takes one BodyTite/FaceTite/AccuTite treatment to allow practices to breakeven. This means that it takes minimal volume to generate a meaningful return and payback. Speak to an InMode representative to get a personalized return on investment analysis.

Moderate BodyTite

Area	National Average	Per Case Revenue	Upsell BodyTite	Number of Cases	Total Cases Revenue	Consumables Cost	Monthly Expenses	Monthly Profit
Lower Face	\$7,286	\$2,954	\$2,914	3	\$8,742	(750)		\$7,992
Neck	\$4,729	\$4,892	\$1,892	3	\$5,676	(750)		\$4,926
Arms	\$4,424	\$5,751	\$1,327	3	\$3,982	(750)		\$3,232
Breasts	\$5,307	\$6,638	\$1,532	0	-	(0)		-
Abdomen & Flanks	\$5,891	\$7,658	\$1,767	3	\$5,302	(900)		\$4,402
Lower Body	\$7,958	\$10,345	\$2,387	3	\$7,162	(900)		\$6,262
Finance Costs							(3,800)	
Total				15	\$30,864	\$4,050	\$3,800	\$23,054

Average Cases Per Week: 3.75
 Months to Recoup Investment: 8.9
 1 Year Profit: \$276,164
 3 Year profit: \$828,493

Sample Moderate BodyTite cash flow. Speak to an InMode consultant for exact figures.

Immediate Cash Flow Positive with One BodyTite Case Per Month
Total disposable cost per case: \$476

“The practice overhead costs are quite reasonable in maintaining a happy patient population for small/minor procedures. With a proposed model of a procedure including flanks and abdomen, or an arms case, which has a per case revenue model of about \$7,000-10,000, the cost of the device will pay for itself and surplus with just one case per month.”

- Dr. C. Chia | bodySCULPT®

Product	Piece	Price
Sterile Gown	1	7.00
Sterile Gloves	2	6.00
Sterile Drapes	3	15.00
5-0 Nylon Suture	1	11.00
Gause	1	5.00
Tubing (Infiltration & Aspiration)	1	22.00
Needles	2	10.00
Liposuction Canister & Top	1	10.00
Lidocaine	50cc	12.00
Sodium Bicarbonate	15cc	4.00
Epinephrine	3cc	3.00
Ringer's Lactate	2 Liters	24.00
Garment	1	45.00
Sterile Gel	1	2.00
Disposable Handpiece	1	300.00
Total Cost		476.00

In addition, InMode provides training focused on the most beneficial ways to utilize your BodyTite platform, including a focus on safety. Our clinical training program consists of two key components:

{1} A visit by a new physician to one of our many, highly qualified plastic surgical facilities for a didactic followed by a live patient observation.

{2} A trained RN or PA visits the physician's office to attend the first day of cases to in-service and ensure that the BodyTite cases go smoothly.

In addition, there are on-going livestream cases for users whereby they can observe and interact with our highly qualified plastic surgeons on a regular basis. There are also advanced trainings available for physicians that choose to expand their education on highly skilled procedures like non-excisional breast lifting or brachioplasty. InMode continues to build a library of on-line instructional videos as a reference tool or to expand physicians' procedural offerings. We also provide support to help you educate and engage your patients about the new minimally invasive procedures you have available to them through our InPractice program. This program provides hands-on, personalized marketing support for your practice including signage, educational collateral, digital marketing and advertising assets.

the BODYTITE TREATMENT GAP ADVANTAGE

Your patients will:

- ⬡ Have treatment options not previously available to them
- ⬡ Have access to the latest technology in minimally invasive mini facelifts and lipolysis
- ⬡ Get surgical results without the prolonged downtime
- ⬡ Experience the best skin contraction to maximize the results of their fat extraction

Your practice will:

- ⬡ Innovate with the leading technology in the marketplace today
- ⬡ Offer minimally invasive procedures that deliver surgical results
- ⬡ Attract a broader patient demographic thanks to the limited downtime without compromising results
- ⬡ Meet the market and patient needs

*BodyTite is changing
the future of lipolysis.
Bridge the Gap today.*

Our team will support your practice to ensure efficiency, safety and clinical results and help you maximize the return on investment with our technologies. Bridge the gap today and open your practice to a whole new market segment.

Contact a BodyTite expert today to learn more about this innovative solution at info@inmodemd.com



I N M O D E

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