The New Wave in Aesthetics

Mike Kleine
President & CEO
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Investment Highlights

- miraDry®: the Non-Invasive Long-term Solution for Sweat and Odor Reduction
- $6.8B Global Aesthetic Market with 11.8% annual growth\(^1\)
- No Significant Competition from Energy Based Devices
- Trailing 12 months revenue $21.4M
- 25% CAGR for Last 3 Years
- <5% Market Penetration in US for miraDry System Installations
- Poised for Rapid Growth

# Management Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Background</th>
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<tbody>
<tr>
<td>Mike Kleine</td>
<td><strong>President &amp; CEO</strong></td>
</tr>
<tr>
<td>Brigid Makes</td>
<td><strong>Sr. VP &amp; CFO</strong></td>
</tr>
<tr>
<td>Steve Kim</td>
<td><strong>Founder &amp; CTO</strong></td>
</tr>
<tr>
<td><em>Randall Miller, Ph.D.</em></td>
<td><strong>VP, Regulatory</strong></td>
</tr>
<tr>
<td>Robert Ellis</td>
<td><strong>VP, Marketing</strong></td>
</tr>
<tr>
<td>Steve Higa</td>
<td><strong>VP, Manufacturing</strong></td>
</tr>
<tr>
<td>Robert Tyson</td>
<td><strong>Sr. Director, Sales U.S. &amp; Canada</strong></td>
</tr>
<tr>
<td>James Lam</td>
<td><strong>Managing Director, Asia Pacific</strong></td>
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* Acting as a Consultant
Aesthetic Account Market Opportunity

• ~10,000 North America Core Aesthetic accounts consisting of dermatologists and plastic surgeons
• New, profitable technologies have proven successful in driving physician adoption
• To date miraDry less than 5% market penetration in North America

North America Core Aesthetic Market
~10,000 Accounts

miraDry 370 Accounts

^Based on internal analysis
US Consumer Survey: Sweat is a Big Problem

21% of US Population Bothered by Sweat\(^1\)

My underarm sweat makes me feel...

- Very embarrassed
- Frequently worried
- A negative impact on my daily life

To hide my underarm sweat I...

- Take multiple showers per day
- Limit my physical contact
- Apply antiperspirant/deodorant multiple times/day
- Frequently change clothes

Source: November 2009 Ipsos Vantis Healthcare Market Study of 3000 consumers, w/ 661 included in purchase intent analysis.

\(^1\)Has indicated their sweat as a severe problem and extremely embarrassing
Large Addressable US Market: 38 Million Patients

18M US Patients
“Definitely” or “Probably” Would Have Procedure (at $2,500 procedure cost)*

18.1M Sweat Bothered Only
7.2M Hyperhidrosis Diagnosed
12.7M Sweat Bothered & Aesthetic Frequent Flyers

38M US Addressable Patients

* % of patients in all categories applied to US population ages 18-60 (~180M)

Source: November 2009 Ipsos Vantis Healthcare Market Study of 3000 consumers, w/ 661 included in purchase intent analysis.

138 million patients represents 21% of US population ages 18-60

1Has indicated their sweat as a severe problem and extremely embarrassing

2Aesthetic frequent flyers have had at least two cosmetic procedures at a dermatologist’s office in the past 12 months

3Q16. Which statement best describes how likely you would be to have the miraDry Treatment? (Included “Definitely Would” & “Probably Would” respondents)
Asia Opportunity

Strong Market Dynamics

- Strong social stigma associated with sweat and odor in Asia markets
- Recent China approval greatly increases addressable market
- Strong ASPs and faster growth will drive favorable gross margins

Robust Commercial Traction

- Approved in 12 countries in Asia-Pacific region including China, Korea, and Japan
- Current install base of ~300 systems and over 35,000 procedures performed; ~35% consoles & 45% consumables
- Procedure addresses sweat and odor and replaces surgery
miraDry Solution

miraDry: the Non-Invasive Long-term Solution

• Simple, safe and effective procedure
• Cost effective for the patient
• Attractive ROI for physician

miraDry Advantage

ONLY non-invasive treatment FDA cleared for long-term reduction of underarm sweat

ONLY device FDA cleared for permanent reduction of underarm hair of all colors

ONLY non-invasive treatment available for long-term reduction of underarm odor
Target Anatomy is Axillary Sweat and Odor Glands

- Eccrine – watery secretions, duct to skin, cholinergic
- Apocrine – proteinaceous secretions, duct to hair follicle, adrenergic
- Both reside at dermal/hypodermal interface nestled in subdermal fat

How miraDry Works
miraDry Non-Invasive Procedure

1. Apply treatment template
2. Inject anesthesia
3. Treat: 60 minutes treatment time

Female patient / Age: 47 / Four weeks post miraDry treatment on left underarm
Photo taken immediately after a 30min stationary bike workout in heated room.
Strong Clinical and Commercial Validation

• Clinical
  ➢ 82% average sweat reduction leading to 89% patient satisfaction\(^1\)
  ➢ Multiple clinical studies demonstrating safety and efficacy

• Commercial
  ➢ Approved in >40 countries representing all key regions
  ➢ >80,000 treatments
  ➢ Very high patient satisfaction

\(^1\) CP0004 – Clinical Evaluation of the miraDry System in Subjects with Hyperhidrosis
# Advantages Over Current Treatment Options

<table>
<thead>
<tr>
<th>Drug / Surgery</th>
<th>Device</th>
<th>OTC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Botox</strong></td>
<td><strong>Laser-tipped Cannula</strong></td>
<td><strong>Antiperspirant</strong></td>
</tr>
<tr>
<td>- ~6 Month duration</td>
<td>- Cynosure: Precision TX</td>
<td>- Daily use</td>
</tr>
<tr>
<td>- 30+ injections in each axilla</td>
<td>- Invasive / delivered via cannula</td>
<td>- Minimal efficacy</td>
</tr>
<tr>
<td>- Does not affect odor glands</td>
<td>- Technique dependent</td>
<td>- Chemical Dependent</td>
</tr>
<tr>
<td>- Reimbursement exists but poor</td>
<td>- Non-delegateable</td>
<td>- Clinical strength 10% of the market (20% patient satisfaction)</td>
</tr>
<tr>
<td>- Self-pay too expensive for most consumers</td>
<td>- 45°C max temp / well below miraDry 60°C</td>
<td></td>
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</tbody>
</table>

**Surgery**
- Side-effects/complications
- Technique dependent
- Doctor must perform

**Image courtesy of Google images**

**OTC Image courtesy of Google images**
A Better and Long-term Alternative to Antiperspirants & Deodorants

- FDA Requirement for OTC Antiperspirant:
  - 20% reduction in sweat (24h)
- FDA Requirement for Clinical Strength Antiperspirant:
  - 30% reduction in sweat (24h)
- miraDry:
  - 4x reduction in sweat vs OTC antiperspirant requirement

82% Non-Invasive Long-term Solution

November 29, 2016
miraDry Patient Satisfaction on realelf.com

Actual Patient’s Comments

…The only thing I can say about miraDry is that it is a miracle…

I have not had to wear deodorant or antiperspirant again…

I have not noticed any sweating in the treated areas whatsoever…I would definitely recommend the miraDry procedure.

I never considered myself to have a “sweating problem”. I’m a guy and guys sweat…since having one miraDry procedure I am sweat free and feeling awesome!

The miraDry treatment has maintained a 90% plus patient satisfaction ratings on realelf.com for the last 2 years
# Miramar Worldwide (~ 830* Installed Base Globally)

<table>
<thead>
<tr>
<th>US &amp; Canada</th>
<th>Europe &amp; Middle East</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ~370 Installed base: Strong Growth Opportunity</td>
<td>• ~150 Installed base: Strong and growing markets in Northern Europe and Middle East</td>
</tr>
<tr>
<td>• Greater awareness via conferences, PR and social media</td>
<td>• Targeting additional markets in second half 2016</td>
</tr>
<tr>
<td>• Sales rep productivity increasing</td>
<td>• Gaining KOL market support</td>
</tr>
<tr>
<td>• Strong KOL support increasing podium presence</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asia (other than China)</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ~250 Installed base: Strong presence in Japan, Taiwan and Australia</td>
<td>• ~50 systems being installed</td>
</tr>
<tr>
<td>• Utilization driven largely by replacing invasive surgery</td>
<td>• Launched Q1 2016 with CFDA approval</td>
</tr>
<tr>
<td>• Social stigma around sweat and odor drives very strong demand</td>
<td>• Strong business partner named</td>
</tr>
<tr>
<td></td>
<td>• Established private and public business models</td>
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</tbody>
</table>

* as of September 30, 2016
Miramar Sales and Marketing Optimization

New messaging focusing on aesthetic patients
• Communicate benefit of optimized treatment protocol
• New marketing materials, messaging and website
• Position as a treatment that is profitable to physicians

Restructured Sales Force
• Experienced Territory Managers devoted to system sales
• Practice Development Managers devoted to driving tip sales

Refocused on KOL Engagement
• Strengthened KOL network, interactions and podium presence

Overhauled key Europe, Middle East & Asia Markets
• Transitioned to distributors with aesthetic market knowledge and financial strength
miraDry Physician Profitability Model

**miraDry Assumptions**

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price</td>
<td>$65,000</td>
</tr>
<tr>
<td>Treatments Per Month</td>
<td>4</td>
</tr>
<tr>
<td>Procedure Price</td>
<td>$1,950</td>
</tr>
<tr>
<td>bioTip Price</td>
<td>$350</td>
</tr>
<tr>
<td>Operating Expense / Hour</td>
<td>$200</td>
</tr>
<tr>
<td>Profit Per Patient</td>
<td>$1,400</td>
</tr>
</tbody>
</table>

**Breakeven Analysis**

<table>
<thead>
<tr>
<th>Breakeven Months</th>
<th>11.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients</td>
<td>46</td>
</tr>
</tbody>
</table>

Net Profit Over 5 Years = $306,322

- Assumes 5% growth per year in volume

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1 Purchase price, treatments per month based on internal reports and analysis
2 Procedure price is our recommended price to patients
3 bioTip price reflects list price
4 Operating Expense/Hour is estimate of physicians hourly operating expense for treatment
### Financial Summary... Strong YTD Results...

#### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Q3-Act 2015</th>
<th>Q3 YTD 2015</th>
<th>% inc/(dec) YTD '16 v '15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>3,793</td>
<td>11,822</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>2,051</td>
<td>6,077</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Gross Margin %</strong></td>
<td>54.1%</td>
<td>51.4%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>5,242</td>
<td>16,830</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Operating Loss</strong></td>
<td>(3,191)</td>
<td>(10,753)</td>
<td>-22%</td>
</tr>
<tr>
<td><strong>Net Income/(Loss)</strong></td>
<td>(3,667)</td>
<td>(11,694)</td>
<td>45%</td>
</tr>
<tr>
<td><strong>EBITDA (adjusted non-GAAP)</strong></td>
<td>(2,848)</td>
<td>(9,782)</td>
<td>-27%</td>
</tr>
</tbody>
</table>

#### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Q3-Act Sep-15</th>
<th>Q4-Act Dec-15</th>
<th>Q3-Act Sep-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,642</td>
<td>2,643</td>
<td>6,074</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>12,663</td>
<td>11,926</td>
<td>16,524</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>15,248</td>
<td>17,058</td>
<td>16,255</td>
</tr>
<tr>
<td>Convertible Redeemable Preferred</td>
<td>61,180</td>
<td>61,180</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Shareholder's Equity</strong></td>
<td>(63,765)</td>
<td>(66,312)</td>
<td>269</td>
</tr>
<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td>12,663</td>
<td>11,926</td>
<td>16,524</td>
</tr>
</tbody>
</table>
Sales by Geography

Sales by Product

Dollars (000)

2014 2015 Q3-15 YTD Q3-16 YTD

North America Asia Europe South America

Dollars (000)

2014 2015 Q3-15 YTD Q3-16 YTD

Capital systems Consumable Other
Strong IP Position

- Non-invasive delivery of microwave energy
- Treatments for sweat reduction
- Capital equipment, applicator and disposable
- Longest patents expire 2032
Leveraging miraWave Technology

- Palmar hyperhidrosis
- FDA clearance for odor
- Sweat/odor in other areas of the body
- Body Hair
- Acne
- Skin tightening
- Fat reduction
Positioned for Growth

Regulatory approvals and additional indications leave Miramar poised for growth
Miramar Path Forward

- Emphasize Aesthetic vs Clinical market
- Increase Physician and Patient Awareness through Utilization
- Strengthen US Sales with Practice Managers and Inside Sales
- Continue Expansion of International Sales & Geographic Reach
- Expand Marketing Initiatives: Digital Marketing / Direct to Consumer Advertising
- Continue to Innovate through Clinical Development and Collaboration
Questions?