



# BIOLASE<sup>®</sup>

Advancing Dentistry<sup>™</sup>

## MANAGEMENT PRESENTATION

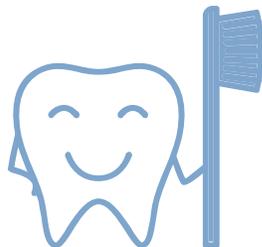
NASDAQ CM: BIOL

June 2020

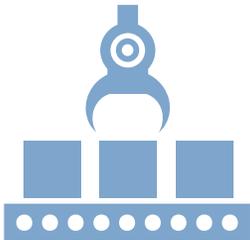
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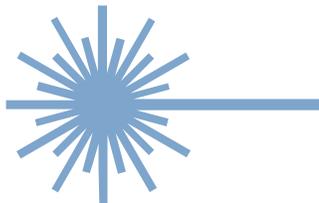
# BIOLASE Overview



Leading global provider of dental lasers for cosmetic, restorative and surgical applications



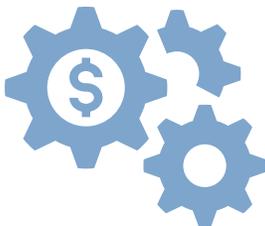
Complete line of products for both general dentists, specialists and practitioners



Have sold over 40,000 laser systems into 80 countries to date



Large IP portfolio – 261 issued and 52 pending patents- \$30M in value



Established and fairly stable revenue base with improving margins



Experienced management team that is effectively transitioning BIOLASE from R&D focused to commercial success and profitable growth

# Experienced Management Team

**Todd Norbe**  
President & Chief  
Executive Officer

- ◆ Joined the BIOLASE Board in June 2018 and named President & CEO in August 2018
- ◆ Broad experience in the global dental industry, previously President of KaVo Kerr, a leading dental instruments and solutions provider
- ◆ Previously served as Vice President & General Manager of Metrex Medical – Sybron Dental Specialties
- ◆ Has served on the Board of the Dental Trade Association Foundation and the National Children's Oral Health Foundation

**John Beaver**  
Executive Vice President  
& Chief Financial Officer

- ◆ Named Chief Financial Officer in October 2017
- ◆ Prior to BIOLASE, served as CFO of Silicor Materials, Inc. and also served on the Board
- ◆ Previously CFO of Modumental, Inc. and Sterling Chemicals

**Samuel B. Low,**  
**D.D.S., M.S., M.Ed.**  
Vice President, Dental  
and Clinical Affairs and  
Chief Dental Officer

- ◆ Vice President, Dental and Clinical Affairs, and Chief Dental Officer of BIOLASE since October 2016
- ◆ Dr. Low is Professor Emeritus, University of Florida, College of Dentistry and Associate faculty member of the Pankey Institute, with 30 years of private practice experience in periodontics, lasers and implant placement
- ◆ Diplomate of the American Board of Periodontology and past President of the American Academy of Periodontology.

# A Full-Spectrum Portfolio of Laser Systems and Procedural Consumables

## Waterlase Express™

- Smallest, easiest most cost-effective Waterlase
- Vivid HD tablet user interface
- Exclusive procedural animations
- Rich on-board reference library and Customer Care Button

## Waterlase iPlus™

- Best selling All-Tissue dental laser- 80 FDA cleared indications
- Replaces drill with substantial reduced need for anesthesia for teeth & bone
- Replaces scalpel for minimally invasive, minimally bleeding microsurgery for soft tissues



## Epic Pro™

- Powerful and capable diode dental laser ever
- Best in class speed, comfort, and precision cutting
- Leverages IPG Medical technology

## Epic X™

- Surgery, fast tooth whitening and pain therapy in one device
- Ultra portable for multiple-operatory use

## Epic H™

- Designed by hygienists, for hygienists
- FDA cleared for laser bacterial reduction ("LBR")

261 issued and 52 pending patents

# 2020 Initiatives

- > **Fill** open sales territories - 24 of 27 territories filled
- > **Gross margin improvement**
- > **Expand Waterlase Mentoring Experience** (“WME”) to improve acceptance by early majority segment
- > Refine **commercial growth engine** that links lead generation to a robust field sales funnel with learning management system (“LMS”) feedback on effectiveness
- > Increasing meaningful **FDA-cleared indications** (LBR, etc.)
- > Enhance **customer loyalty process** to improve current customer retention and satisfaction while increasing referrals
- > Leverage “**peer to peer**” on a local and national level through local study clubs, webinars and podium presence
- > Manage resources and **burn rate** to navigate through COVID pandemic

# There is a Better Way...

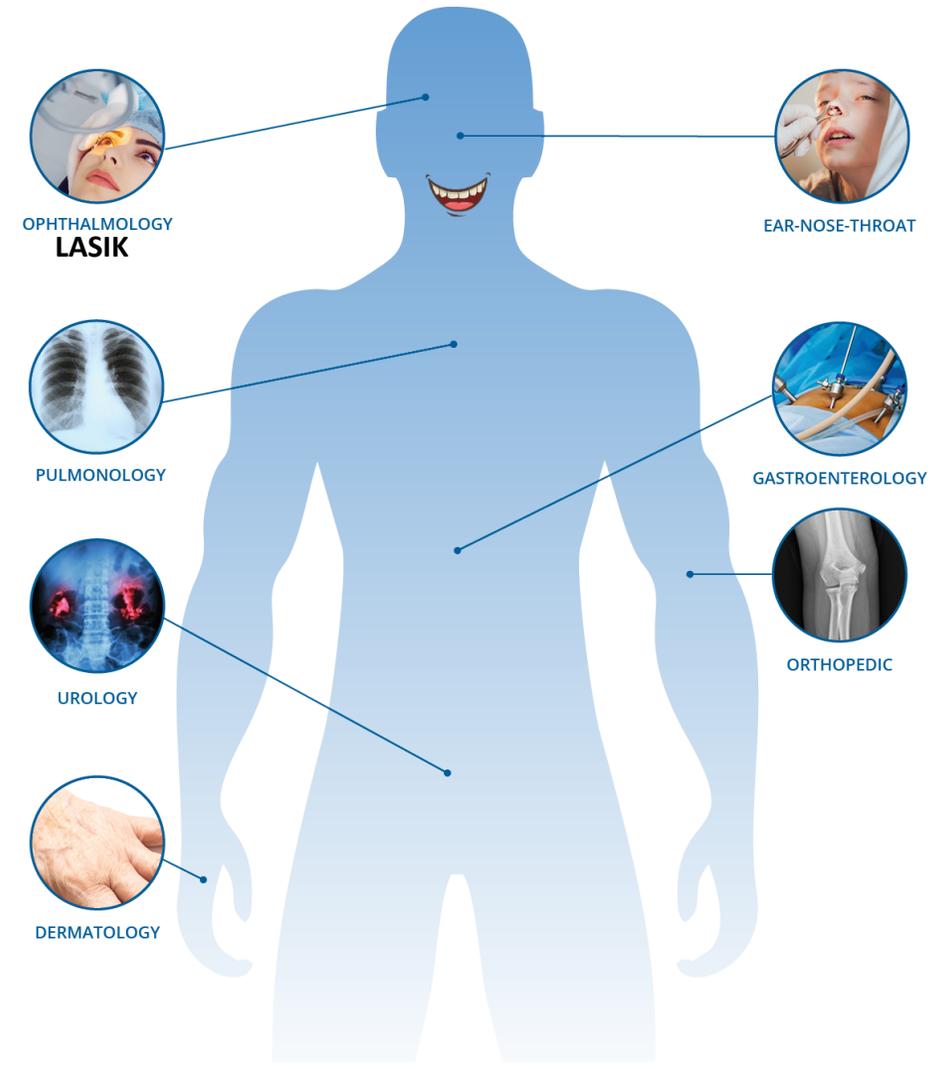


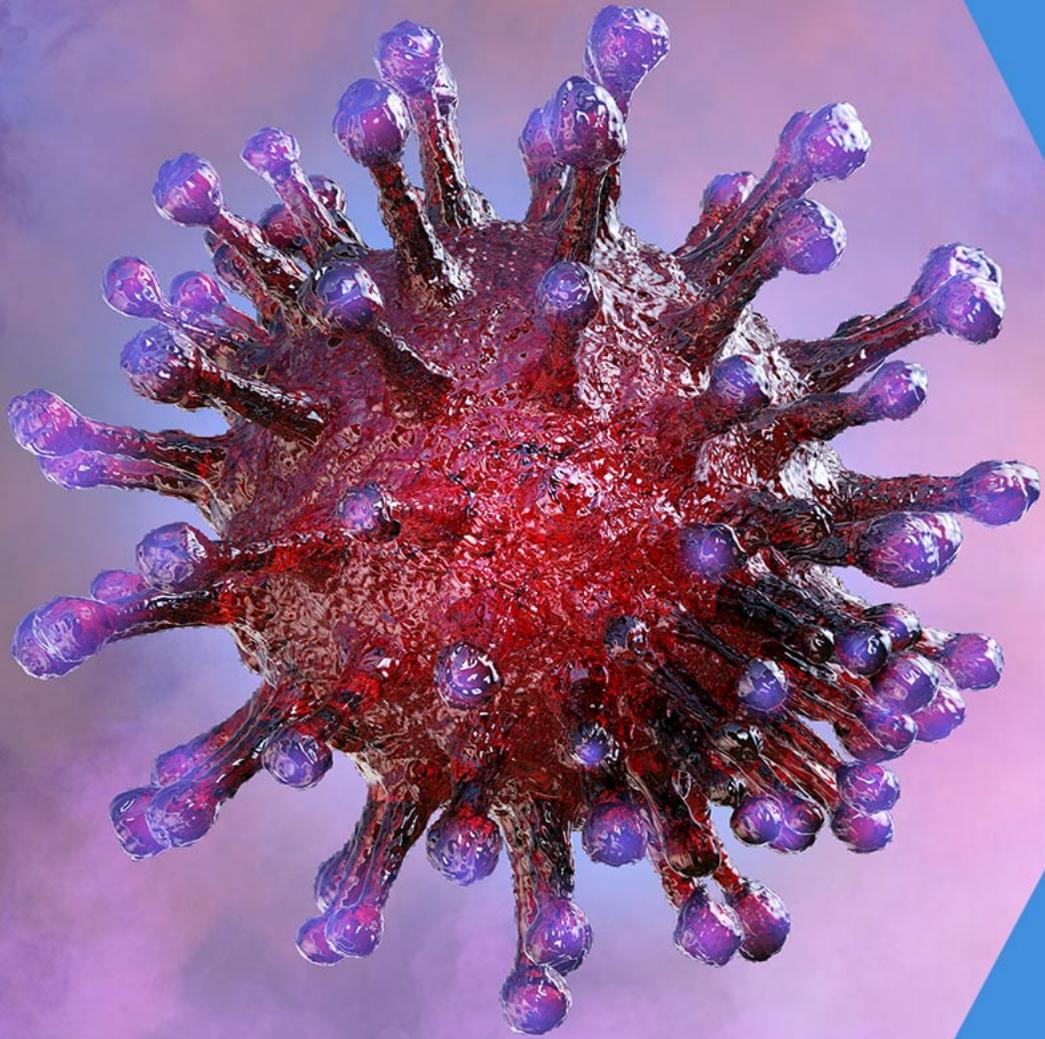
<https://vimeo.com/388381701>

# Lasers Widely Used in Medicine

- ✓ Minimally invasive
- ✓ Less bleeding/trauma
- ✓ Faster healing
- ✓ Enhanced precision
- ✓ More patient-friendly experience

**Training is the key driver of adoption – Waterlase Mentoring Experience (WME) Program**





# COVID-19

CDC/ADA drives new standards

# BIOLASE<sup>®</sup>

is well positioned to benefit!

# Aerosol Production and Contamination Risk



50ml/min

**Dental Drill**

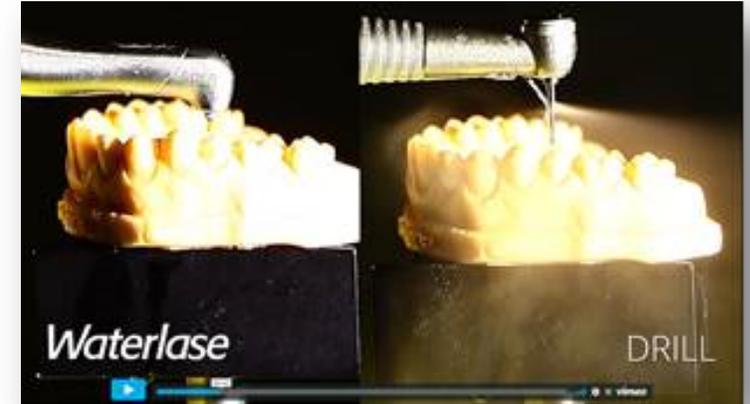


8ml/min

**Waterlase Dentistry**

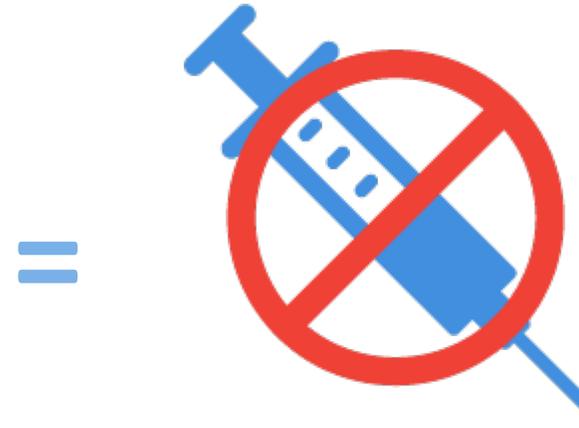
WATERLASE USES  
**80%**  
**LESS WATER**  
THAN TRADITIONAL  
HANDPIECES.

The risk of cross contamination in the dental office is **HIGH** due to aerosol production



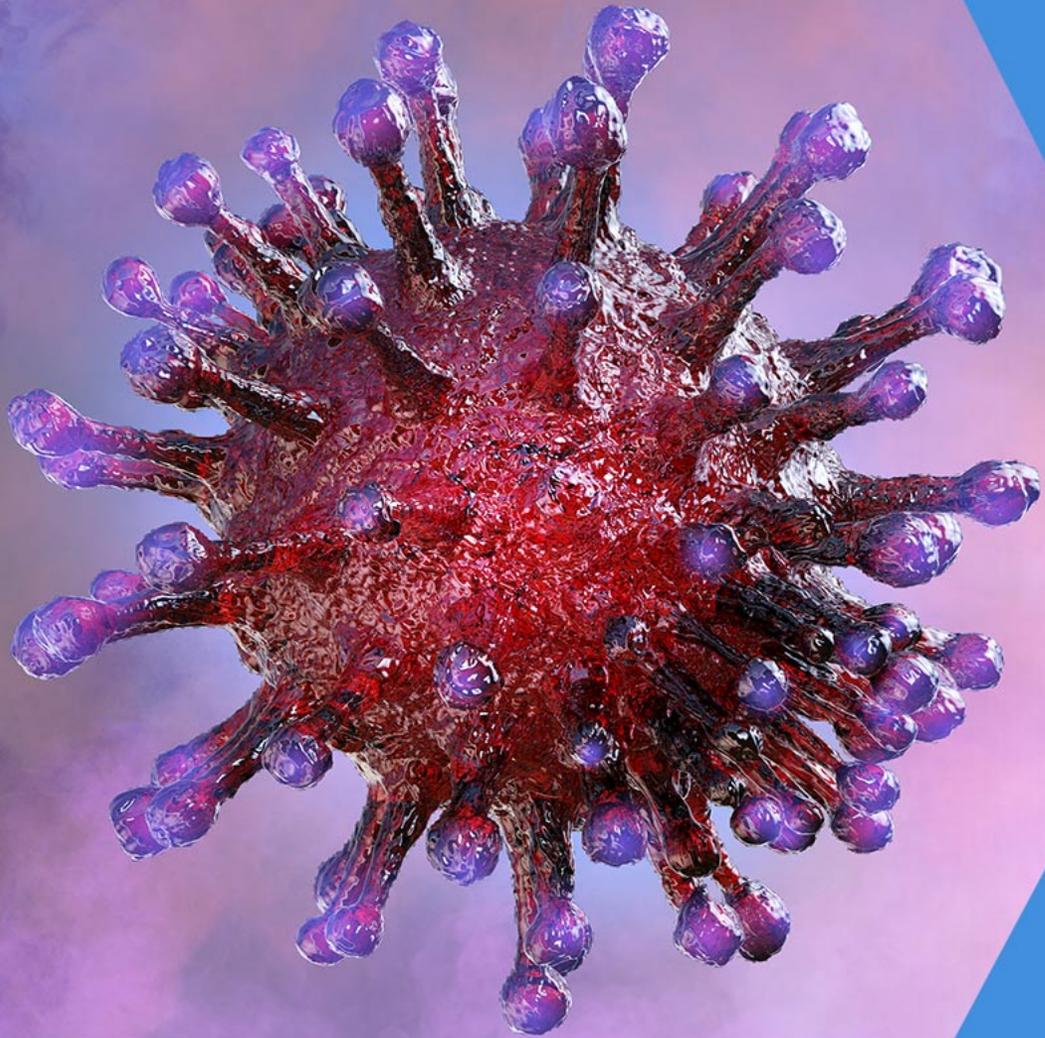
# Waterlase Reduces Risk and Saves Money

An opportunity to do all dentistry in one operator reducing risk of COVID-19 transmission while saving on PPE.



No Dental Injection Waiting Time

With proper training, Waterlase can eliminate the need for dental injections for routine caries



**COVID-19**

**BIOLASE<sup>®</sup>**

pivots quickly, leveraging customer reach  
to provide access to laser technology

# 10,000+ Attendees, 3,000+ Follow-ups

Webinar series featuring the top names in dentistry, including:



**Dr. Low: Perio & Implantitis**  
2,500+ attendees  
900+ follow-up requests



**Paula Quinn, RDH: Hygiene**  
1,000+ attendees  
250+ follow-up requests



**Theresa Duncan: Reimbursement**  
700+ attendees  
200+ follow-up requests



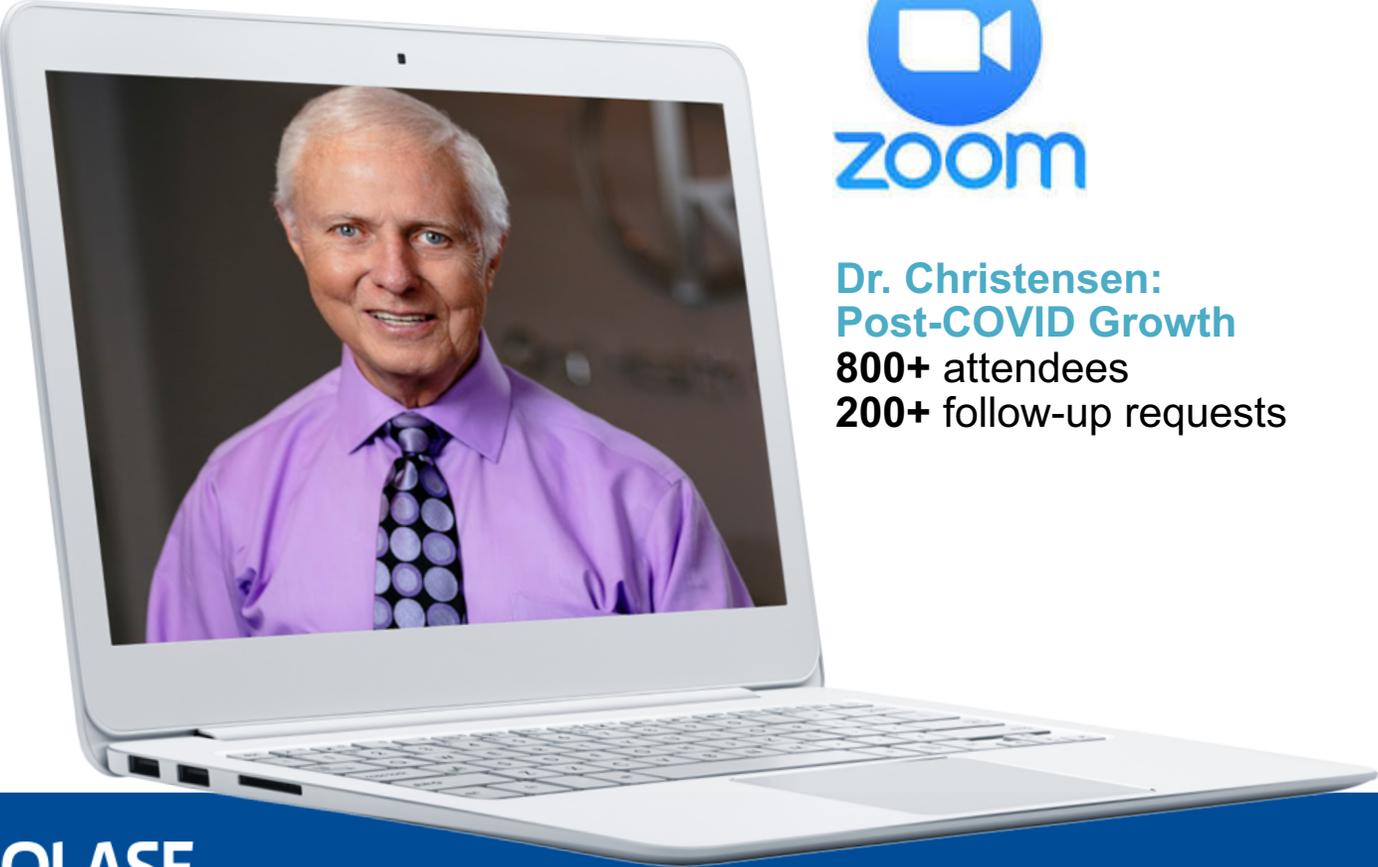
**Dr. Luccarelli: Ortho**  
700+ attendees  
300+ follow-up requests



**Dr. Murzyn-Danzter: Pediatrics**  
1,500+ attendees  
350+ follow-up requests



**Dr. Christensen: Post-COVID Growth**  
800+ attendees  
200+ follow-up requests



# BIOLASE Partnership Program (BPP)



- ✓ Enables customers to generate revenue without any cash outflow in 2020
- ✓ Puts money in the customers pocket now
- ✓ Write off the entire amount of purchase in 2020 without making any payments until 2021
- ✓ When offices open, it will be critical to get patients to come back right away - Biolase provides compelling reasons to go see their dentist!
- ✓ In-office training: No travel, no need to spend time away from the office, staff can participate. Facilitates true integration throughout the office. Includes ongoing personal coaching



**BIOLASE<sup>®</sup>**

Is targeting the segments for growth.

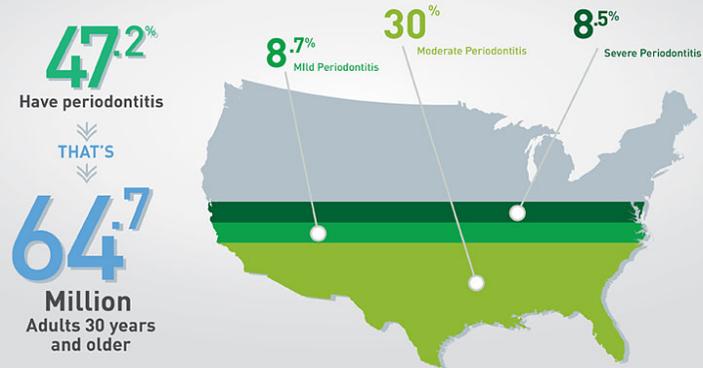
# A Significant Growth Opportunity

60 Million people in U.S. alone have gum disease and increased health risk due to the connection between oral and systemic health

## Under-diagnosed, Under-treated, Under-managed

\*THE AMERICAN ACADEMY OF PERIODONTOLOGY WARNS OF A SIGNIFICANT PUBLIC HEALTH PROBLEM

OF AMERICAN ADULTS SUFFER FROM  
**HALF GUM DISEASE**



\*SOURCE: P.I. Eke, B.A. Dye, L. Wei, G.D. Thornton-Evans, and R.J. Genco. Prevalence of Periodontitis in Adults in the United States: 2009 and 2010. J DENT RES 0022034612457373, first published on August 30, 2012 as doi:10.1177/0022034512457373

## Peri-implantitis

- Over **2.7 million** implants placed in 2017 with a **6%** increase each year
- Nearly **20%** of implants are considered failing after 2 years (ADA 2014)
- Over **500,000** implants per year in USA need attention for peri implantitis and that number continues to grow
- **Waterlase lasers** are highly effective, safe solution to preserving sick implants

## Stats on #s going to dentist

**1/3** of the US Population avoids going to the dentist because of “dental anxiety or fear”<sup>1</sup>



# NEW! Just Released.

## Minimally invasive perio protocols for the Complete Office.

### Gingivitis / Early Periodontitis



**HYGIENIST**

- + Effectively manage non-surgical Periodontitis
- + Proven clinical protocols, including *Pocket Therapy* and *Perio Debridement*
- + Step-by-step training & guidebooks for easy integration

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**GROW REVENUE**  
+\$15 - \$40K per year

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Epic Hygiene 

FDA Clearance 12/19  
LBR Clearance 03/20

### Moderate Periodontitis/Implantitis



**DENTIST**

- + Easily manage moderate Periodontitis & Implantitis
- + Minimally Invasive, Patient-Friendly protocols
- + Excellent clinical results & patient-reported outcomes

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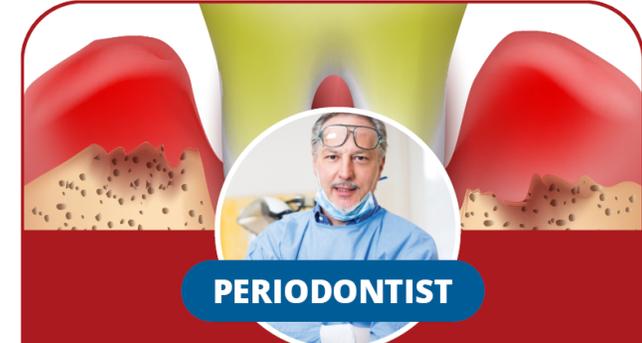
**GROW REVENUE**  
+\$32 - \$64K per year

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Waterlase Dentistry. 

WME 55% Closure

### Severe Periodontitis/Implantitis



**PERIODONTIST**

Manage Severe, Difficult and Complex Cases

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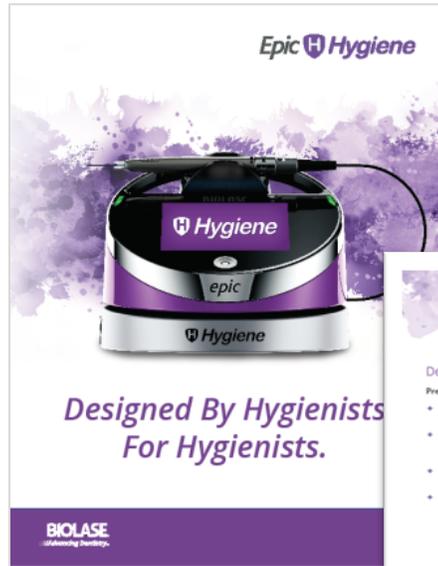
**Refer Out**

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Waterlase Dentistry. 

McGuire Release 7/2020

# Epic Hygiene - Designed by Hygienists for Hygienists



**Designed for Hygienists**

**Preset Hygiene Protocols:** get you started quickly for maximum efficiency!

- **Pocket Therapy:** Debris removal for preventative care
- **Perio Debridement:** Subular debridement with epithelial and granulation tissue removal
- **Aphthous Ulcers & Herpetic Lesions**
- **Hemostasis**

**Easy to Use**

- Handpiece design: tailored to fit the needs of the hygienist
- Intuitive interface: with quick procedure selection and easy settings adjustments
- Prolonged battery life: Rechargeable with over 8 hours of usage
- Adaptable for all patients: Multiple power settings -- Continuous Wave, and ComfortTube™ technology

**Increase Hygiene Team Production and ROI**

- Generate \$15,000 to \$40,000+ in added revenue per year by integrating minimally invasive laser protocols
- Turnkey Practice Guidebook, provides practice integration tips, step-by-step hygiene protocols, billing & coding information, and much more

**Dedicated Epic Hygiene Training and Support**

- Epic Hygiene-specific laser training
- On-call support
- Brought to you by BIOLASE, the global leader in laser dentistry

Sales Aid

Epic Hygiene

BIOLASE

**SETTINGS:**

Preset	Preset Name	Mode	Peak Power	Average Power	Pulse Length	Pulse Interval	Duty Cycle	Tip
1	Pocket Therapy	CP10	5 Watt	0.5 Watt	10µs	90µs	10%	E4
2	Perio Debridement	CP50	1.6 Watt	0.8 Watt	20ms	20ms	50%	E4 <sup>3</sup> / P14
3	Curettage	CP50	1.6 Watt	0.8 Watt	20ms	20ms	50%	E4 <sup>3</sup> / P14
4	Aphthous Ulcers <sup>1</sup>	CW	0.7 Watt	0.7 Watt	N/A	N/A	N/A	E4
5	Herpetic Lesions	CW	0.7 Watt	0.7 Watt	N/A	N/A	N/A	E4
6	Hemostasis <sup>2</sup>	CW	0.5 Watt	0.5 Watt	N/A	N/A	N/A	E4

The following are treatment sequence plans for both a Gingival Debridement (prophylaxis) with laser Pocket Therapy and Periodontal Debridement (Scaling and Root Planing).

**I. GINGIVAL DEBRIDEMENT — PROPHYLAXIS**  
(Either New Patient or Recare Patient)

1. Review the patient's medical, dental, and social history and assess their present status.
2. Acquisition of appropriate radiographs and diagnostic images.
3. Comprehensive oral examination.
4. Enhanced soft tissue and mucosal examination.
5. Periodontal probing.
6. Assessment of the information obtained and the establishment of a treatment plan with the associated treatment time required, related costs, and responsibilities
7. Oral hygiene assessment and focused detailed oral hygiene instructions.
8. Optional glycine/erythritol air polishing.
9. **Pocket Therapy Protocol:**  
Epic Hygiene setting for Pocket Therapy (uninitiated tip with length selection based on access, generally E4-4)
  - There is no need for local or topical anesthesia.
  - Aim the tip into the sulcus, but do not enter sulcus, or if you feel you need to, go only 0.5 mm into it.
  - If tip self-initiates (tissue starts to stick to the end) wipe off the debris so that the laser energy will enter the sulcus. Make slow horizontal movement at the entire pocket entrance especially interproximal mesial – distal and also buccal lingual. Circle around tooth. The average time is 10 seconds per tooth.
10. Ultrasonic and manual instrumentation.
11. Re-evaluation of the patient's oral health status and treatment outcomes.
12. Ongoing maintenance and observation.

Practice Guidebook

# WME for the General Dentist



**YOUR EXCLUSIVE INVITATION**

Learn A New Technology.  
Differentiate Your Practice.  
Grow Your ROI.



97% of Waterlase patients recommend it to their friends and family.<sup>1</sup>

You're invited to join the  
**Waterlase**  
MENTORING EXPERIENCE

The Waterlase Mentoring Experience is a unique 45-day program offered to a select number of clinicians — with absolutely **no cost**, and **no risk**. It is a turnkey program designed for you to experience the benefits of advanced, minimally invasive technology in your practice. *It's as easy as 1-2-3!*

- 1** Get Trained.
- 2** Get Set-Up.
- 3** Get Going.

SEE THE POSSIBILITIES...



**WATERLASE CASE STUDY**  
Russell Morrow, DDS  
Fountain Hills Dental  
A Heartland Dental Practice  
Arizona

"Financially it is a benefit. It allows me to be a better and more rounded individual provider, keep more in-house and allows me to be a better dentist. By my count I have generated **\$50,000 in laser revenue in under 4 months.**"

**+25%** Production Increase

**+22%** Collection Increase

**New Procedures:**

- + Minimally Invasive Perio
- + Osseous Crown Lengthening

**Let's Get Started.**

Experience the benefits of minimally invasive technology in your practice for 45 days with **absolutely no risk** and **no cost**.

Regardless if you continue our partnership, you will enjoy the additional knowledge, connections, and profits you've made.

**Try Waterlase for 45 days RISK FREE!**  
Limited-Time offer — Apply Now!

Apply for a  
Waterlase Mentoring Experience near you at  
**go.biolase.com/wme**

# Real Results... Backed by Real Research



## New Standard of Care Protocols for Perio Excellence

- The minimally invasive Waterlase REPAIR™ protocols achieve **superior patient reported outcomes** (less pain, swelling, bruising) and **faster procedure times** — with equivalent clinical results to the latest open flap techniques.
- Results supported by **landmark, first-of-its-kind studies** designed to meet the stringent **AAP Best Evidence Consensus** standard.

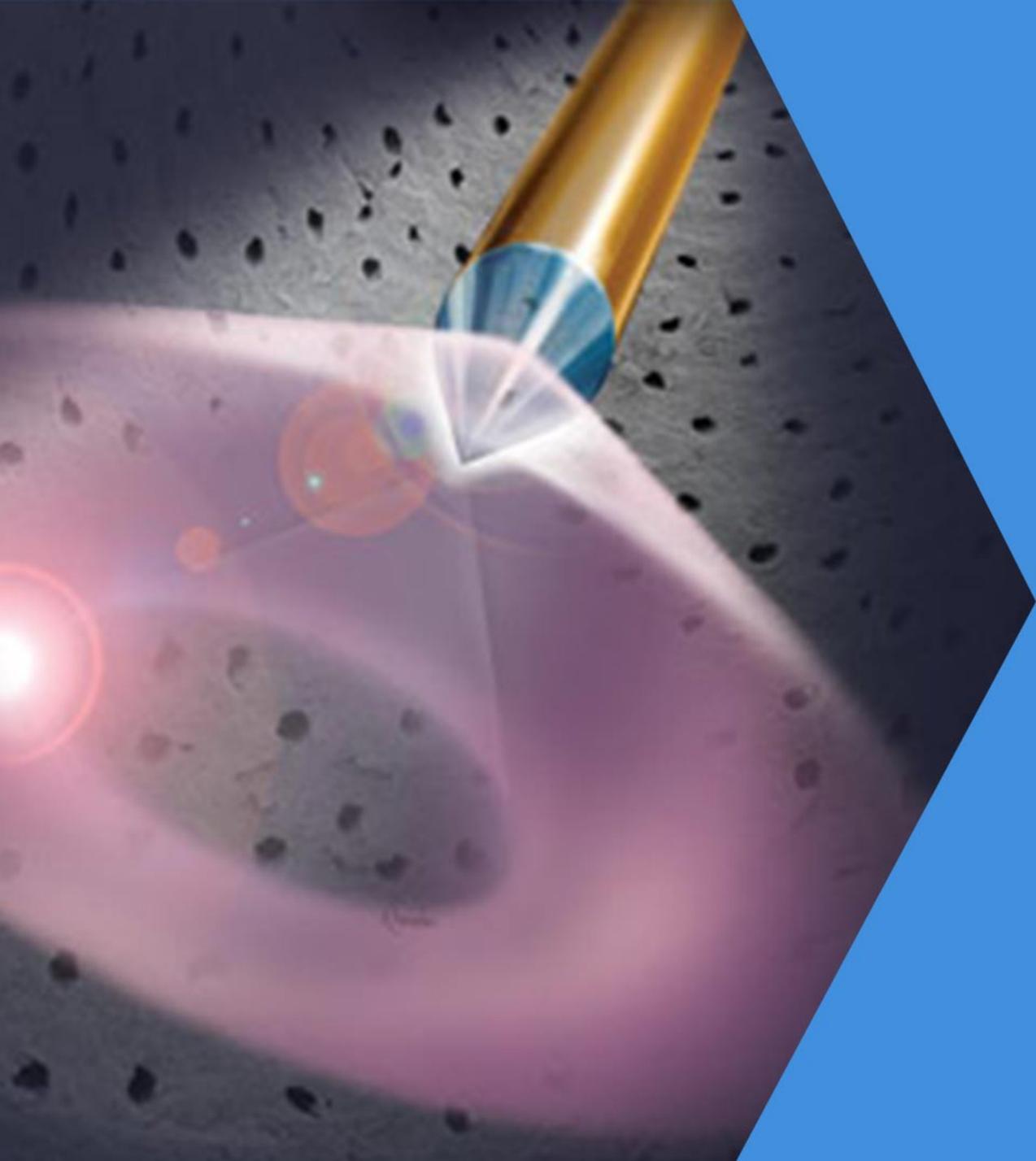
## Personalized Training for Clinicians & Staff

- **No travel required!** In-office training by Periodontists—for Periodontists, with ongoing personal coaching, facilitates true integration throughout the office—**at no charge**.

**BIOLASE**

Advancing Dentistry™

[biolase.com](http://biolase.com)



# Opportunity Zone

## ENDODONTICS

# Waterlase Endodontics

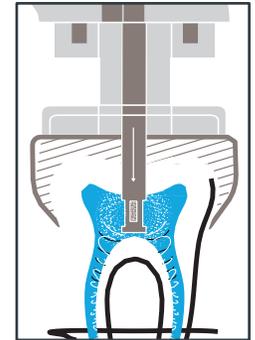
## Do More for Less

Feature	Waterlase	GentleWave®
 Ease of Procedure	✓ Wide range of case use with open pulp chamber or apical approach. Only 30 sec. to complete — 7.5 min x 8 patients = <b>Save an hour per day!</b>	✗ Use is case-dependant and technique sensitive — a formed pulp chamber is required for the pressure seal which may require anatomical core build-up. 8-minute procedure cycle.
 Holistic Dentistry	✓ Laser light energy has unique degranulation effect without reliance on harsh chemicals	✗ Requires strong chemical medicaments with 3% NaOCl, and 8% EDTA.
 Apicoectomy	✓ Minimally invasive soft and hard tissue microsurgery for access and to remove granulation tissue	✗ No apical approach possible, only coronal.
 Apical Third	✓ Radial firing tips safely reach the apex without risk of penetrating.	✗ Activation is not maximized at critical apical third where agitation effect is needed most
 Prosthetic Removal	✓ Quickly and easily removes ceramic/porcelain crowns and veneers	✗ N/A
 Consumables	✓ Inexpensive disposable tips	✗ Expensive disposable handpieces, plus fee-per-use
 FDA Clearances	✓ 80+	✗ 1
 Package Price	✓ Packages Starting at <b>\$59,000*</b>	✗ <b>~\$85,000</b>

Tens of thousands of endodontic procedures since 2003.



GentleWave® by Sonendo



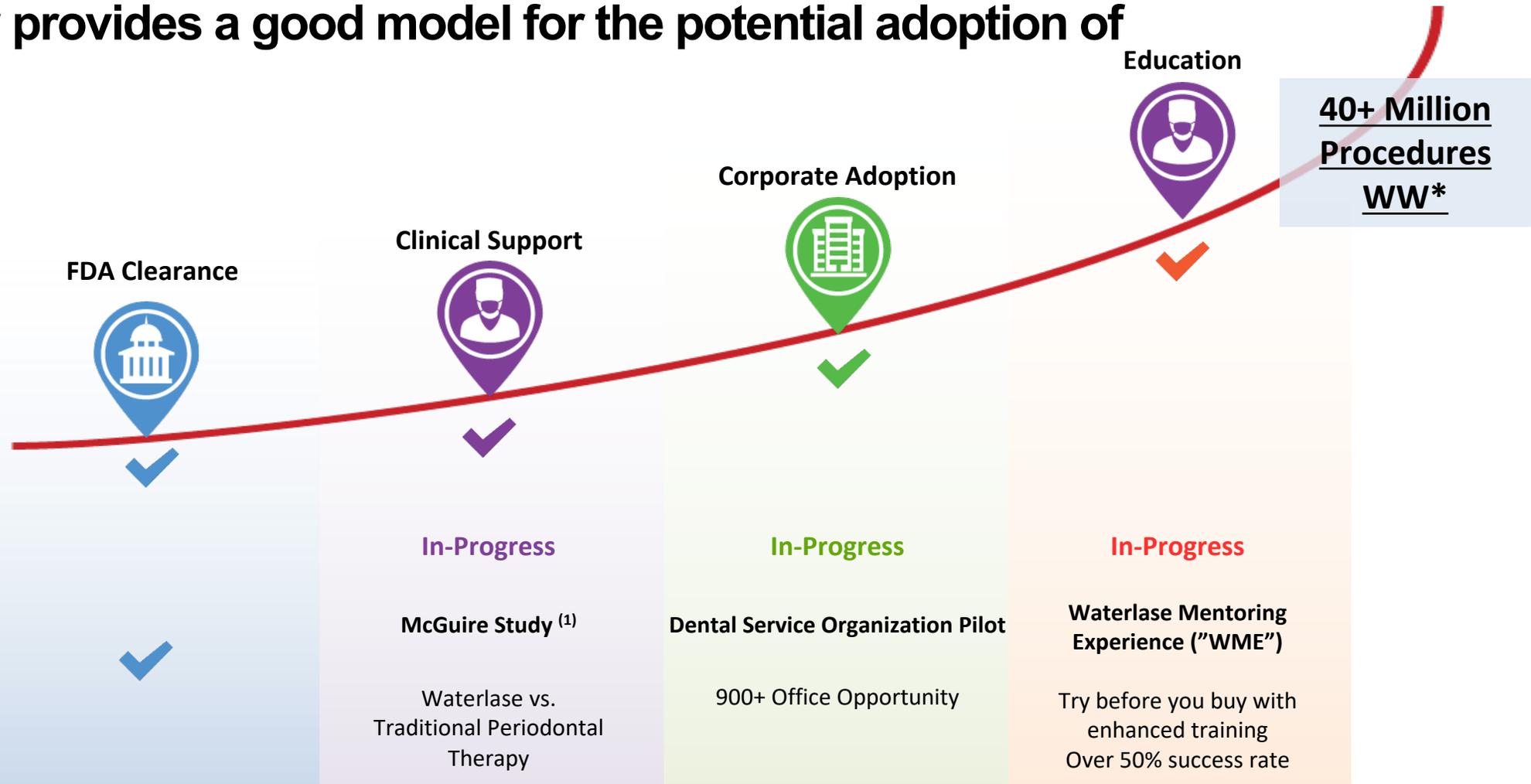
- ▶ More Benefits
- ▶ More Procedures
- ▶ ~\$25,000 Less

- ▶ Slower procedure
- ▶ Less Flexible, still uses chemicals
- ▶ Higher cost, initially and ongoing

**\$85M Raised by Sonendo**

# Key Drivers of Adoption

“LASIK” surgery provides a good model for the potential adoption of Waterlase

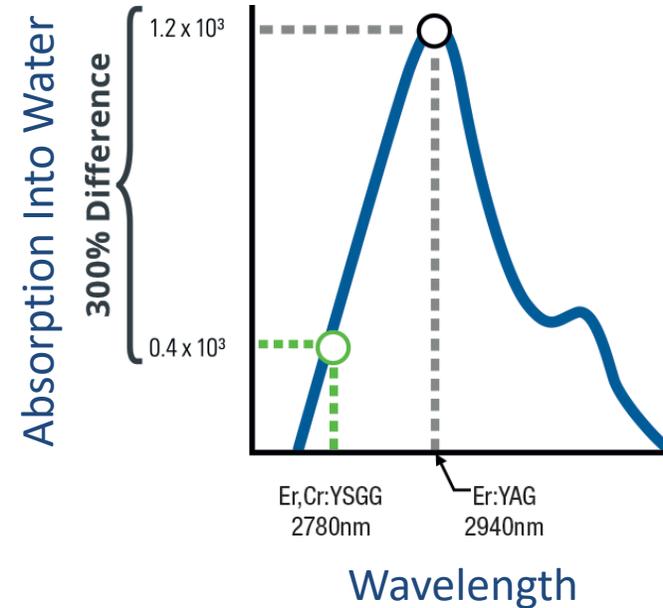
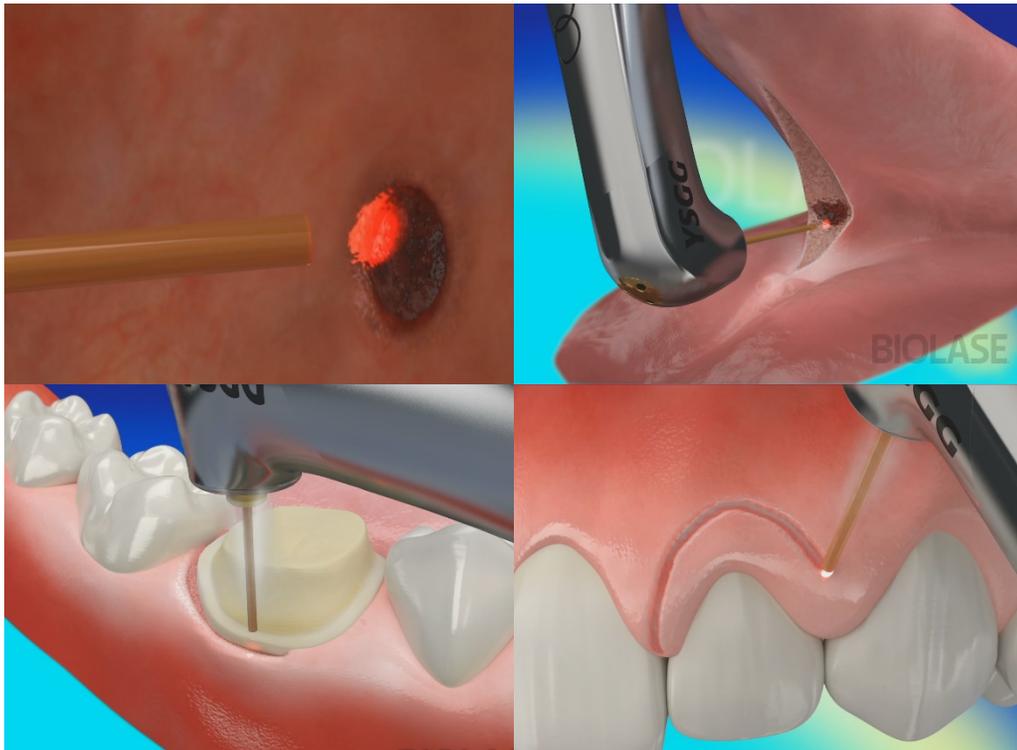


<sup>(1)</sup> "A prospective Multicenter Randomized and Controlled Study Comparing Laser and Mist Therapies for Treatment of Moderate to Severe Generalized Periodontitis" sponsored by The McGuire Institute and Biolase

\* Source: American Refractive Surgery Council

# Why Waterlase – The “Ideal” Wavelength

Waterlase’s proprietary Er,Cr:YSGG 2780 nm wavelength has optimal absorption in both water and Hydroxyapatite for cool and efficient cutting in both hard and soft tissue



Er,Cr:YSGG penetrates water **300% deeper than Er:YAG**, which results in efficient cutting with better hemostasis, deeper coagulation and less bleeding.\*

\* 1. Cercadillo-Ibarguren, I., et al. "Histologic Evaluation of Thermal Damage Produced on Soft Tissues by CO<sub>2</sub>, Er,Cr:YSGG and Diode Lasers." *Medicina Oral Patología Oral y Cirugía Bucal* 15, no. 6 (2010): e912–18. 2. Romeo, U., et al. "Histological in Vitro Evaluation of the Effects of Er:YAG Laser on Oral Soft Tissues." *Lasers in Medical Science* 27, no. 4 (2012): 749–53.

# Why Waterlase for the Doctor?

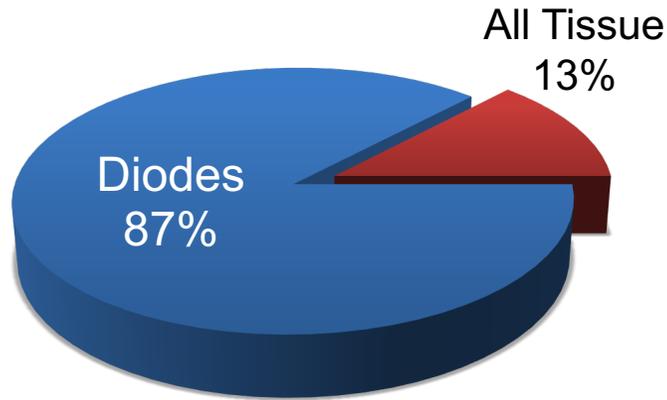
- ✓ Improve patient care
- ✓ Keep revenue “in house”
- ✓ New patient referrals
- ✓ Make dentistry fun again!

Generate immediate, positive monthly cash flows by performing just **one or two CDT-coded procedures per week.**



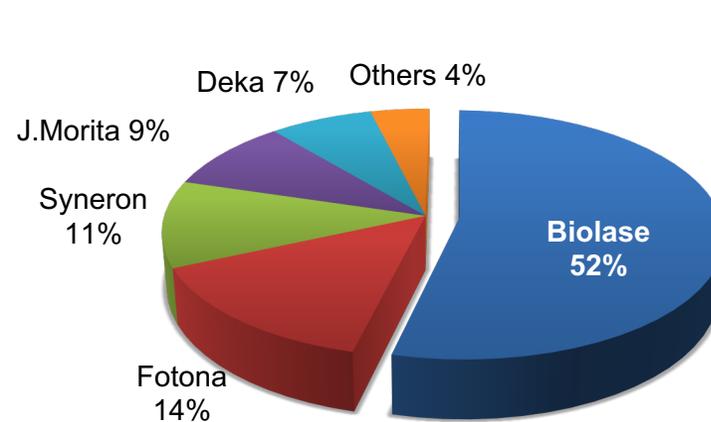
# Competitive Landscape

**Dental Lasers Sold Global Share**



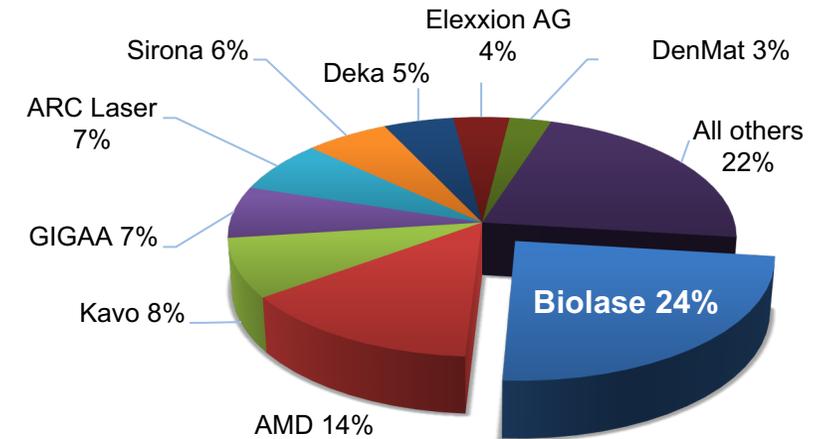
The majority of lasers sold are Diodes. **BIOLASE** commands a dominant or significant share in both markets.

**All Tissue Lasers Global Share<sup>1</sup>**



~2/3 of our 300+ US patents related to all tissue lasers

**Diode Lasers Global Share**



Diode lasers are the **#3 sought-out technologies**  
Source: Dental Compare

<sup>1</sup> All tissue is hard and soft tissue

Sources: iData Research 2014 reports; MarketMarkets Research 2015; industry and anecdotal reports.

# BIOLASE Opportunity

- > Estimated market opportunity in excess of \$50 billion<sup>1</sup>
- > Current all-tissue laser market penetration
  - ~7.0% of dental practices in US
  - ~1.4% worldwide
- > Expects to succeed by:
  - Improved collaboration between inside sales and field sales
  - High Quality education
  - DSO outreach
  - Improved peer to peer process



## BIOLASE Sales Team

- > In 2019, our top two sales reps generated over \$1.2M in revenue
- > Currently, our average rep generates ~\$400K revenue



Perio treatments are up 9% since 2Q15<sup>2</sup>  
Implant treatments are up 35% since 2Q15<sup>2</sup>

# Financial Overview

(\$USD in thousands)	Year Ended	Year Ended
	December 31, 2019	December 31, 2018
Products & services revenue	\$37,787	\$46,143
License fees & royalty revenue	12	12
Net revenue	37,799	46,155
Cost of revenue	23,511	29,260
Gross profit	14,288	16,895
Operating expenses:		
Sales & marketing	14,396	18,121
General & administrative	10,748	11,771
Engineering & development	4,765	5,203
Disposal of internally developed software	-	1,185
Loss on patent litigation settlement	-	1,500
Total operating expenses	29,909	37,780
Loss from operations	(15,621)	(20,885)
Non-operating (loss) gain, net	(2,278)	(568)
Loss before income tax provision	(17,899)	(21,453)
Income tax provision (benefit)	(44)	63
Net loss	(\$17,855)	(\$21,516)

- Reduced revenue primarily due to open sales territories
- GM% better than last year, despite lower revenue
- EBITDA \$4.2M better than last year, despite \$8.4M lower revenue, due to cost savings



# THANK YOU

For further information, please contact:

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Phone: 949-226-8124

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