

# APTERYX

I M A G I N G

Investor Presentation  
Sept 23, 2019

## SAFE HARBOR STATEMENT

---

This presentation contains statements which, to the extent that they are not recitations of historical fact, may constitute forward-looking information under applicable Canadian securities legislation that involve risk and uncertainties. Such forward-looking statements or information may include financial and other projections as well as statements regarding the Company's future plans, objectives, performance, revenues, growth, profits, operating expenses or the Company's underlying assumptions.

Actual results, performance, or developments could differ materially from those expressed or implied by the forward-looking statements contained in this presentation as a result of known and unknown risks, uncertainties, and other factors including those identified in the Company's reports filed on SEDAR, including its Annual Information Form and financial report for the year ended December 31, 2018. This list is not exhaustive of the factors that may affect the Company's forward-looking information.

These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. All forward-looking statements made in this presentation are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by the Company will be realized. The company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

## WHAT WE DO

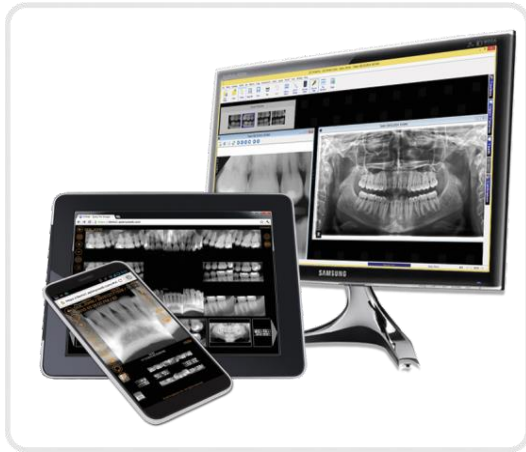
---

We provide proprietary imaging software, software as a service and device solutions to Dentists, Dental Support Organizations (DSOs) & the US Military Dental Command.



## OUR PROPRIETARY IMAGING SOLUTIONS

---



Apteryx Software

- XrayVision® – Client Server
- XrayVision® DCV - Enterprise
- XVWeb® - SaaS



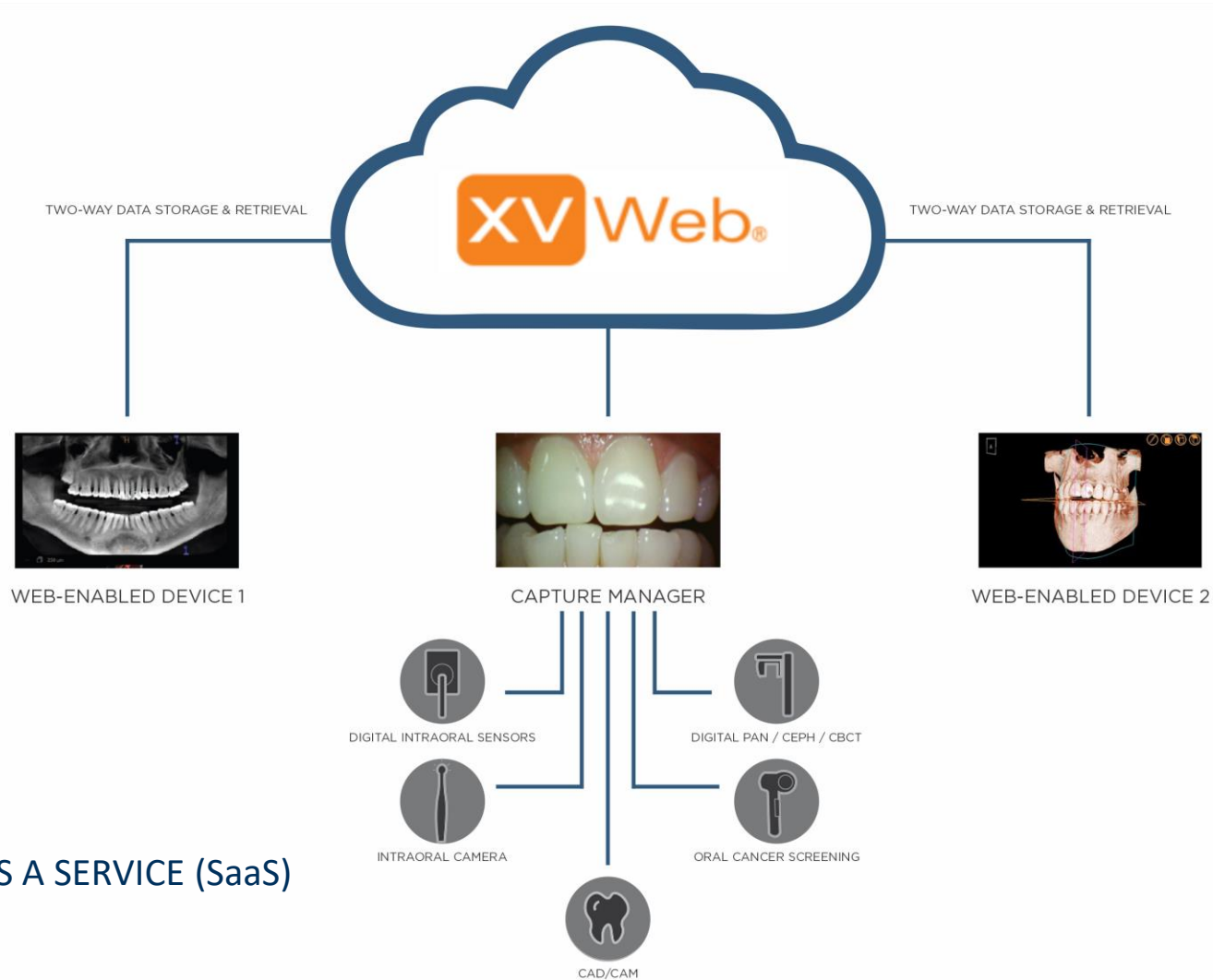
VELscope Vx

- Early oral mucosal disease detection using tissue autofluorescence
- Adjunct to Oral Cancer screening
- Global category leader
- Repeatable consumable revenue



TUXEDO Sensor

- Digital intra oral x-ray sensor
- HD Resolution
- Seamless integration with Apteryx SW



XVWEB® SOFTWARE AS A SERVICE (SaaS)

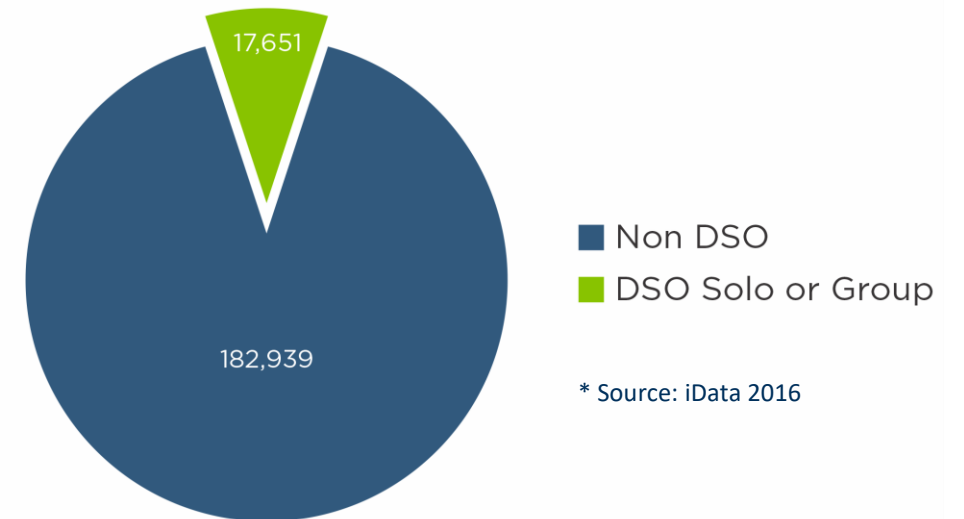
## U.S. MARKET OPPORTUNITY

---

- Total Addressable Market = 200,590 Dentists in 2018
- Segmented Addressable Market = 17,651 DSO\* affiliated
- DSOs = 9% of total practices in the U.S. with CAGR of 14%
- U.S. market for dental imaging is world's largest and growing with markets estimated to exceed \$1.7B by 2020\*

\* Dental Service Organizations

## U.S. DENTISTS (2017)



\* Source: iData 2016

## SOLVING CUSTOMER CHALLENGES

---

- Patented imaging software solutions unlock our target market from “closed” proprietary competitive systems to open DICOM\* standard, allowing freedom of choice for our clients
- XVWeb® SaaS provides single data base solution for image viewing, storage, analysis, and sharing from any web enabled device (solves image accessibility issues and reduces IT costs)
- Unique imaging solutions for GPs, DSOs and Government customers and “in demand” solutions for cloud based dental practice management providers

\* Digital Imaging and Communications in Medicine

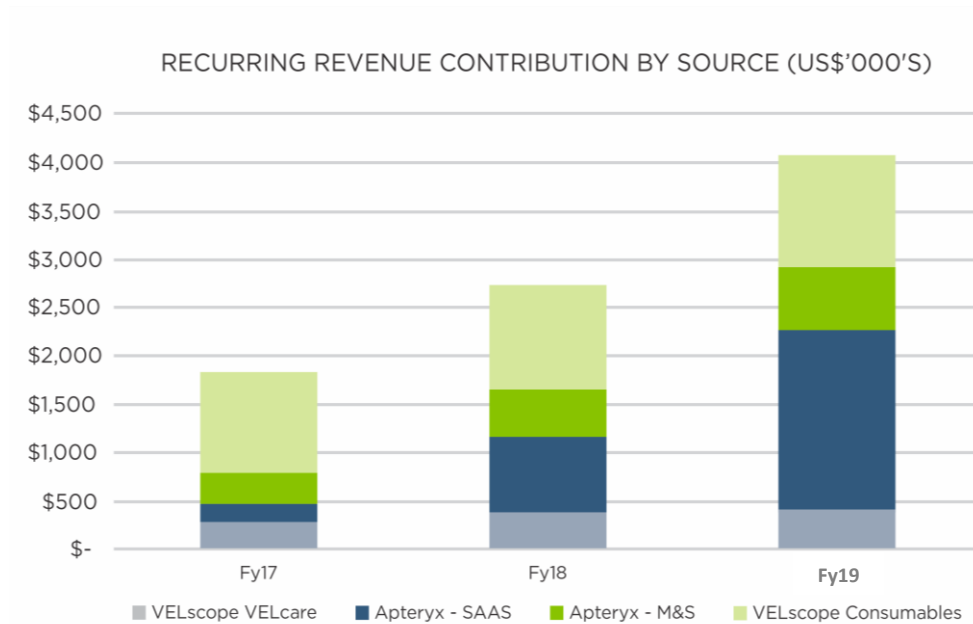


## RECURRING / REPEATABLE REVENUE GROWTH

---

Recurring revenue contribution forecast to grow to \$4.1M in FY19 from:

- XVWeb SaaS subscriptions
- Software Maintenance and Support
- VELcare support and consumable sales





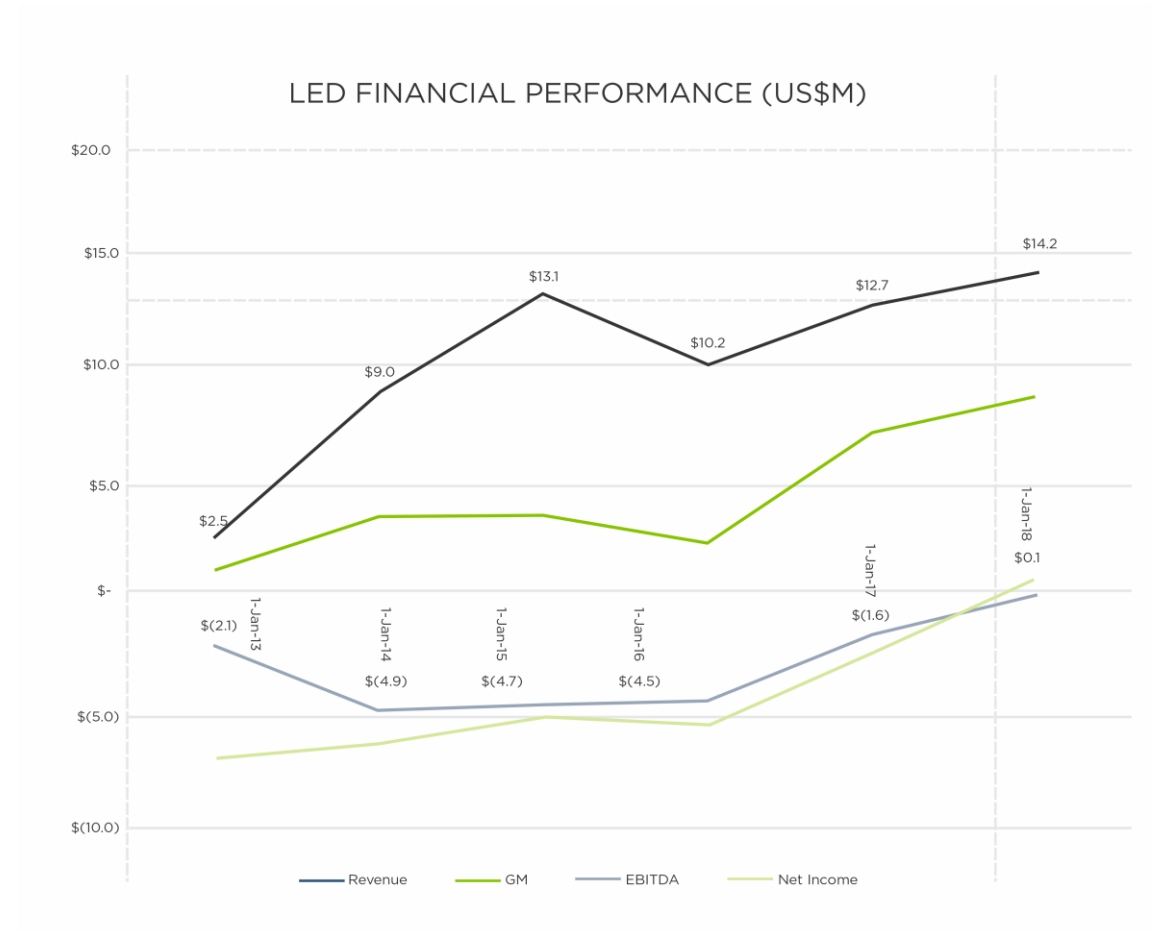
## FY18 FINANCIAL HIGHLIGHTS (USD)

Revenue \$14.2M an increase of 12% over FY17

Gross Margin of 61% up from 56% in prior year

EBITDA \$99k

EBITDA \$1.1M FY2019 (as at June 30, 2019)



## GROWTH OPPORTUNITIES

---

- Continued XVWeb market penetration and introduction of value-added SaaS modules
- Expansion of Software Maintenance & Support program within current customer base
- US Government sales - leveraging current US Military relationship to include device sales
- AI and data opportunities related to hosted image data lake for deep machine learning and data analytics
- International expansion



## A COMPELLING INVESTMENT

---

- Career management experience in the dental, DSO and government market segments
- Successful integration of Apteryx acquisition - growing revenue and gross margin percent
- Strengthened financial position, positive EBITDA in 2018 with recurring revenue growth
  - FY19 EBITDA YTD achievement of \$1.1M (06/30/2019)
- Proven software development team in niche dental imaging market
- Substantial customer base of existing VELscope and Apteryx SW customers
- Significant IP portfolio - digital imaging related patents



## CAPITALIZATION AND SHARE INFORMATION

### Exchange Listings



**XRAY-V** on *TSX-V*



**APTEF** on *OTCQB*

### Trading Stats

Last Close (Sept 19):  
**\$0.42**

YTD Performance:  
**15.07%**

52 wk High/Low  
**\$0.53 – 0.30**

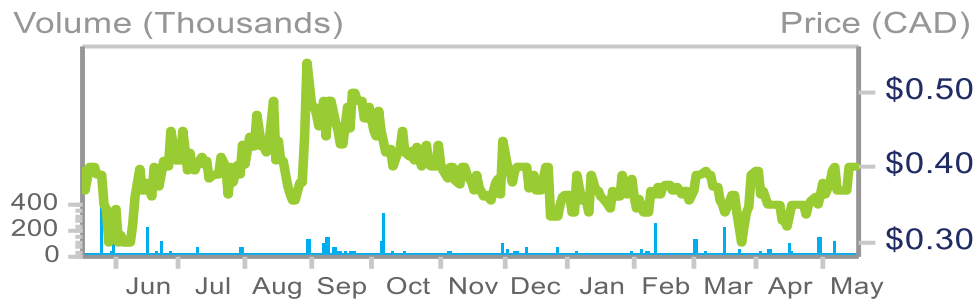
|  | <i>Basic<br/>Shares O/S</i> | <i>As-converted<br/>basis for<br/>Pref. Shares</i> |
|--|-----------------------------|--|
| <b>Current Capitalization</b>  |                             |  |
| <b>Share Price (C\$)</b><br><small>(Sept 19 / 20/19 closing)</small> | <b>\$0.42</b>               | <b>\$0.42</b>                                      |
| Common Shares O/S (mm)   | 38.8                        | 59.1   |
| <b>Market Capitalization (C\$ mm)</b>                                | <b>\$16.2</b>               | <b>\$24.82</b>                                     |
| <b>Equity Capital Structure</b>                                      | <small>(mm)</small>         | <small>(mm)</small>                                |
| <b>Common Shares O/S</b>   | <b>38.8</b>                 | <b>59.1</b>  |
| Convertible Preferred Shares   | 20.3                        | -  |
| <i>Dilutive Securities:</i>  |                             |  |
| Options  | 3.70                        | 3.70   |
| Warrants   | 0.69                        | 0.69   |
| Fully-Diluted Shares   | 63.49                       | 63.49  |
| <b>Selected Balance Sheet Items</b>                                  | <small>(US\$ mm)</small>    | <small>(US\$ mm)</small>                           |
| Cash   | \$2.77                      | \$2.83   |
| Debt   | \$1.86                      | \$1.86   |
| Conv. Pref. Share Obligations  | \$6.35                      | -  |

*As at Sept 19, 2019*

## CAPITALIZATION AND SHARE INFORMATION CONTINUED

---

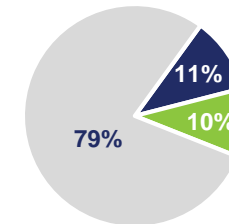
### Trailing 12-month Price and Volume



As of: May 17, 2019

### Ownership Summary

Basic Shares O/S



Fully-diluted (Prefs. Converted)





**Investor Relations Contact:** David Gane

Tel: 604-434-4614 x227 | E: [david.gane@apteryx.com](mailto:david.gane@apteryx.com)