

**ENCISION**<sup>®</sup>

AEM<sup>®</sup> SAFETY – PERFORMANCE – VALUE

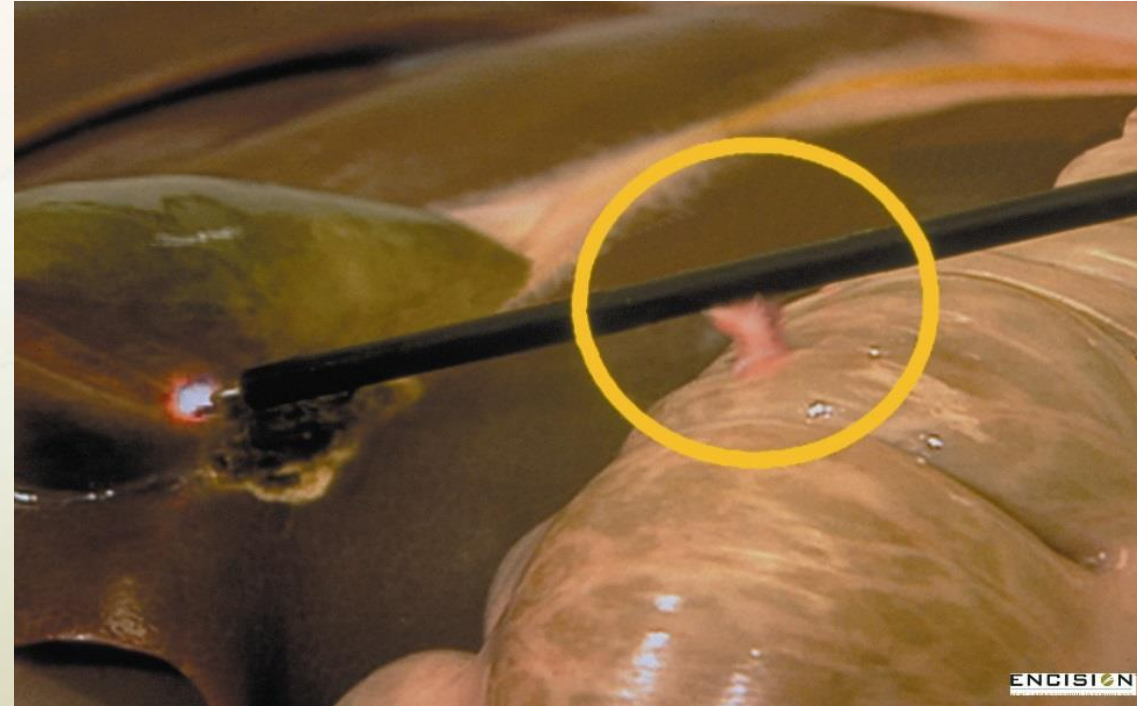
ECIA

# Encision Inc. Disclaimer Statement

The following information does not purport to be all-inclusive or to contain all the information that you may desire for investing in Encision. You should conduct and rely on your own evaluation of Encision, including the merits and risks involved, in making an investment decision with respect to our shares. This document and our periodic reports filed with the SEC contain certain forward-looking statements that involve risks and uncertainties with respect to our business and our industry. Our actual results could differ materially from those included in forward-looking statements. Factors that could contribute to these differences include those matters discussed in the Risk Factors sections of our periodic reports filed with the SEC. We assume no obligation to update such forward-looking statements or to update the reasons that actual results could differ materially from those anticipated in such forward-looking statements.

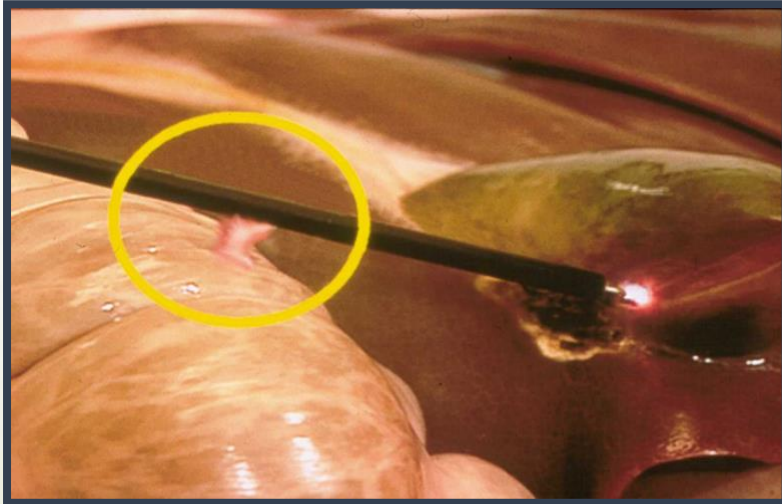
# Strong Need for Encision's AEM® Technology

- 4M Laparoscopic surgical procedures in the US in 2014. 75% use Monopolar Surgical Energy.
- Stray Energy kills 400-600 patients each year in the United States and severely injures another 1800-2000. (Fecal Peritonitis Post Operative Sepsis)
- CMS is penalizing Hospital Systems with high HAC Scores
- Encision Inc. is a medical device firm with proprietary AEM® Safety Technology that saves Patients and Hospitals from the devastating outcomes of Stray Energy Burns suffered during Laparoscopic Surgery.



***Encision saves patients' lives with Active Electrode Monitoring (AEM®) Technology***

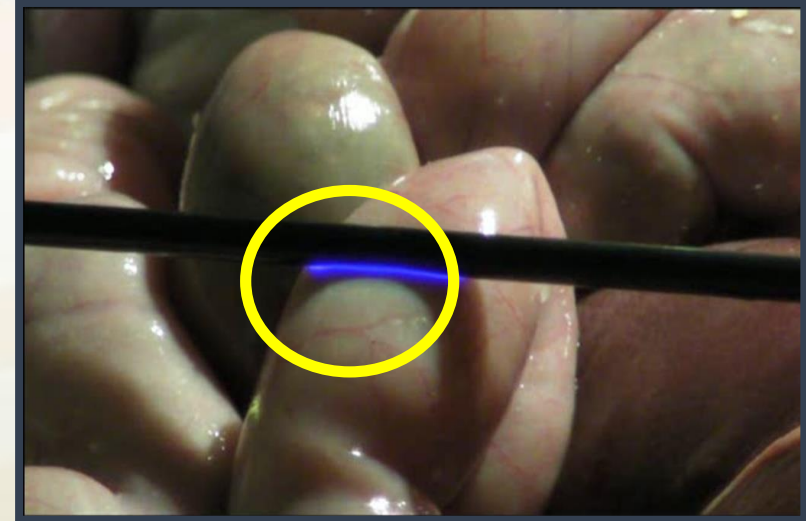
# Forms of Stray Energy in Laparoscopy



**Insulation Failure**  
Active Electro-surgical Electrode

**Insulation Failure:**  
**1 in 5 – Reusables**  
**1 in 33 – Disposables**

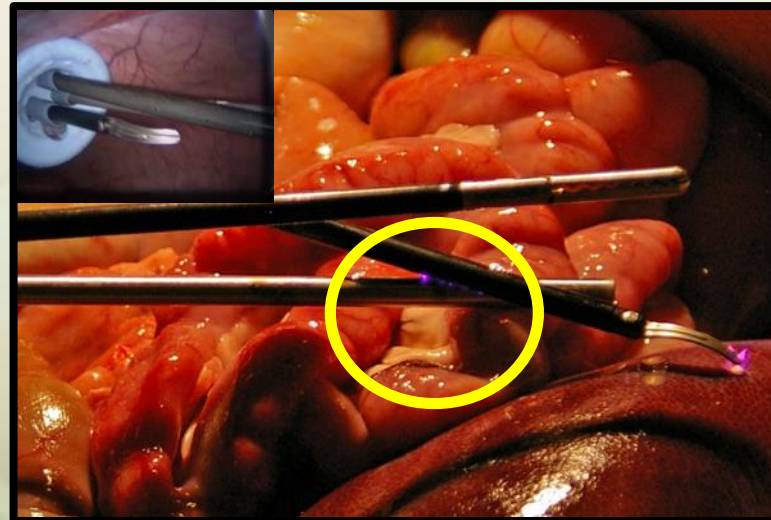
[\(SAGES 2005, 2007, Mayo Clinic 2008, Univ. Colorado 2010\)](#)



**Capacitive Coupling**  
Active Electro-surgical Electrode

**Between 400-600 Patients die each year from stray energy burns**

J Urol 1999 Mar;161(3):887-90  
Laparoscopic bowel injury: incidence and clinical presentation.  
Bishoff JT, Allaf ME, Kirkels W, Moore RG, Kavoussi LR, Schroder F. Brady Urological Institute, Johns Hopkins Medical Institutions, Baltimore, Maryland, USA.

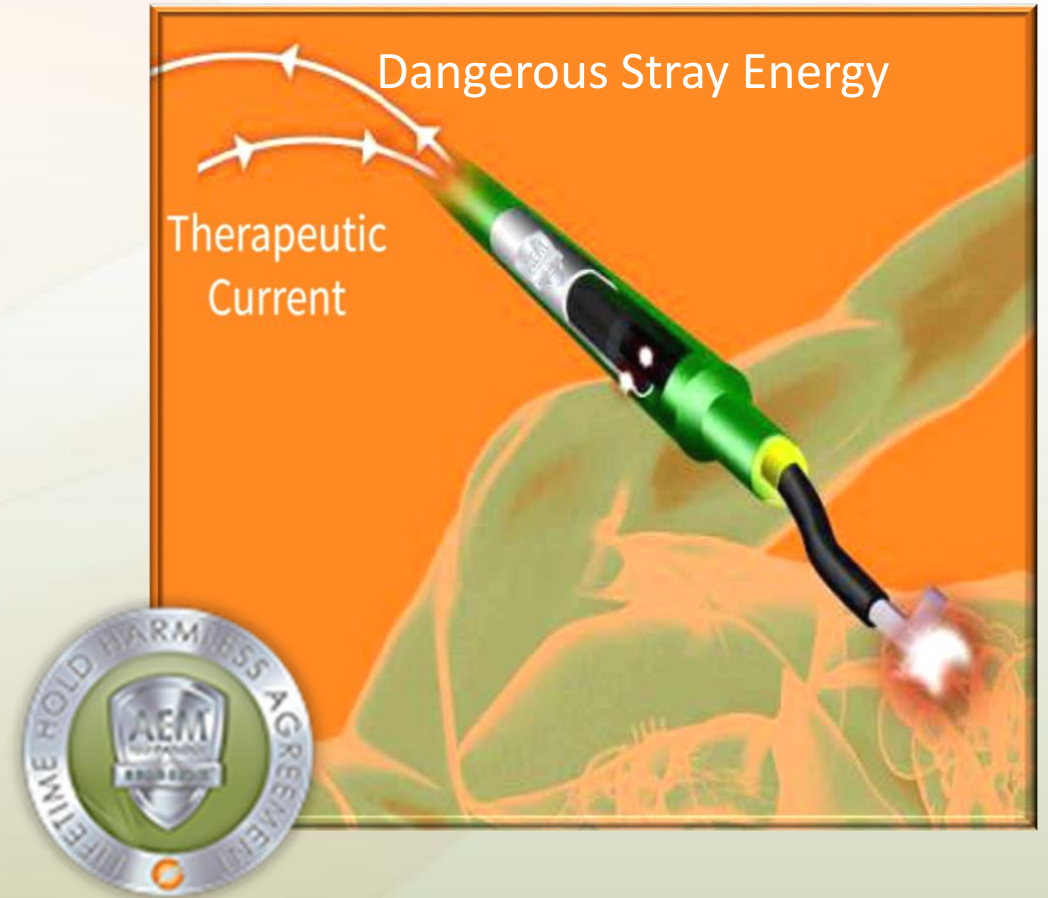


**Capacitive Coupling**  
Active Electro-surgical Electrode and Cold Instrumentation

# AEM® Value Positioning

**Clinical Value Proposition:** AEM® Technology alone saves patient lives by eliminating stray energy burns during laparoscopy.

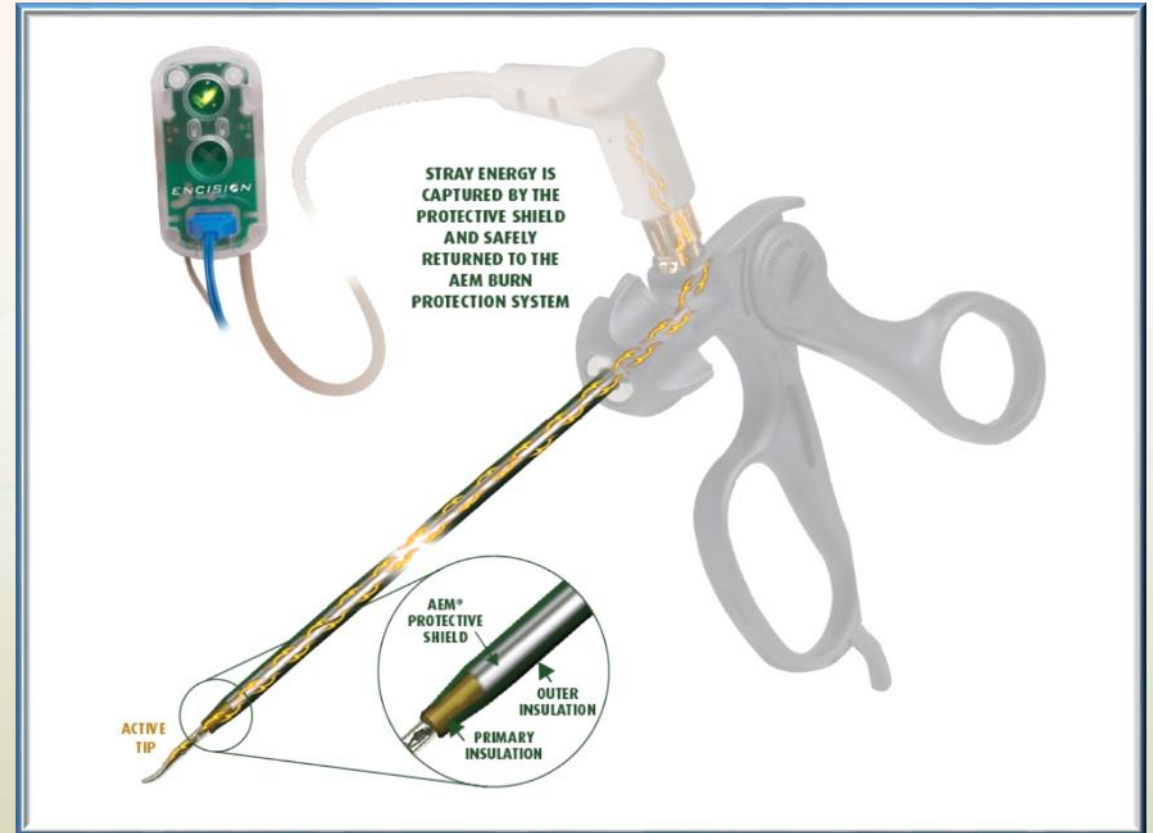
**Economic Value Proposition:** AEM® Technology alone reduces hospital liability by eliminating a source of surgical complications and malpractice, reduces hospital risk of HAC/APL and subsequent CMS penalties, and reduces costly readmissions and associated unreimbursed expenses.



***Stray energy burns are not caused by surgical technique – they are a fundamental flaw in monopolar surgical energy***

# Why Encision and AEM® Now?

- Increased Customer and Market Awareness
- CMS HAC Reduction Initiative and Penalties
- Strong Clinical Messaging & Evidence
- Strong Economic Drivers
  - HAC Reduction
  - APL Reduction
  - Reduced Readmissions
  - Reduced Risk and Liability



***Conservative estimates over \$600,000,000 in unnecessary healthcare costs  
– readmissions and litigation only***

# Encision 2014 – Rebuilding to Win

Medical Conferences  
Advertising  
HCP Education Programs

12 Sellers → 50 Sellers

*It's not the surgical technique – It's a fundamental flaw in the energy technology*

President  
VP Operations  
VP RA/QA



## Financial Metrics at Sep 30, 2014 (2<sup>nd</sup> fq)

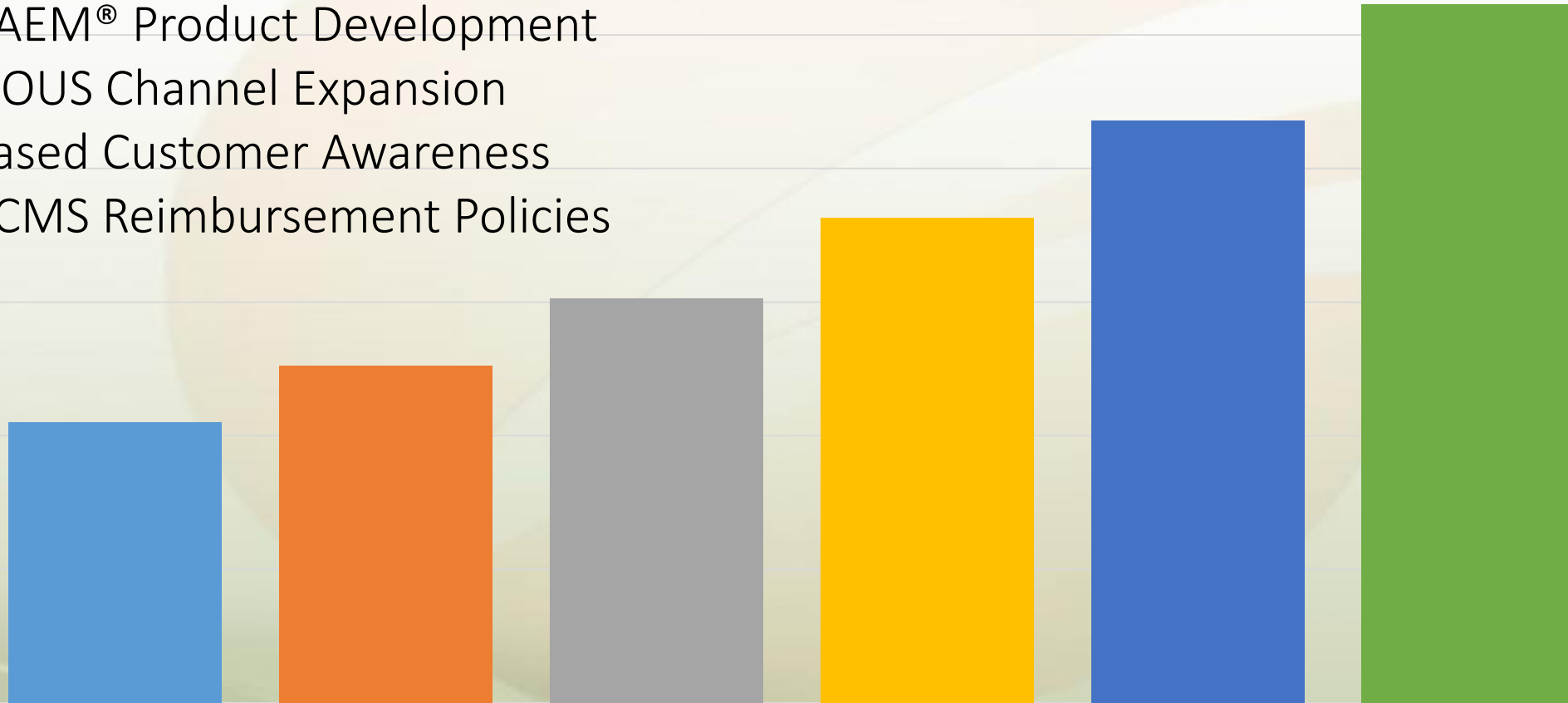
- Revenue (ttm) \$9.7M
- Net loss (ttm) (excluding \$1.1M impairment) \$0.9M
- Cash \$1.0M
- Borrowings None, with \$0.8M availability
- Stockholders' Equity \$4.0M
- Shares Outstanding 10.7M



# Encision Vision

## 20% Annual Growth Objective

- New AEM<sup>®</sup> Product Development
- US & OUS Channel Expansion
- Increased Customer Awareness
- New CMS Reimbursement Policies



# Take Aways:

- *It's our time!*
- We have set Encision up to win
  - Solid clinical and economic positioning
  - Growing awareness and sales pipeline
  - Favorable tailwinds from CMS Initiative
- Poised to inflect sales and drive shareholder value
- Interested? Please reach out to us!

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