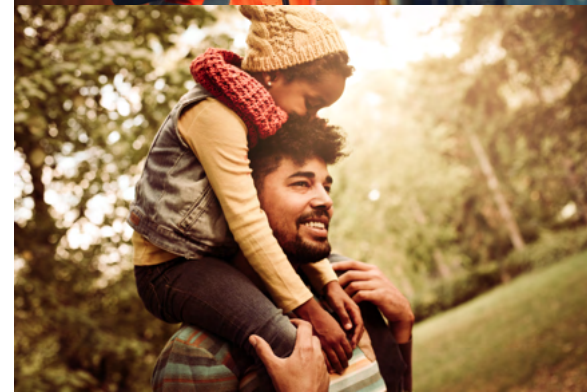


# Investor Presentation.

OTCQB:MODD

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Type 1's in US  
**1.6 Million**

# The Future of Diabetes Care is Easy.

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Insulin Pumps provide a higher standard of diabetes care. **Better glycemic control** reduces co-morbidity prevalence, trips to the ER, and leads to **higher quality of life**.

Despite decades of advances in insulin delivery technology, **only a minority** of individuals with Type 1 diabetes use a pump.

The cost and complexity of today's offerings mean that, for many, multiple daily injections remain the **only practical Solution**.

People with Type 1 Diabetes are a **cross section of society** with widely varying motivation levels, technical sophistication, and resources.

You cannot make the people **more motivated**. To grow the market, you need to make the best care **more usable**.

# An Unmet Need in Type 1 Diabetes Care.

There are **1.6 million** individuals with Type 1 Diabetes in the US. **100% of patient population** require daily insulin injection. **Only 1 out of 3 currently** use an insulin pump.

## Pumping

32% of population utilizes insulin pumps for diabetes management



## Multiple Daily Injections (MDI's)

68% of the population rely on multiple daily injections for diabetes management



## Almost Pumpers

Almost Pumpers are 30% of the market. They would go on pump if it were less expensive, time consuming, and technically intimidating.

**\$1.9**<sub>bn</sub>

**Market Opportunity**

# New kinds of offerings attract a new kind of user.

Abbott Freestyle Libre made continuous glucose monitoring easier and more affordable. This expanded the product category and doubled its size.

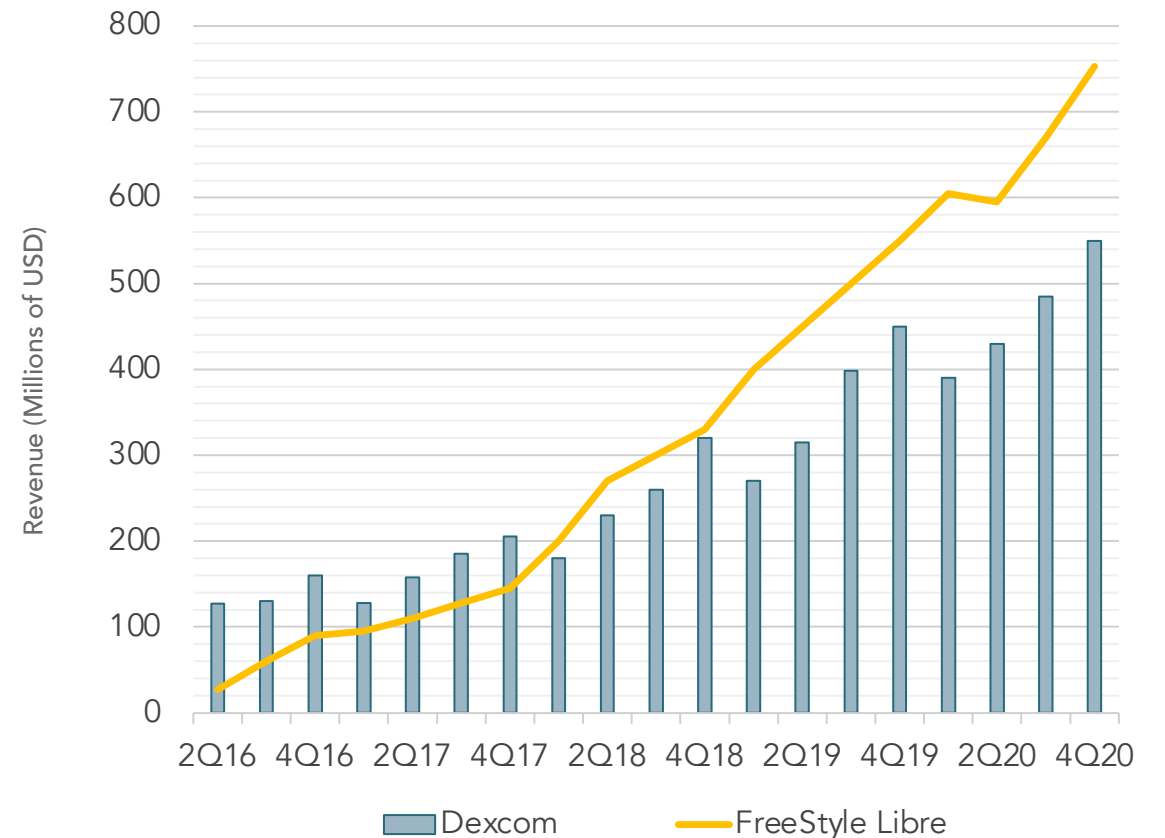
We believe the insulin pump market is ready for a similar transition.

*“In short, Flash Glucose Monitoring is fundamentally trying to take something that is more “professional” (i.e., traditional CGM) and make it more accessible to the masses. In consumer-packaged goods, examples of this strategy include home espresso makers (Keurig), cleaning products (e.g., dilatable floor cleaners, spray cleaners, wipes, toilet wands), and teeth whitening (e.g., whitening strips).*

*In these cases, the new innovation completely changed the entire category; we look forward to seeing if Flash Glucose Monitoring does something similar in diabetes.”*

**Kelly Close, 2014**

## FreeStyle Libre vs. Dexcom Revenue



# Expanding access to pumps requires a new kind of pump.



## Time

Insulin pumps on the market today require a substantial amount of time to learn and manage ongoing therapy



## Money

High out of pocket costs of today's pumps place these technologies out of reach for a large part of the population



## Technology

Feature-heavy and complex systems have hampered adoption. These products are for "superusers" not for "the rest of us"

## It's Time to Change.

Specialty products can be expensive, complex, and have difficult learning curves.

Mass market products must be easy to afford, easy to learn, easy to take home, and easy to use.

## Our Mission

At Modular Medical, our mission is to expand access to high quality, modern diabetes care by taking insulin pump delivery systems from a specialty market to a mass market.

## Our Vision

We aspire to develop technology that liberates and empowers people to improve their health and well-being and take back more of their lives.

Technology should simplify your life and make it better, not add new projects and new to do lists.

## Introducing MOD1



90 Day Reusable



3 Day Consumable

**New microfluidics technology** for a new kind of product.  
**New design philosophy** for a new kind of user.

## Designed to meet patient needs:

- Removable
- No External Controller Required
- Push Button to Bolus
- No Charging or Battery Replacement
- Easy to Use
- Learn to Use at Home

**\$0**

Upfront Cost to Patient  
or Payor

**20%**

Discount to Omnipod

**Optimized**

For provider driven sales

**Enables**

Telehealth and  
Distance care models



# Technology that Transforms Diabetes Care. (and diabetes company models)



Traditional Pumps Use Expensive Machining and Complex Modalities To Pump Insulin

5 Years Development: Same Precision, Off the Shelf, High Volume Components from consumer electronics supply chain

**\$4,128**

Revenue Per Patient/Year<sup>1</sup>

**78%**

Gross Margins

**50%**

Less Expensive to Manufacture Than Omnipod<sup>2</sup>

**15%**

Of Revenue Spent on Discounting and Free Samples

**\$147M**

Recurring Revenue from 2% Market Share of US Type 1 Diabetes

**20%+**

Operating Margin 30 months after Launch.

**\$3B**

Expansion of Market

1. Based on 20% discount to published CPT codes for Omnipod., revenues net of rebates and returns.  
 2. Calculation based on Omnipod US data from SGP 2019 diabetes bluebook and internal cost estimates



# Unit Economics.

Profitable From the First Sale



180 Day Re-Usable

Price: FREE  
Cost: \$34



3 Day Disposable

Price: \$34.92\*  
Cost: \$7.68

\*Omnipod CPT code with 20% discount

First month: 1 Re-Usable + 10 Disposables

Price: \$349.20  
Cost: \$34 + \$76.80 = \$111.80  
Gross Profit: \$238.40

**68%**

Profit Margin

Subsequent Months: 10 Disposables

Price: \$349.20  
Cost: \$76.80 = \$76.80  
Gross Profit: \$272.40

**78%**

Profit Margin

# Designed to make adoption easy.

## Provider

- Direct sales Force Focused on Providers
- Free Samples to Encourage Trial
- Point of Prescription Couponing
- Simple to Teach and Support Patients

## Patient

- Only product that you can take home today from doctor's office
- App to Learn Product
- Free 30-Day Trial Coupons
- Co-Pay buydowns
- Reduced outlay of time and money

## Telehealth Optimized

2020 saw personal telehealth go from beta test to mainstream. Customers and providers have become comfortable with it.

There are only 4,000 patient-facing endos in the US. The treatment of diabetes will be significantly enhanced with telehealth to drive more volume and clinical enhancements through their practices.

**Telemedicine is a force multiplier to better serve a large market.**

MOD1 was designed to be affordable enough for free sampling and trial, and simple enough for self-guided user training. This is the product the industry has needed to take the step into telehealth.

# Payor Preferred.

Modular Medical products are designed to attain preferential reimbursement and avoid the coverage pitfalls many other pumps have experienced.

## Payor Benefits:

- **20% Discount vs Insulet (PODD) Will Drive Preferred Status**
- Designed to use PBM codes as a disposable
- No New Code: Reimbursed at Launch
- Saves Provider \$1,062/Patient/Year vs Omnipod

## National Payor Survey

Retained ISA to perform National Payors Survey on 1/3 of all commercial lives in US (50 million lives)

Survey data<sup>1</sup> shows that a product with Gen-1 features set at 10-20% discount to Omnipod will gain equivalent or preferential reimbursement at launch.

*"I would say that if they could come in with an average monthly cost of, say, 20% less than Omnipod...we would make this our preferred."*

**- IDN**

Data shows that discounting and rebates have been uncommon and small in insulin pumps. 5% is currently the largest in the space.

*"We expect that the manufacturer will come to the table, probably with an access rebate [of approx. 5%]. This is based on the fact that Medtronic has already come to us with this kind of rebate."*

**- National Health Plan**

Payors showed an interest in a simple product that was less expensive.

*"I like the simplicity and so as a consequence, it's attractive to me mostly because I'm very price sensitive. I don't think there's any meaningful evidence basis for all those fancy and high-tech products."*

**- Regional Health Plan**



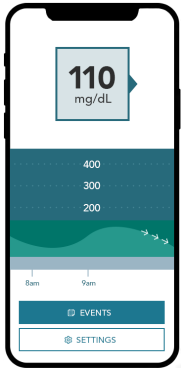
1

**MOD1**  
(Basal with user Bolus)

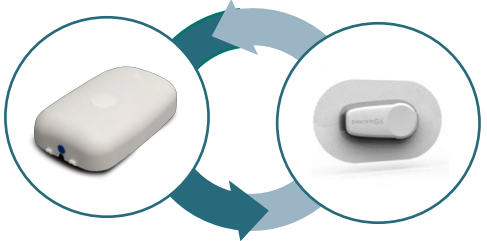


2

**MOD1+**  
(Cell phone controlled  
adjusted by algorithm)



3



**MOD2 Dual Chamber**  
(Autonomous, multiple  
chamber, drug revenue)

# Product Roadmap.

The Path to the Artificial Pancreas

# In Development MOD1+.

Enhanced Modular Patch Pump: Cell Phone Controlled



## 2-Factor Authentication

Allows use of user's own cell phone as controller. No dedicated controller required.



## CGM Integration

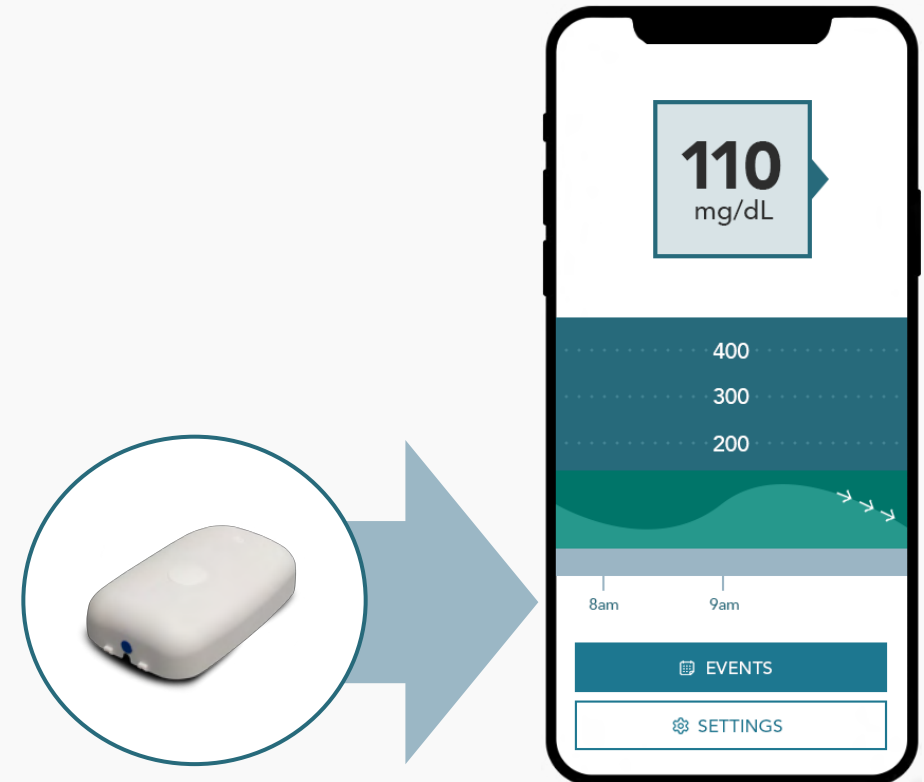
Allows algorithms to adjust basal rate for meals and exercise.



## Ease of Use

Same modular design and ease of use as Pivot G-1, with enhanced control functionality.

## Cell Phone Controlled



## Development

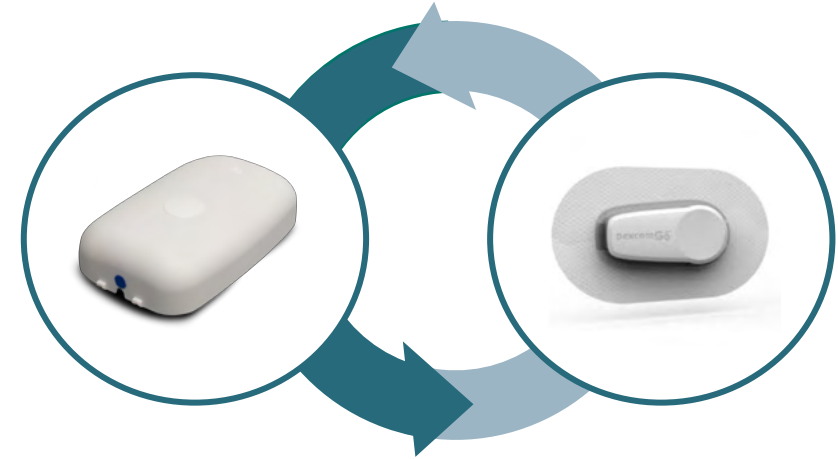
75% complete

# The Future of Care MOD2.

The Pivot G-3 is a native multi-chamber pump developed with enhanced ease of use in mind. Designed to be prefilled, the Pivot G-3 will enable Modular Medical to capture drug revenue.

Modular Medical will become the one-stop shop for all of a user's diabetes needs.

## Artificial Pancreas



### MOD2 Features

- Closed Loop System
- Continuous Glucose Monitor Measures Blood Sugar, Feeds Data to Pump
- Algorithms Inform Pump Activity
- No Human Intervention Required

**\$4,800**

Insulin Spend  
Patient / Year<sup>1</sup>

**\$4,300**

Pump System  
Patient / Year

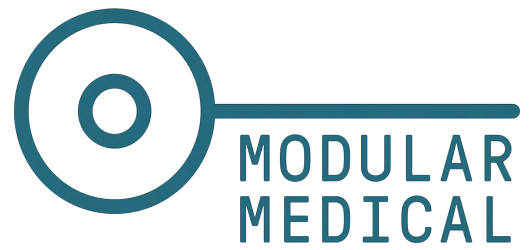
**\$6,000**

SymLin Spend  
Patient / Year<sup>2</sup>

**\$22.6 B**

US Addressable  
Market<sup>3</sup>

1. Reuters "US insulin costs" 2012-16, Good RX.  
 2. \$1,088 Avg price for monthly supply from Good RX. Assume ~50% price drop for generic.  
 3. (\$4,800 + \$6,000 + \$4,300) X 1.5 million T1 Diabetics = \$22.65bn



## **Investor Relations**

[ir@modular-medical.com](mailto:ir@modular-medical.com)

OTCQB:MODD





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# Appendix.

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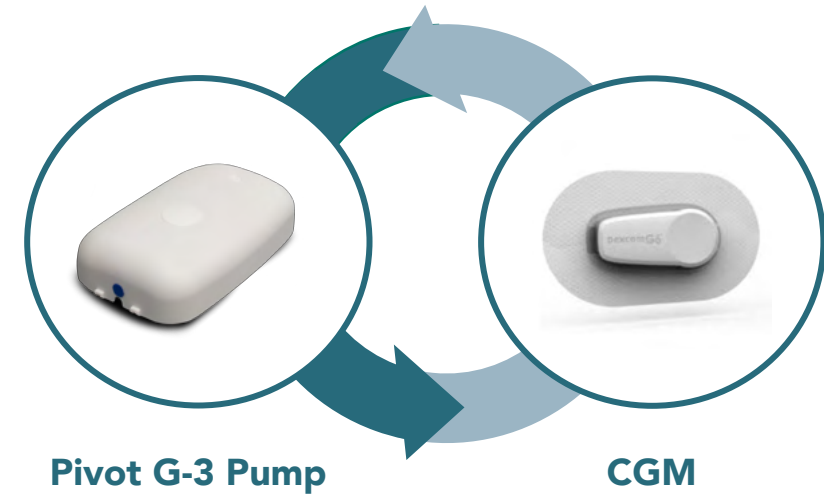
# T1D Insulin Pump Comparisons (US Market).

Product Features	 t:slim X2	 Medtronic 780G	 Omnipod DASH	 MOD1
Manufacturer	Tandem Diabetes Care	Medtronic (MiniMed)	Insulet	Modular Medical
Reservoir Size	300 units/3mL	300 units/3mL	200 units/2mL	300 units/3mL
Pump Cost	Pump: \$4,200 Disposables: \$134/month	Pump: \$4,600 Disposables: \$148/month	Pump: \$0 Disposables: \$437/month (PBM Pricing)	Pump: \$0 3-Day Disposables: \$349/month(PBM Pricing)
Monitored Via User's Cell Phone	No	Yes	No	Yes
User Interface	Color Touchscreen on Pump	Color Screen on Pump, Scroll wheel	Locked PDM Handset	Simple Analog Button / Optional Smartphone App
External Controller Required	No	No	Yes	No
Charger/Battery Requirement	Charger Required	Battery Required	Handset Charging Required	No Charger/Single-use disposable battery provided
User-Learnable	No	No	No	Yes
Remove & Reattach	Yes	Yes	No	Yes

# Artificial Pancreas Will Be Multi-Chamber.

- FDA has established 70% Time In Range “no human intervention” standard for AP.
- “Control IQ” study published in NE Journal of medicine barely reached 70% despite announcing meals, sleep, and exercise.
- Prominent KOL’s and Algo designers feel 70% TIR without intervention is out of reach with insulin alone: the Artificial Pancreas will have to be multiple liquid.
- Multiple liquid will require small, simple, affordable pumps. Complexity and cost are multiplied. Legacy technology is not well suited.
- MODD well positioned to be first to market with viable multi-chamber product.

## Artificial Pancreas



## Pivot G-3 Features

- Closed Loop System
- Continuous Glucose Monitor Measures Blood Sugar, Feeds Data to Pump
- Algorithms Inform Pump Activity
- No Human Intervention Required