

## COMPANY BACKGROUNDER

ZELTIQ™ is a global medical device company that developed a patented, non-invasive, clinically proven procedure to selectively reduce fat. ZELTIQ's breakthrough fat reduction technology, known as CoolSculpting™, is the first and only non-invasive, clinically proven procedure to selectively reduce fat layers in problem areas that include muffin top, love handles and back fat.

Founded in 2005 and backed by strong clinical research, CoolSculpting is based on a patented method called Cryolipolysis™ (cold lipolysis) – the use of precisely controlled cooling to remove fat – which destroys only fat cells without damaging the skin or other tissue.

ZELTIQ has received funding from Advanced Technology Ventures, Frazier Healthcare Ventures, Venrock and Aisling Capital – four venture capital investors with deep experience in building successful medical device companies.

### **Breakthrough Technology from Industry Innovators**

The initial Cryolipolysis research and patents were developed by Dr. Dieter Manstein and Dr. R. Rox Anderson which originated at the Wellman Center for PhotoMedicine at Massachusetts General Hospital in Boston, a teaching affiliate of Harvard Medical School.

The physicians and their team conducted extensive scientific research that demonstrated fat cells are more susceptible to extreme cold and can be selectively destroyed without damaging the overlying skin. This process is known as Cryolipolysis, and it led to the development of the patented technology behind the non-invasive CoolSculpting procedure. Within several days after receiving the procedure, cooled fat cells begin a process called apoptosis (natural cell death) and begin to shrink and disappear. ZELTIQ holds exclusive, global rights to these seminal patents.

### **Clinical Studies Reveal Dramatic Results**

ZELTIQ conducted the first human study for fat layer reduction of love handles and back fat in men and women. The unique, bilateral control study design showed unequivocal results at relatively low energy settings with an early clinical prototype device.

Based on histological and ultrasound assessment, an average fat layer reduction of 20% was demonstrated after a single procedure. Ongoing technological advancements in the device, combined with the use of higher rates of tissue cooling and repeat procedures, were shown to improve results with no increase in adverse events or patient discomfort. Furthermore, the company has shown that there is a clear *cumulative* effect: after the initial procedure is followed by a second procedure two to three months later, patients experience incremental fat reduction on a par with the initial 20% result.

## **The CoolSculpting Experience**

Unlike most other methods of fat reduction, CoolSculpting by ZELTIQ involves no needles, surgery or downtime. During the procedure, a non-invasive applicator delivers precisely controlled cooling to the treatment area to specifically target underlying fat, leaving surface skin tissue unaffected. Procedures last about one to two hours. Patients can have additional procedures for more pronounced effects if they desire.

The introduction of CoolSculpting fills a significant and previously unmet need in the medical aesthetic marketplace with a safe procedure that gently cools unwanted fat cells in the body to induce a natural, controlled elimination of fat cells. This reduces exercise-or-diet resistant bulges in treated areas of the body. On average, each CoolSculpting procedure results in a 20% reduction of fat in the treated areas, and patients can start to see results as soon as three weeks following treatment, with the most dramatic results occurring over a period of two to four months.

## **The Evolving Cosmetic Procedure Market**

Aesthetic procedures, including liposuction and minimally-invasive body contouring, have traditionally enjoyed a large share of the body shaping market. However, recent research conducted by the American Society of Aesthetic Plastic Surgeons (ASAPS) reveals that since 1997, the total number of cosmetic procedures is steadily increasing and non-surgical procedures, specifically in fat reduction technology, represent the fastest growing segment.

According to a 2009 study conducted by the American Academy of Facial Plastic and Reconstructive Surgery (AAFPRS), the number of noninvasive cosmetic procedures rose 47%. The survey results show a continuation of the trend from the previous year, where consumers are opting to have less invasive procedures to look and feel refreshed. The economy is playing a large role in the growing trend. Many plastic and cosmetic surgeons agree that the economy has impacted what types of procedures consumers are willing to pay for out of pocket. For some people, job security and staying competitive in the work place has been the primary reason to head to the doctor's office. In fact, 80% of physicians surveyed say patients are making these choices in order to remain competitive in the workplace.

## **Worldwide Availability**

ZELTIQ's CoolSculpting procedure is cleared in the United States, Canada, the European Union, and Asia for non-invasive fat layer reduction. CoolSculpting is available through an elite network of dermatology and plastic surgery centers around the world.

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