



# Building a Leading ENT / Allergy Specialty Company

## Corporate Presentation

August 4, 2020

# Forward-Looking Statements

This presentation and our accompanying remarks contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements that are not historical facts are hereby identified as forward-looking statements for this purpose and include, among others, statements relating to: impact of, our plans regarding and the uncertainties caused by, the COVID-19 pandemic; potential for continued XHANCE growth, potential growth drivers and market opportunity; prescription, refill, prescribing frequency and market share trends; potential effects of INS market seasonality on XHANCE prescriptions; projected operating expenses and stock-based compensation for 2020; expectation that XHANCE net revenue per prescription will improve for the remainder of 2020; the Company's plans to seek, and the potential benefits of, a follow-on indication for XHANCE for chronic sinusitis (CS); the expectation of top line results from both CS trials in second half 2021; the expectation that existing cash plus funds that may be available under the Pharmakon note purchase agreement will be sufficient to fund operations until top line data from at least one CS trial; the commencement and potential benefits of promotional activities by kaleo; the Company's development plans and objectives for OPN-019, the potential benefits of OPN-019 and the Company's intention to fund initial development of OPN-019 within its current operating expense plan and to seek grants, partnerships and/or other sources of capital to fund future development; and other statements regarding the Company's future operations, financial performance, prospects, intentions, objectives and other future events.

Forward-looking statements are based upon management's current expectations and assumptions and are subject to a number of risks, uncertainties and other factors that could cause actual results and events to differ materially and adversely from those indicated by such forward-looking statements including, among others: the extent and duration of the impact of the COVID-19 pandemic on the Company's business, results of operations and financial condition; physician and patient acceptance of XHANCE; the Company's ability to maintain adequate third party reimbursement for XHANCE (market access); the Company's ability to grow XHANCE prescriptions, net revenues, market share and prescriber breadth and depth; market opportunities for XHANCE may be smaller than expected; the effectiveness of kaleo's sales representatives in promoting XHANCE; uncertainties and delays relating to product development, the initiation, enrollment, completion and results of clinical trials and regulatory approval process; unexpected costs and expenses; the ability to satisfy the conditions for additional funds under the Pharmakon note purchase agreement and ability to comply with the covenants and other terms of the agreement; risks and uncertainties relating to intellectual property; and the risks, uncertainties and other factors discussed in the “Risk Factors” section and elsewhere in our most recent Form 10-K and Form 10-Q filings with the Securities and Exchange Commission – which are available at <http://www.sec.gov>. As a result, you are cautioned not to place undue reliance on any forward-looking statements. Any forward-looking statements made in this presentation speak only as of the date of this presentation, and we undertake no obligation to update such forward-looking statements, whether as a result of new information, future developments or otherwise.

# Key Takeaways and Q2 2020 Highlights



Resilient XHANCE Performance in COVID-19 Environment

New Kaléo Co-Promotion to Strengthen Commercial Efforts

Substantial Headroom for Future XHANCE Growth

Maintaining Financial Guidance and Clinical Trial Timing

Strong Balance Sheet and Prudent Expense Management

**5.6%**

Q2 2020 market share  
an increase of 1.8%  
compared to Q1 2020

**+54%**

XHANCE Net  
Revenue Growth  
Q2 2020/Q2 2019

**+84%**

XHANCE TRx  
Growth Q2 2020 /  
Q2 2019

**\$164**

XHANCE Net  
Revenue per TRx  
in Q2 2020

**\$125M**

Cash and equivalents  
as of June 30, 2020

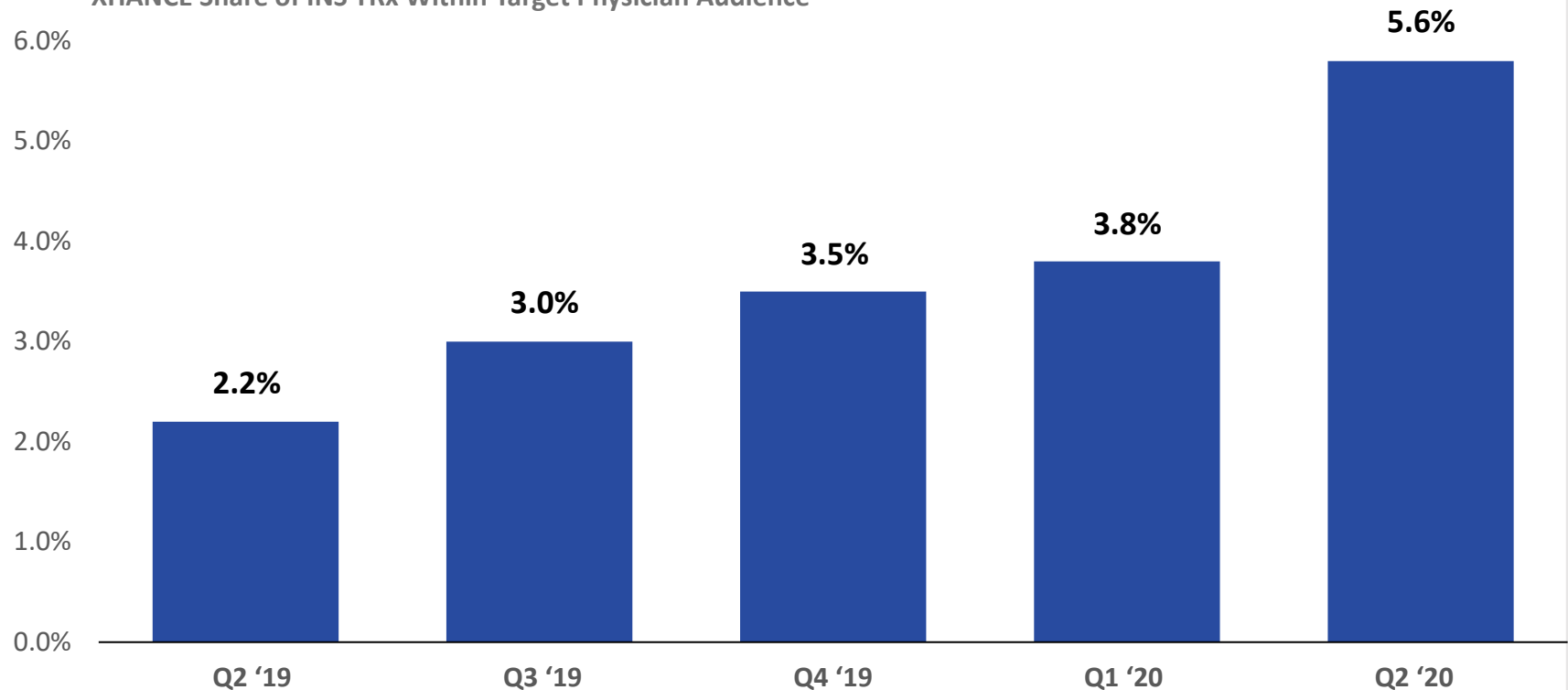
A blue-toned graphic featuring a silhouette of a person's head in profile on the left, looking upwards. Several light bulbs are depicted floating in the air, with one bulb appearing to be held or released from the person's mouth. The background is a gradient of blue.

# XHANCE Launch Update

## XHANCE Share of INS Prescriptions Within the Target Physician Audience Increased Dramatically in Q2 2020 and a Large Opportunity Remains

Market share within the XHANCE target physician audience of 5.6% in Q2 2020 an increase of more than 2.5 times compared to Q2 2019 share of 2.2%

XHANCE Share of INS TRx Within Target Physician Audience



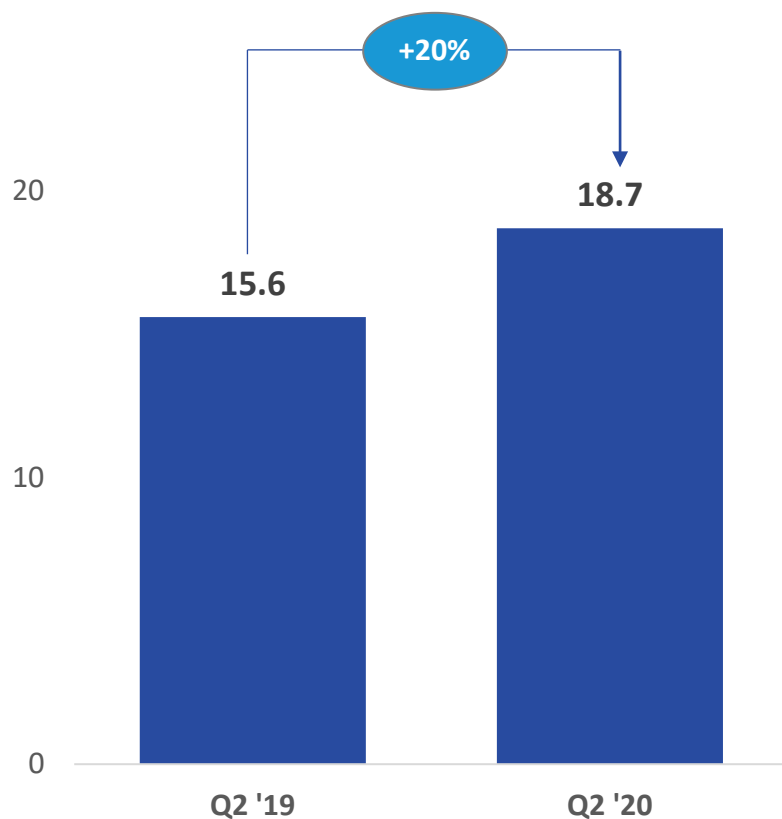
The Market on this slide is defined as the sum of all intranasal steroid prescriptions written by physicians in the XHANCE target physician audience of approximately 10,000 physicians.

Estimated based on monthly prescription data from public source and XHANCE preferred pharmacy network.

# Q2 2020 XHANCE New and Refill Prescriptions

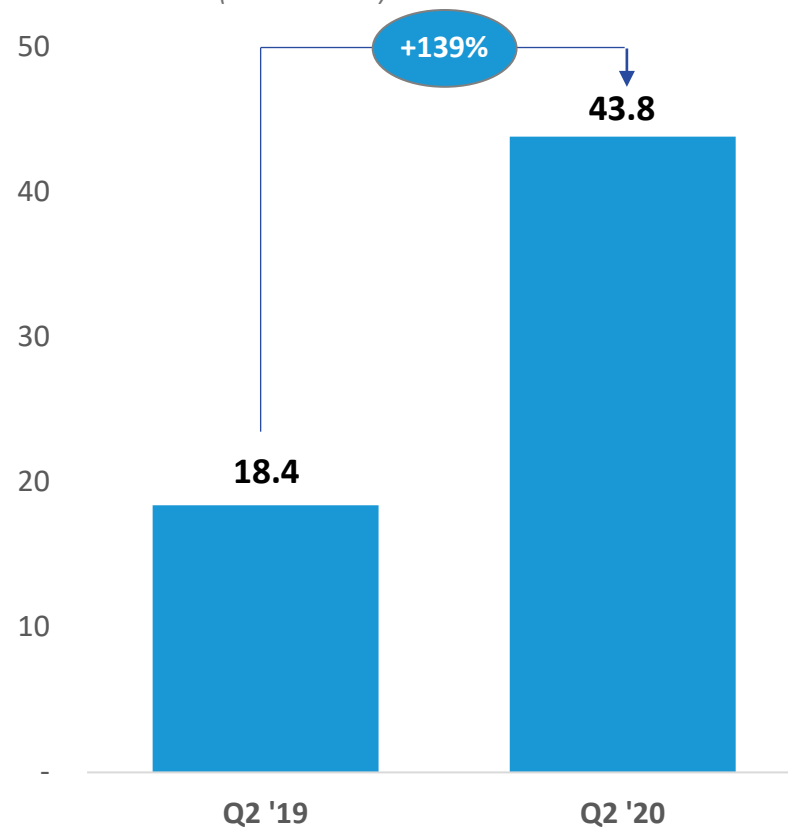
New prescriptions of XHANCE increased 20% in Q2 2020 compared to Q2 2019

XHANCE NRx (in thousands)



Refill prescriptions of XHANCE increased 139% in Q2 2020 compared to Q2 2019

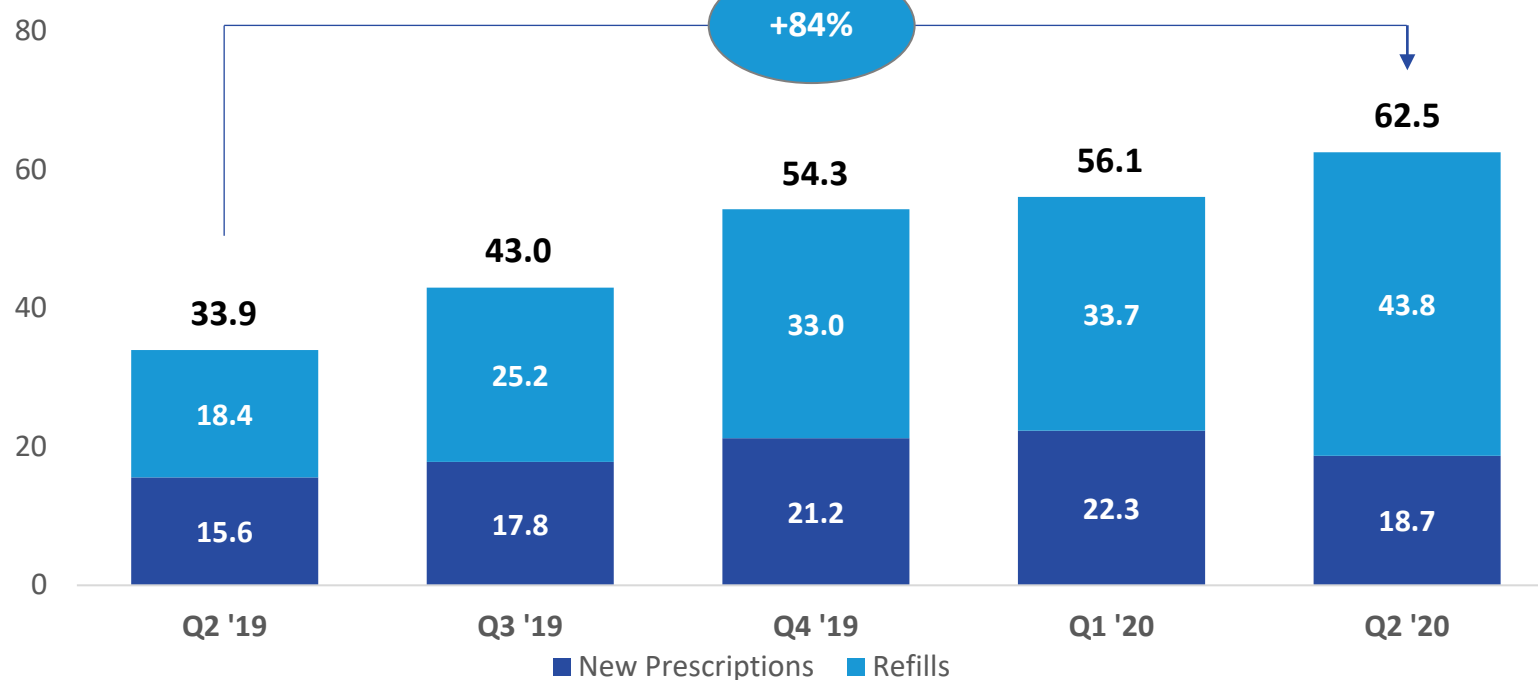
XHANCE Refills (in thousands)



# XHANCE Prescription Trends

Prescriptions of XHANCE increased 84% in Q2 2020 compared to Q2 2019

XHANCE Prescriptions (in thousands)

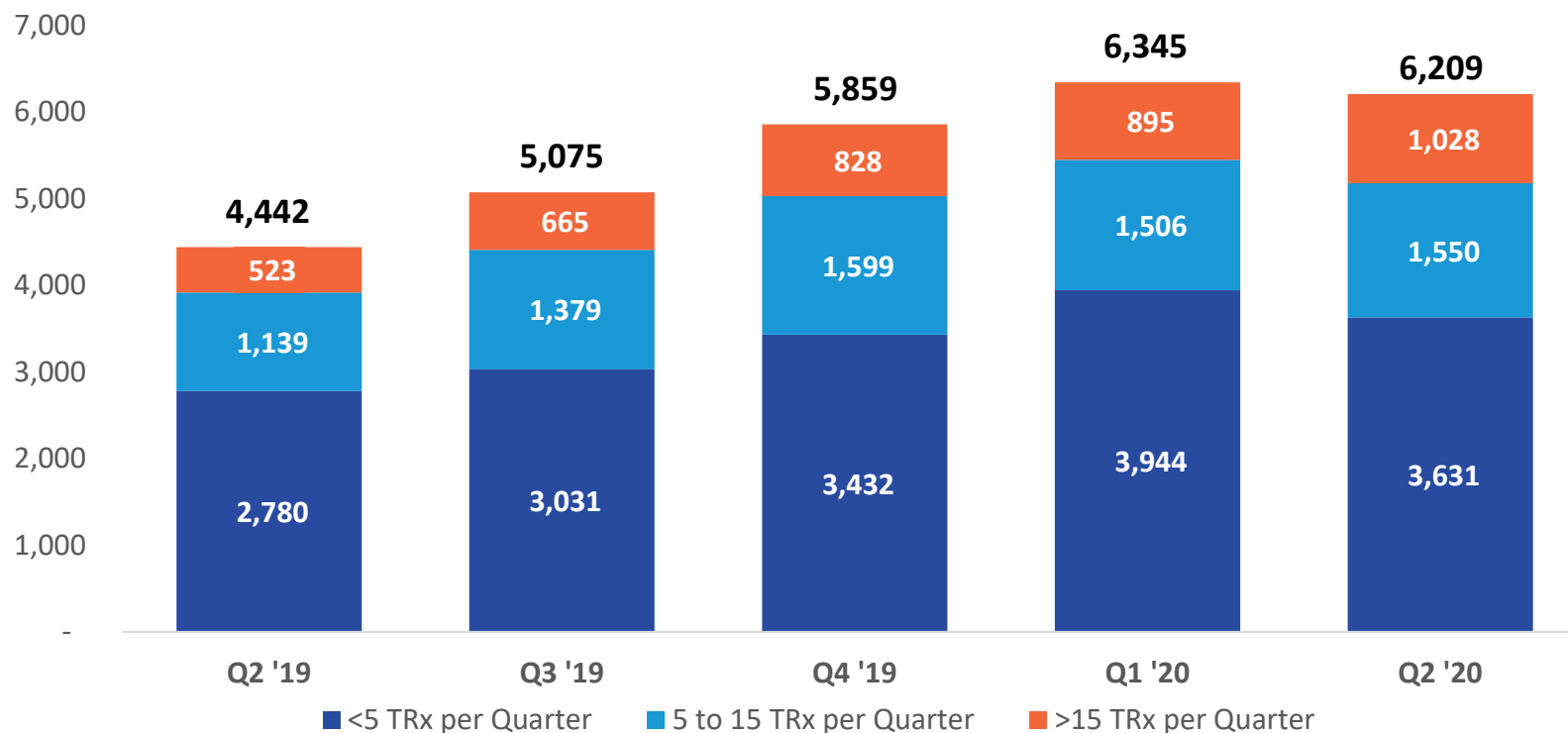


TRx for Intranasal Steroids Market decreased 12% from Q2 2019 to Q2 2020, and decreased 16% from Q1 2020 to Q2 2020  
NRx for Intranasal Steroids Market decreased 25% from Q2 2019 to Q2 2020, and decreased 30% from Q1 2020 to Q2 2020

## Number of XHANCE Prescribers by Prescribing Frequency

Physicians who had more than 15 XHANCE prescriptions filled by their patients in a quarter increased by 97% from Q2 2019 to Q2 2020 (1,028 versus 523)

XHANCE Prescribers



Estimated based on monthly prescription data from public source and XHANCE preferred pharmacy network.

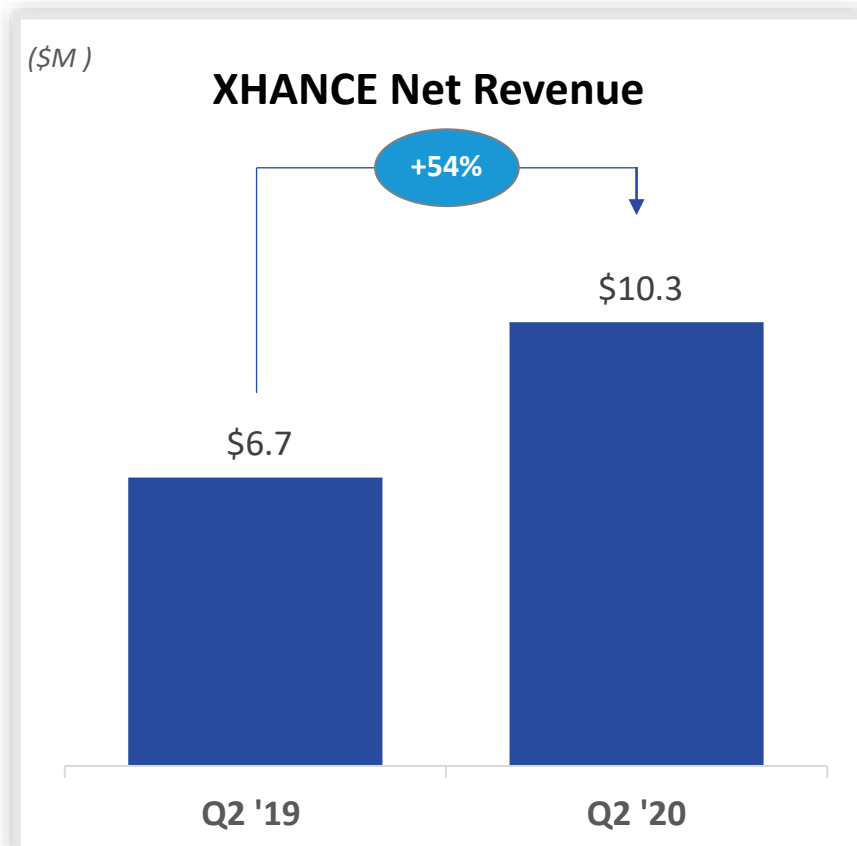


A blue-tinted graphic featuring a silhouette of a person's head in profile on the left, looking upwards. Several light bulbs are depicted floating in the air, with one bulb appearing to be held or released from the person's mouth. The background is a solid blue color.

# Q2 2020 Financial Update

# Financial Review – Second Quarter 2020

**Q2 2020 XHANCE Net Revenue Increased 54% Compared to Q2 2019**



## **XHANCE Average Net Revenue per TRx**

- \$164 in Q2 2020
  - Increase compared to \$126 in Q1 2020

# Corporate Guidance

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- **XHANCE Average Net Revenue per TRx**
  - XHANCE Average Net Revenue per Prescription expected to improve for the remainder of 2020
- **Operating Expense (GAAP) expected to be between \$131 – \$136 million**
  - Approximately \$11 million of which represents stock-based compensation
- **Chronic Sinusitis Clinical Trials**
  - Expect top-line results from both trials evaluating XHANCE as a potential treatment for Chronic Sinusitis in the second half of 2021

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# Closing Remarks

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Revenue per TRx  
in Q2 2020

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Cash and equivalents  
as of June 30, 2020

# Investor Relations – NASDAQ: OPTN

## Analyst Coverage <sup>1</sup>

BMO: Gary Nachman

Cantor Fitzgerald: Brandon Folkes

Cowen: Ken Cacciatore

Jefferies: David Steinberg

Piper Sandler: David Amsellem

RBC: Randall Stanicky

## At 30 June 2020:

- **\$125 million** in cash
- Long-term debt: **\$110 million**
- **45.9 million** common shares o/s
- **12.3 million** options, RSUs & warrants o/s

## Optinose Investor Contact

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