

BioSculpture Technology, Inc.

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MANAGEMENT TEAM

Robert L. Cucin MD JD MBA - CEO & Chairman

Deborah Salerno - CFO & Director
Tim Adler - W. Coast Sales Mngr.
Jonas Gayer – Treasurer & Director
Julia Cucin – Secretary & Director
Jack Meskunas MBA - Advisor
Peter Ciriscioli PhD - Advisor
Richard B Yules MD – Advisor

INDUSTRY

Category: Life Sciences
Sub-category: Medical Device

CURRENT INVESTORS

shareholder	shares	investment	percent
R Cucin	5,575,000	\$1,900,000	87.53%
J Wohlstetter	140,884	\$321,117	2.21%
J Meskunas	125,000	\$1,250	1.96%
S Taylor	125,000	\$1,250	1.96%
H Korthoff	100,617	\$172,785	1.58%
R Wohlstetter	83,870	\$190,380	1.32%
N Verheen	79,366	\$250,000	1.25%
T Perkowski	50,872	\$110,901	0.80%
J Runsdorf	26,870	\$60,159	0.42%
S Livingston	22,936	\$50,000	0.36%
H Mahler	11,856	\$25,845	0.19%
R Yules	10,017	\$21,836	0.16%
M Hatch	5,340	\$15,000	0.08%
W Bologna	5,281	\$11,513	0.08%
D Salerno	2,294	\$5,000	0.04%
R Strother	1,587	\$3,459	0.02%
S Zalzal	1,500	\$5,250	0.02%
J Craig	750	\$2,625	0.01%
D Hamner	523	\$1,139	0.01%
	6,369,563	\$3,149,508	100.0%

FUNDING TO DATE

Common stock. \$3,149,508
Note* R. Cucin \$377,761
\$3,527,269

* The bulk of this Note represents Cucin's Personal Guarantee on the three bank revolving credit lines.

BANK CREDIT LINES

Chase Manhattan (\$200,000)
Citibank (NLAC) (\$100,000)
Bank of America (\$58,800)

FINANCING SOUGHT

\$5,000,000 (Common Shares)

USE OF PROCEEDS

Offering Commissions & Expenses
12%(max)
Marketing 35%
Production & CE 33%
Corp Expenses 16%
Debt Reduction 5%
Legal & Accounting 3%

LAW FIRM

Simon Taylor, Esq - Corp. Counsel
Thomas J. Perkowsky, Esq. - Patent Prosecution

ACCOUNTING FIRM

Gayer & Associates

COMPANY DESCRIPTION

BioSculpture Technology, Inc. ("BST") is a commercial stage medical device company steeped in the science of adipose tissue and based on its Founder's early recognition that while some fat can be just unsightly, other fat can either kill you or save your life.

BST's mission is to develop and manufacture medical devices and procedures for optimizing fat distribution and metabolism and for tissue aspiration and processing based on medical discoveries and state of the art advances, encompassing:

- o the liposuction and body sculpting market;
- o the bariatric market; and
- o fat and adipocyte-derived stem cell processing and reinjection markets.

BST's tissue removal platform offers advantages for routine small and medium volume liposuction but it excels in large volume liposuction able to safely remove amounts sufficient to improve the metabolic profile of the patient.

BST's innovative aspiration and collection technology employs reciprocating twin cannulas under Intellimotion® control which supports integrated RF-electrocautery and irrigation options, and patent pending in-line fat collection, processing and autograft technology.

An important extension of BST's technology is for the treatment of obesity, metabolic syndrome, and type 2 Diabetes mellitus. BST's aspiration technology permits the minimally invasive, endoscopic identification and removal of the much more noxious visceral or "belly" fat which is responsible for the morbidity and adverse consequences of obesity.

Our gentler-by-design, tube-within-a-tube aspiration system and patent pending in-line fat collection, processing and autograft technology confers numerous advantages to surgeons in fat harvesting, autografting, and the processing of viable adipocyte derived stem cells ("ASC's"). Our technology also offers licensing opportunities for extension to other surgical specialties.

BST plans an IPO with OTC-QX listing in Q4 2016.

TARGET MARKETS

BST's proprietary and patented tissue removal and processing platform includes currently FDA cleared and pipeline products targeting:

- o the liposuction and body sculpting market \$(850M/yr. US);
- o the bariatric market (\$1.9B/yr. US); and
- o fat and adipocyte-derived stem cell processing and reinjection markets. (\$872M/yr. EU)

Airbrush® Liposculptor II and the new electrical version, *Airbrush® Liposculptor III* are both long stroke (2") tube-within-a-tube Twin Cannula Assisted Liposuction devices. They target the medium and large volume liposuction market because of their ability to safely remove large volumes of fat in a controlled fashion and improve a patient's metabolic profile. By making liposuction *an operation of pounds as well as inches*, overweight and frankly obese patients now become suitable surgical candidates.

Airbrush® Liposculptor III is a single cannula, short stroke (3/8") electromechanical device that specifically challenges the MicroAire's PAL® device present in approximately 2/3 of liposuction doctors' offices and generating an estimated \$150M/yr.

U.S. Bariatric surgery expenditure is forecast to exceed \$1.8B in 2014. Allergan reported \$160M in 2012 for its Obesity Control Device revenues as it sells a disposable LapBand® kit for each procedure at \$2,500. We believe we can capture a significant share of this market in a similar fashion with a consumable and potentially safer endoscopic procedure that does not require cutting into the bowel or leaving behind a foreign body.

Our fat collection consumables are integrated with our gentler-by-design devices which may attain better fat viability. They are also compatible with other liposuction devices to harvest, concentrate, and transfer fat autografts without decanting, transfer, centrifuging, collagenase, or ultrasound to target the \$2B/yr. filler market. Fat autografting is increasing in popularity as it is the patient's own tissue and can offer more permanent results with no possibility of allergy or rejection and a lower cost of goods.

COMPETITION

In contrast to every other device on the market, **Airbrush® Liposculptor II** and its electrical embodiment **Airbrush® Liposculptor IIE** are 2nd and 3rd generation twin cannula long stroke devices which *unleash the artist in the surgeon*® because they remove the drudgery of liposuction from the procedure. The *surgeon is not required to manually stroke the device*, merely position this Twin Cannula Assisted Liposuction (TCAL) device properly. 14 Allowed patents protecting Airbrush II have expired but we have proprietary designs and numerous pending utility patent applications directed at subsequent improvements. We have already allowed patents protecting its adaptation for and usage in treating metabolic syndrome and obesity. This large volume market - 2/3 of the population - is our uncontested "niche."

Other power assisted liposuction devices such as Ultrasound (UAL), LASER (LAL) or microwave devices get hot, are expensive, and require more operative time. They are mainly small volume devices exposing the patient to seromas and burns. **Airbrush® Liposculptor II, IIE** and **III** cannulas stay cool; our devices are cheaper and faster.

MicroAire sells a \$14,000 short stroke, single cannula, small and medium volume device, which garners an estimated \$150M/yr. share of the Power Assisted Liposuction (PAL) Market. It requires proprietary tapered tubing, suffers from significant vibration, and a short life span. The device tends to break down after two years of autoclaving and surgeons complain about getting carpal tunnel syndrome or tennis elbow from its vibrations. In addition, the surgeon still has to stroke the cannula manually, up to 10,000 times an hour exposing both the surgeon and the patient to the trauma of the battering ram effect of that cannula.

Airbrush® Liposculptor III has stationary tubing on the rear. It exposes the doctor to less vibration and does not require proprietary tubing. It can be marketed more cheaply with a large profit margin as its cost of goods is low because of its elegant electromechanical simplicity. We have pending utility patent applications with claims directed at its durable design.

Two of our recent patents have been allowed protecting methods and devices for this new therapeutic modality of endoscopic removal of visceral fat. A Third patent protects our fat sampling and processing technology. It will allow us to analyze, identify and target the most harmful fat. Alternative therapies are older methods involving restrictive or bypass surgery - Allergan's Lap-Band®, gastric sleeve or intestinal bypass. As these have significant morbidities and complication rates because they involve cutting into the bowel, leaving behind a foreign body, or altering intestinal plumbing. We should be less invasive, safer and accordingly capture a significant market share. Lap-Band® (Apollo Endosurgery) is likely to be our principal competing medical device.

MILESTONES

Airbrush® Liposculptor I received its premarket clearance in **510(k) 031881** in July 28, 2003 as a 4" stroke device. We commenced production of a 52% smaller device **Airbrush® Liposculptor II** with a shorter 2" stroke. U.S. sales commenced in April of 2008. In May of 2008, Dr. Cucin was invited by Jack Fisher, President of the **American Society of Plastic Surgeons** to in service plastic surgeons at Vanderbilt Hospital with the **Airbrush® Liposculptor**. Dr. Cucin introduced TCAL to the S. Korean market in June of 2008 and we obtained a \$1.64M Purchase Order from one of the largest Asian distributors, UMECO.

BST obtained 14 U.S. and EPO patent allowances protecting aspects of the design of **Airbrush® Liposculptor II**, integrated bipolar cautery, and our twin cannula tissue removal platform. Between 2008 and the present, over 1,500 pages of US, EPO and PCT patent applications have been filed. This resulted in 23 new patent applications encompassing a broad portfolio with claims directed at protecting methods and devices of our current and pipeline products. In January and February of 2013, BST obtained two U.S. patent allowances with claims directed at methods and devices for the endoscopic removal of visceral fat. On July 8, 2013, BioSculpture Technology received allowance of a third U.S. Patent protecting a method of collecting and *in situ* processing of tissue sampling from patients during aspiration operations.

As BioSculpture Technology is a FDA registered medical device design specifier and manufacturer (#90595678), it just completed its first two audits successfully without any citations in 2012 and 2013.

On August 26, 2013, BST executed an agreement with the 852/72Media Funding Group, A NWBB Inc. division, headquartered in Washougal WA to supply BioSculpture Technology, Inc. with \$2 million in advertising campaign funding on favorable terms. \$449,320 of bondholder principal and accrued interest were converted into common shares.

BST created working beta prototypes of our **Endoscopic Visceral Lipectomy** (EVL) device, **Airbrush® Liposculptor IIE and III**. Beta Prototypes of our syringe and 6-pack **Airbrush® Tissue Collectors** were also rapid prototyped.

On June 30, 2016, BST filed its **Form 1-A** with the S.E.C. for a **tier 2 Regulation A Offering** to commercialize its patented minimally invasive treatment of obesity, metabolic syndrome and type 2 Diabetes mellitus. Upon SEC. qualification of our Offering on September 1, 2016, \$336,993 of bondholder principal and accrued interest was converted into common shares.

Five-Year Financial Projection

	2017	2018*	2019	2020	2021
Revenue	\$0	\$3,017,200	\$16,221,800	\$24,180,720	\$33,880,320
EBITDA	(\$1,942,487)	(\$270,160)	\$1,844,286	\$3,042,090	\$4,546,881
EBIT	(\$1,967,042)	(\$316,144)	\$1,798,303	\$2,996,106	\$4,500,898
Net Income	(\$1,978,936)	(\$318,144)	\$1,796,303	\$2,994,106	\$3,042,199

*As new product sales don't begin in until Q4 2018 and are contingent upon net financing of at least \$4,400,000 by 12/31/17, 2018 revenues are disproportionately sensitive to delays in funding. In projections, all security sales are presumed subject to a 10% commission and 2% expense charge except for shares of the Offering which have already been sold with lower commission and/or expenses.