

# Nephros, Inc. (Nasdaq: NEPH)

FY 2021

Andy Astor, President & CEO

# NEPHROS

# Safe Harbor Statement

Certain statements in this management presentation constitute “forward-looking statements.” Such statements include those regarding the efficacy and intended use of our technologies under development, the timelines and strategy for bringing such products to market, the availability of funding sources for continued development of such products, and other statements that are not historical facts, including statements that may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential” or similar words. Forward-looking statements are not guarantees of future performance, are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond our control. Actual results may differ materially from the expectations contained in the forward-looking statements. Factors that may cause such differences include, but are not limited to, that (i) we face significant challenges in obtaining market acceptance of our products, which could adversely affect our potential sales and revenues; (ii) product-related deaths or serious injuries or product malfunctions could trigger recalls, class action lawsuits and other events that could cause us to incur expenses and may also limit our ability to generate revenues from such products; (iii) we face potential liability associated with the production, marketing and sale of our products, and the expense of defending against claims of product liability could materially deplete our assets and generate negative publicity, which could impair our reputation; (iv) to the extent our products or marketing materials are found to violate any provisions of the U.S. Food, Drug and Cosmetic Act (the “FDCA”) or any other statutes or regulations, we could be subject to enforcement actions by the U.S. Food and Drug Administration (the “FDA”) or other governmental agencies; (v) we may not be able to obtain funding if and when needed or on terms favorable to us in order to continue operations; (vi) we may not have sufficient capital to successfully implement our business plan; (vii) we may not be able to effectively market our products; (viii) we may not be able to sell our water filtration products or chronic renal failure therapy products at competitive prices or profitably; (ix) we may encounter problems with our suppliers, manufacturers and distributors; (x) we may encounter unanticipated internal control deficiencies or weaknesses or ineffective disclosure controls and procedures; (xi) we may not be able to obtain appropriate or necessary regulatory approvals to achieve our business plan; (xii) products that appeared promising to us in research or clinical trials may not demonstrate anticipated efficacy, safety or cost savings in subsequent pre-clinical or clinical trials; (xiii) we may not be able to secure or enforce adequate legal protection, including patent protection, for our products; (xiv) we may not be able to achieve sales growth in key geographic markets; and (xv) the effects of the COVID-19 pandemic may be more severe than we currently anticipate. More detailed information about us and the risk factors that may affect the realization of forward-looking statements, including the forward-looking statements in this management presentation, is set forth in our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and our other periodic reports filed with the SEC. We urge you to read those documents free of charge at the SEC’s web site at [www.sec.gov](http://www.sec.gov). We do not undertake to publicly update or revise our forward-looking statements as a result of new information, future events or otherwise, except as required by law.



**Better water for life**

# Who We Are

We provide **innovative filtration and pathogen detection solutions** to **healthcare and commercial markets**



**Nephros is committed to improving the human relationship with water**

# 2021 At A Glance

As a Deloitte “Fast 500” biotechnology company (2019 and 2020), Nephros has demonstrated consistently high revenue growth and product innovation over the past five years

**\$10.4M**

2021 Revenue

**21%**

2021 YoY Growth

**35%**

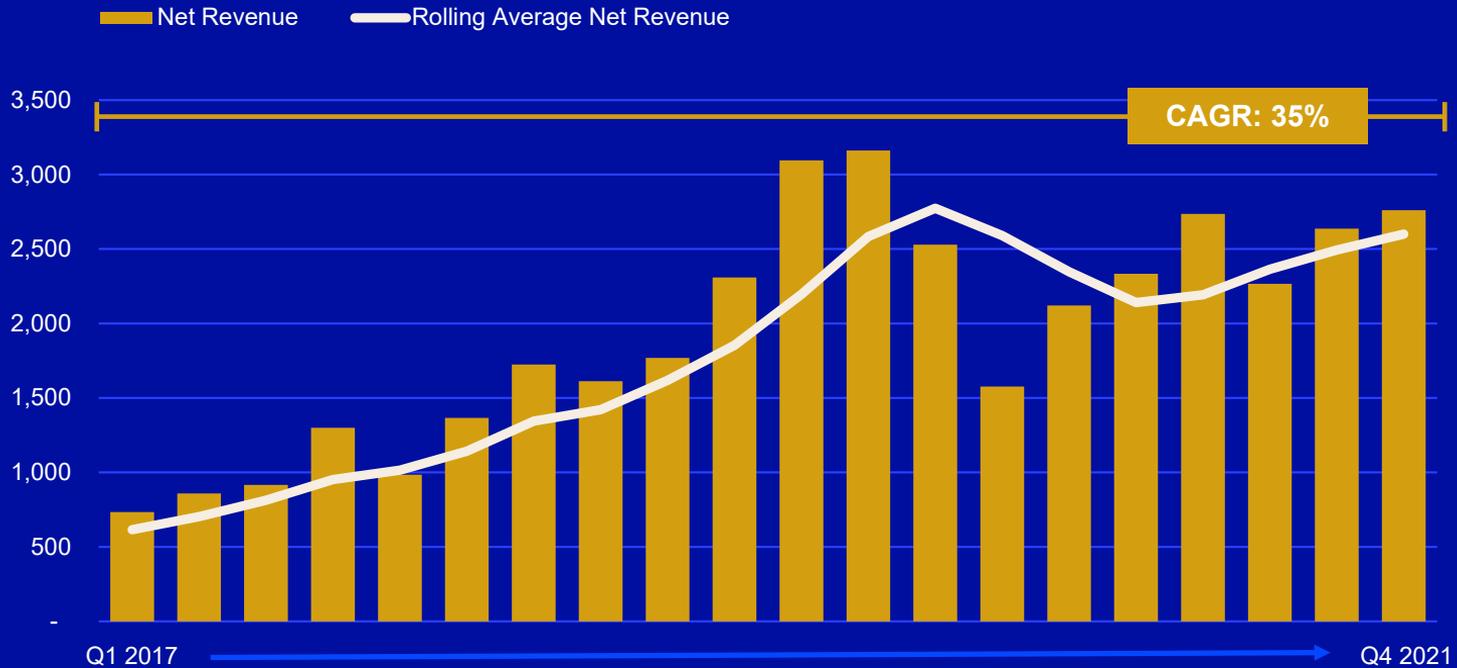
5-Yr Revenue CAGR

Nasdaq: **NEPH**

Market Cap: **\$60–70M**

Gross Margin: **55–60%**

# Historical Revenue Performance



# Nephros Solutions – Business Segments

While we are best known for water filtration, we offer a diverse range of technologies

## Base Business

### Water Filtration



## New Segment

### Pathogen Detection Systems



## 2022 Relaunch

### Specialty Renal Products



# Water Filtration

Our base business, solid performance;  
20% YoY growth in 2021

**\$2.7M**  
Q4 Revenue

## science

Proprietary hollow-fiber filtration that retains bacteria, viruses, and endotoxins

Bundled technologies that cost-effectively improve water taste and odor, reduce scale, and remove bacteria and cysts.

## solutions

Healthcare

Commercial

Infection control within healthcare institutions, and water purification for dialysis, both in clinics and at home

Beverage and ice optimization in hospitality and restaurant industries

Retain bacteria, viruses, and endotoxins

FDA 510k-cleared for 90–180 days

Best-in-class hollow fiber technology

Scale inhibitor, no polyphosphates

Increased capacity, better performance

Fewer scheduled cleanings & filter change-outs

# Pathogen Detection

**\$0.1M**  
Q4 Revenue

Growing segment; water testing is a highly fragmented, \$8 billion global market

## science

Proprietary qPCR-based assays that identify dozens of disease-causing pathogens.

Proprietary multiplexing qPCR technologies that increase testing efficiency and lower costs.

## solutions

Real-time waterborne pathogen detection for laboratories, healthcare, and commercial environments

- Waterborne pathogen detection
- Endotoxin detection
- Biome-mapping

Customizable, on-site, real-time, qPCR testing

# Specialty Renal Products

Second-generation HDF; limited commercial launch anticipated for 2H 2022

science

Enables HD dialysis machines to perform HDF dialysis treatment

solutions

First-generation product is only FDA-cleared HDF machine in the U.S.

Supported by clinical research

Improved patient outcomes

Increased ease of use

Reduced cost

# Nephros Service

## support

- Subscription-based filtration solutions
- Over 99% of orders are in-stock
- Same-day shipping
- 100% customer satisfaction promise
- Multiple national and regional service partners
- Pathogen testing services that empower customers to test quickly, accurately, and on-site

• 24x7 emergency response capability

• Educational programming, podcast, videos, thought leadership

**Proactive Solutions**

**Emergency Response**

**Education**

# Our Values



# Our Commitment

In keeping with our defined purpose “to improve the human relationship with water,” we actively seek opportunities to practice corporate citizenship and engage partners that further water quality

Our Engagement Partners:



Nephros employees completing our Hike4Her!



# Takeaways

Steady income stream from our established and growing water filtration business

Potential for long-term growth supported by our recently launched pathogen detection product, and potentially transformative dialysis device to be launched 2H 2022

**\$10.4M**

2021 Revenue

**21%**

2021 YoY Growth

**35%**

5-Yr Revenue CAGR

## Revenue Highlights:

2021: **>20% growth over prior year**

Pre-COVID: **15 consecutive growth quarters**

Post-COVID: **4 consecutive growth quarters**

## Cap Structure:

**Approximately \$7M cash 12/31/2021**

**10M shares O/S; 12M fully diluted**

## Market Opportunity:

**Multiple growth engines including new product lines**

A close-up photograph of a hand holding a clear glass under a chrome faucet. Water is flowing from the faucet into the glass. The background is a kitchen with a window showing greenery outside. The lighting is warm and natural.

**Because water matters™**

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**Thank you**

**NEPHROS**