



---

**NASDAQ: LUNG**

November 2020

# Forward Looking Statement

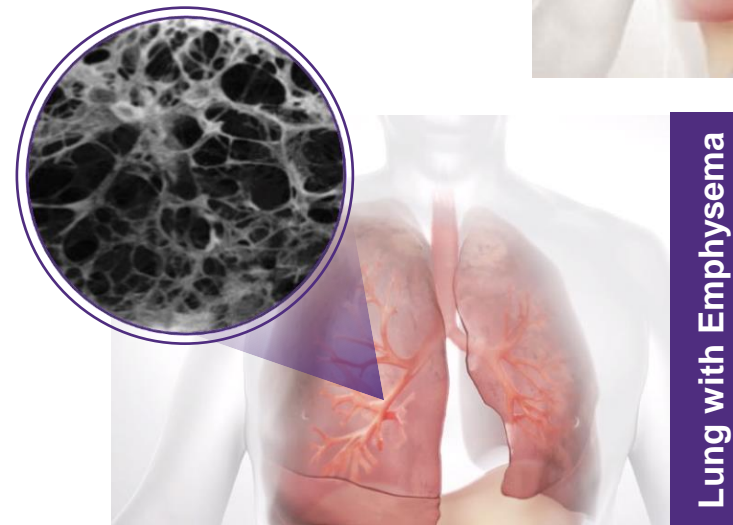
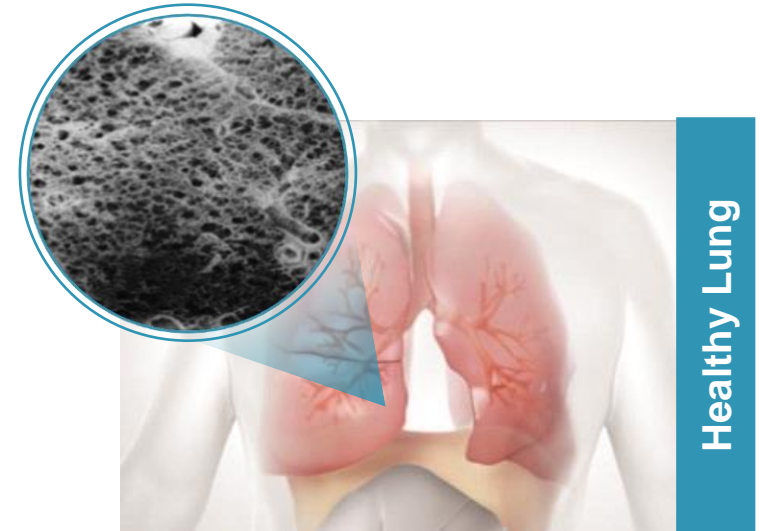
This presentation and certain statements made orally during this presentation contain forward-looking statements that involve risks and uncertainties. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. All statements other than statements of historical facts contained in this presentation, including any statements regarding our ability to design, develop, manufacture and market innovative products to treat patients with challenging medical conditions, particularly those with chronic obstructive pulmonary disease (COPD) and emphysema; our expectations regarding the impact of the COVID-19 pandemic on our business; our expected future growth; our expected future growth of our company; the size and growth potential of the markets for our products, and our ability to serve those markets; any projections of financial information, market opportunities, profitability, or financial position; the rate and degree of market acceptance of our products; coverage and reimbursement for procedures performed using our products; our ability to obtain and maintain regulatory approval or clearance of our products on expected timelines; our plans to research, develop and commercialize our products and any other approved or cleared product; our ability to retain and hire our senior management and other highly qualified personnel; the development, regulatory approval, efficacy and commercialization of competing products; our future financial performance and capital requirements; and our expectations regarding our ability to obtain and maintain intellectual property protection for our products are forward-looking statements. The words "may," "will," "should," "expect," "plan," "anticipate," "could," "would," "intend," "target," "project," "estimate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Factors that could cause actual results to differ materially from those contemplated in this presentation can be found in the Risk Factors section of Pulmonx's public filings with the Securities and Exchange Commission ("SEC"), including the quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2020, available at [www.sec.gov](http://www.sec.gov). Because forward-looking statements are inherently subject to risks and uncertainties, you should not rely on these forward-looking statements as predictions of future events. All statements other than statements of historical fact are forward-looking statements. Except to the extent required by law, the Company undertakes no obligation to update or review any estimate, projection, or forward-looking statement. Actual results may differ from those set forth in this presentation due to the risks and uncertainties inherent in the Company's business.

# Investment Highlights



# COPD and Emphysema: A Prevalent Disease with High Unmet Medical Needs

- Emphysema is a form of Chronic Obstructive Pulmonary Disease (COPD) resulting in the progressive destruction of lung tissue
- Accounts for ~25% of all COPD patients<sup>1</sup>
- Air-trapping causes increasing lung volume and persistent breathlessness
- COPD is among the leading causes of death worldwide
- ~\$49B in expected direct U.S. medical costs attributable to COPD in 2020<sup>2</sup>



# Emphysema Disease Progression

## Hyperinflation

Short of  
Breath

↓ Activity

Deconditioning &  
↑ Breathlessness

↓ Activity

Deconditioning & ↑ Breathlessness

High Risk of Mortality



- Significant breathlessness drives downward spiral<sup>1</sup>
- Quality of life generally worse than for patients with lung cancer<sup>2</sup>
- High mortality risk<sup>3</sup>



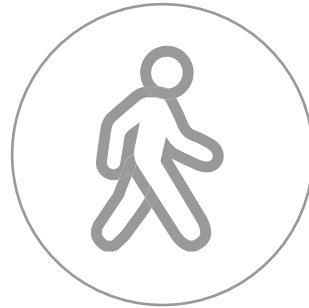
# Spectrum of Treatment Options

## Medical Management



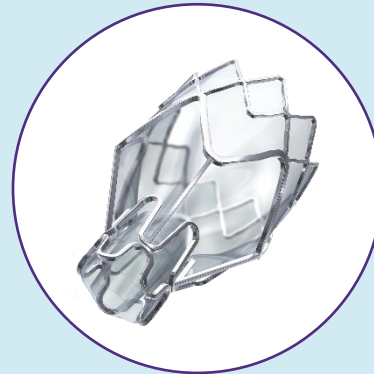
Non-invasive  
Limited effect in severe patients

## Pulmonary Rehabilitation



Non-invasive  
Difficult to sustain benefits

## Zephyr® Valves

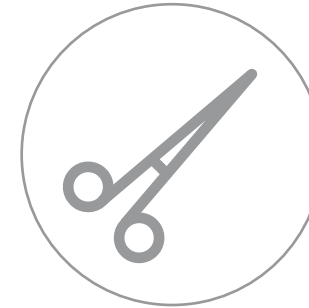


**Designed to Provide Benefits Similar to Surgery with Broader Eligibility**

**Minimally Invasive**

**Fully Removable**

## Lung Volume Reduction Surgery



Invasive  
Effective  
>5% risk of death  
Not an option for most patients

## Lung Transplant

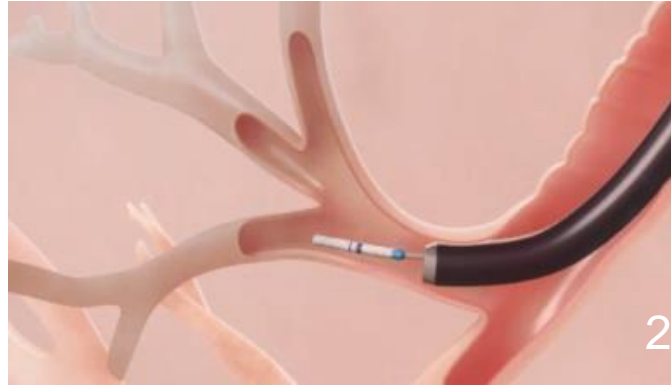


Invasive  
Effective  
5-15% risk of death  
Not an option for most patients

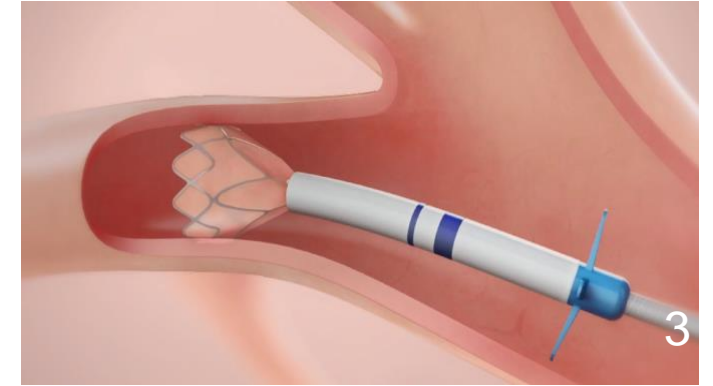
# How Zephyr® Valves Work



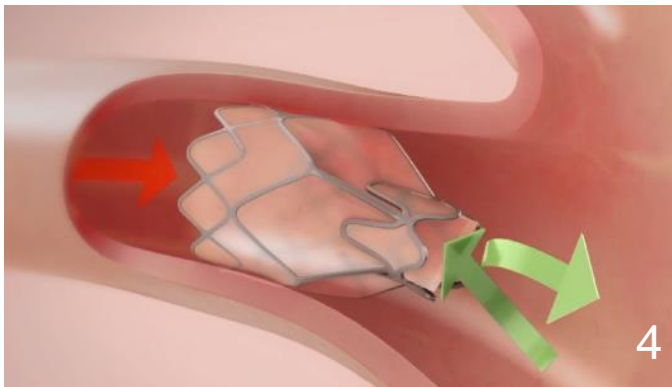
Bronchoscope introduced into lungs of patient with diseased, hyperinflated lobe



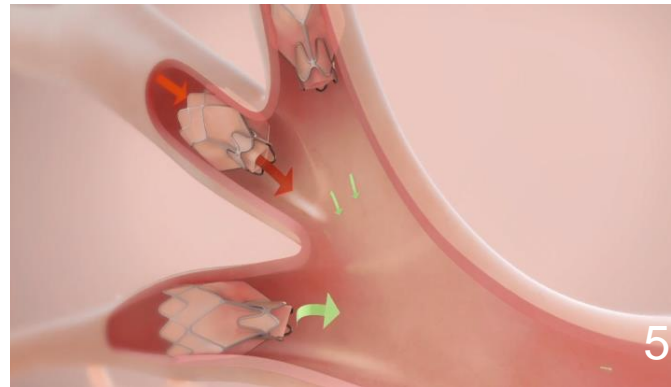
Delivery catheter advanced into target lobe through bronchoscope



Valve size chosen in one step procedure and delivered to seal target airway



**Zephyr® Valve** allows trapped air to escape but not to re-enter



An average of 4 **Zephyr® Valves** delivered to fully occlude diseased lobe



Hyperinflation in target lobe is reduced, improving lung function and breathlessness

# The Zephyr Valve Patient Journey

Standard COPD Work Up

StratX<sup>®</sup> Report

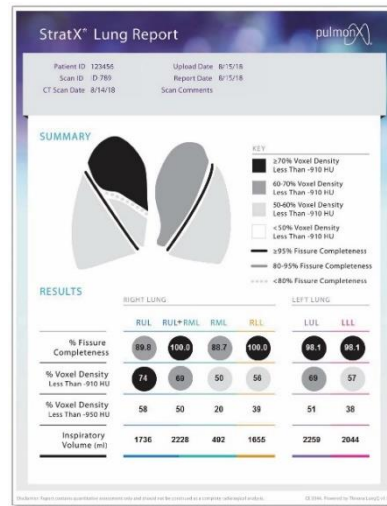
Chartis<sup>®</sup> Assessment

Zephyr<sup>®</sup> Valves Placed

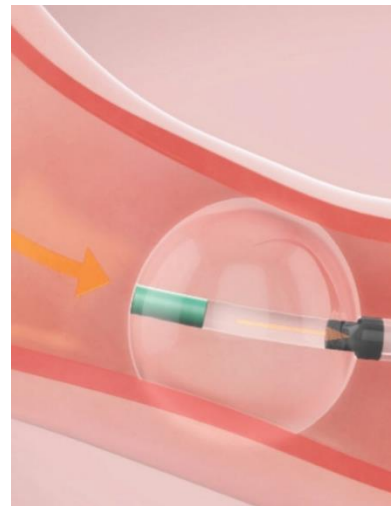
3 Night Stay



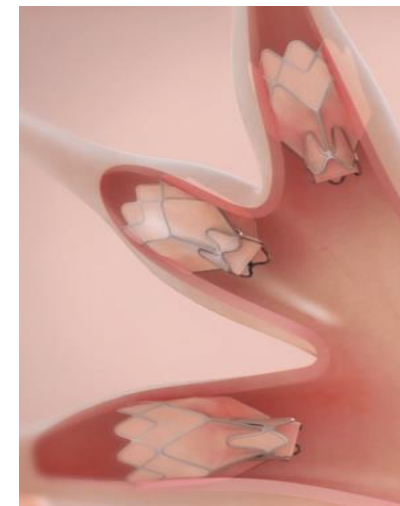
Patient undergoes standard pulmonary work up, including pulmonary function testing and CT scan



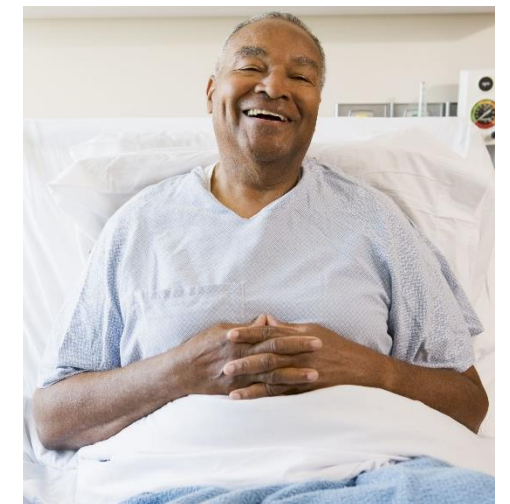
CT scan uploaded to cloud, generating report to help identify one or more eligible lobes for treatment



Patient sedated & Chartis<sup>®</sup> procedure simulates valve placement with a balloon catheter in target lobe(s) to test for collateral ventilation



Bronchoscopic placement of Zephyr<sup>®</sup> Valves in less than an hour procedure



Patient remains in the hospital for monitoring for a minimum of 3 nights following the procedure



# Collateral Ventilation: A Key Exclusion Criteria

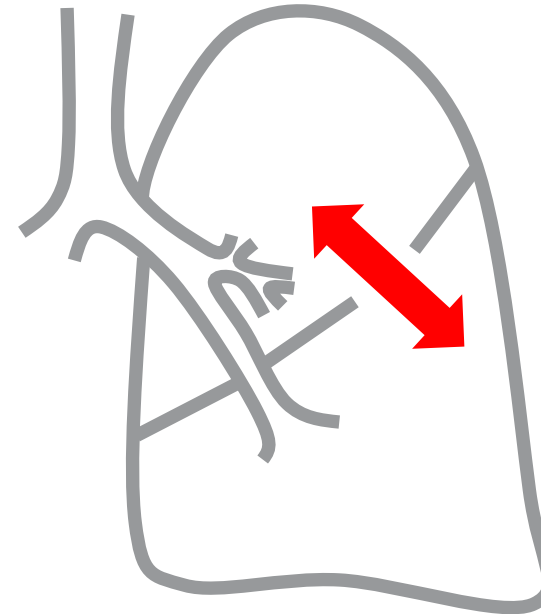
## No Collateral Ventilation (CV-)

- ✓ Complete lobar fissures
- ✓ Normal air passage
- ✓ Eligible for procedure



## Collateral Ventilation (CV+)

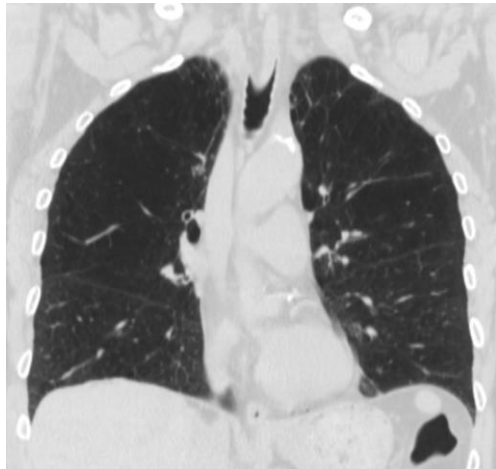
- ✗ Incomplete lobar fissures
- ✗ Bypassing of normal airways
- ✗ ~50% of severe emphysema patients



**Patient Screening is Critical for Optimal Patient Selection**

# StratX<sup>®</sup> Analysis Helps Determine Eligible Lobes

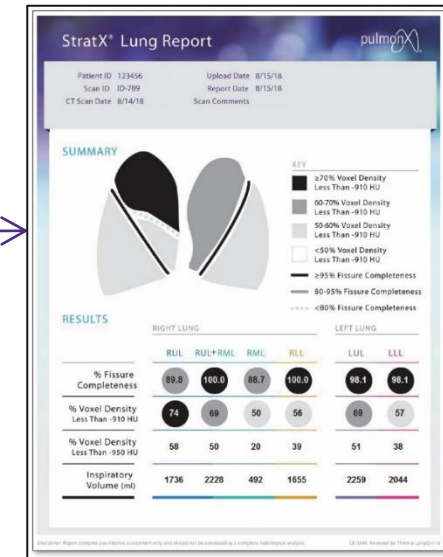
CT Scan



Cloud Upload



StratX Report



- Cloud-based quantitative analysis of CT Scan
- First line evaluation for:
  - Volume
  - Tissue Destruction
  - Fissure completeness – an indicator for collateral ventilation
- Identifies potential lobe(s) for Chartis<sup>®</sup> Evaluation and **Zephyr<sup>®</sup> Valve** treatment

# Chartis<sup>®</sup> System: Proprietary CV Testing for Patient Eligibility

## Physiological Measure of Collateral Ventilation

- Evaluates the presence or absence of collateral ventilation
- Measures changes in pressure and airflow
- Unique, patent protected technology



# Consistent Outcomes Across Four Randomized Trials

RCT	Size & Follow-up	Procedural Success (TLVR%) <sup>5</sup>
<b>LIBERATE<sup>1</sup></b>	N = 190 12 Mo	84%
<b>TRANSFORM<sup>2</sup></b>	n = 97 6 Mo	90%
<b>IMPACT<sup>3</sup> **</b>	n = 93 6 Mo	89%
<b>STELVIO<sup>4</sup> *</b>	n = 68 6 Mo	88%

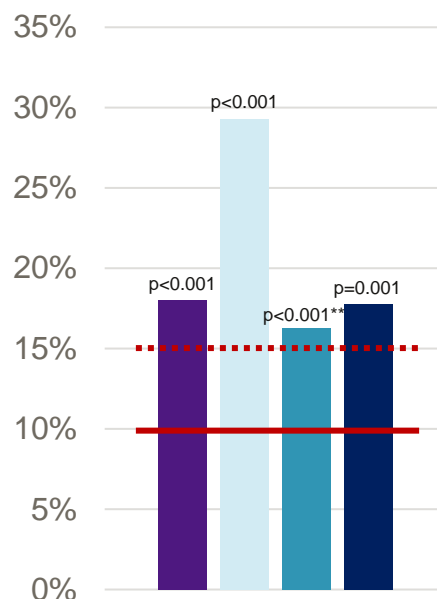
AMERICAN JOURNAL OF  
Respiratory and  
Critical Care Medicine

AMERICAN JOURNAL OF  
Respiratory and  
Critical Care Medicine

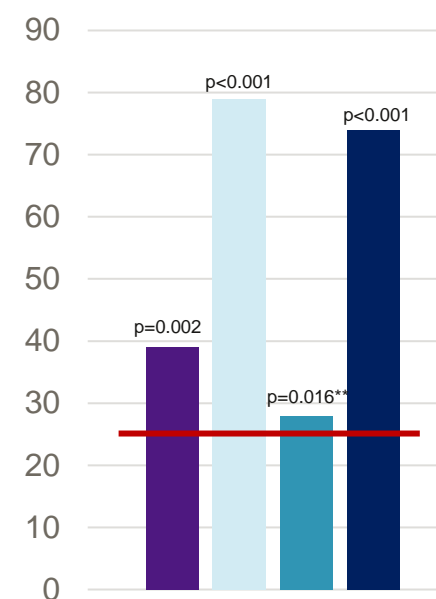
AMERICAN JOURNAL OF  
Respiratory and  
Critical Care Medicine

THE NEW ENGLAND  
JOURNAL OF MEDICINE

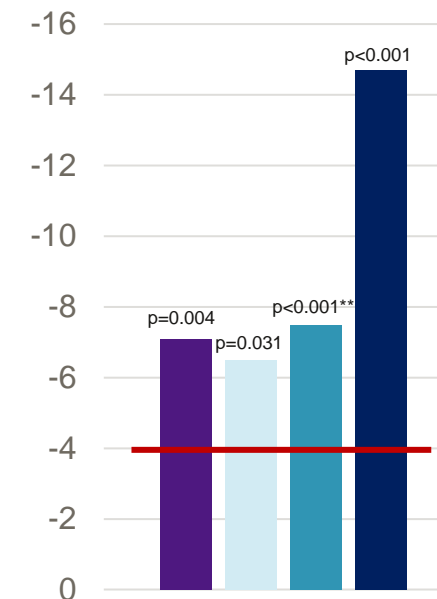
**Lung Function Improvement vs Control (FEV1%)<sup>†</sup>**



**Exercise Capacity Improvement vs Control (6MWD)<sup>†</sup>**



**Quality of Life Improvement vs Control (SGRQ)<sup>†</sup>**



Minimal Clinically Important Difference

**100+ scientific articles published on the clinical benefits of Zephyr Valves**

<sup>1</sup> Criner G. et. al. AJRCCM, 2018.

<sup>2</sup> Kemp, S, et. al, AJRCCM, 2017.

<sup>3</sup> Valipour, A, et. al, AJRCCM, 2016, and Zephyr Instructions for Use.

<sup>4</sup> Klooster K. et al. N Engl J Med. 2015.

<sup>5</sup> Total Lung Volume Reduction of > 350mL.

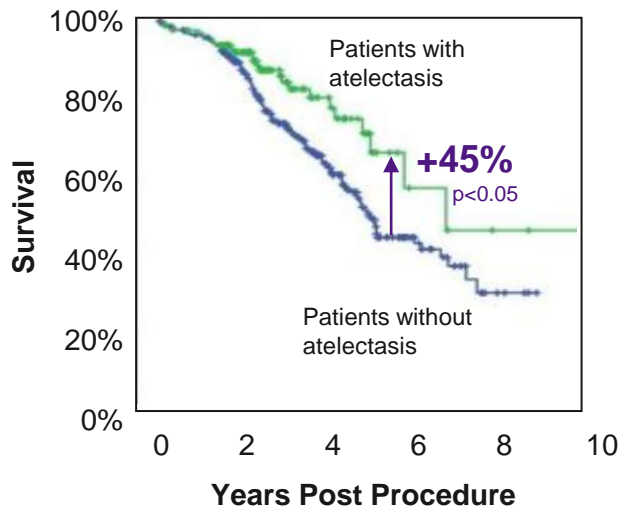
\*SGRQ Per protocol, all other values listed are ITT

\*\* Data included in FDA-approved instructions for use

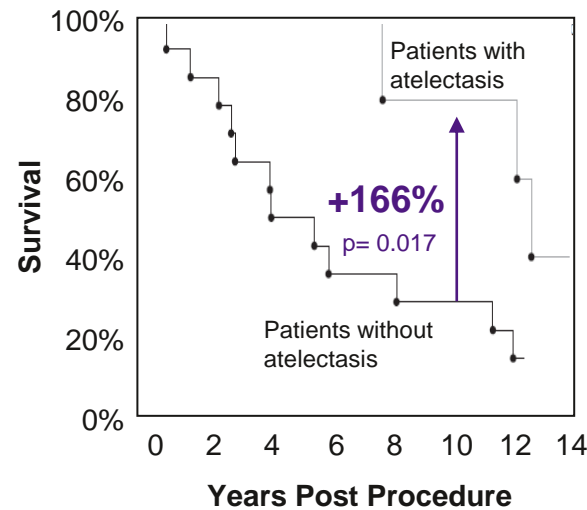
† Difference between valve and control groups

# Data Suggesting Long-Term Benefits

## Retrospective Analysis of Long-Term Survival Following Successful Lung Volume Reduction (Atelectasis) <sup>1,2</sup>

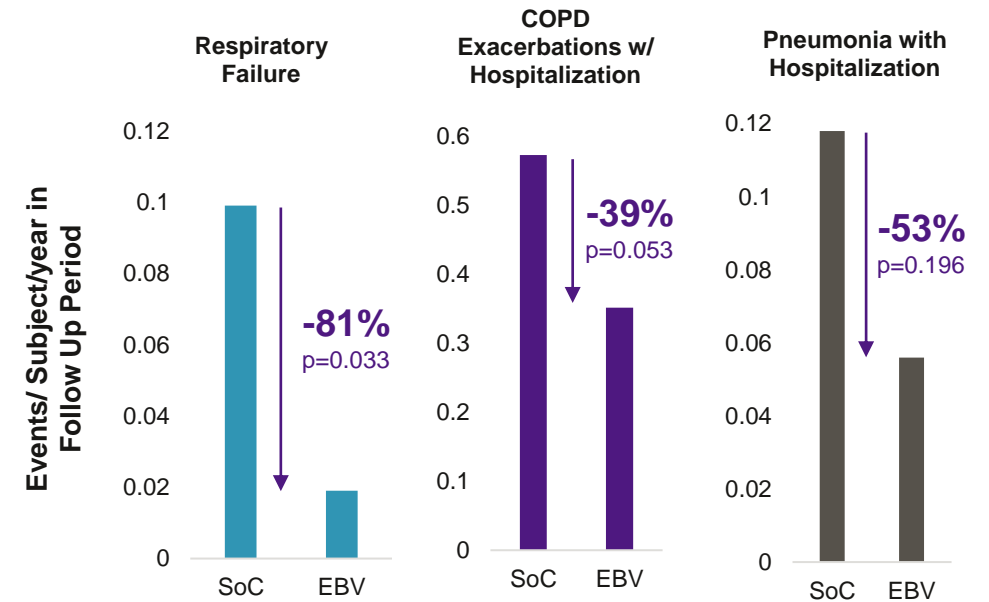


At 5 years following valve treatment, patients with atelectasis were **~45% more likely to survive** than patients without (n=449)



At 10 years after treatment with endobronchial valves, patients with atelectasis were **~166% more likely to survive** than patients without (n=19)

## Trend Toward Lower Long-Term Respiratory SAEs Vs. Control<sup>3</sup>



Reprinted with permission of S. Karger AG, Basel and Respiration. Copyright © 2020 S. Karger AG, Basel. Respiration is an official journal of the Swiss Respiratory Society and the European Association for Bronchology and Interventional Pulmonology.

Reprinted with permission of the American Thoracic Society. Copyright © 2020 American Thoracic Society. The American Journal of Respiratory and Critical Care Medicine is an official journal of the American Thoracic Society.

<sup>1</sup> Gompelmann et al (2019): Survival after Endoscopic Valve Therapy in Patients with Severe Emphysema. Respiration; 97; 145-152.

<sup>2</sup> Garner et al (2016): Survival after Endobronchial Valve Placement for Emphysema: A 10-Year Follow-up Study. Amer J Respir Crit Care Med.194 (4): pp 519-521

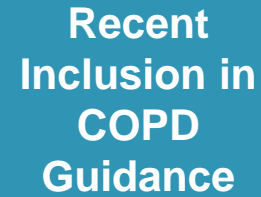
<sup>3</sup> Criner G et al, AJRCCM, 2018, Published on 22-May-2018 as 10.1164/rccm.201803-0590OC; (p. 1158, 1161)

# Acceptance Driven by Strength of Clinical Data



FDA

**Expedited approval**  
on June 29, 2018  
following  
**breakthrough**  
**designation**



Recent  
Inclusion in  
COPD  
Guidance



Zorginstituut Nederland



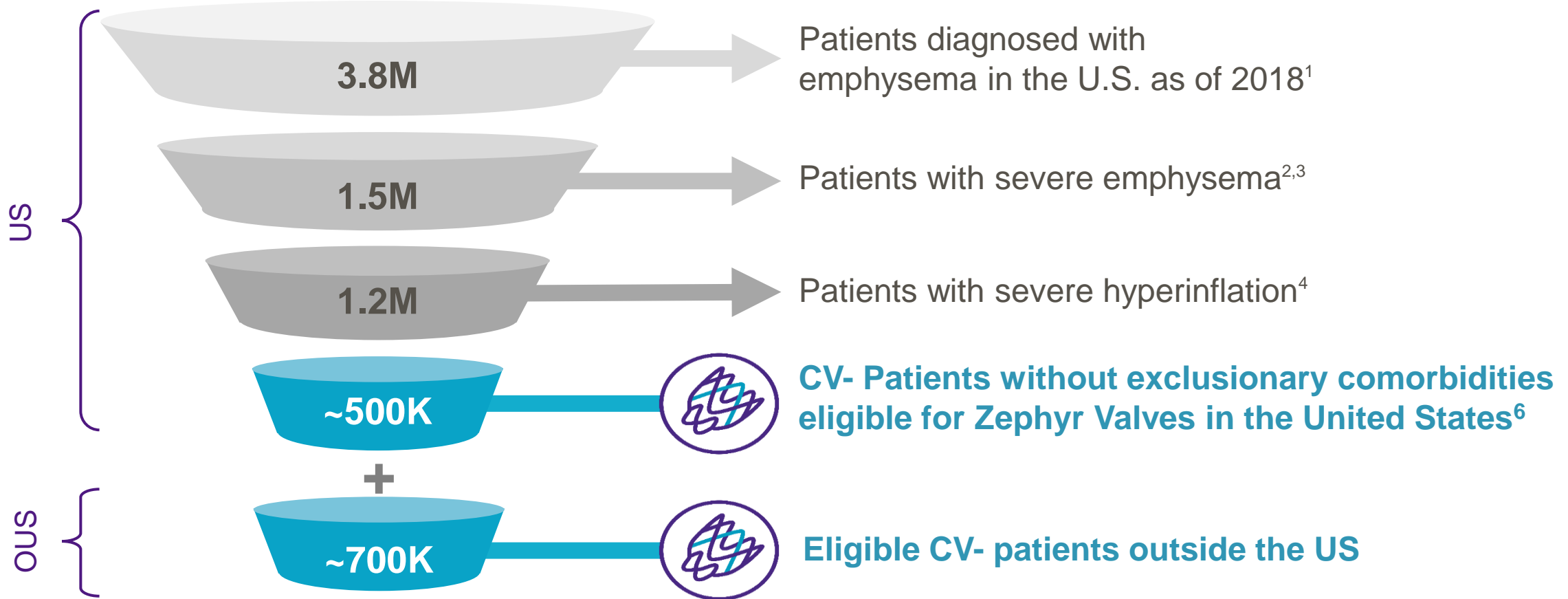
Cochrane  
Library



THE **COPD** POCKET CONSULTANT  
COPD Foundation Guide for Management of COPD

Recent increase to  
Evidence **Grade A**

# \$12B Global Opportunity for Zephyr® Valves



Estimated 10% incidence per year<sup>5</sup>

<sup>1</sup> CDC <http://www.cdc.gov/nchs/fastats/copd.htm>.

<sup>2</sup> Soriano et al Lancet Respir Med 2015; 3: 443-50.

<sup>3</sup> Wilson et al Association of Radiographic Emphysema and Airflow Obstruction with Lung Cancer Am J Respir Crit Care Med Vol 178. pp 738-744, 2008

<sup>4</sup> Deemsomchok Journal of Chronic Obstructive Pulmonary Disease. 7:428-437, Pulmonx analysis.

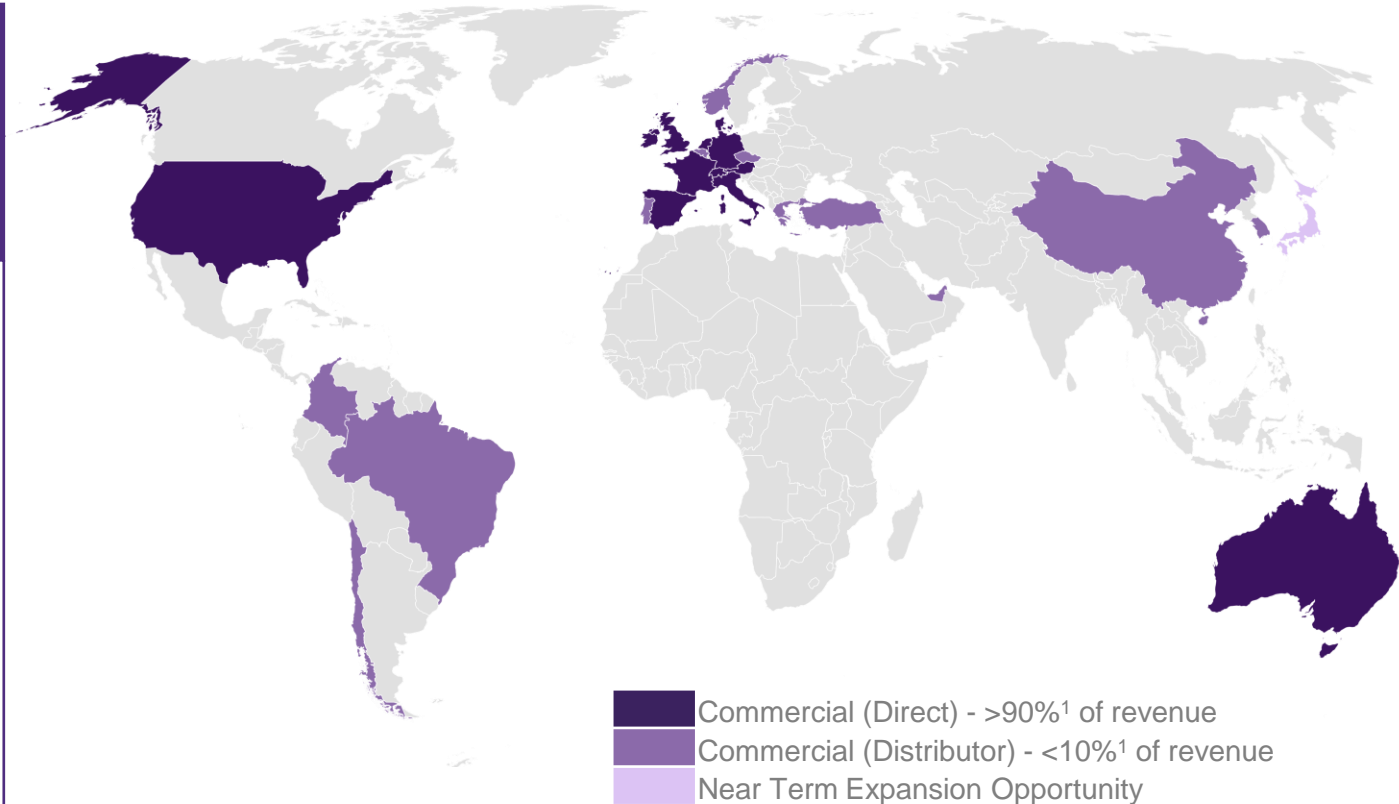
<sup>5</sup> Decision Resources Group; Wilson et al. Am J Respir Crit Care Med Vol 178. pp 738 -744, 2008.

<sup>6</sup> Pulmonx LIBERATE TRANSFORM and IMPACT trial data.

# Established Global Footprint

## Zephyr® Valves Available in >25 Countries<sup>1</sup>

- Predominantly direct sales model with **> 90% of sales direct**<sup>1</sup>
- **70 global sales representatives**<sup>1</sup>
  - 42 in US
  - 28 OUS
- Significant market expansion opportunities





# Efficient U.S. Commercial Strategy



**~500**

Initial U.S. Hospital Targets



**~800**

Initial U.S. Pulmonologist Targets

**U.S. Sales Force of 42 Territory Managers<sup>1</sup>**

# Comprehensive Market Development Strategy

1. Increase centers of excellence capability & capacity



2. Increase referral network activity



3. Increase volume and reduce cost of patient self referrals

# U.S. Reimbursement in Place

## Coding

- Category I CPT® codes physician billing
- ICD-10 procedure codes for hospital payment

## Coverage / Payer Mix

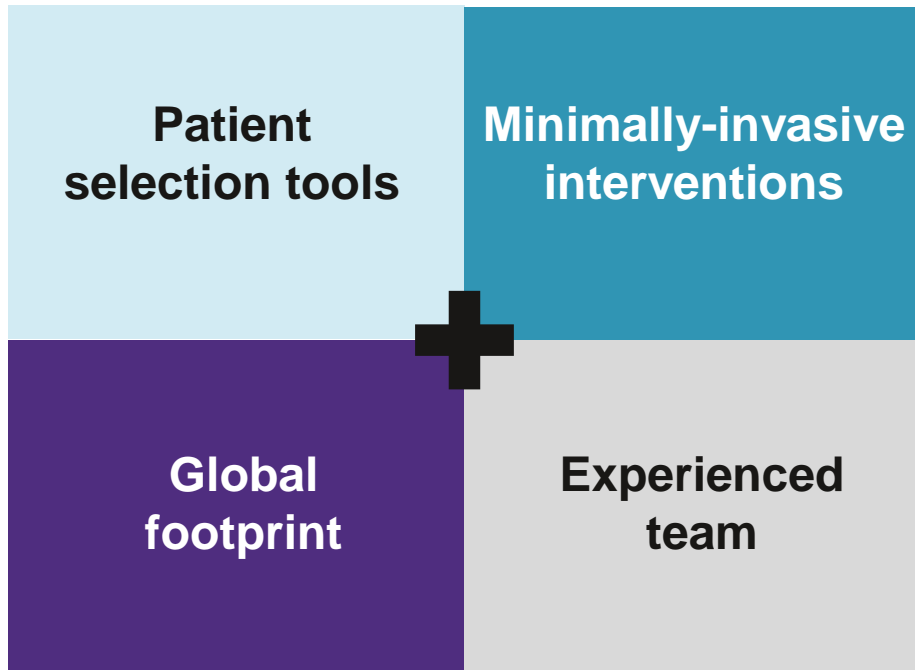
- ~50% Traditional Medicare / Medicaid
- ~25% Managed Medicare / Medicaid
- ~25% Commercial
  - Expanding Commercial coverage
    - ✓ Aetna
    - ✓ Humana
    - ✓ United
    - ✓ HCSC
  - Preauthorization approvals from major payors (>90%)

## Payment

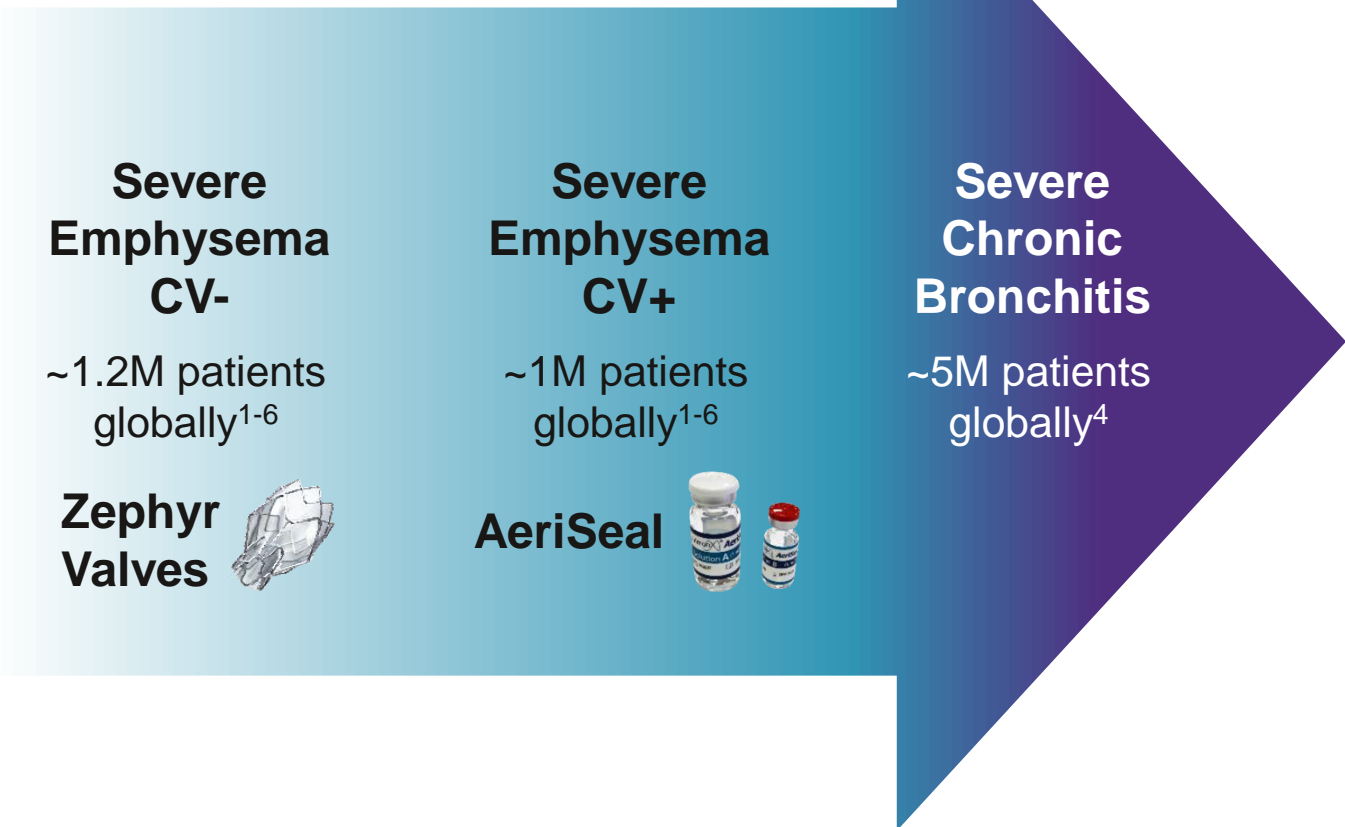
- Established physician payment
- Appropriate hospital payments
  - MS-DRGs 163, 164, 165 (Major Chest Procedures) pay facilities \$11K-30K<sup>1</sup>
  - APC 5155 for Chartis® procedure when valves not placed, pays facilities ~\$5K<sup>2</sup>

# Vision: Build a Leading Interventional COPD Company

## Category Leadership



## Severe COPD Interventions



<sup>1</sup> CDC <http://www.cdc.gov/nchs/fastats/copd.htm>.

<sup>2</sup> Soriano et al Lancet Respir Med 2015; 3: 443-50.

<sup>3</sup> Wilson et al Association of Radiographic Emphysema and Airflow Obstruction with Lung Cancer Am J Respir Crit Care Med Vol 178. pp 738-744, 2008

<sup>4</sup> Deemsomchok Journal of Chronic Obstructive Pulmonary Disease. 7:428-437, Pulmonx analysis.

<sup>5</sup> Decision Resources Group; Wilson et al. Am J Respir Crit Care Med Vol 178. pp 738 -744, 2008.

<sup>6</sup> Pulmonx LIBERATE TRANSFORM and IMPACT trial data.

# Financial Summary

## Revenue

- \$10.6 million in 3Q20
  - US: \$5.3 million
  - OUS: \$5.3 million

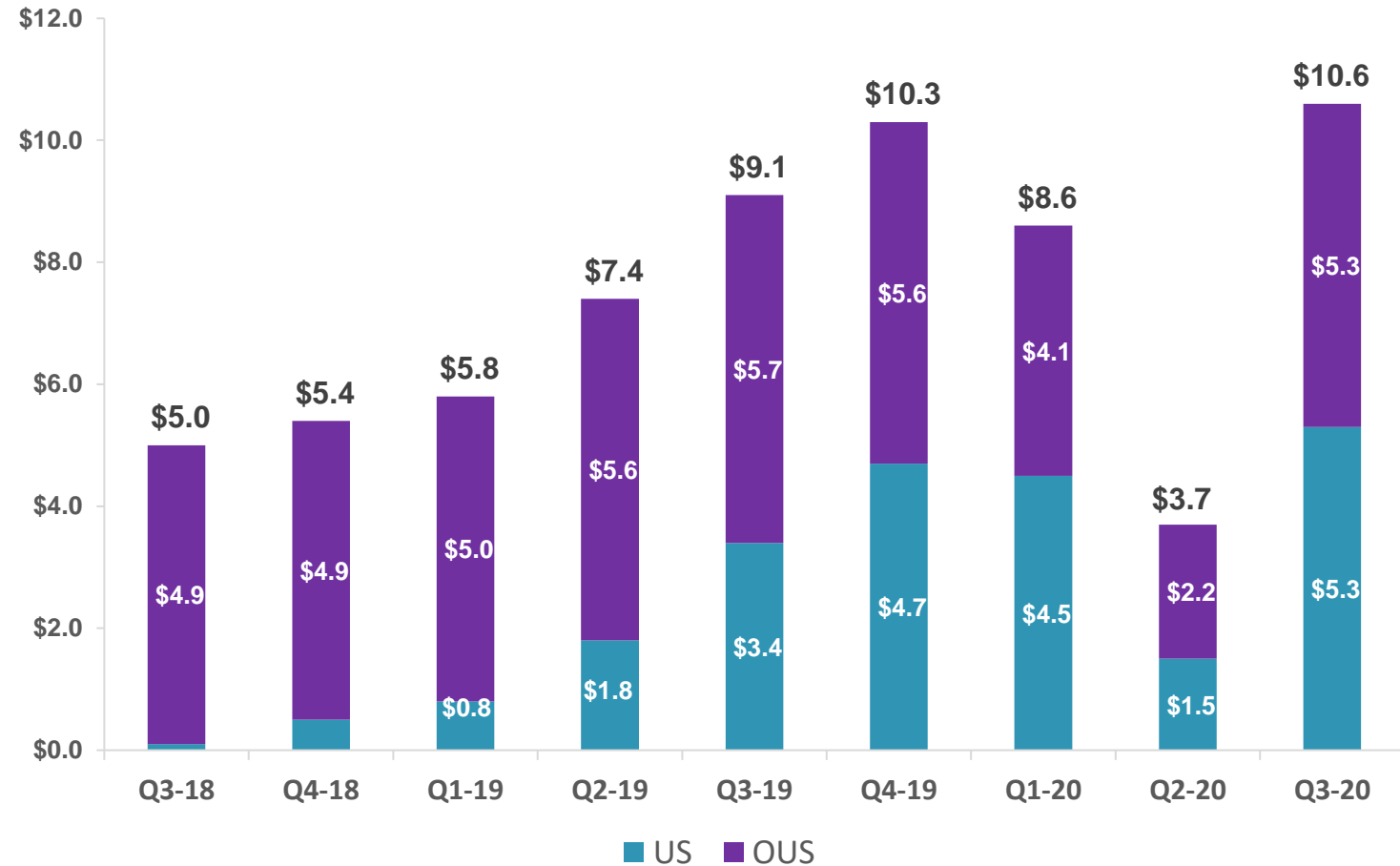
## Gross Margins

- 70.3% in 3Q20

## Cash Position

- \$39.8 million in cash and cash equivalents as of 9/30/2020
  - Excludes **\$201.4 million** in IPO proceeds

Sales in \$ Millions





---

**Thank you**