

SHL Telemedicine Full Year Results 2020 Presentation





Forward looking statements

This presentation contains forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date of this presentation. We undertake no obligation to publicly update the forward-looking statements to reflect subsequent events or circumstances.

This presentation contains trade names, trademarks and service marks of other companies. We do not intend our use or display of other parties' trade names, trademarks and service marks to imply a relationship with, or endorsement or sponsorship of, these other parties.





SHL Telemedicine - significantly reduces mortality, improves quality of life, and reduces healthcare costs

- Develops technologies, solutions, and advanced telemedicine services, for diagnosis and monitoring of the heart and various chronic diseases
- A leading telemedicine provider in Israel and Germany with vast experience in remote medical services
- 24/7 telemedicine centers in Israel and Germany with global services based on cloud technology; about 3 million medical interactions per year
- A world leader in personal use hospital grade mobile 12 Lead ECG device, FDA cleared





SHL accelerates its global telemedicine operations for rapid implementation of proven technologies and services



Use of A.I Technology (Artificial-Intelligence)



Use of large databases (Big-Data)



Collaboration with leading strategic healthcare industry partners



Realization of growth potential in existing and new markets, with an emphasis on Germany and the USA



SmartHeart Unique Advanced Technology

Cloud-based patented technology

The only solution to perform a full 12 Lead personal ECG without assistance from a medical professional from anywhere in the world at any time within 30 seconds

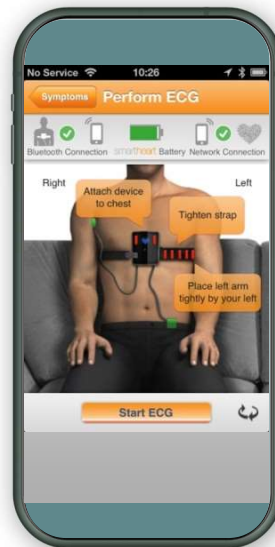
FDA cleared as hospital grade ECG (Golden Standard - 12 Lead)

Thousands of **SmartHearts** already in use

Patented technology; SmartHeart is a registered Trademark



smarth^{heart}



Cloud based
ECG repository

24/7
ECG Review
Center

Provider
portal





2020 - Summary overview - Significant progress in achieving SHL's business goals

- Disruptive event in Germany – July 2020 – coming into effect of regulation supporting shift to telemedicine services, as well as entrance of international players into the market
- December 2020 – signing a contract with BARMER health insurance company (covering ~10% of insured lives in Germany) for Doctor's Virtual Visits
- Expansion of operations and infrastructure in the US and staffing key positions
- Collaboration for development of AI tools with the SmartHeart platform, including with Hadassah Medical Center and Hebrew University
- Profitability and stable and significant Cash Flow in Israel
- Equity Capital Raise of about CHF 35.0 million
- Revenues for the year of \$40.1 million and adjusted EBITDA of \$7.1 million
- Cash balance of about \$8.0 million (net of debt), not including the Capital Raise of about CHF 35.0 million



Israel - steady cash flow with growth potential



B2C model - sale of cardiac monitoring services to consumers: personal 12 Lead ECG device for transmission of remote medical data, 24/7 telemedicine center, electronic personal medical record, Mobile Intensive Care Units in coverage areas

- About 50,000 subscribers
- Average monthly subscription fee – about \$40
- Average length of stay in service - range of six (6) years
- Annual turnover of \$22.5 million



Growth engines in Israel:

- Implementation of the **SmartHeart** with wide audiences
- Combining Big-Data Technology and Artificial-Intelligence from International Medical Institutions for Preventive Medicine and Early Detection
- Expanding collaborations with Sick Funds





Germany – New legislation supports Telemedicine services

- Insured population of about 82 million by about 70 Sick Funds (Healthcare Insurances)
- The four largest Sick Funds each serve about 5 to 10 million insured lives
- The German healthcare services market amounts to about \$ 110 billion per year
- Digital Healthcare Act – legislation that came into effect in July 2020
- Telemedicine services (such as Virtual Visit and Chronic Patient Care) are becoming the Standard of Care
- Change in legislation fuels growth and will shift billions of \$ in the coming years to the Telemedicine Services market





Germany – Expected step change in scope of activity

- SHL is the market leader in Germany operating a B2B model - monitors and stabilizes chronic patients and saves costs for the Sick Funds
- The Company has agreements with leading Sick Funds covering about 25% of the German health insurance market (about 20 million insured lives)
- Revenues for the year of \$17.0 million
- Growth engines in Germany with support of legislation:
 - **Doctor's Virtual Visits Service – penetrating a market of about 800 millions annual doctor's visits**
 - **First contract for Virtual Visits signed with BARMER health insurance company, covering ~10% of insured lives in Germany)**
 - **Expected significant growth in chronic patient monitoring activity as a result of regulatory changes**



USA – Shift to telemedicine service is “here to stay”



- In recent years, especially in 2020, a significant increase in telemedicine services, especially of Doctor’s Virtual Visits and leading Fortune 500 companies (Amazon, Philips) have entered this field
- Regulatory change - COVID-19 driven interim legislation turns to standard during Q3 2020, allowing payment for telemedicine services same as payment received for in person medical service
- Currently about 139 million annual visits to Emergency Departments out of which 70% are unnecessary. 6.2 million annual visits are due to chest pain and related symptoms, among people aged 15 and over - the second most common cause of visits
- Standard of Care requires that all visits to Emergency Departments include performing a full 12 Lead ECG
- **SmartHeart** is the only available technology for anyone to perform a full hospital grade ECG (12 Lead), anywhere and anytime, without the assistance of a healthcare professional



USA – Strategic collaborations with leading healthcare industry partners



The goal: not to send the patient to the ECG, but send the ECG to the patient – remote cardiac monitoring, using SmartHeart

- Collaboration with Mayo Clinic, a US tier 1 medical institution, to provide patients with SmartHeart when they are discharged from the hospital
- Implementing ECG technology combining Big-Data and Artificial-Intelligence technologies
- Use of SmartHeart technology in the US has already started and is being used daily in clinics and home visits
- OTC for **SmartHeart** - Apple™ opened the door with OTC approval for the AppleWatch™ ECG 1 Lead Application. A precedent for an OTC approval for **SmartHeart**





USA – Significant progress with additional strategic partners expected already in 2021



Collaboration with leading healthcare industry partners



Clinics and nursing homes



Retail chains and distributors



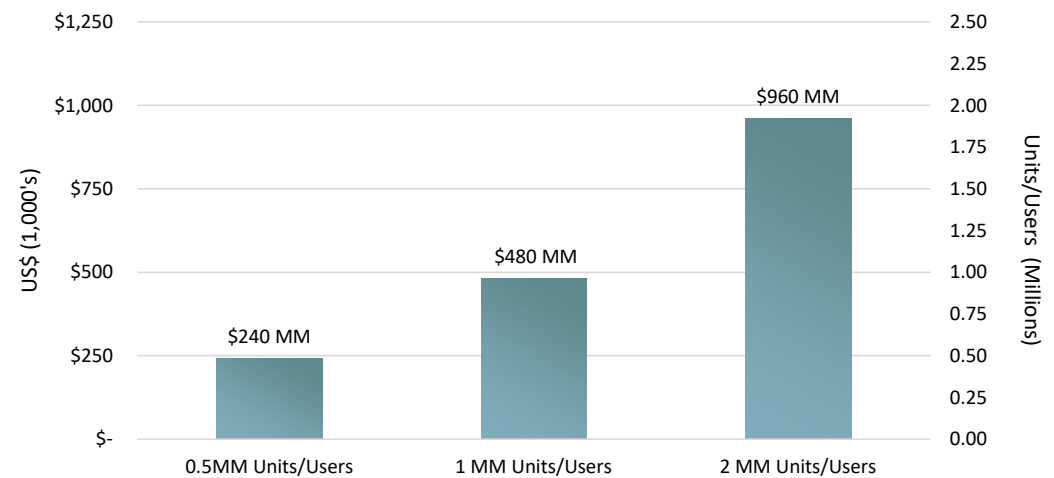
OTC and private costumers





USA – The business potential

Simulation of the development in annual revenues from sale of devices and services at an average of \$ 40 per SmartHeart / user per month, within 5-10 years



Revenue from **SmartHeart** sales and cardiac monitoring services

- The population of 65+ will reach about 50 to 60 million in the next five years
- About 2 million heart attacks per year
- Performing ECG in alternative locations to the Emergency Department



Comparable Companies - healthcare **telemedicine**

LTM Revenues (USD \$ M)	Market Cap (USD \$ M)	Ticker	Company
1,093	26,900	NYSE:TDOC	Teladoc
380	5,290	NASDAQ:ONEM	1Life Healthcare
245	4,290	NYSE:AMWL	American Well
265	4,000	NASDAQ:IRTC	Irhythm Technologies

Biotelemetry - Acquired by Phillips in December 2020 for about \$2.8 billion.
In 2019, Biotelemetry revenues totaled at about \$439 million and for the period ending September 1, 2020, revenues totaled at about \$317 million.



Teladoc
HEALTH

 **Livongo**[®]

1life
HEALTHCARE

 **amwell**[®]

iRhythm[™]

BioTelemetry
inc

Financials – P&L

in USD million (except per share amounts)	FY2020	FY2019	FY2019 CC*
Revenues for the period**	40.1	39.9	41.0
Revenues by territories			
· Germany	17.0	18.6	18.9
· Israel	22.5	21.1	21.9
· Other	0.6	0.2	0.2
Adjusted EBIT***	2.2	3.7	3.8
Adjusted EBITDA***	7.1	7.6	7.8
Net income	0.3	5.7	5.8
EPS	0.03	0.54	0.55

*Constant currency

**Excluding extraordinary income of \$ 0.1 m in 2020 and \$ 2.0 m in 2019 for prior years

***Excluding extraordinary income and expenses and COVID-19 related costs in 2020



Financials - Balance Sheet and Cash Flow

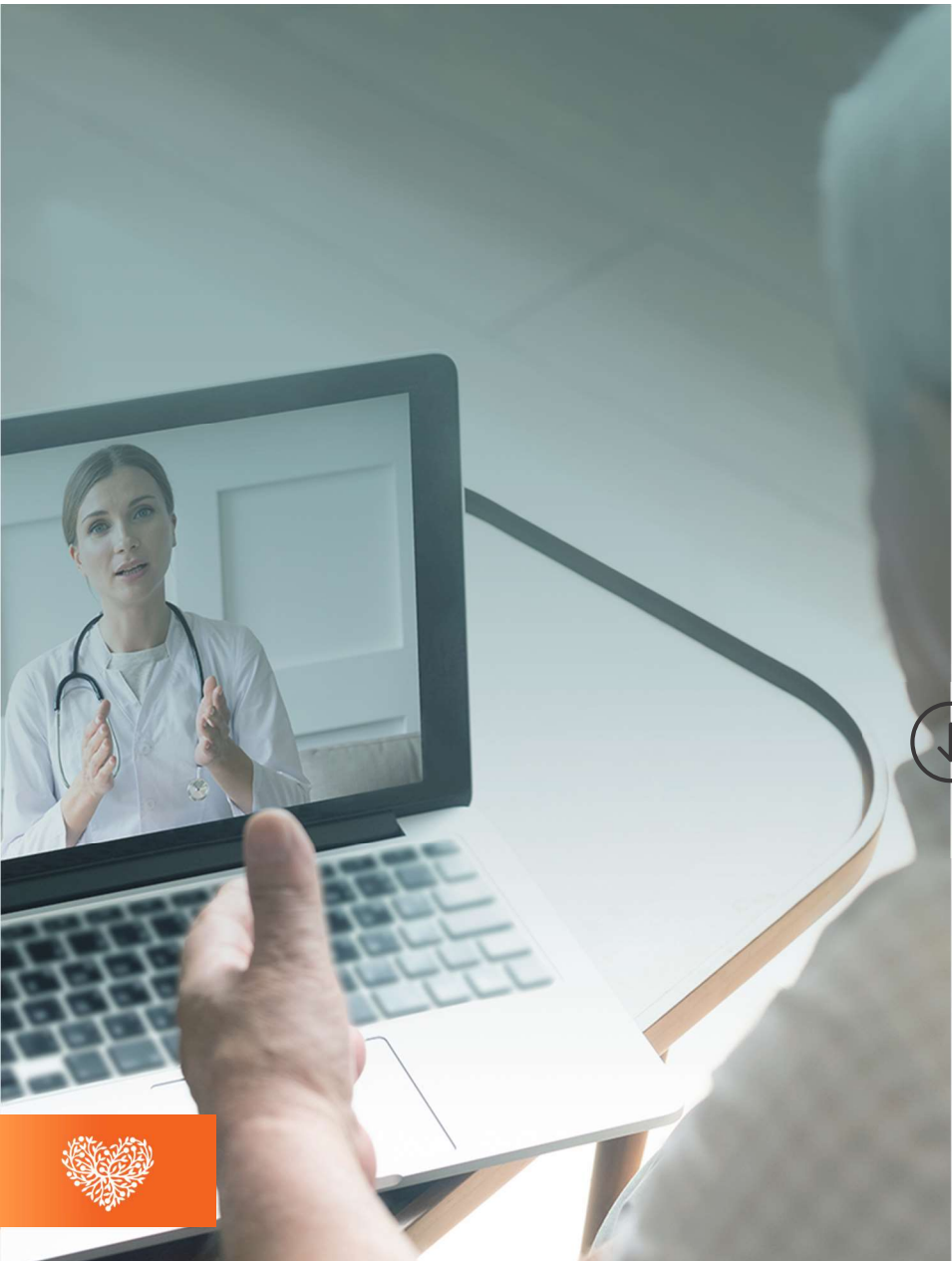
in USD million (except per share amounts)	FY2020	FY2019
Cash and cash equivalents	4.1	6.1
Short term investments	6.5	-
Total cash and ST investments	10.6*	6.1
Short term debt	2.3**	-
Current maturities	-	-
Long term debt	-	-
Total Debt	2.3**	-
Capital and reserves	96.8*	93.9
Accumulated Deficit	(58.9)	(59.2)
Total Equity	37.9*	34.7
Increase in Cash and ST investments	4.5	(2.8)
Operational free cash flow***	3.5	8.9

* Before the capital increase of \$ 40m in January and February 2021

** Repaid in Q1 2021

*** Cash from operating activities net of cash for fixed and intangible assets





Why now? Telemedicine services became standard and are “here to stay”

- The outbreak of COVID-19 illustrates the importance and the many benefits of telemedicine and the need to implement technological solutions comprehensively and to track, diagnose, offer treatment and provide ongoing care for patients, remotely
- There is a significant shift of budgets and capital to telemedicine solutions and the transfer of entire processes that have traditionally been performed physically to efficient, fast, safe, and cheaper processes through technology
- COVID-19 driven regulatory changes in recent months support telemedicine – are and will significantly accelerate the transition to widespread use of telemedicine services
- The Company’s technological solutions and existing products are already adapted to the future market of telemedicine, including regulatory approvals in Europe and the US, all of which enable significant creation of value





Value Creating Events



- Expansion of Doctor's Virtual Visits activity in Germany
- Additional contracts for monitoring patients in Germany
- Additional Strategic Collaborations in the US
- Collaborations with Additional Hospitals in the US
- Implementing of first AI tools in the SmartHeart Platform



Key Opinion Leaders in the **medical** field



**Claus
Moldenhauer**

Former CEO of DAK,
one of the largest
German Sick Funds



**Prof.
Ofer Amir**

MD
Head of the Cardiology
Department Hadassah;
President of the Israel
Cardiology Association



**Dr.
Helmut Platzer**

Former CEO
AOK Bayern Sick Fund



**Prof.
Wolfgang-Michael
Franz**

SHL Germany
VP Medical Affairs



**Prof.
Amir Lerman**

MD
MAYO CLINIC
Cardiologist
SHL Board Member



Key Leaders – SHL USA



Dr. Jonathan Fialkow

Chief of Cardiology,
Baptist Hospital of
Miami;
Chief Population Health
Officer, Baptist Health
South Florida;



Dr. Ricardo Martinez

Emory University
School of Medicine;
Previously held roles at
Stanford University
School of Medicine



Robert Brooks

Senior Advisor for
Strategy; until recently
a Senior Vice
President at CVS Health



Andrei Soran

Board Member of
SHL USA
CEO of a health system
with hospitals in
California, Texas and
Chicago



Senior Management



Yossi Vadnagra

CFO



Linus Drop

Managing Director
SHL Germany



Erez Nachtomy

CEO



Yariv Alroy

Chairman of the Board





Thank you

