

SHL Telemedicine Half Year Results 2021 Presentation





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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 full 12 Lead ECG, 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



2021 Summary overview - Significant progress in achieving business goals in all territories

| Israel | Germany | USA |
|---|--|---|
| <ul style="list-style-type: none"> • Profitability with stable and significant cash flow in Israel • The Mediton Group acquisition will double the revenues in Israel already in 2022 to approx. NIS 150 million and EBITDA of approx. NIS 45 million | <ul style="list-style-type: none"> • January 2021 – commencing Virtual Visits service with BARMER • Jumedi acquisition • Award of multi-years contract with AOK BAYERN for Chronic Patients, after losing a contract with another HMO at the beginning of the year • Mid 2021 - BARMER announcement regarding availability of the Virtual Visits service to all its insured Germany wide | <ul style="list-style-type: none"> • Commencement of process with FDA for OTC clearance for SmartHeart • Manning Key personnel • Collaboration agreement with VNA CARE for a wide deployment for using SmartHeart • Commercial agreement to expand the use of SmartHeart by MAYO CLINIC |

Key Financial Figures

- Equity capital raise of CHF 35.0 million and starting process for dual listing on another stock exchange
- Stable reported revenues for the half year of USD 21.0 million; Pro-Forma revenues (including Mediton Group) of USD 32 million. Adjusted EBITDA of USD 2.8 million; Pro-Forma EBITDA (including Mediton Group) of USD 6.4 million
- Total Cash of USD 33 million and Long Term Debt of USD 18 million following the Mediton Group acquisition



Israel – double the annual revenues in 2022 to USD 43 – 46 million and EBITDA of USD 14 – 15.5 million



B2C model - sale of cardiac monitoring services to consumers: personal 12 Lead ECG devices 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

B2B model - Mediton Group is a leading B2B healthcare services provider in Israel to largest and leading companies in Israel, Government Institutions, Ministry of Defense, Israeli Social Security, HMOs and insurance companies



Growth engines in Israel:

- Synergies and cross selling with the Mediton Group
- Implementation of the **SmartHeart** with wide audiences
- Combining Big-Data Technology and Artificial Intelligence from International Medical Institutions for Preventive Medicine and Early Detection





Germany – Step-up 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 Half Year of \$9.2 million
- Growth engines in Germany with support of legislation:
 - **Doctor's Virtual Visits Service – penetrating a market of about 800 millions annual in person doctor's visits**
 - **Commencing work to provide Virtual Visits service with BARMER health insurance company, covering ~10% of insured lives in Germany, and BARMER's announcement regarding availability of the Virtual Visits service to all its insured Germany wide**
 - **Potential of 3 to 5 million annual Virtual Visits in 2023-2024**
 - **Expected significant growth in chronic patient monitoring activity as a result of regulatory changes with decreased margins for this activity**



USA – Expanding Strategic collaborations and establishing additional strategic channels



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 strategic partners



Collaboration with leading healthcare industry partners

- ✓ Commercial agreement to expand use of SmartHeart across different platforms at MAYO CLINIC



Hospitals, Home Health, Nursing Homes

- ✓ Over 6,000 hospitals and 11,300 Home Health Agencies in the US
- ✓ Collaboration agreement with VNA CARE for deployment of SmartHeart



Retail chains and distributors

- ✓ In process



OTC and private costumers

- ✓ In process



Pro-Forma* of Consolidating the Mediton Group results – Half Year 2021

| in USD million | Proforma HY2021** | SHL HY2020 CC** |
|--------------------------------------|-------------------|-----------------|
| Revenues | 32.0 | 21.1 |
| Revenues by territories | | |
| • Germany | 9.2 | 8.8 |
| • Israel | 22.7 | 11.8 |
| • Other | 0.1 | 0.5 |
| EBIT | 3.1 | 0.4 |
| Net income (loss)*** | (8.3) | 0.04 |
| <i>Share of minority****</i> | <i>0.9</i> | |
| Adjusted EBITDA | 6.4 | 4.1 |
| Adjusted net income (loss)*** | 1.3 | 1.1 |
| <i>Share of minority****</i> | <i>0.9</i> | |

* Proforma only – in HY 2021 Mediton Group is not consolidated with the SHL Group

** Constant Currency

*** The Mediton Group net profit is consolidated at 70% and does not include related acquisition costs and PPA implications (amortization of intangible assets)

**** 30% minority shareholder Mediton Group



Financials – P&L

| in USD million (except per share amounts) | HY2021 | HY2020 CC* | FY2020 CC* |
|--|-----------------|-------------|-------------|
| Revenues for the period | 21.0 | 21.1 | 42.3 |
| Performance-based revenues | - | - | 0.1 |
| Revenues | 21.0 | 21.1 | 42.4 |
| Revenues by territories | | | |
| • Germany | 9.2 | 8.8 | 18.1 |
| • Israel | 11.7 | 11.8 | 23.7 |
| • Other | 0.1 | 0.5 | 0.6 |
| EBIT | (0.1) | 0.4 | 0.4 |
| Net income (loss) | (10.3)** | 0.04 | 0.3 |
| EPS | (0.75) | 0.01 | 0.03 |
| Adjusted EBITDA | 2.8 | 4.1 | 7.5 |
| Adjusted net income (loss) | (0.7) | 1.1 | 2.1 |

*Constant currency

** Includes finance expenses of \$ 8.6 m due to non-cash accounting measures and \$ 0.4 m finance expenses related to capital increase



Financials - Balance Sheet and Cash Flow

| in USD million (except per share amounts) | HY2021 | HY2020 | FY2020 |
|--|---------------|-------------|-------------|
| Cash and cash equivalents | 23.6 | 5.0 | 4.1 |
| Short term investments | 17.9 | 3.9 | 6.5 |
| Total cash and ST investments* | 41.5 | 8.9 | 10.6 |
| Short term debt | - | 2.2** | 2.3** |
| Current maturities | - | - | - |
| Long term debt | - | - | - |
| Total Debt | - | 2.2 | 2.3 |
| Capital and reserves | 127.1 | 94.0 | 96.8 |
| Accumulated deficit*** | (69.2) | (59.1) | (58.9) |
| Total Equity | 57.9 | 34.9 | 37.9 |
| Increase in Cash and ST investments | 30.9 | 2.9 | 4.5 |
| Operational free cash flow^ | (1.3)^ | 1.4 | 3.5 |

* Before the acquisition of Mediton Group

**Repaid in Q1 2021

*** Includes losses derived from finance expenses of \$ 8.6 m due to non-cash accounting measures and \$ 0.4 m finance expenses related to capital increase

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

^^ Includes increase in inventories and investments in supply chain





Value Creating Events



- Additional agreements with strategic partners in the US
- Expansion of Doctor's Virtual Visits activity in Germany
- Additional agreements from existing strategic channels in the US
- Additional agreements for monitoring patients in Germany





Thank you





Backup



SmartHeart Unique Advanced Technology

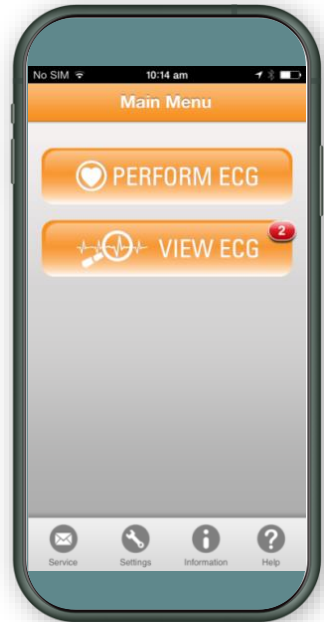
Cloud-based patented technology

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



Cloud based
ECG repository



24/7
ECG Review
Center



Provider
portal





Germany – legislation supports Telemedicine services

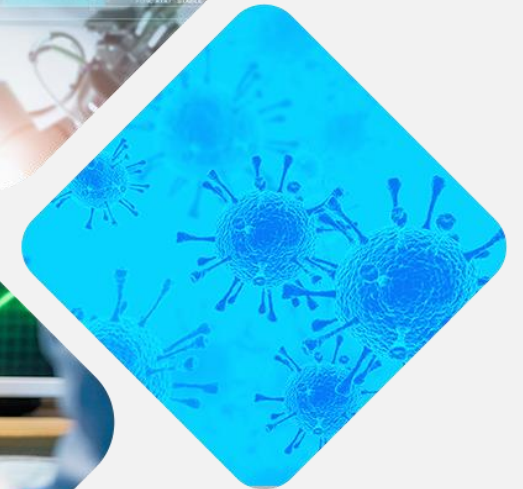
- Insured population of about 82 million by about 70 Sick Funds (Healthcare Insurances)
- The four largest Sick Funds each serve about 5 to 10 million insured lives
- The German healthcare services market amounts to about \$ 110 billion per year
- Digital Healthcare Act – legislation that came into effect 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



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



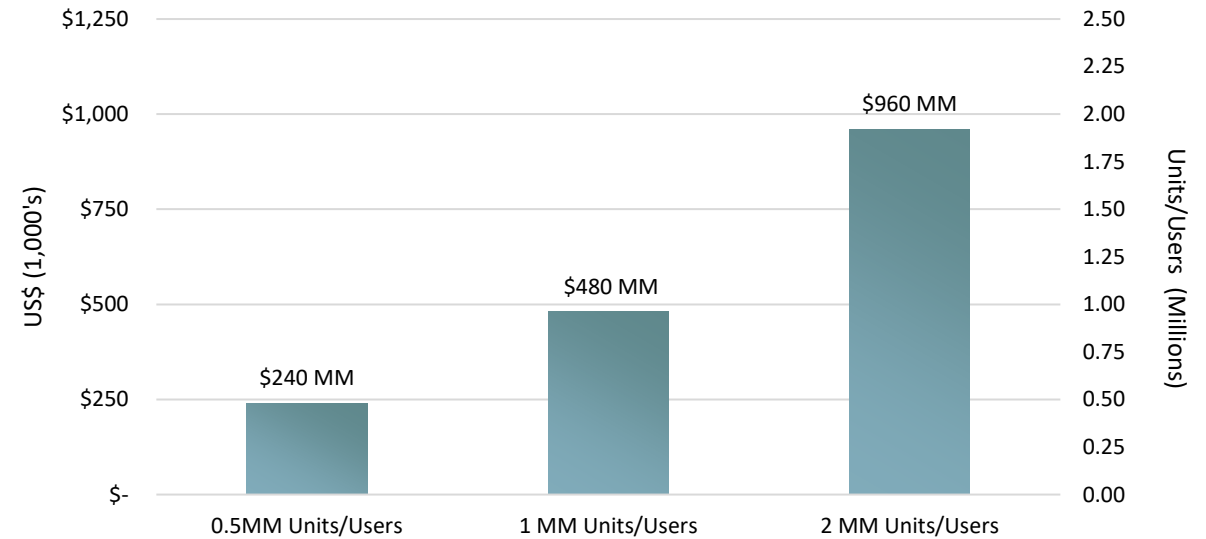
- In recent years, especially in 2020, a significant increase in telemedicine services, especially of Doctor’s Virtual Visits and leading Fortune 500 companies (Amazon, Philips) have entered this field
- Regulatory change - COVID-19 driven interim legislation turns to standard during Q3 2020, allowing 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 most medical procedures as well as 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 – Potential annual revenues of between \$250 million to \$1 billion within 5-10 years

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





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 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



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

