



Press release

Ad hoc announcement pursuant to Art. 53 LR

SHL announces annual results 2021 – Prepared for continued accelerated growth

Tel Aviv / Zurich, 14 April 2022 – SHL Telemedicine Ltd. (SIX Swiss Exchange: SHLTN) (“**SHL**” or the “**Company**”), a leading provider and developer of advanced personal telemedicine solutions, announced today the results for 2021.

2021 was a turning point year for SHL. It was marked by meaningful accomplishments and progress in all the territories in which the Company operates and two completed capital increases in early 2021 in a total gross amount of USD 40.0m. During 2021 the Company entered into significant commercial collaborations and contracts in strategic channels with leading players, for the first time also in the US with FORTUNE 500 companies, building a valuable customer base.

2021 financial highlights

- **Total revenues for the year were USD 49.6m, up 17% compared to USD 42.3m¹ in 2020.**
- **In Israel, revenues were USD 31.2m following the acquisition of control in the Mediton Group, up 30% compared to USD 24.0m¹ in 2021.** Mediton numbers were consolidated starting September 1, 2021. The Israeli operation continued to contribute profitability to the Company.
- **In Germany, revenues were USD 17.9m, a slight increase compared to 2020.**
- **Adjusted EBITDA² for the period was USD 6.8m, compared to USD 7.5m¹ in 2020, mainly related to increase in sales and marketing expenses in the US.**
- IFRS accounts for the share options issued to investors in the capital increases as a financial liability at fair value through the P&L, as the exercise price of these options is denominated in CHF which is not the functional currency (NIS) of the Company. Changes in the fair value of these share options, mainly due to the increase in the share price of the company since the capital increases, together with stock-based compensation expenses, resulted in extraordinary non-cash expenses and a net loss for the period of USD 13.9m, compared to a net profit of USD 0.3m in 2020. The term of the investors’ share options is until the

¹ Figure in constant currency - in order to enable a meaningful comparison between the 2021 and 2020 results, 2020 results are also presented at 2021 constant currency exchange rates. Management believes that this presentation enables a more meaningful comparison between the periods due to the significant fluctuation in NIS/USD/EUR exchange rates during the period.

² EBITDA excluding non-cash and extraordinary expenses.



beginning of 2023 and changes in fair value of these share options will continue through the P&L in 2022. The non-cash financial liability will fully convert into equity, upon exercise of the options.

- Increase in inventories of USD 3.1m and investments in supply chain to address anticipated demand for the Company's products, and investment in the activities and R&D, resulted in an operating cash flow³ of USD 0.2m, compared to an operating cash flow of USD 4.7m in 2020.
- R&D expenses (gross) amounted to USD 4.4m in 2021, compared to USD 2.6¹ in 2020.
- Cash reserves as of 31 December 2021 increased to USD 32.0m, with a long-term loan of USD 17.1m with regards to the Mediton Group acquisition.
- SHL's management expects to grow revenues in 2022 by 30%.
- The Company continues the process of listing to the Nasdaq Stock Exchange which is expected in the coming months.

Major developments in all markets

SHL accomplished significant achievements in all the territories in which it operates, laying the foundations for significant future increase of its activities.

In Israel, the Company accelerated the timeline for growth and completed the accretive acquisition of majority stake in Mediton Group, adding B2B healthcare services to its strong and profitable B2C telemedicine services. The Company expects that the synergies from the acquisition will even double its annual revenues in Israel to USD 57 to 62m within 3 years.

In Germany, following a successful launch phase of the Doctors' Virtual Visits services to BARMER health insurance company, one of the top leading public health insurance companies in Germany covering about 9 million insured lives, BARMER announced the availability of the Doctors' Virtual Visit service to all of its insureds' in Germany.

Also, in January 2021 the company closed on the acquisition of Jumedo GmbH, a developer of digital health technologies, which strengthens the German business capabilities and positions it at a higher competitive level in the rapidly growing telemedicine market in Germany.

The Company was awarded several new multi-year contracts during 2021, including chronic disease telehealth contracts, following a loss of a chronic disease telehealth contract with a different health insurance customer at the beginning of 2021.

³ Cash provided from operating activities net of purchase of property and equipment and investments in intangible assets.



In the US, the Company entered material commercial collaborations and contracts in strategic channels with leading players, such as Mayo Clinic, a US and global tier one health system, and CVS Pharmacy, a leading health solution Fortune 500 company with over 1,200 retail clinics and 10,000 pharmacies (more than 85% of Americans live within 10 miles of a CVS retail health location), expanding the use of the SmartHeart™ 12 Lead ECG technology to many different and very significant use cases in the market.

The process with the US Food and Drug Administration (FDA) for Over-the-Counter (OTC) use of SmartHeart™ full 12 Lead ECG is ongoing, goal of which is to receive FDA's clearance to market SmartHeart™ directly to consumers, representing an exceptional growth opportunity for SHL in the US market.

Yariv Alroy, Chairman of SHL, said: "The continued change to the way healthcare services are provided and consumed drives the adaption of telemedicine as standard of care and the accelerated growth of the company's activities. SHL is well positioned in terms of knowledge, technology, operations, roadmap and attractive proven B2C and B2B business models, the combination of which addresses many needs of the different stakeholders in the healthcare industry. All these developments will lead to a significant increase of the company's activities. The company is also in the midst of preparing for its parallel Nasdaq Stock Exchange listing which is expected to be launched in the coming months."

Erez Nachtomly, CEO of SHL, said: "We are very pleased with the progress made in all our territories, especially with the significant accomplishments in the US market, where we are ahead of our plans. We continue to invest in our SmartHeart™ technology and in growing our activities while keeping our profitability. The foundations that we laid in 2021 will lead to a significant increase in the scope of our activity, in all the territories in which the company operates, and enable significant creation of value for the future. We expect to grow organically in 2022 and to expand our presence in the US, and continue looking at potential take-over targets."

Key figures (as reported):

| in USD million (except per share amounts) | 2021 | 2020 | % change |
|---|---------------|------|----------|
| Revenues for the year | 49.6 | 40.2 | 23.4% |
| Revenues | | | |
| Revenues | | | |
| • Germany | 17.9 | 17.0 | 5.3% |
| • Israel | 31.2 | 22.5 | 38.5% |
| • Other | 0.4 | 0.6 | (27.5%) |
| EBIT / (LBIT) | (0.5) | 0.4 | n.a. |
| EBITDA | 5.0 | 5.4 | (6.8%) |
| Net profit (loss) | (13.9) | 0.3 | n.a. |
| EPS | (0.99) | 0.03 | n.a. |
| Net cash from operating activities | 0.2 | 4.7 | n.a. |

Adjusted⁴ key figures (in constant currency⁵):

| in USD million | 2021 | 2020 | % change |
|-----------------------|-------------|------|----------|
| Revenues for the year | 49.6 | 42.3 | 17.2% |
| Revenues for the year | | | |
| • Germany | 17.9 | 17.7 | 1.4% |
| • Israel | 31.2 | 24.0 | 29.9% |
| • Other | 0.4 | 0.6 | (27.5%) |
| Adjusted EBIT | 1.3 | 2.3 | (41.9%) |
| Adjusted EBITDA | 6.8 | 7.5 | (9.2%) |

The consolidated financial statements and the Annual Report 2021 are available on: www.shl-telemedicine.com/reports

Conference Call at 10:00 am CET

⁴ EBITDA excluding non-cash and extraordinary expenses.

⁵ Constant currency - in order to enable meaningful comparison between 2021 and 2020 results, 2020 results are also presented at 2021 constant currency exchange rates. Management believes that this presentation enables a more meaningful comparison between the periods due to the significant fluctuation in NIS/USD/EUR exchange rates during the period.



Today at 10:00 am CET; the Company will host a conference call for investors, journalists and analysts to discuss the Full Year Results 2021. The conference call is hosted by Yariv Alroy, Chairman, Erez Nachtomy, CEO, and Amir Hai, CFO and is held in English.

Time: 10:00 am CET, 11:00 am IDT

Dial-in numbers:

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From Europe +41 (0)58 310 50 00

From the UK +44 (0) 207 107 06 13

From the USA +1 (1) 631 570 56 13

From Israel Toll free: 1 80 921 44 27 / Local: +972 3763 1173

Other international numbers are [available here](#).

After the presentation, there will be an open Q&A. The conference call is scheduled to last 40-60 minutes. The presentation is available on: www.shl-telemedicine.com/reports

Further information

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Financial calendar

22 September 2022, Half-year 2022 results

22 December 2022, Annual General Meeting, Tel Aviv, Israel

About SHL Telemedicine

SHL Telemedicine is engaged in developing and marketing personal telemedicine systems and the provision of medical call center services, with a focus on cardiovascular and related diseases, to end users and to the healthcare community. SHL Telemedicine offers its services and personal telemedicine devices to subscribers utilizing telephonic and Internet communication technology. SHL is listed on the SIX Swiss Exchange (SHLTN, ISIN: IL0010855885, Security No.: 1128957). For more information, please visit our web site at www.shl-telemedicine.com.

Some of the information contained in this press release contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. SHL Telemedicine undertakes no obligation to publicly update or revise any forward-looking statements.