

# SHL Telemedicine H1 Results 2022 Presentation

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September 2022





## Forward looking statements

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## SHL Telemedicine at a Glance



SHL is a **leading provider and developer** of advanced telehealth technology and services with unmatched 30 years of medical & ECG data-base



Swiss Stock Exchange  
(Symbol: SHLTN)  
**Mkt cap ~\$250m**  
**Nasdaq Listing** process  
**~53% increase** of  
Revenue **in H1 2022**



Telemedicine centers in Israel and Germany with significant **strategic partners in the US**



Provide **24/7 telehealth monitoring** with **global** service capabilities handling **3 million** interactions and data readings per year



## Senior Management



**Yariv Alroy**

Co-Chairman



**Ehud Barak**

Co-Chairman  
Former Prime Minister of  
Israel



**Yossi Vadnagra**

General Manager  
SHL Israel



**Linus Drop**

Managing Director  
SHL Germany



**Erez Nachtomy**

CEO



**Amir Hai**

CFO



**Jason Bottiglieri**

General Manager SHL  
Telemedicine USA



# H1 2022 – Continued progress on all major strategic fronts

Israel	Germany	USA
<ul style="list-style-type: none"><li>• Increase of almost 100% in revenues following the merger of Mediton Group</li><li>• Mediton Group integration process is advancing well</li><li>• The Israeli activity contributed Adjusted EBITDA of about \$6.6 million in H1 2022</li></ul>	<ul style="list-style-type: none"><li>• Progress in covering the decrease in revenues due to loss of contract to Philips in 2021, with Revenues of about \$7 million (~14% decrease)</li><li>• Won a new 7 years contract with BARMER. Virtual Visits to materially grow in the near term. Service is available to all BARMER insureds Germany wide</li><li>• Strategic new collaborations with Sick-Funds and organizations</li><li>• Continued investment in the platform to strengthen the competitive position to deal with “giants” like Philips and Teladoc, hurt the profitability of the company</li></ul>	<ul style="list-style-type: none"><li>• Revenues are growing, already doubling FY 2021 revenues</li><li>• Nomination of GM for SHL US</li><li>• Launching implementation of strategic collaborations for use of SmartHeart – CVS, Henry Schein</li><li>• Continued build of customers’ pipeline</li></ul>

## Key Financial Figures

- Increase in reported revenues to \$30.9 million (about 53%); Adjusted EBITDA increased to about \$3.5 million (about 30%), with positive operating cash flow of \$2.0 million
- Total Cash and cash equivalent of about \$25 million, decrease of about \$7 million, mainly due to US operation, increase in inventories and R&D



## Israel – Increase of ~100% in revenues and material contribution to SHL profitability



**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**

- Largest leading companies in Israel, Government institutions, Ministry of Defense, National Insurance Institute, HMOs and insurance companies
- Integration process advancing

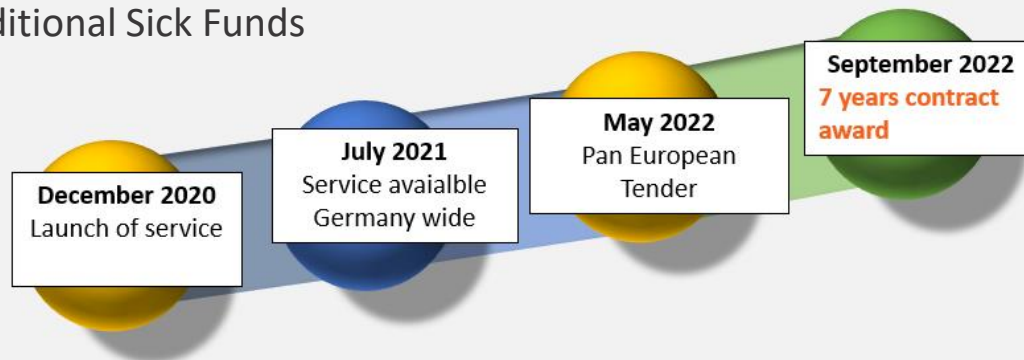
**Most of the growth in Israel during 1H 2022 came from Mediton**



## Germany – Delayed growth in Virtual Visits with a clear path for significant growth after winning a 7 years contract with BARMER



- International players entering the market and we are successfully competing with them and successfully keeping our leadership position, and won new contracts, also against Philips, from strategic players and sick funds in the same field
- Won Pan European tender that was unexpectedly issued by BARMER in summer of 2022 for the Virtual Visit service – new contract for 7 years. This delayed the Virtual Visit implementation planned for 2022. Fending major players – like Teladoc - we now have clear path for significant growth of this activity, including with additional Sick Funds



- R&D expenses in Germany increased significantly given efforts to keep superiority of SHL's German platform
- Our current short-term strategy in the German market to maintain our leading position led to a loss in the German operation during H1 2022

- ❖ **Doctor's Virtual Visits Service – penetrating a market of about 800 millions annual in person doctor's visits**
- ❖ **In Germany, an average of 10 in person doctors' visit per person**
- ❖ **Virtual Visits service available to all of 9 million BARMER insured Germany wide**
- ❖ **Increase in the chronic patients monitoring activity through expansion to additional conditions and new Sick Fund and collaboration with BNK - German Society of Cardiologists in Private Practice across Germany**
- ❖ **Additional new collaborations and contracts are expected probably already during 2022**



# USA – Starting ramp up of customer pipeline, Revenues and ARR



- Nomination of GM in the US with increase activities in all channels
- Increasing use cases for SmartHeart® Platform

Example for Channels and Segments	Example for SmartHeart® Use Cases
Health Systems & Hospitals	<ul style="list-style-type: none"> <li>• Reducing hospital re-admissions post Heart Attack</li> <li>• Pre-Operation 12 Lead ECG</li> </ul>
Retail Clinics, Walk-in Care	<ul style="list-style-type: none"> <li>• Performing 12 Lead ECG for variety of patients with Cardio-vascular risks with remote virtual EVG interpretation</li> </ul>
Decentralized Clinical Trials	<ul style="list-style-type: none"> <li>• Diverse real-world evidence and decreasing the drop out of participants</li> </ul>
Post Acute / Skilled Nursing Facilities	<ul style="list-style-type: none"> <li>• Non trained staff perform 12 lead ECG, decreasing costs and ER admission</li> </ul>
Medical Device Distributors	<ul style="list-style-type: none"> <li>• PCP – Primary Care Practices</li> </ul>
Primary Care Practices (PCPs)	<ul style="list-style-type: none"> <li>• Efficient in and out of office 12 Lead ECG with access to review by cardiologist</li> </ul>
Home Health	<ul style="list-style-type: none"> <li>• Full ECG monitoring – First Drug Observation</li> </ul>



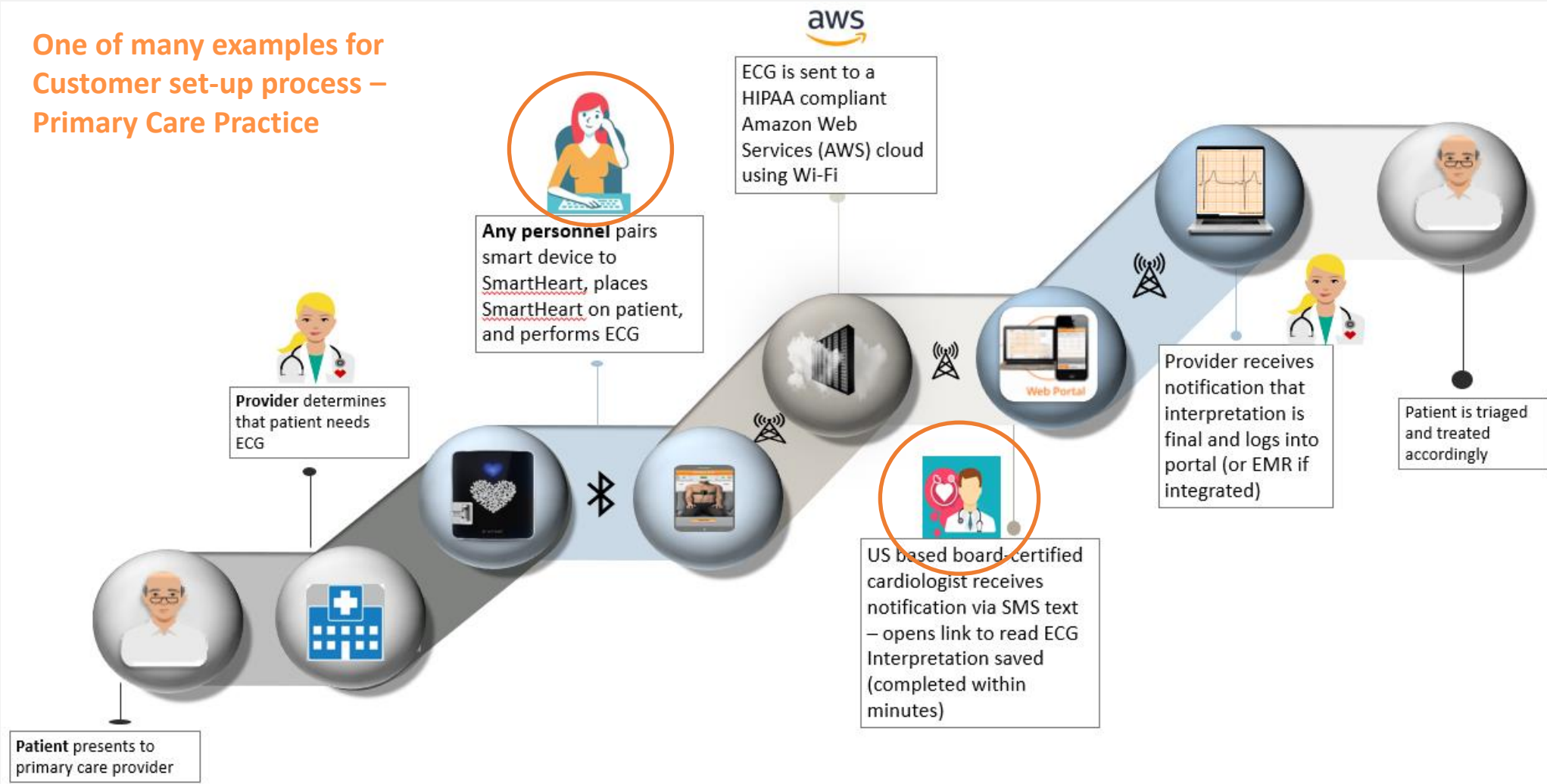
SmartHeart® is FDA cleared - OTC FDA 510(k) In process



# USA – Focus on execution and implementation of SmartHeart® Platform and customers satisfaction



One of many examples for Customer set-up process – Primary Care Practice



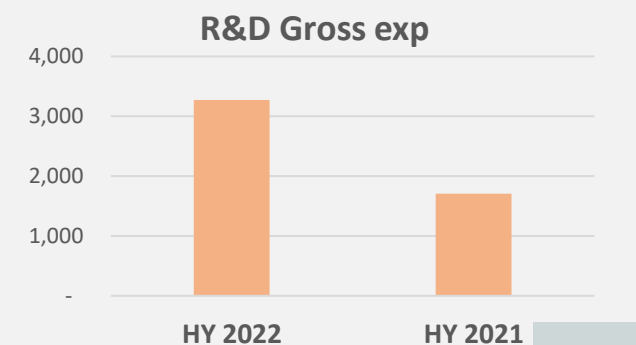
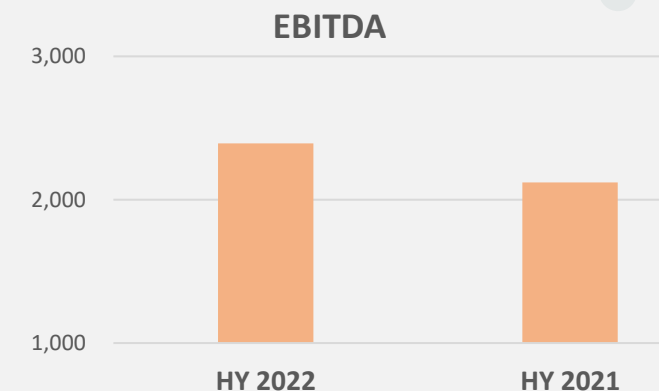
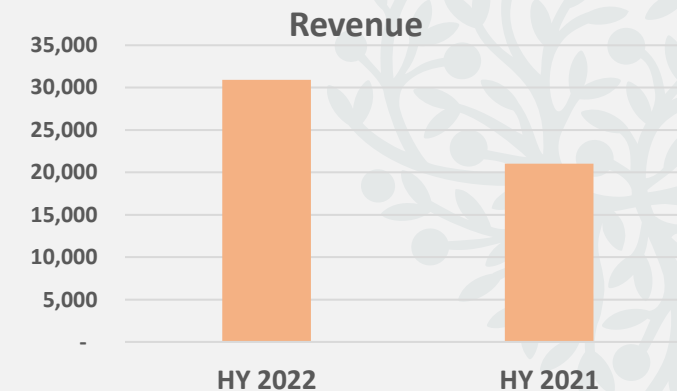
## Financials – P&L (in millions)

<i>In USD million (except per share amount)</i>	<i>HY 2022</i>	<i>HY 2021<sup>cc*</sup></i>	<i>FY 2021<sup>cc*</sup></i>
<b>Revenue for the period</b>	<b>30.9</b>	<b>20.2</b>	<b>47.7</b>
Revenue by territories			
Germany	7.1	8.4	16.6
Israel	23.0	11.7	30.7
Others	0.8	0.1	0.4
<b>Adjusted EBIT</b>	<b>0.0</b>	<b>0.5</b>	<b>1.3</b>
<b>Adjusted EBITDA</b>	<b>3.5</b>	<b>2.7</b>	<b>6.6</b>
<b>Net Income (loss)</b>	<b>0.1<sup>**</sup></b>	<b>(10.2)<sup>**</sup></b>	<b>(13.8)<sup>***</sup></b>
EPS (Basic) attribute to equity holders	0.00	(0.75)	(0.99)

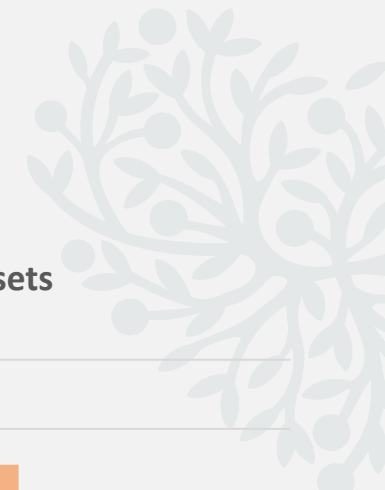
\* Constant Currency

\*\* Includes finance income of \$1.7m due to non-cash accounting measures in HY2022, and finance expense of \$8.6m in HY2021.

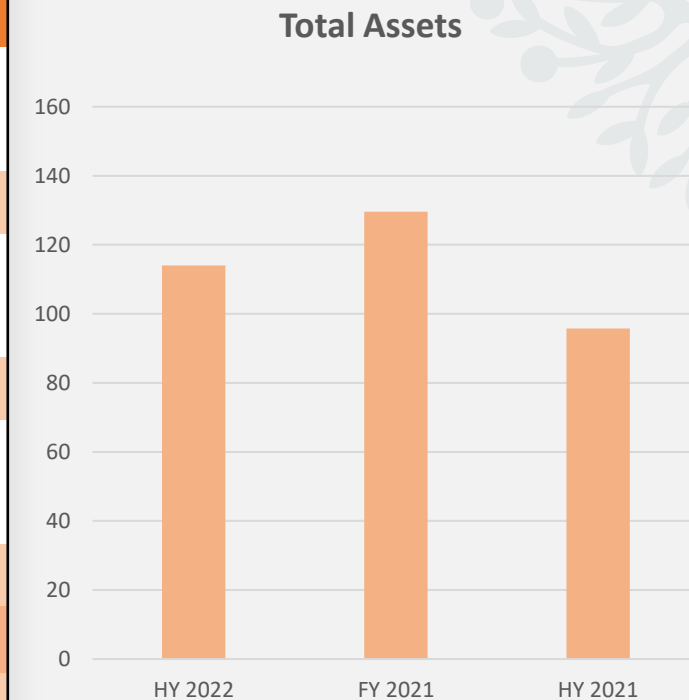
\*\*\*Includes: (i) loss derived from finance expenses of \$10.2m due to non-cash accounting measures; and (ii) Stock-based compensation expenses of \$1.3m



## Financials - Balance Sheet and Cash Flow (in millions)



<i>In USD million</i>	<i>HY 2022</i>	<i>FY2021</i>	<i>HY 2021</i>
Cash and cash equivalents	16.4	14.8	23.6
Short term bank investments	8.7	17.2	17.9
<b>Total cash and short-term investments</b>	<b>25.1</b>	<b>32.0</b>	<b>41.5</b>
Short term bank debt	2.2	1.8	0.0
Long term bank debts	14.2	17.2	0.0
<b>Total debts</b>	<b>16.4</b>	<b>19.0</b>	<b>0.0</b>
Capital and reserves	125.0	129.9	127.1
Accumulated deficit	(73.0)	(73.0)	(69.2)
<b>Total Equity</b>	<b>52.0</b>	<b>56.9</b>	<b>57.9</b>
<b>Increase (Decrease) in cash and short-term investments</b>	<b>(6.9)*</b>	<b>21.4</b>	<b>30.9</b>
<b>Operational cash flow</b>	<b>2.0</b>	<b>0.2</b>	<b>(0.7)</b>



\* Decrease is mainly related to negative exchange rates of USD 3.2m, increase of USD 1.6m in R&D investment, and Inventory increase of USD 1.5m.





## 2022 – Expected events and updated status

- Overall significant growth in revenues
  - Successfully dealing with changes in the German market and international players entering this market
  - SHL USA General Manager in place
  - Laying the infrastructure for accelerated growth in the US and collaboration with Tier1 partners
- Nasdaq Listing – in advanced stage
- Expansion of Doctor’s Virtual Visits activity in Germany – delayed but with clear path for growth
- Additional agreements from existing strategic channels in the US – ongoing
- Additional agreements for monitoring patients in Germany – ongoing





Thank you

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