SHL TeleMedicine Ltd

Half Year Report

2026

SHL Telemedicine Ltd.
January 1 - June 30, 2026

Letter to Shareholders

Dear Shareholders

SHL Telemedicine is releasing today its financial results for the first half of 2026.

During the first half of 2026 the company and its employees continued focusing on accomplishing the business turnaround process. As previously noted, the process consists of 3 major efforts:

- **Balancing the losses in the company's German operations** and subsequently generating operational profitability.
- **Regenerating revenue growth in the Israeli activity as a lever for improved profitability.**
- **Building a marketing strategy for a successful entry into the US market.**

The improvement trend in the key performance indicators continued during the 1st half of the year. Operating costs were reduced and the process of gaining higher efficiency is progressing. On the sales side, the recruiting rate of new subscribers grew. Nevertheless, further execution is required to achieve our strategic objectives.

H1-2026 Business Activity Review by Markets Highlights:

Israel
The Israeli market continued to demonstrate resilience and operational stability during the reporting period, despite ongoing security challenges. B2C activity remained stable, while Mediton's B2B operations delivered improved performance. Management remains focused on expanding the B2C subscriber base and broadening its B2B customer portfolio. Given the operational leverage inherent in both activities, continued revenue growth is expected to drive margin expansion and enhance overall profitability over time.

Germany
Operations in Germany is still experiencing a decline in revenue, primarily due to the expiration of certain tenders. While targeting new potential clients and tender, our management team is putting a lot of pressure on rightsizing the cost structure and aligning it to revenues.

United States

For the US market, the company has developed, in past years, an advanced technological infrastructure that enables ECG testing anytime and anywhere, based on our SmartHeart® ECG technology. Currently, our primary focus remains on marketing with the aim of building an efficient distribution channel. The efforts are focused on small B2B subscribers, as Doctors' clinics, as well as on large corporates and enterprise accounts on the other. During the first half of the year, we successfully increased our subscribers' base, providing a positive indication for future growth potential.

Financial Results

Regarding the consolidated financial results, several key points are worth noting (a more detailed analysis can be found further in the report):

The financial results for the first 6 months of 2026 reflect a positive trend and improvement compared with the first half of the previous year.

Revenue grew, although the growth is attributed to foreign exchange rates movements and the loss, at the bottom lines, narrowed as part of our effort to turn the company profitability.

Consolidated Adjusted EBITDA grew from approximately USD 0.9 million in the first 6 months of 2025 to about USD 1.8 million in the first half of 2026.

Operating profit and Net profit are still negative, but both have improved. EBIT (Operational Profit) in H1-26 total to USD 2.7 million compared with a loss of USD 3.5 million of H1-25 and the Net loss total USD 3.9 million compared with $ 4.3 in H1-25.

On behalf of the Board of Directors and the management team, we express our gratitude to all our employees for their diligent service, and to our business partners and shareholders for the confidence they have shown in SHL.

Sincerely,

David Arnon

Chief Executive Officer

Dr. Itamar Offer

Chairman of the Board

SHL TELEMEDICINE LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2026

U.S. DOLLARS IN THOUSANDS

UNAUDITED

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Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

Auditors' Review Report to the Shareholders of SHL Telemedicine Ltd.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of SHL Telemedicine Ltd. ("the Company") and its subsidiaries as of June 30, 2026, which comprise the interim consolidated balance sheet as of June 30, 2026, and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Tel-Aviv, Israel
September 8, 2026

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	June 30, 2026	June 30, 2025	December 31, 2025
	Unaudited	Unaudited	Audited
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	12,706	10,082	25,273
Short-term investments	6,623	2,998	-
Trade receivables	9,020	7,337	8,650
Inventory	1,326	1,211	1,330
Other accounts receivable	1,186	897	1,100 *
	30,861	22,525	36,353
NON-CURRENT ASSETS:			
Inventory	1,852	3,259	2,323
Prepaid expenses	4,270	2,966	3,560 *
Long-term deposits	174	217	217
Right-of-use assets	5,983	4,363	3,535
Deferred taxes	1,581	1,565	1,527
	13,860	12,370	11,162
PROPERTY AND EQUIPMENT, NET	5,315	5,402	5,054
GOODWILL	23,429	20,691	21,872
INTANGIBLE ASSETS, NET	9,920	16,026	10,179 *
Total assets	83,385	77,014	84,620

*) Reclassified

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	June 30, 2026	June 30, 2025	December 31, 2025
	Unaudited	Unaudited	Audited
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks	-	2,450	2,590
Current maturities of lease liabilities	2,087	2,173	1,652
Deferred revenues	465	287	371
Income taxes payable	843	505	877
Trade payables	5,179	3,409	4,677
Liability for acquisition of non-controlling interests	10,459	9,237	9,764
Other payables	9,483	7,815	9,090
	28,516	25,876	29,021
NON-CURRENT LIABILITIES:			
Loans from banks	4,548	7,616	6,781
Deferred taxes	1,899	2,001	1,944
Lease liabilities	4,085	2,136	2,067
Employee benefit liabilities	1,134	1,350	1,036
	11,666	13,103	11,828
Total liabilities	40,182	38,979	40,849
EQUITY:			
Attributable to equity holders of the Company:			
Issued capital	112	48	112
Additional paid-in capital	173,548	158,349	173,335
Treasury shares	(2)	(2)	(2)
Foreign currency translation reserve	1,357	(3,360)	(1,803)
Capital reserve for remeasurement gains on defined benefit plans	1,349	1,192	1,349
Capital reserve from transactions with non-controlling interests	(5,618)	(5,618)	(5,618)
Accumulated deficit	(127,543)	(112,574)	(123,602)
Total equity	43,203	38,035	43,771
Total liabilities and equity	83,385	77,014	84,620

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

September 8, 2026		
Date of approval of the financial statements	Itamar Offer Chairman of the Board	David Arnon CEO

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

U.S. dollars in thousands (except per share data)

	Six months ended June 30, 2026	Six months ended June 30, 2025	Year ended December 31, 2025
	Unaudited	Unaudited	Audited
Revenues	31,322	27,919	58,694
Cost of revenues	17,356	14,900	31,122
Gross profit	13,966	13,019	27,572
Research and development costs	1,679	2,325	4,681
Selling and marketing expenses	5,717	4,620	9,772
General and administrative expenses	7,789	8,616	17,630
Operating loss before other expenses	(1,219)	(2,542)	(4,511)
Other expenses	1,559	957	8,857
Operating loss	(2,778)	(3,499)	(13,368)
Financial income	325	240	484
Financial expenses	(1,044)	(830)	(1,608)
Loss before taxes on income	(3,497)	(4,089)	(14,492)
Taxes on income	444	260	885
Net loss	(3,941)	(4,349)	(15,377)
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods-			
Re-measurement gain on defined benefit plans	-	-	157
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation reserve	3,160	2,991	4,548
Total other comprehensive income	3,160	2,991	4,705
Total comprehensive loss	(781)	(1,358)	(10,672)
Loss per share:			
Basic and diluted loss	(0.11)	* (0.22)	(0.72)

*) Restated to reflect adjustment for effect of bonus component in the rights issuance in December 2025 (see Note 25 to the annual financial statements).

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands

	Issued capital	Additional paid-in capital	Treasury shares	Foreign currency translation reserve	Capital reserve for remeasurement gains on defined benefit plans	Capital reserve from transactions with non-controlling interests	Accumulated deficit	Total
Balance as of January 1, 2026 (audited)	112	173,335	(2)	(1,803)	1,349	(5,618)	(123,602)	43,771
Share-based payments	-	213	-	-	-	-	-	213
Net loss	-	-	-	-	-	-	(3,941)	(3,941)
Total other comprehensive income	-	-	-	3,160	-	-	-	3,160
Balance as of June 30, 2026 (unaudited)	112	173,548	(2)	1,357	1,349	(5,618)	(127,543)	43,203

	Issued capital	Additional paid-in capital	Treasury shares	Foreign currency translation reserve	Capital reserve for options	Capital reserve for remeasurement gains on defined benefit plans	Capital reserve from transactions with non-controlling interests	Accumulated deficit	Total
Balance as of January 1, 2025 (audited)	48	156,690	(2)	(6,351)	1,514	1,192	(5,618)	(108,225)	39,248
Share-based payments	-	145	-	-	-	-	-	-	145
Share options expired	-	1,514	-	-	(1,514)	-	-	-	-
Net loss	-	-	-	-	-	-	-	(4,349)	(4,349)
Total other comprehensive income	-	-	-	2,991	-	-	-	-	2,991
Balance as of June 30, 2025 (unaudited)	48	158,349	(2)	(3,360)	-	1,192	(5,618)	(112,574)	38,035

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands

	Issued capital	Additional paid-in capital	Treasury shares	Foreign currency translation reserve	Capital reserve for options	Capital reserve for remeasurement gains on defined benefit plans	Capital reserve from transactions with non-controlling interests	Accumulated deficit	Total
Balance as of January 1, 2025 (audited)	48	156,690	(2)	(6,351)	1,514	1,192	(5,618)	(108,225)	39,248
Issue of share capital (net of issue expenses of $496 thousand)	64	14,881	-	-	-	-	-	-	14,945
Share-based payments	-	250	-	-	-	-	-	-	250
Share options expired (*)	-	1,514	-	-	(1,514)	-	-	-	-
Net loss	-	-	-	-	-		-	(15,377)	(15,377)
Total other comprehensive income	-	-	-	4,548	-	157	-	-	4,705
Balance as of December 31, 2025 (audited)	112	173,335	(2)	(1,803)	-	1,349	(5,618)	(123,602)	43,771

*) All options granted and outstanding to underwriters expired in March 2025. Accordingly, the related capital reserve in equity in the amount of $1,514 was transferred to Additional paid in capital.

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Year ended December 31,
	2026	2025	2025
	Unaudited		Audited
Cash flows from operating activities:			
Net loss	(3,941)	(4,349)	(15,377)
Adjustments required to reconcile net loss to net cash used in operating activities:			
Income and expenses not involving operating cash flows:			
Depreciation and amortization	2,986	3,278	7,490
Impairment of intangible assets	-	-	4,864
Impairment of property and equipment	-	-	994
Capital loss from disposal of property and equipment	1	242	154
Change in employee benefit liabilities, net	23	60	(96)
Financial expenses, net	649	637	1,022
Valuation gain from short-term investments	(46)	(88)	(102)
Cost of share-based payments	213	145	250
Tax expenses	444	260	885
	4,270	4,534	15,461
Changes in operating assets and liabilities:			
Decrease (increase) in trade receivables, net	242	532	(273)
Decrease (increase) in inventory	226	(81)	359
Decrease(increase) in prepaid expenses	(869)	110	(417)*
Decrease (increase) in other accounts receivable	(121)	649	636
Increase (decrease) in trade payables	166	(504)	467
Increase (decrease) in deferred revenues	66	(52)	9
Decrease in other accounts payable	(977)	(2,571)	(2,382)
	(1,267)	(1,917)	(1,601)
Cash paid and received:			
Interest received	325	142	362
Interest paid	(297)	(492)	(640)
Income tax received	93	226	236
Income taxes paid	(700)	(401)	(767)
	(579)	(525)	(809)
Net cash used in operating activities	(1,517)	(2,257)	(2,326)

*) Reclassified

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Year ended December 31,
	2026	2025	2025
	Unaudited		Audited
Cash flows from investing activities:			
Purchase of property and equipment	(523)	(626)	(1,504)
Investment in intangible assets	(38)	(586)	(1,049)*
Investment in short-term deposits	-	(2,780)	(2,899)
Proceeds from deposits	38	114	3,049
Purchase of short-term investments	(6,450)	(5,733)	(5,978)
Proceeds from sale of short-term investments	-	15,785	16,460
Net cash provided by (used in) investing activities	(6,973)	6,174	8,079
Cash flows from financing activities:			
Issue of share capital	-	-	14,945
Payment of lease liabilities	(929)	(1,052)	(2,088)
Payment of long-term loans	(5,386)	(1,111)	(2,333)
Net cash provided by (used in) financing activities	(6,315)	(2,163)	10,524
Effect of exchange rate changes on cash and cash equivalents	2,238	649	1,317
Increase (decrease) in cash and cash equivalents	(12,567)	2,403	17,594
Cash and cash equivalents at the beginning of the period	25,273	7,679	7,679
Cash and cash equivalents at the end of the period	12,706	10,082	25,273
Non-cash transactions:			
Right-of-use asset recognized with corresponding lease liability	3,274	342	680

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

U.S. dollars in thousands (except per share data)

NOTE 1:- GENERAL

a. These consolidated financial statements have been prepared in a condensed format as of June 30, 2026 and for the six months then ended. These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and accompanying notes of SHL Telemedicine Ltd. ("the Company") as of December 31, 2025 and for the year then ended ("the annual financial statements").

b. Effects of the war with Iran:

In continuation of the description in Note 1 to the annual consolidated financial statements regarding the effects of the Operation Lion's Roar ("the war"), On February 28, 2026, a new military campaign against Iran began, which led to a renewal of high-intensity security tensions and renewed uncertainty regarding geopolitical stability. The Company believes that the effects of the war on the Company's business activities in the reporting period are not material.

c. Potential Impact of the new US Tariffs:

The imposition of new tariffs by the Trump administration could create several challenges for an Israeli company that conducts business with the United States.
However, given the current very small size of Company activity in the US no significant adverse impact on the Company is expected.

d. Following are data regarding the Israeli CPI and the exchange rates of the Euro, U.S. dollar and the Swiss Franc in relation to the new Israeli Shekel (NIS):

	Israeli CPI	Exchange rate € 1	Exchange rate U.S. $ 1	Exchange rate CHF 1
For the period ended	**Points**		**N I S**	
June 30, 2026	266.5	3.39	2.98	3.68
June 30, 2025	262.2	3.96	3.37	4.23
December 31, 2025	263.4	3.75	3.19	4.02
Change during the period	**%**	**%**	**%**	**%**
June 2026 (6 months)	1.2	(9.4)	(6.7)	(8.5)
June 2025 (6 months)	2.2	4.2	(7.5)	5.1
December 31, 2025	2.6	(1.3)	(12.5)	(0.2)

*) The index on an average basis of 1993 = 100.

NOTE 2:- ACCOUNTING POLICIES

a. Basis of preparation of the condensed interim consolidated financial statements:

The condensed interim consolidated financial statements for the six months ended June 30, 2026 have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in IAS 34, "Interim Financial Reporting.

The accounting policies and methods of computation adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the annual financial statements except as described in b. below.

b. Initial adoption of amendments to International Financial Reporting Standards:

Amendments to IFRS 9, "Financial Instruments", and IFRS 7, "Financial Instruments: Disclosures":

On May 30, 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7" ("the Amendments"). The Amendments clarify certain aspects of the classification and measurement of financial instruments.

The Amendments address the following:

Derecognition of a financial liability settled through an electronic transfer system - an entity is permitted to make an accounting policy election to derecognize a financial liability (or part of it) that is settled in cash using an electronic payment system before the settlement date if certain conditions are met. An entity that makes this accounting policy election is required to apply it to all financial liabilities settled using the same electronic payment system.

Assessing contractual cash flow characteristics for the classification of financial assets - the Amendments clarify how to assess the characteristics of contractual cash flows of financial assets with features linked to environmental, social and corporate governance (ESG) targets and other similar contingent features. The Amendments also enhance the description of the term 'non-recourse' and clarify the characteristics of contractually linked instruments (CLIs).

Disclosures – the Amendments to IFRS 7 introduce new disclosure requirements for financial assets and liabilities with contractual terms that include contingent features (including ESG-related) and new disclosures for investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

The Amendments are to be applied retrospectively commencing from annual reporting periods beginning on or after January 1, 2026.

The Amendments did not have a material effect on the Company's interim consolidated financial statements.

U.S. dollars in thousands (except per share data)

NOTE 3:- REVENUES

	Six months ended June 30, 2026	Six months ended June 30, 2025	Year ended December 31, 2025
	Unaudited	Unaudited	Audited
Revenues from services performed during the period	30,573	27,524	57,309
Revenues from sale of devices	749	395	1,385
	31,322	27,919	58,694

NOTE 4:- MATERIAL EVENTS DURING THE REPORTING PERIOD

a. As discussed in the annual financial statements regarding closing the purchase of the 30% stake of Mediton Medical Centers Network Ltd. and MediSure Ltd. (hereinafter: "Mediton Group") (see Notes 20 and 22 to the annual financial statements), on May 11, 2026 the proceedings regarding the Company’s right to offset from the option consideration and the seller’s request for interest and linkage difference were heard jointly in court.
After the reporting date on August 21, 2026, the Company received the judgment of the District Court in Israel in connection with the dispute - see also Note 6.

b. On February 9, 2026, the Company repaid NIS 16.7 million (approximately $5. 4 million) of a bank loan on account of the next future principal’s installments, originally scheduled to be paid during 2026 and 2027. Accordingly, no additional principal payments will be required through the end of 2027.

c. As discussed in the annual financial statements, upon filing the Form 15F on February 2, 2026, SHL’s reporting obligations under the Exchange Act, including the filing and submission of annual reports on Form 20-F and reports on Form 6-K, were suspended. The termination of the registration of the ordinary shares under the Exchange Act and of its reporting obligations thereunder becomes effective 90 days after the filing of the Form 15F if there are no objections from the SEC. No objections from the SEC were made within the 90 day period.

d. On December 18, 2025, Mediton group entered into six-year lease agreement for new offices with two options for an additional five years each, starting May 2026.
The Company recorded, during 2026, right of use property, and a corresponding liability, at the amount of $ 2,671 thousand, which property is to be amortized over 6 years.

NOTE 4:- MATERIAL EVENTS DURING THE REPORTING PERIOD (Cont.)

e. Share option plans:

On March 31, 2026 the Company's Board of Directors approved the grant of 390,000 options to employees, under the 2021 Executive and Key Employee Israeli Share Incentive Plan. The options shall vest over a period of 4 years in equal annual installments (97,500 options for each installment). The weighted average fair value of options granted is CHF 0.382 ($0.478). The weighted average fair value was estimated based on the binomial model using the following data and assumptions: share price - CHF 1.09; exercise price – CHF 2; expected volatility – 79.93%; risk free interest rate – 0.28%; expected dividend – 0%; and expected average life of options – 4.27 years.
The options are exercisable through the net exercise method for a period of 6 years from grant date.

On May 6, 2026 the Company's Board of Directors approved new 2026 Share Incentive Plan. On June 8, 2026, the plan was approved by the Tax Authority, effective retroactively as of May 19, 2026.

On June 22, 2026 the Company's Board of Directors approved the grant of 940,000 options to three senior managers (including 500,000 options granted to the CEO), under the new 2026 Share Incentive Plan. The options shall vest over a period of 3 years (40% after first year, 40% after the second year and 20% after the third year). The weighted average fair value of options granted is 0.390-0.438 CHF ($0.483-$0.542). The weighted average fair value was estimated based on the binomial model using the following data and assumptions: share price - CHF 0.91; exercise price – CHF 2; expected volatility – 76.52% -77.17%; risk free interest rate – 0.25% - 0.35%; expected dividend – 0%; and expected average life of options – 4.69 – 4.93 years.
The options are exercisable through the net exercise method for a period of 7 years from grant date.
At the Annual General Meeting held on July 16, 2026 , the grant option to the CEO was approved.

On June 22, 2026, the Company's Board of Directors approved the repricing of 935,000 options, under the 2021 Executive and Key Employee Israeli Share Incentive Plan, (including 100,000 options granted to the Chairman of the Board and 400,000 options granted to the CEO) by reducing the exercise price from CHF 2.75 – 15.56 to CHF 2. The updated weighted average fair value of options granted is CHF 0.273 -0.328 ($0.338-$0.406). The updated weighted average fair value was estimated based on the binomial model using the following data and assumptions: share price - CHF 0.91; exercise price – CHF 2; expected volatility – 82.99%- 106.3%; risk free interest rate – 0.05%-0.3%; expected dividend – 0%; and expected average life of options – 2.53-5.17 years. Following the repricing, the Company is recording over the future vesting period additional $ 76 thousands.
In addition, the Company's Board of Directors approved a change in the vesting acceleration terms for four executives, including the CEO and Chairman of the Board.
At the Annual General Meeting held on July 16, 2026 the repricing of the option granted to the CEO and the Chairman of the Board along with the change in the vesting acceleration terms, was approved.

NOTE 4:- MATERIAL EVENTS DURING THE REPORTING PERIOD (Cont.)

f. On June 24, 2026 ,Mediton Ltd. ("Mediton"), a subsidiary of the Company, has been notified by the Rehabilitation Department of the Israeli Ministry of Defense ("MOD"), a significant customer of Mediton, that following a tender process originally initiated during 2025, Mediton has been awarded the continued provision of services currently provided exclusively by Mediton.

The new agreement is for an initial term of three years on an exclusive basis. The MOD has also been granted an option to extend the agreement for an additional period of up to three years.

The volume forecast provided by the MOD for the term of the new agreement reflects a potential future decline in activity volume compared to the current annual level. At this stage, the Company is unable to assess whether, when, or to what extent such decline may materialize.

In addition, the commercial terms of the new agreement are less favourable than those under the current agreement. Accordingly, the foregoing may have an adverse effect on the Company's revenues and profits, the full extent of which cannot be estimated at this time. However, based on the Company's current assessment, only part of the potential adverse impact is expected to be reflected in the short term.

NOTE 5:- SEGMENT INFORMATION

As presented in the annual financial statements, the Group operates in three geographic segments: Israel, Europe (principally Germany) and Rest of the world (principally USA) ("Row").

Management monitors the operating results of its geographical units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment profit. SG&A Group expenses and some research and development expenses are mostly allocated to the separate geographic units. Some corporate expenses, some research and development expenses, finance costs and finance income and income taxes are managed on a group basis and are not allocated to the geographic segments.

Revenues are allocated based on the location of the end customer. The Group presents disaggregated revenue information based on types of customers: Individual customers and communities, Institutions and payers (income from service agreements with institutions, insurance companies and HMOs), and others.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except per share data)

NOTE 5:- SEGMENT INFORMATION (Cont.)

a. Segment revenues:

	Individuals and communities	Institutions and payers	Others	Total
Six months ended June 30, 2026 (unaudited):				
Europe	-	4,764	-	4,764
Israel	11,215	14,590	-	25,805
ROW	-	-	753	753
Total revenues	11,215	19,354	753	31,322

	Individuals and communities	Institutions and payers	Others	Total
Six months ended June 30, 2025 (unaudited):				
Europe	-	5,414	-	5,414
Israel	9,858	12,246	-	22,104
ROW	-	-	401	401
Total revenues	9,858	17,660	401	27,919

	Individuals and communities	Institutions and payers	Others	Total
Year ended December 31, 2025 (audited):				
Europe	-	10,898	-	10,898
Israel	20,441	25,896	-	46,337
ROW	-	-	1,459	1,459
Total revenues	20,441	36,794	1,459	58,694

U.S. dollars in thousands (except per share data)

NOTE 5:- SEGMENT INFORMATION (Cont.)

b. Segment profit (loss):

	Six months ended June 30,		Year ended December 31,
	2026	2025	2025
	Unaudited		Audited
Europe	(2,173)	(2,387)	(5,230)
Israel	5,773	4,473	10,478
ROW	(1,106)	(1,099)	(1,806)
	2,494	987	3,442
Unallocated income and expenses:			
Corporate and R&D expenses	(3,713)	(3,529)	(7,953)
Other expenses	(1,559)	(957)	(8,857)
Operating loss	(2,778)	(3,499)	(13,368)
Financial expenses, net	(719)	(590)	(1,124)
Loss before taxes on income	(3,497)	(4,089)	(14,492)

NOTE 6:- SUBSEQUENT EVENTS

a. After the reporting date on July 1, 2026, SHL Telemedizin GmbH (“SHL Germany”), a wholly-owned subsidiary, reached an agreement with a major customer in Germany regarding the deferred termination timeline of a commercial agreement. Under the revised terms, the agreement will terminate between June 30, 2027, and December 31, 2027, subject to a mandatory 120-day advance notice that cannot be issued prior to February 28, 2027. As a result of the termination of the agreement, an annual decrease of approximately $4 million in annual revenue is expected. Due to the nature and complexity of the operations and its pricing terms and to the company's current best estimate, it is not expected to have a material impact on the Company’s consolidated results of operations.

b. After the reporting date on August 21, 2026, the Company received the judgment of the District Court in Israel in connection with the dispute between the Company and the minority shareholders holding of the remaining 30% of the share capital of its subsidiaries, Mediton Medical Centers Chain Ltd. (“Mediton”) and Medishur Ltd. (“Medishur”), regarding the payment of the purchase price for the remaining 30% stake and the Company’s set-off notice in this regard.

According to the judgment, the Company is required to pay the full consideration determined under the arbitration’s decision in return for the remainder 30% stake. The Court further held that the Company’s claims and set-off arguments are reserved and may be pursued, in separate proceedings which the Company intend to pursue.

NOTE 6:- SUBSEQUENT EVENTS (Cont.)

The Company will comply with the judgment and will take the necessary steps to complete the acquisition as soon as practicable. At the same time, based on the advice of its legal counsel, who are of the opinion that the judgment contains certain legal and factual errors, the Company intends to file an appeal with the Supreme Court of Israel.

The Company further notes that the consideration payable in connection with the acquisition of the minority shareholders' holdings, amounting to New Israeli Shekel (NIS) 31.1 million (approx. USD 10.3 million), has previously been fully provided for in the Company's financial statements. Accordingly, the judgment and the completion of the acquisition are not expected to have a material impact on the Company's financial position, results of operations, or financial statements. The judgment also does not affect the earlier purchase of the first 70% in Mediton and Medishur.

The Company will finance the acquisition through a bank loan (see also Note 6 e).

c. After the reporting date on August 25, 2026, the Company's Board of Directors approved the grant of 100,000 options to Senior Manager, under the 2021 Executive and Key Employee Israeli Share Incentive Plan. The options shall vest over a period of 4 years in equal annual installments (25,000 options for each installment). On the date of the grant, the share price was CHF 1.07; and the exercise price - CHF 2.
The options are exercisable through the net exercise method for a period of 6 years from grant date.

d. After the reporting date on August 25, 2026, the Company's Board of Directors (“BOD”) approved to call a Special General Meeting (“SGM”) of the shareholders, proposing to include in the company's article of association an Opting-out provision, pursuant to which shareholders exceeding the threshold of 33⅓% of the voting rights would be exempt from the obligation under art. 135 of the Swiss Financial Market Infrastructure Act to make a public tender offer for all outstanding shares of the Company. Prior to the BOD approval, on July 31, 2026, the company got a positive ruling form the Swiss Take Over Board. The SGM will be held on September 17, 2026.

e. After the reporting date on September 2, 2026, the Company signed an agreement with an Israeli bank to obtain a long-term loan in the amount of NIS 30 million (approximately $ 10,000) for a period of 8 years. The loan, is denominated in NIS and bears an annual interest rate of prime + 1.05% (5.8% as of the signing date). The loan will be repaid in 27 quarterly installments. The first principal payment will take place on February 28, 2028.
The loan agreement includes certain financial covenants related to the Company's Israeli operations, as follows: (i) tangible equity of at least NIS 40 million; (ii) tangible equity to total tangible assets of at least 40%; and (iii) net debt to EBITDA of 3.5 at the maximum.

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Information For Investors

Capital structure

As of June 30, 2026, the issued share capital is divided into 37,058,574 registered shares with a par value of NIS 0.01 each (excluding 1,372 ordinary shares of NIS 0.01 par value each, held by SHL).

Significant shareholders

As of June 30, 2026, SHL was aware of the following shareholders with more than 3% of all voting rights in the company:

	Number of Ordinary Shares Held	% Including Treasury Shares	% Excluding Treasury Shares
Value Base Group	5,924,944	15.99%	15.99%
Cai Mengke and Shen Kun	5,632,725	15.20%	15.20%
Danbar Finance Ltd	4,226,012	11.40%	11.40%
Dani Rimoni	2,049,566	5.53%	5.53%
More Provident Funds	1,962,525	5.30%	5.30%
Matag Investments Ltd	1,919,144	5.18%	5.18%
David Wertheim	1,476,420	3.98%	3.98%
Baruch Arlich	1,431,592	3.86%	3.86%
Treasury shars	1,372	-	-

Listing

All SHL shares are listed on SIX Swiss Exchange.

Ticker symbol:	SHLTN
Currency:	CHF
Listing date:	November 15, 2000

The above table of Significant Shareholders reflects both actual holdings as of June 30, 2026, after deducting from the total number of shares outstanding 1,372 Ordinary Shares held by SHL, and actual holding as of June 30, 2026, calculated including ordinary shares held by SHL, all as indicated above, but does not reflect holding on a fully diluted basis. All in accordance with notifications received by the Company from shareholders and the SAG registrar as of June 30, 2026.

Statistics on SHL Telemedicine as of June 30, 2026

Registered shares with a par value of NIS 0.01 each	
Securities number (SIX)	1128957
Number of shares*	37,058,574
Market price (per share) high/low (01/01/26 - 30/06/26) (CHF)	1.18/0.89
Market capitalization high/low (CHF million)	43.7/33.0
Market capitalization 30/06/26 (CHF million)	37.8
Share capital – nominal value (NIS)	370,586

* Excluding 1,372 ordinary shares held by SHL.

Investor relations

SHL Telemedicine Ltd.

David Arnon, CEO.
Email: davida@shahal.co.il

Lior Haalman, Chief Financial Officer.
Email: liorh@shahal.co.il

90 Yigal Alon St., Tel Aviv 6789130, Israel
Tel. ++972 3 561 2212 Fax: ++972 3 624 2414