

AUGUST 2021

# 1H Earnings Call

Breakthrough Ultrasound Technology  
For Non-invasive Skin Tightening

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# 1H Earnings Call

## Presenters:

- **Lou Scafuri, CEO**
- **Shimon Eckhouse, Co-Founder and Chairman**
- **Miki Eden, CFO**

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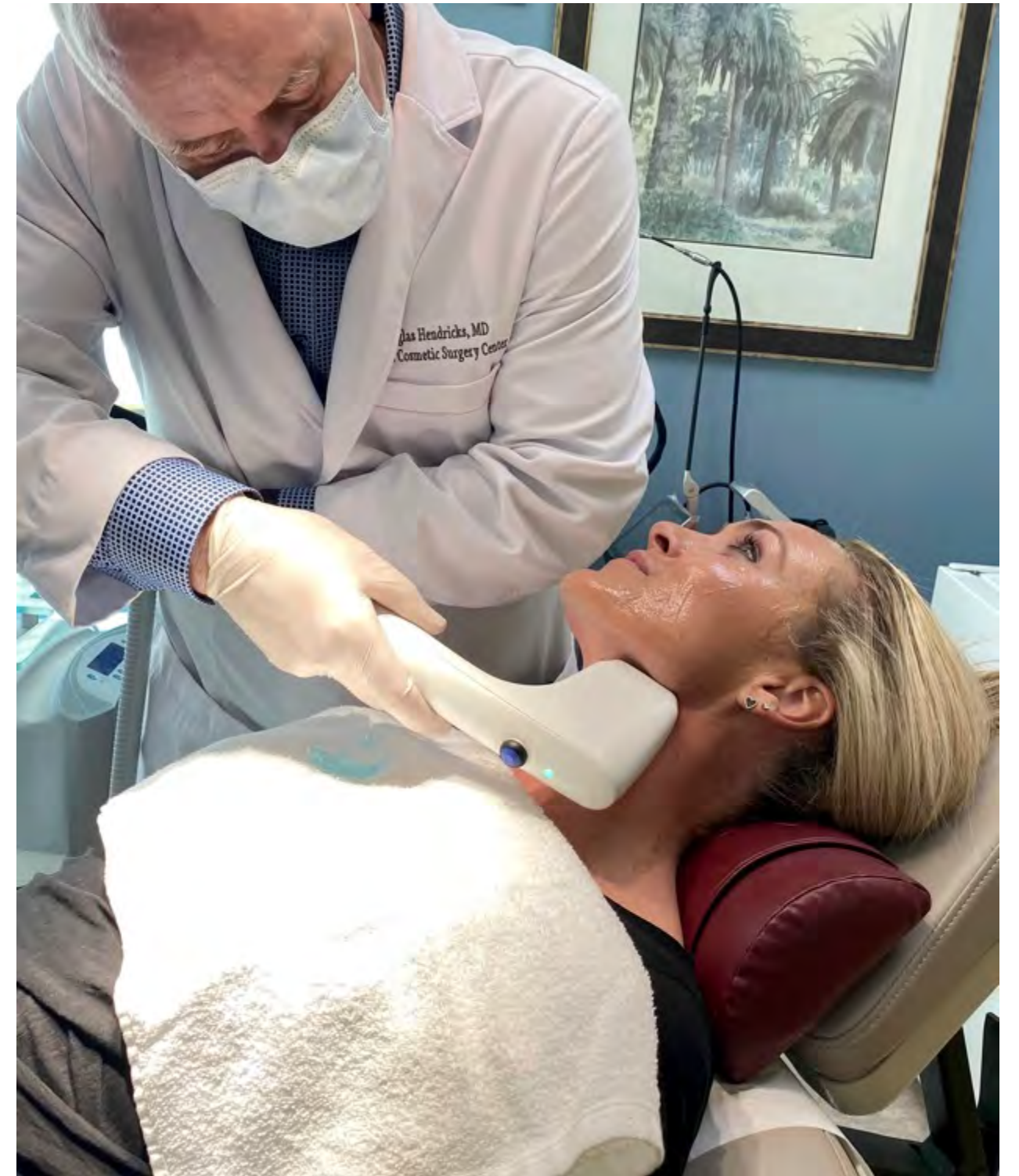
# Emerging Leader in Non-invasive Aesthetic treatments

- Highly differentiated technology platform with a strong pipeline, answering a large unmet need for non-invasive skin tightening served by sub-optimal solutions in a \$1.8B market growing at 15% annually
- Strong efficacy and safety profile validated in extensive clinical trials and solid global KOL support
- High patient satisfaction – fast and comfortable treatment with minimal to zero down-time
- Attractive physician business model, great ROI, fast procedure, can be delegated to staff

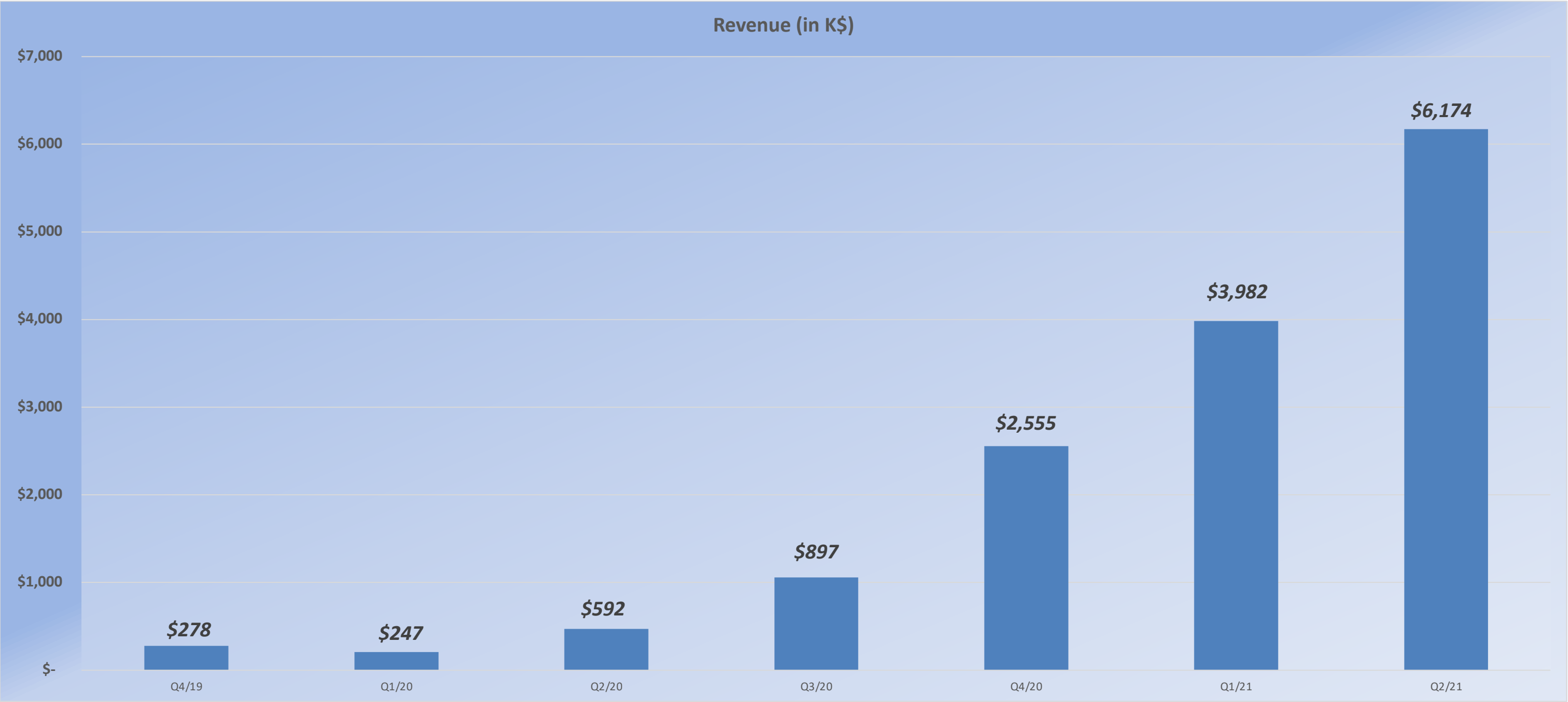
# Softwave Emerging Market Leader

- Very fast growth 1H/21 revenue >\$10M
- Experienced team with a track record of aesthetic medical device commercial success and high investor value creation
- Strong Balance Sheet with \$50M Cash and Cash Equivalent

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# Sofwave Quarterly Revenue Growth (K\$)



\* Quarterly breakdown unaudited

# 1H 2021 Market Conditions

- Increased levels of vaccination has expedited clinic reopening and patient demand for treatments- many clinics are overbooked
- Provider confidence necessary for capital equipment purchases continued to improve
- Demand for energy-based skin tightening treatments is a high growth segment
- “Zoom Boom” phenomena as removal of mask restrictions is driving facial treatment demand

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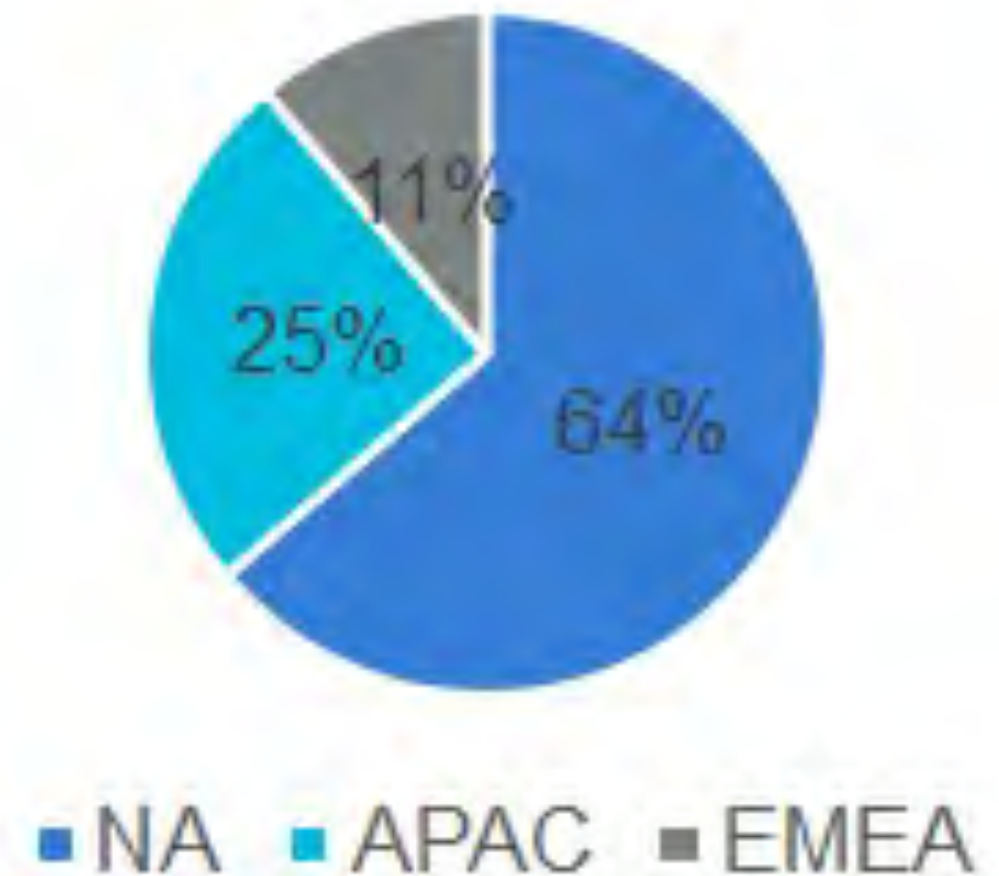
# 1H 2021: Exceptional Quarter over Quarter Growth

- Total Revenue in 2020 was \$4.3M
- Q1 2021 Revenue was \$3.98M
- Q2 2021 Revenue rose to \$6.17M
- Gross margin rose from 61.2 % in 2020 to 73.8% in 1H 2021
  - Dramatically increasing Installed base and utilization
  - Procedure volume increases- almost at 10,000 procedures performed in 1H 2021
  - Doctors are using our systems with increased frequency, which is a great indication of the growing acceptance, endorsement, and implementation of our technology.



# 1H 2021 Highlights

- Total H1 revenue: \$10,156K
- North America: \$6,484K representing 64%
- Asia Pacific Australia and China: \$2,550K representing 25%
- Europe Middle East and Africa: \$1,122K representing 11%
- Market Access improved especially in US- continued investment in direct sales team
- New distributors expanding our channel to market capability
- Recent Regulatory Clearances in key markets: Canada and Australia



# Softwave Near Term Growth Drivers

- Expanding Global market and extensions of distribution channel
- Grow Direct sales force in the US and increase market coverage
- Build upon on strong KOL base
- Sign up distributors and pending regulatory clearance in Korea, Taiwan, China, Brazil and other Latin America countries
- Social and digital platform expansion to B2C to drive procedure demand
- Additional Applications
- “Lifting” indications by FDA- Eyebrow lift and Neck lift
- Body application: Cellulite, Abdominal Shaping, Arms, Buttocks, Decolletage

# Financial Highlights

Revenues  
Cost of goods

Research and development expenses  
Sales and marketing expenses  
General and administrative expenses

Operating loss

Financial income  
Financial expenses  
Financial expenses, net

**Loss for the period**

For the six months ended June 30,		For the year ended,
2021	2020	2020
USD in thousands		
(Unaudited)	(Audited)	
10,156	839	4,291
2,660	404	1,665
7,496	435	2,626
2,882	1,867	4,588
3,319	1,062	3,065
3,632	325	1,524
2,337	2,819	6,551
(275)	(20)	(14)
246	4,782	5,150
(29)	4,762	5,136
2,309	7,581	11,687

# Financial Highlights

## Current Assets

Cash and cash equivalent  
Trade accounts receivables  
Other receivables  
Inventory

**Total current assets**

**Total non-current assets**

**Total assets**

**Total current liabilities**

**Total Non-current liabilities**

**Total shareholders' equity**

**Total liabilities and shareholders' equity**

	As of June 30,	As of December 31,	
	2 0 2 1	2 0 2 0	2 0 2 0
	USD in thousands		
	(Unaudited)		(Audited)
Cash and cash equivalent	49,572	2,519	2,644
Trade accounts receivables	4,433	506	1,468
Other receivables	415	237	282
Inventory	151	505	117
<b>Total current assets</b>	<b>54,571</b>	<b>3,767</b>	<b>4,511</b>
<b>Total non-current assets</b>	<b>422</b>	<b>151</b>	<b>309</b>
<b>Total assets</b>	<b>54,993</b>	<b>3,918</b>	<b>4,820</b>
<b>Total current liabilities</b>	<b>5,037</b>	<b>989</b>	<b>2,203</b>
<b>Total Non-current liabilities</b>	<b>926</b>	<b>6,237</b>	<b>1,084</b>
<b>Total shareholders' equity</b>	<b>49,030</b>	<b>(3,308)</b>	<b>1,533</b>
<b>Total liabilities and shareholders' equity</b>	<b>54,993</b>	<b>3,918</b>	<b>4,820</b>

# Softwave is Transforming the Energy Based Device Office Solution: The Next Generation of Non-Invasive Skin and Body Treatments



# The Huge Success of Non-Ablative Laser Based Technologies

Non-Invasive Laser Based Technologies

40 Million procedures per year

- Non-invasive
- No Downtime
- Short treatment times
- Very low efficacy
- Multiple treatments required
- Mostly laser-based technologies (high cost of manufacturing)



# Closing the Gap using Ablative Technologies

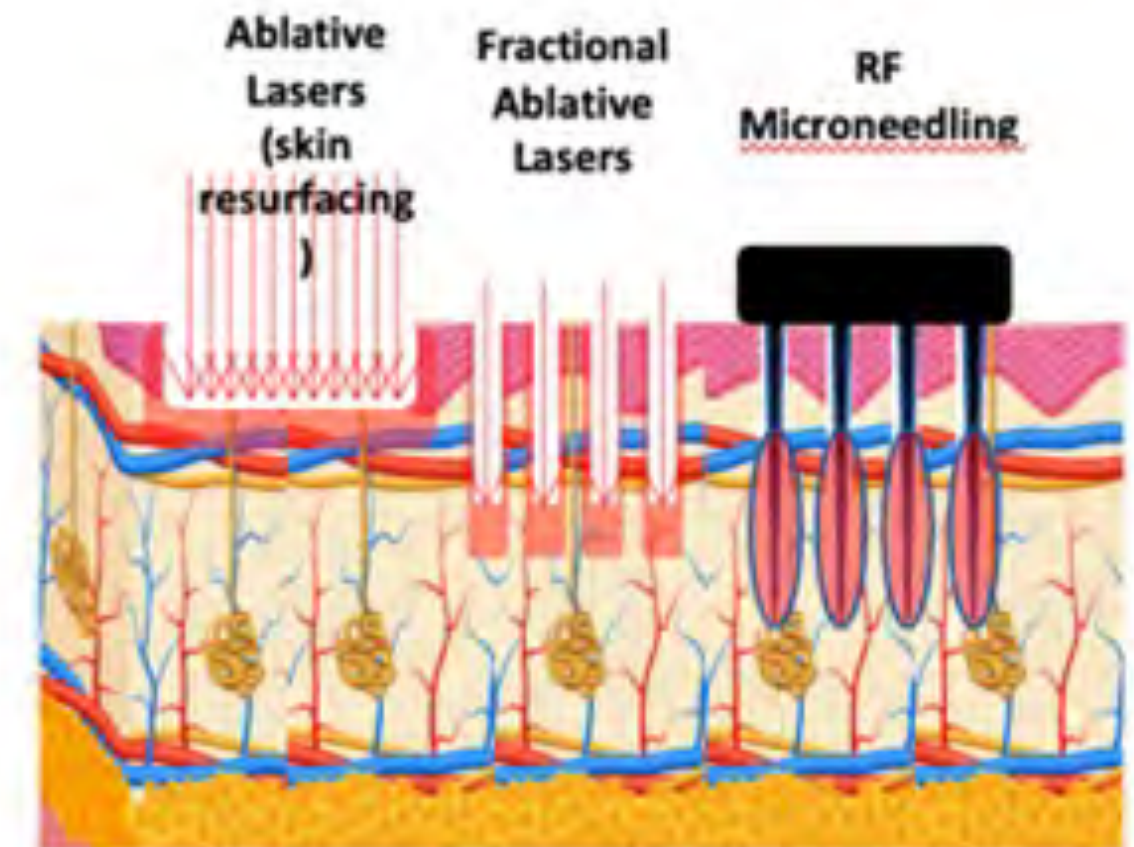
## *Non-Ablative, Laser based technologies*

- 40 million procedures/year (\*)
- Non-invasive
- No down time
- Short treatment times
- Very low efficacy
- Multiple treatments required
- Mostly laser based technology (high cost of manufacturing)



## *RF micro-needling and fractional ablative lasers*

- Minimally invasive: need to penetrate and injure the uppers skin layer
- Better efficacy
- Significant down-time
- Risk of side effects
- Cannot be delegated
- Longer treatment times



# Ablative “Minimally Invasive” Solutions: The Penalty of Upper Skin Injury

During  
Treatment



1 Day to 1  
Week Post  
Treatment



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# Softwave solves the unmet need in Office based medical aesthetic technology

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- Non-invasive
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## *RF micro-needling and fractional ablative lasers*

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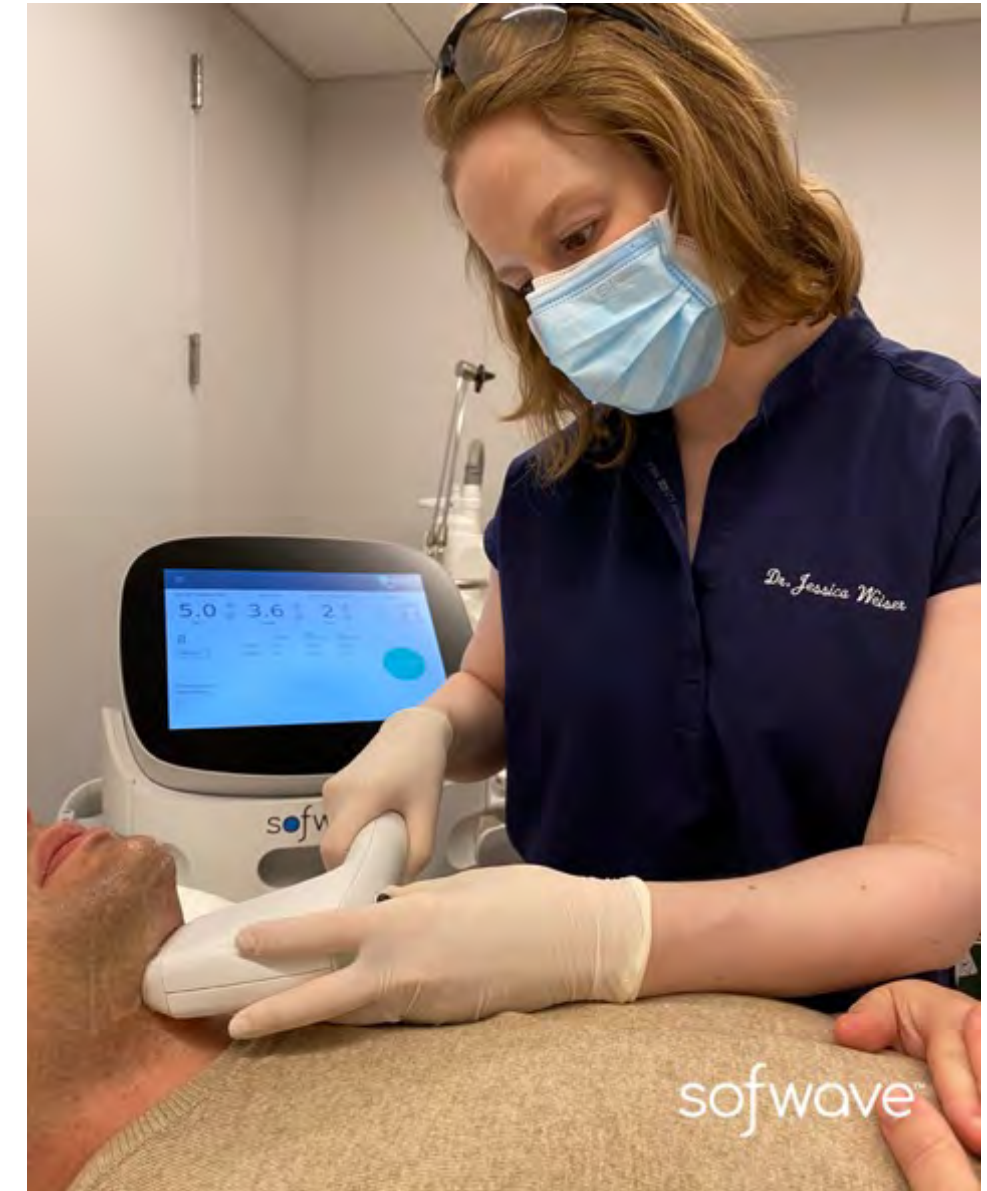
## *The SofWave SUPERB™ solution*

- Non-invasive, no injury to the epidermis
- Better efficacy
- Minimal to zero down-time
- No side effects
- Single treatment
- Delegated to non-MD staff
- Short treatment time

# SofWave Product Pipeline and Vision

- Current Platform:
  - Lifting
  - Arms, Body, Buttocks
  - Cellulite
- Future Platforms:
  - Fat Lipolysis
  - Body Shaping

**Vision: Lead the business and technology of office based non-invasive aesthetic solutions**



# Expanding global market share, revenue growth and Strong GM

Building the foundation  
to capture  
~4% market share  
by 2023

2023E total  
addressable market

**~\$2.3B**

\*

**Estimated 2023  
Revenue  
>\$90M, >80% GM**

\*Source: Medical Insight 2021

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# SUMMARY

- Highly differentiated technology platform with a strong pipeline, answering a large unmet need for non-invasive skin tightening served by sub-optimal solutions in a \$1.8B market growing at 15% annually
- Strong efficacy and safety profile validated in extensive clinical trials and solid global KOL support
- High patient satisfaction – fast and comfortable treatment with minimal to zero down-time
- Attractive physician business model, great ROI, fast procedure, can be delegated to staff
- Very fast growth in revenue , ~\$4.3M in 2020, ~\$4M in Q1 21, ~\$6M in Q2 22 and significant increase in GM from 61% in 2020 to 74% in 1H22
- Experienced team with a track record of aesthetic medical device commercial success and high investor value creation

# Questions and Answers