



1H 2022 Earnings call

August 2022



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1H 2022 Earning Call

Presenters:

- Shimon Eckhouse, Co-Founder and Chairman
- Lou Scafuri, CEO
- Assaf Korner, CFO



1H 2022 in Numbers

\$13.7M
Revenues H1/22
+34% YoY Growth

\$2.9M Recurring
Revenue
+202% YoY Growth

\$8.1M Revenues
Q2/22
+31% YoY Growth

74.7% GM
1H 2022

\$36M Cash
As of June 30, 2022

4 Major Beauty
Awards

First Half 2022 Highlights

- Achieved 34.4% revenue growth despite global pandemic and major supply chain challenges
- Recurring revenue continues to grow substantially: over 20% of total revenue; over 25,000 treatments in 6 months vs. ~25,000 for the entire 2021
- Key Collaboration and Distribution agreement with a major partner for the Chinese market
- Significant brand awareness - over 350,000 followers on social media
- Expanded widespread acceptance by global KOLs: 8 of 15 top Cosmetics Dermatologists in the US are Sofwave users (Newsweek ranking June 2022)
- Continue to expand US sales team to 30
- International leadership team strengthened with the addition of two highly experienced regional managers
- Completed patient enrollment in cellulite clinical trial

China Collaboration and Distribution Agreement

- Signed a Key Collaboration and Distribution agreement with a major partner for the Chinese market
- HTDK Group is a leading healthcare total solution provider; offering specialized market entrance and penetration solutions for high-value medical devices with a strong track record of more than 100 years
- Sell into more than 1,700 medical institutions
- Wholly owned subsidiary of Warburg Pincus – leading NY based PE with more than \$85B in assets under management
- Provides end to end solution capabilities: product registration, logistic, sales and marketing
- HTDK to collaborate with Sofwave on the NMPA (China FDA) registration process
- China's aesthetic medicine market is estimated at \$29B with a projected CAGR of 20%, significantly higher than that of the global market¹

(1) Source: ISAPS, Frost&Sullivan, Medical Insight, Global Market Insight, Deloitte China Life Sciences & Health Care

Market Conditions

- Investor and Industry expert concerns about recession are mounting. However:
 - Global market conditions are favorable, market demand continues to grow
- Each Region showed significant revenue growth despite challenges of global supply chain and COVID Omnicron impact in Asia
- Achieved initial sales to two major dermatology practice chains in US with potential to expand across chain
- >93% of clinics that own Sofwave are highly satisfied and report excellent treatment outcomes²
- Overwhelming KOL interest and support: Additional major KOL's were added in H1
- Influencer/B2C digital campaigns driving brand awareness and driving significant increase in treatments and pulse sales

(2) May 2022 Company Customer Satisfaction Survey

Industry Awards



'22 Winner New Beauty
"Best Latest Ultrasound"



'22 Winner
Cosmo
"Best Game Changer
Treatment"



'22 Winner
Shape
"Achieving Healthiest
Complexion"



'21 Winner
Elle
"Future of Beauty Best in In-
Office Treatment"



Financial Highlights

Financial Highlights – P&L (\$'K)

	For the first 6 months ending on		Stock Based Compensation		Excluding Stock Based Compensation	
	2022	2021	2022	2021	2022	2021
Revenues	13,651	10,156			13,651	10,156
COGS	3,581	2,660	134		3,447	2,660
Gross Profit	10,070	7,496	134	-	10,204	7,496
	73.8%	73.8%			74.7%	73.8%
R&D expenses	5,761	2,882	787	536	4,973	2,346
S&M expenses	9,482	3,319	922	929	8,559	2,390
G&A expenses	3,870	3,632	887	1,626	2,982	2,006
Operating Loss	(9,043)	(2,337)	2,731	3,091	(6,312)	754

GM continues to improve with the increase of recurring revenues

Operating expenses increase according to the plan to continue and invest IPO proceeds in R&D and S&M

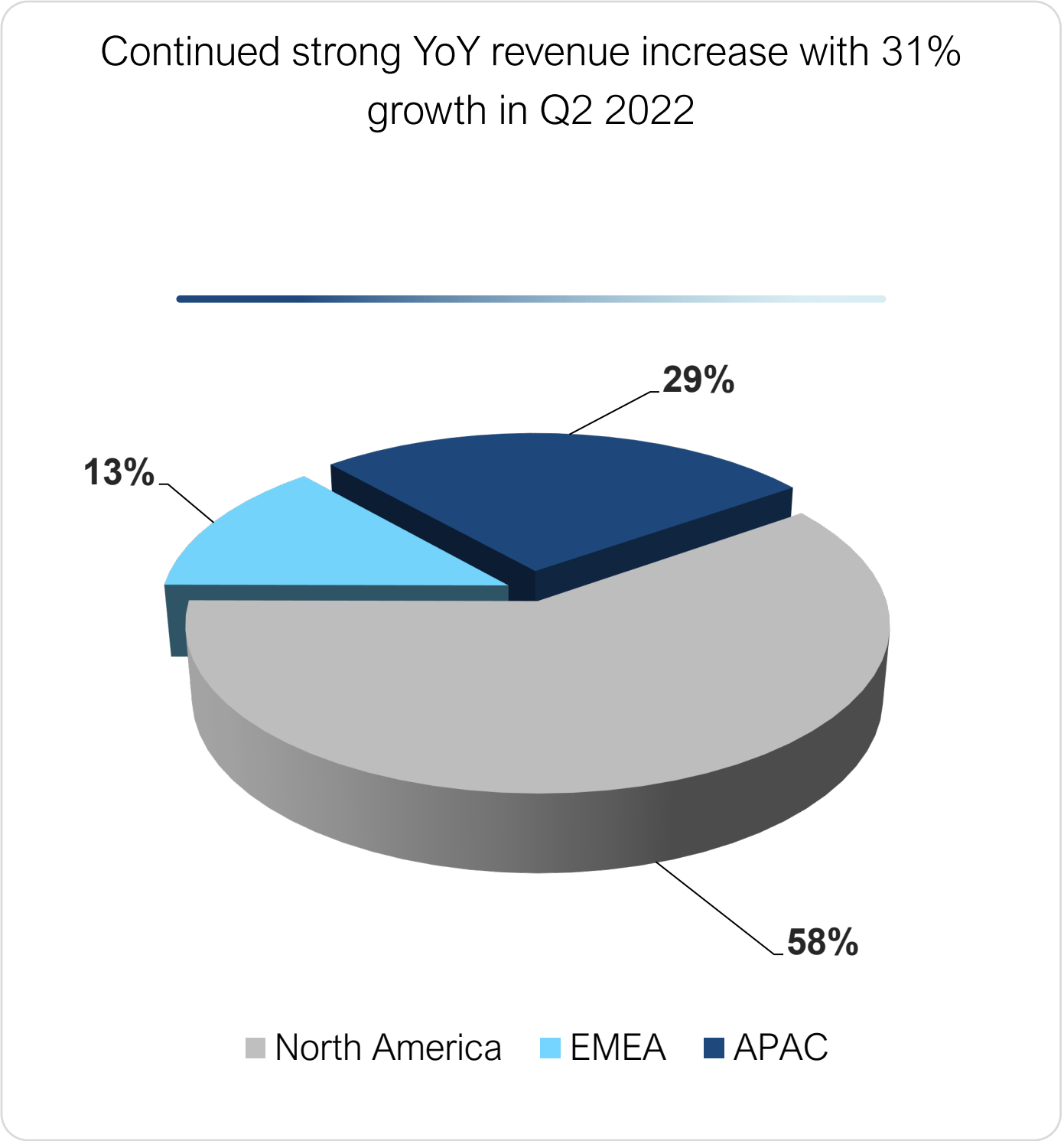
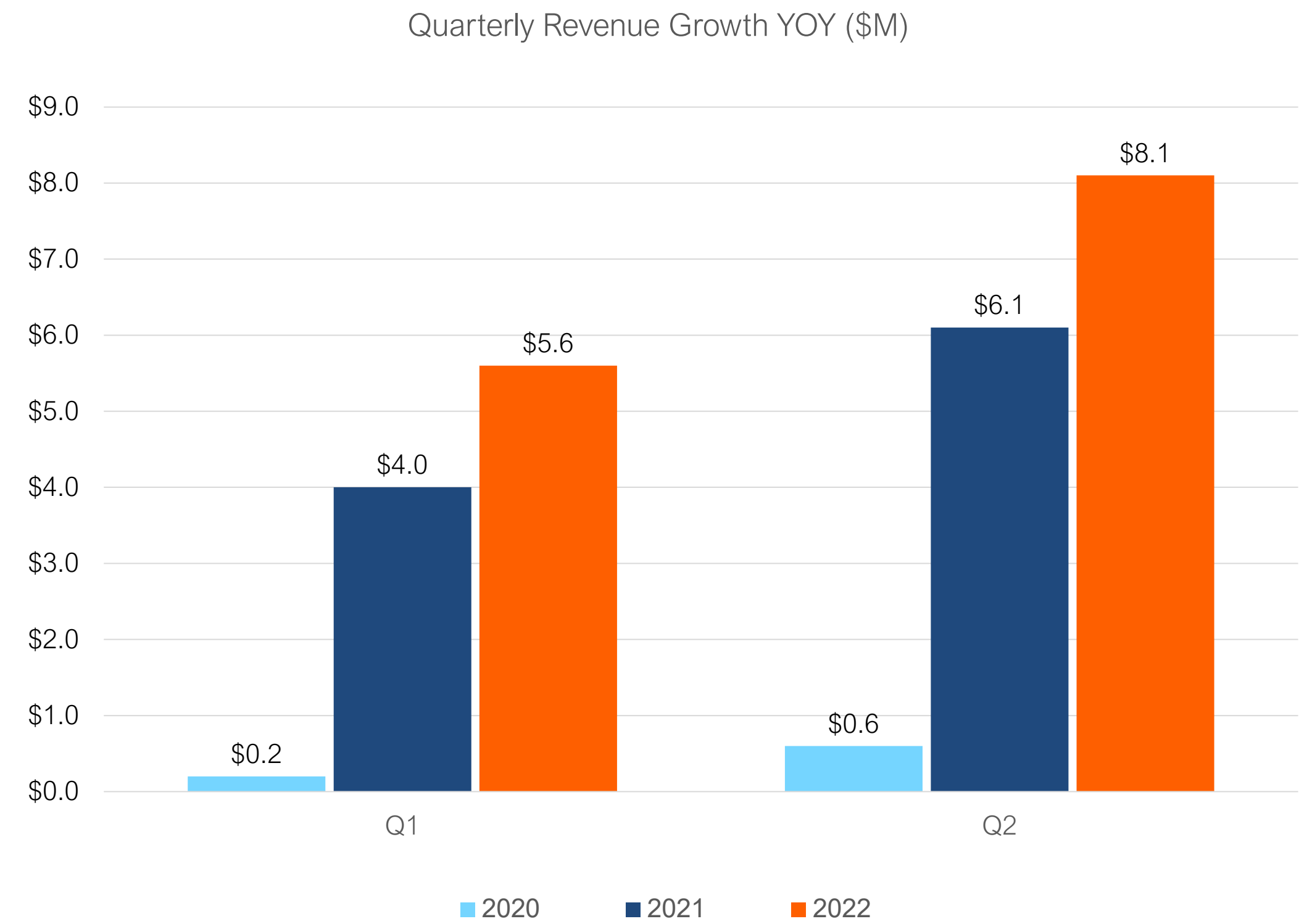
Financial Highlights – BS (\$'K)

	June 30, 2022	Dec 31, 2021
Cash and Cash Equivalents	36,015	46,209
Trade Receivables	5,078	6,319
Other Receivables	1,738	2,579
Inventory	4,415	2,018
Total Current Assets	47,246	57,125
Total Non-Current Assets	4,651	3,644
Total Assets	51,897	60,769
Total current liabilities	11,666	11,895
Total non-current liabilities	1,640	2,172
Shareholders' equity	38,591	46,702
Total liabilities and shareholders' equity	51,897	60,769

Strong cash position with \$36M as of June 30, 2022

Continuing investment in inventory including raw materials to address the ongoing global supply chain challenges

Quarterly Revenue Growth

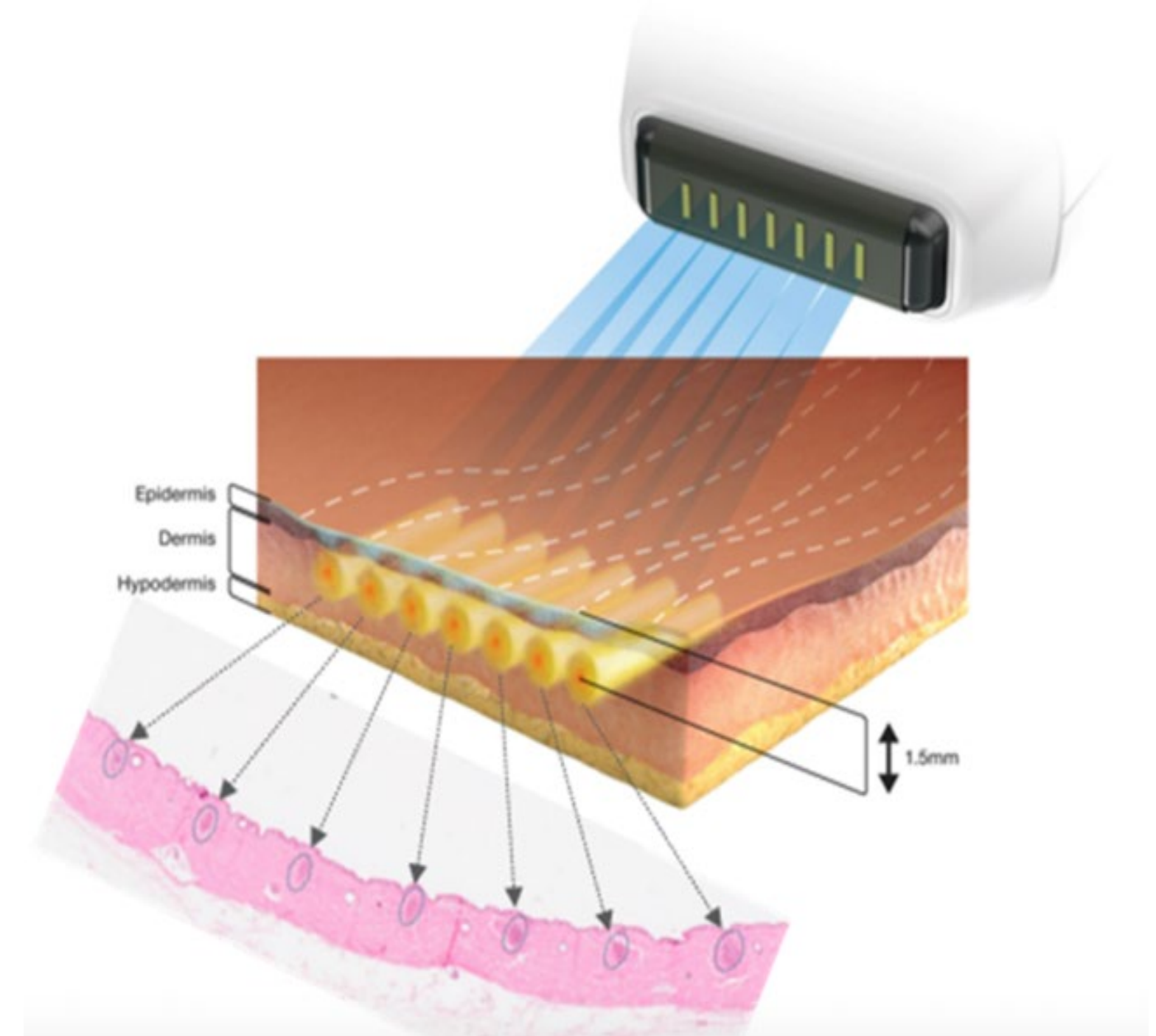




Clinical & Pipeline Update

Smart Science: Unique Technology and Mode of Action

- **Why is it better?**
- **Excellent safety and comfort** due to proprietary transducer array cooling technology and **full epidermal protection**. Practically Zero Down-time
- **Excellent efficiency** due to a unique array of volumetric, cylindrical-shaped thermal zones parallel to the skin surface.
- **Significantly larger coagulation zone volume and skin area coverage** than any other energy-based method
- The only ablative technology that tightens the skin in the “**right direction**”, **parallel to the skin surface**
 - **Excellent effectiveness**
 - **Excellent safety**
 - **Shorter treatment times**
 - **Better patient comfort**
 - *No bleeding or stabbing of the skin*



SofWave in APAC: Single treatment results on Asian patients, Nasolabial Folds

Before
Treatment



After
Treatment

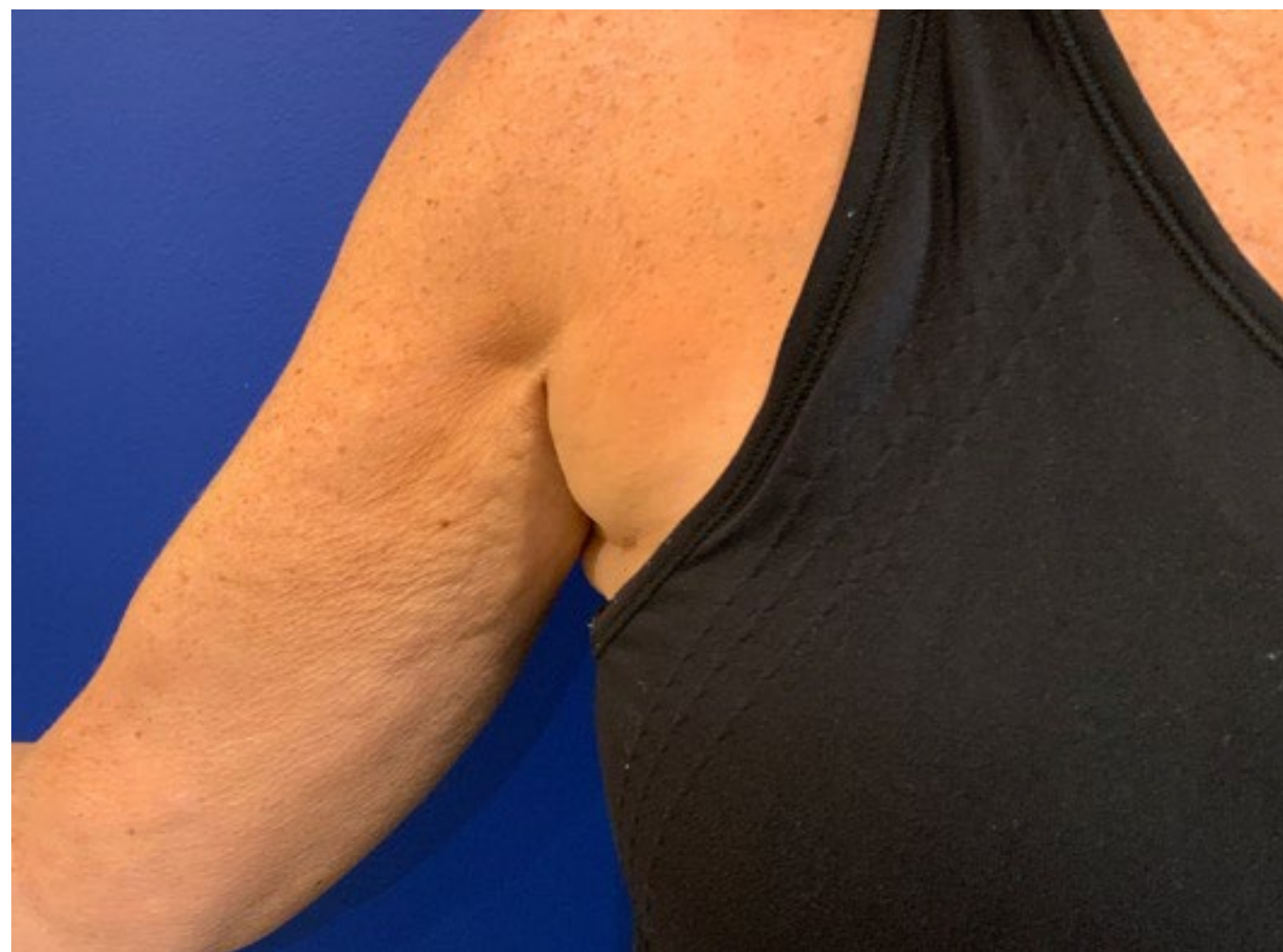
SofWave Technology: Skin tightening on the body – single treatment



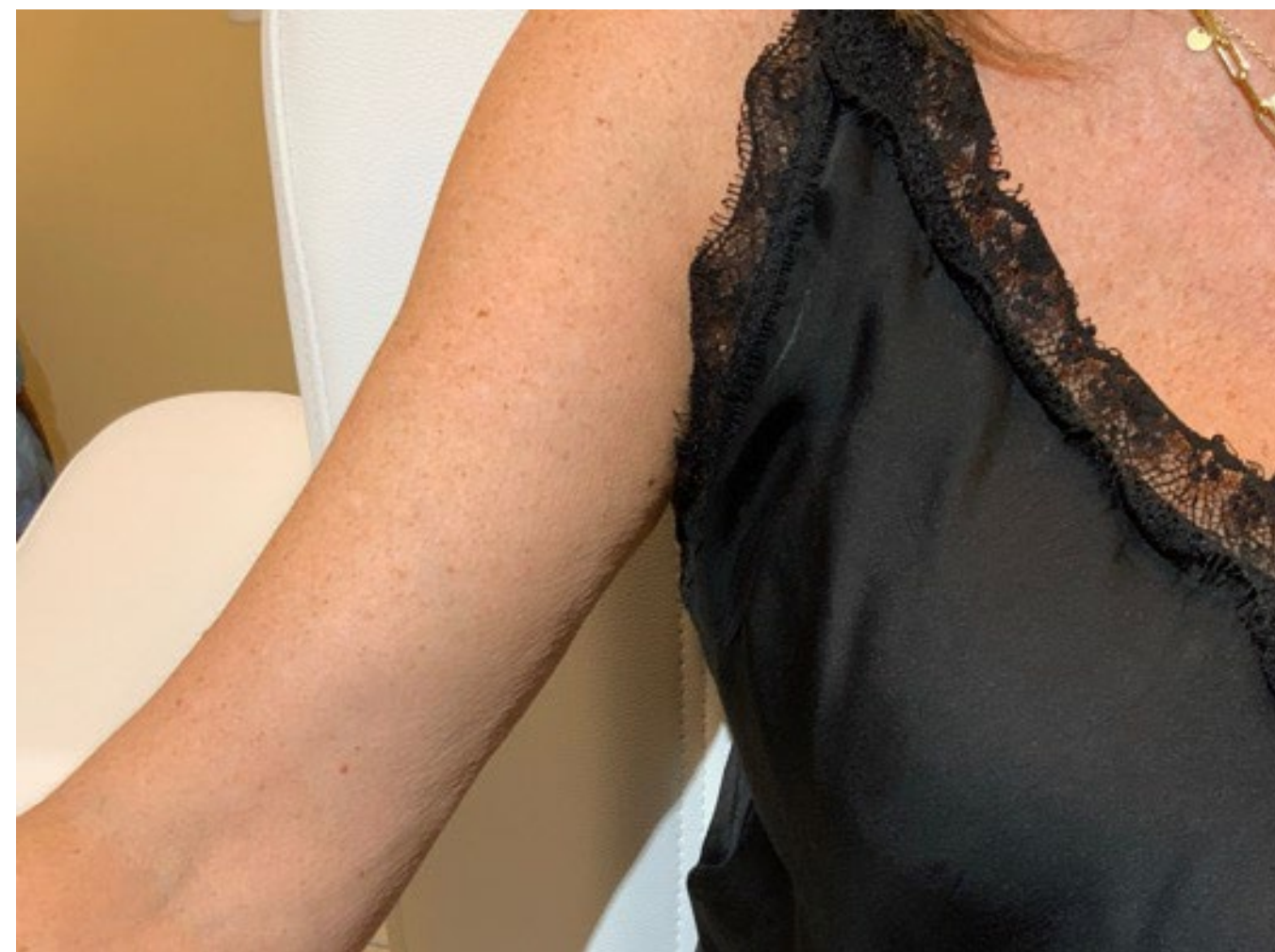
Photos Courtesy of Greg Mueller, MD

SofWave Technology: Skin tightening on the hands

Pre treatment



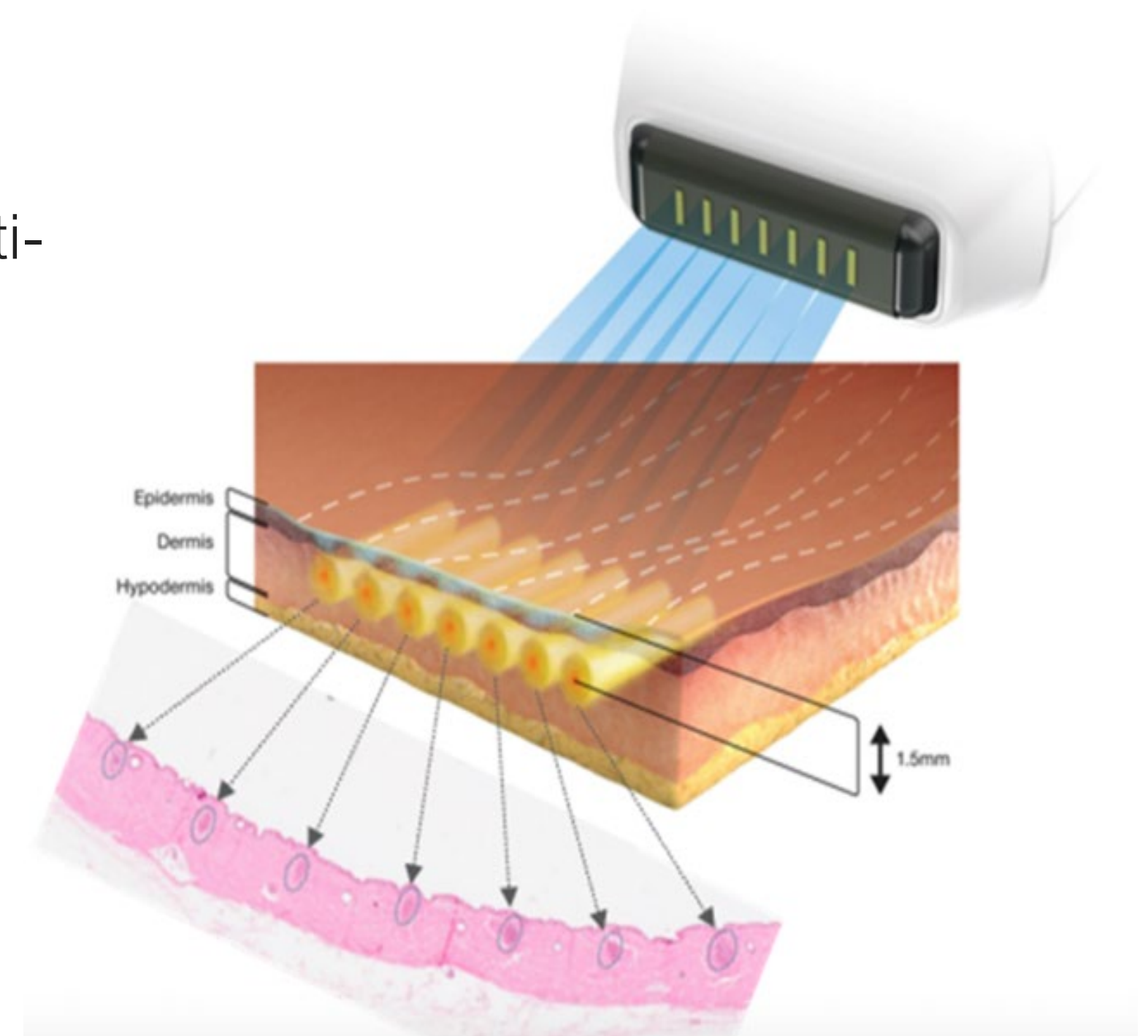
6 weeks post TX



Photos Courtesy of Anne Buinewicz, MD

Exciting Pipe-line of truly non-invasive treatments of most prevalent, annoying and hard to treat aesthetic applications

- Using our technology on new hand-pieces and platform:
 - Cellulite – Completed patient recruitment in multi-site US trial
 - Acne scars – Advanced multi-site clinical trials
 - Treatment of loose skin on body, hands, legs, knees – Advanced multi-site clinical trials
- New body platform



Investment Highlights and Growth Engines

Sofwave is delivering the next-generation of energy based aesthetic skin treatments poised to disrupt an industry with outdated inferior solutions

Significant and growing brand awareness driving procedure growth and recurring revenues

China key agreement with a major partner and exceptional market opportunity

Broad range of FDA clearances for lifting, laxity and wrinkle treatment treatment on face and neck



Q&A