



# DarioHealth Corp.

Global Digital Therapeutics Platform



# Forward Looking Statements.

This presentation of DarioHealth Corp. (the “Company”) and statements of our management or agents related thereto contain or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Act”). Statements which are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition, prospects and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our business, including many assumptions regarding future events. Words such as “seek,” “intend,” “believe,” “plan,” “estimate,” “expect,” “anticipate,” “will,” “would,” and other similar expressions all denote forward-looking statements within the meaning of the Act.

Readers are cautioned that actual results, performance, liquidity, financial condition and results of operations, prospects and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors. Factors that could cause or contribute to such differences include, but are not limited to our compliance with regulatory requirements, the impact of current and any future competition, our current and future capital requirements and our ability to satisfy our capital needs through financing transactions or otherwise, our ability to manufacture, market and generate sales of our Dario™ diabetes management solution, as well as other factors and risks discussed in the Company’s filings (including the results of the company’s commercial and regulatory plans for Dario™) with the U.S. Securities and Exchange Commission. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

In addition, readers are cautioned that any estimates, forecasts or projections contained in this presentation or as may be discussed by our management or agents have been prepared by our management in good faith on a basis believed to be reasonable. However, such estimates, forecasts and projections involve significant elements of subjective judgment and analysis and no representation can be made as to their attainability. No representation or warranty (express or implied) is made or is to be relied upon as a promise or representation as to our future performance. Readers are cautioned that such estimates, forecasts or projections have not been audited and have not been prepared in conformance with generally accepted accounting principles.

## Growing Industry, Well Positioned To Support Growth

### Investment Highlights

Global Market Opportunity

\$20B overall investment in the digital health market in 2018

Product Excellence

80% user engagement

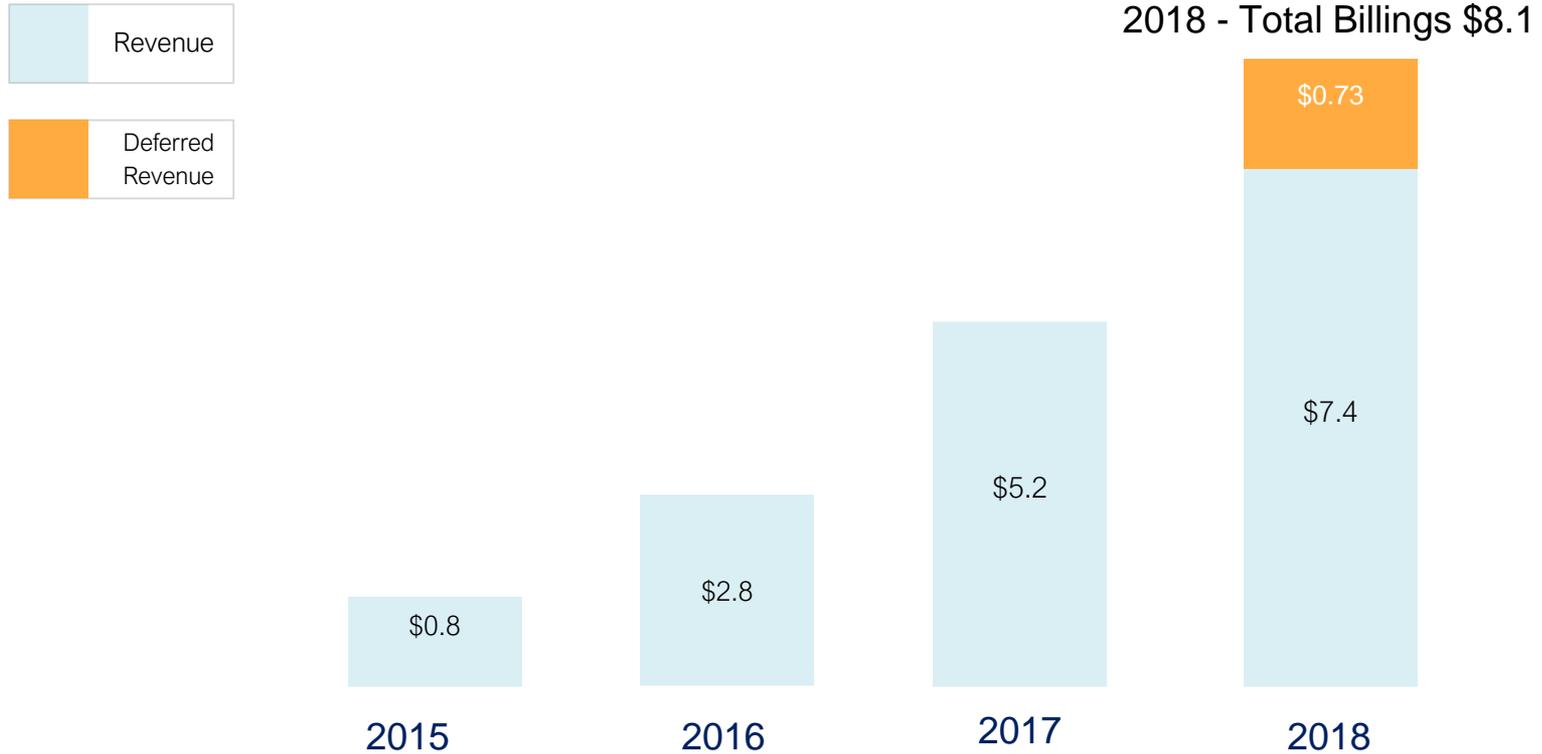
Powerful Business Model

Recurring quarterly and yearly membership programs

Exciting Growth Opportunities

4 years of consecutive sales growth

## Billings Growth\* (In Millions of \$)



\* See appendix 1



# **Dario at a Glance**

2011 Founded

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New York and Israel Global presence

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76 Employees

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6 Countries with users

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4 Regulatory bodies clearance

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5 Countries fully reimbursed

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\$8.13m 2018 in Billings\*

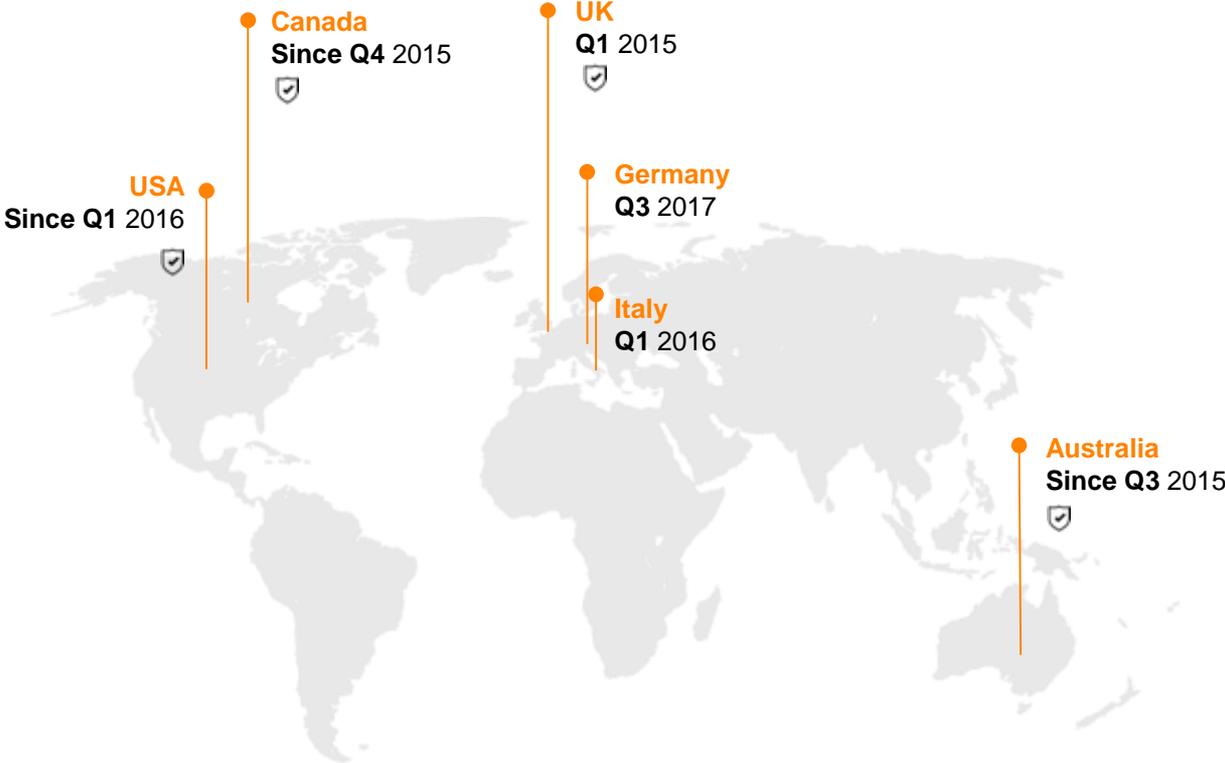
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DRIO Listed on Nasdaq

\* See appendix 1

# Global Reach: Operates in 6 countries

\* USA Leading Region



With offices in Israel and the US

 Insurance coverage

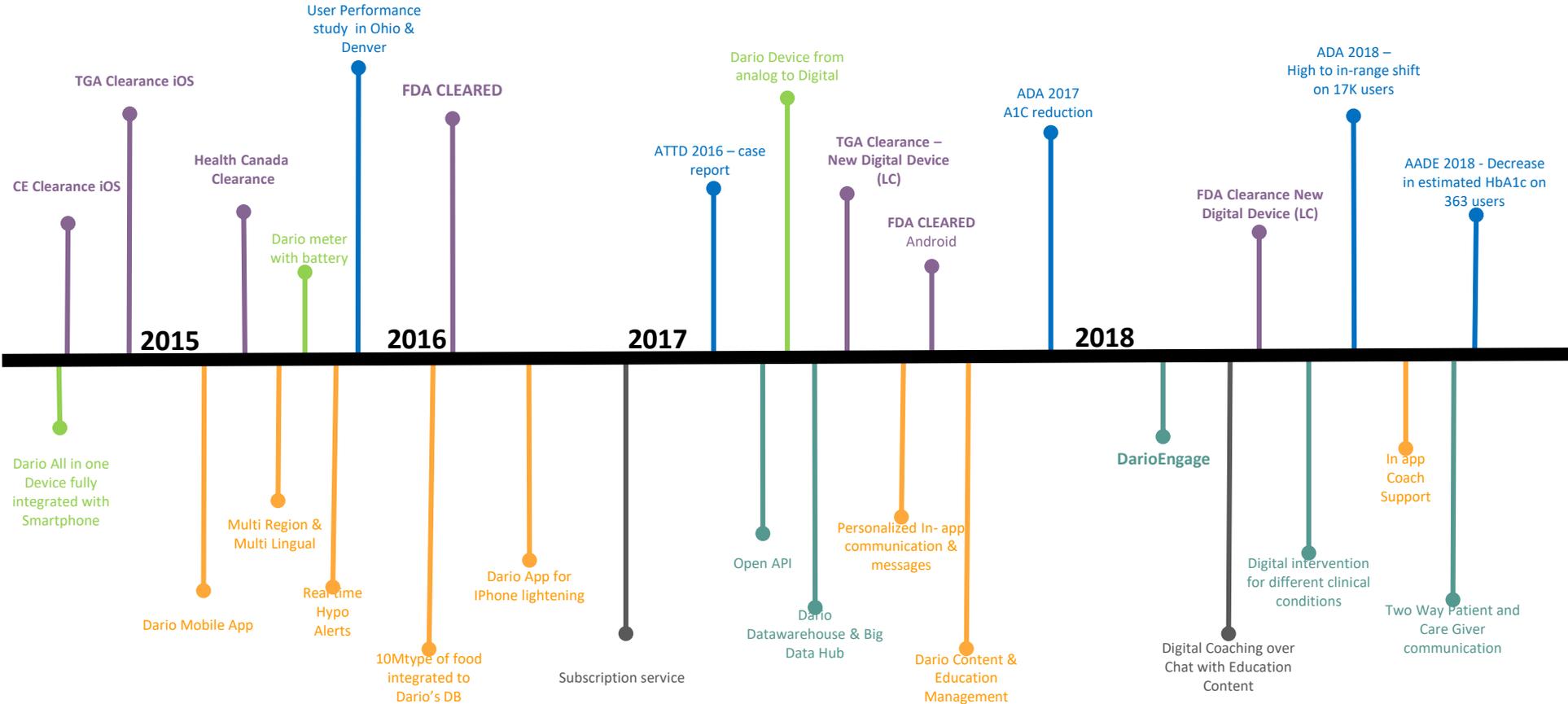
## Dario Health

DarioHealth Corp. (NASDAQ: DRIO) is a leading **Global Digital Therapeutics (DTx)** company revolutionizing the way people manage their health across the chronic condition spectrum.

By delivering **evidence-based interventions** that are driven by data, high quality software and coaching, DarioHealth has developed a novel approach that empowers individuals to adjust their lifestyle in a personalized way.

DarioHealth's **Cross Functional Team** operates at the intersection of life sciences, behavioral science and software technology to deliver highly engaging therapeutic interventions. Already one of the highest rated diabetes solutions, its user-centric approach is loved by tens of thousands consumers around the globe. DarioHealth is rapidly moving into new chronic conditions and geographic markets.

# Multi-Dimension Agile Mode of Operation





## **DarioHealth:** Transforming Chronic Management From Traditional & Generic to Digital & Personal

### **Traditional:**

- Periodic data
- General statistics based treatment
- Independent factors - silo events
- Driven by theories & independent professionals

### **Digital:**

- Real-time streamed data
- Personalized performance-based treatment
- Dependency reaction of events
- Driven by personalized data & AI technology

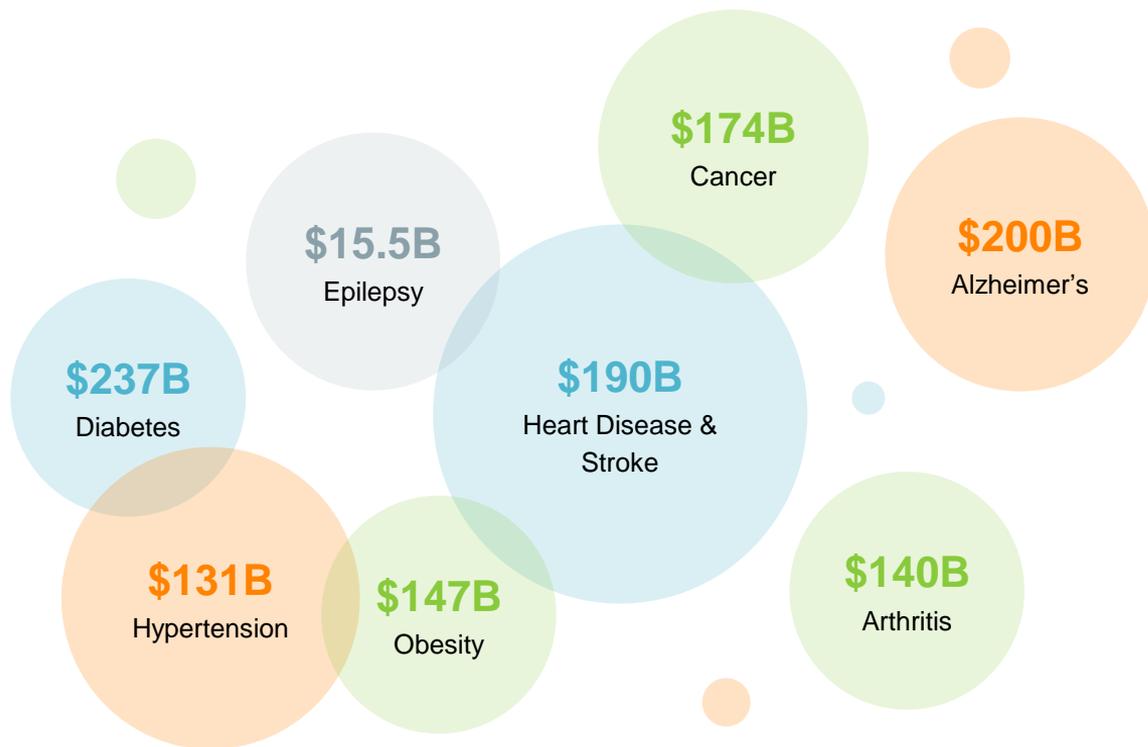


# Global Market Opportunity



## Annual Cost of **Chronic Diseases in the USA**

**90%** of the nation's \$3.3 trillion in annual health care expenditure is for people with **CHRONIC** and mental health conditions



Source: *Directs costs, CDC 2018*



**Product  
Excellence**

## Our Solution

Other companies build their offering around a device, and then cobble together a basic web interface and add generic coaching. Not Dario.

Our evidence-based **digital therapeutic** interventions put the user at the center with sophisticated software, tailored coaching and personal support.

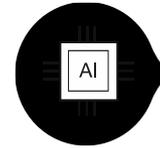
This approach offers users a unique and highly personalized experience that results in greater engagement and improved clinical outcomes.

This experience goes beyond the basics of chronic condition management of the traditional healthcare industry.

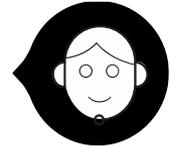
State of the Art Technology



Data Analytics

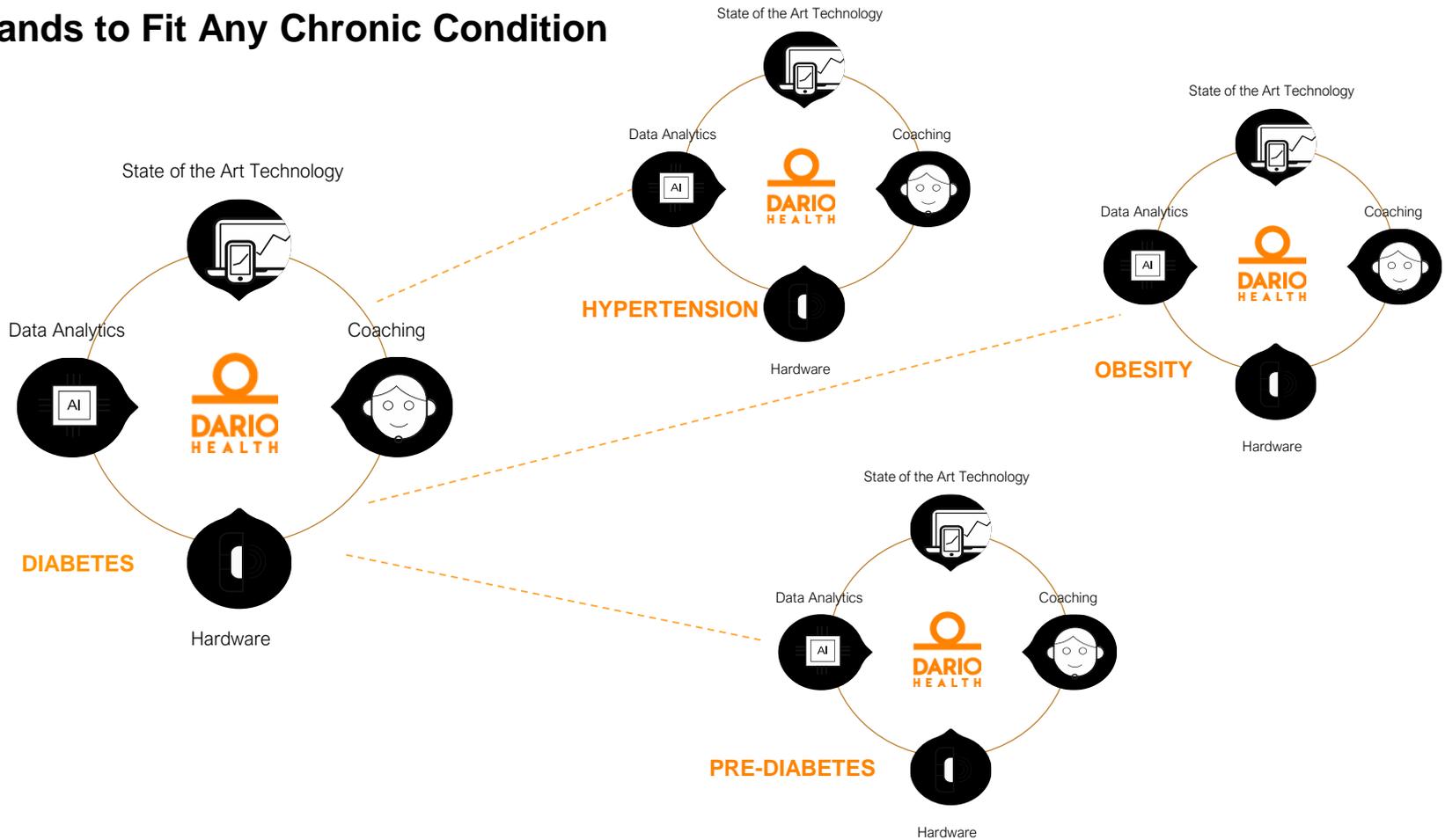


Coaching



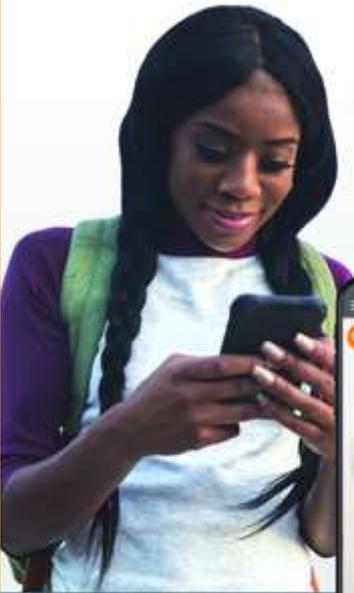
Hardware

# Expands to Fit Any Chronic Condition



# Unique Experience: Combining Hardware, Software and Digitalized Service

REAL TIME – RIGHT TIME



DIGITAL & LIVE COACHING

# How We Engage Patients Throughout Their Journey



# Integrated E2E Holistic Care Approach

## User Centric Components

Dario App	Device
Dario Engage	Service
Digital Intervention	
Data & Automation	

## Our Users

Professionals	Patients
Payers	Providers

## Tools

Engage	Coach Bot
Reporting	Predictive
Analytics	Billing
Loyalty Engine	Online Shop
Journey Library	Coaching Program
Content Library	
Multi Channel SMS, Push, In App	

## Channels

DTC
Payers
Retailers
Distributors

## The most loved product in the market:



NPS 77+



★ 4.8



★ 4.3

amazon

★ 5



“ I absolutely love this! I have an iPhone 8 and it works perfectly. It's so convenient and I check my sugar more often now. Thank you for Dario and for calling to see how I like it.

Natalie Miller



“ I have never had any problem, they are accurate, very easy to use, just make sure you review product to make sure you have the right phone and it's a breeze. The strips aren't to expensive and you get them right to the door. Thanks dario

Jason Miller



“ easy and a lot less to carry around. and is just as accurate as the bulky thing I just threw away.

John Willis



“ **Pre-Diabetics** I've been pre-Diabetic for a few years while A1C has gone up and down a little. Periodically I would take my Glucose meter out to calculate my blood sugar but forget to record it somewhere. Dario makes the whole process easier. I do the same process as before but now I can track my numbers and can have them forwarded to my doctors. Great App!

3EAJ



“ **Awesome tester. A real must have!** This is a great tester. You just plug it in to your phone, add a strip, and draw your blood with one device. And you can get unlimited test strips if you sign up for one of thier subscriptions at far cheaper prices than you can get at a pharmacy. You also don't have to keep track of when to order more that app does it for you.

Litexas75



“ **A GREAT tool for Diabetics!!** I've been using the Dario Meter for iPhone for several years now and have found it to be a reliable, reputable, portable, accurate and convenient tool to measure your blood sugar levels. I highly recomend the Dario blood glucose meters as in my experience over the years they are a quality, well engineered and well thought out design.

Michael A. Sotomayor



## Minimizing Healthcare Costs

12-43%

Reduction in  
diabetes risks\*



Yields substantial  
savings

\* Data from 17,156 users, as  
presented to the ADA

-2.3%

Reduction In  
HbA1C\*\*



Potential cost reduction  
of \$100,000 a year

\*\* Data from 276 highly engaged,  
high-risk users, as presented to  
the ADA

Reduction in  
Hospital & ER Visits



Lowers costs and  
reduces medical claims

## Stories of Success



“ I feel good about my weekly calls with my specialist. I've been more responsible with her calling me every week. It gives me a better sense of what I need to do.”



\$

Per patient  
per month

## Competition – Leading Digital Health Solutions

Company	Glucose Monitor	App	Platform / Analytics	Coaching
Dario Health 	Yes Native Solution Embedded into the smartphone	Yes Highly engaging – top in the app store	Yes Open for partners	Yes
Livongo 	Yes – Dedicated Device	Yes	Yes. Closed Platform.	Yes
mySugr 	No	Yes	Yes	No
Glooko 	No	Yes	Yes	No
WellDoc 	No	Yes	Yes	Yes
Omada 	Yes 3rd Party Dedicated Device	Yes Highly Engaging	Yes	Yes



# Powerful Business Model

# High Margins - Recurring Membership Model



DarioHealth has transformed its business from selling disposables to selling a complete solution with physical and digital services driven by an evidence-based clinical performance model

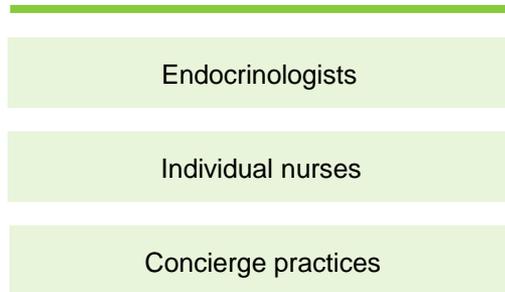
# Sales Structure

## Designed To Reduce CPA

### B2B



### B2P



### B2C



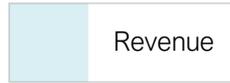


# Exciting Growth Opportunities

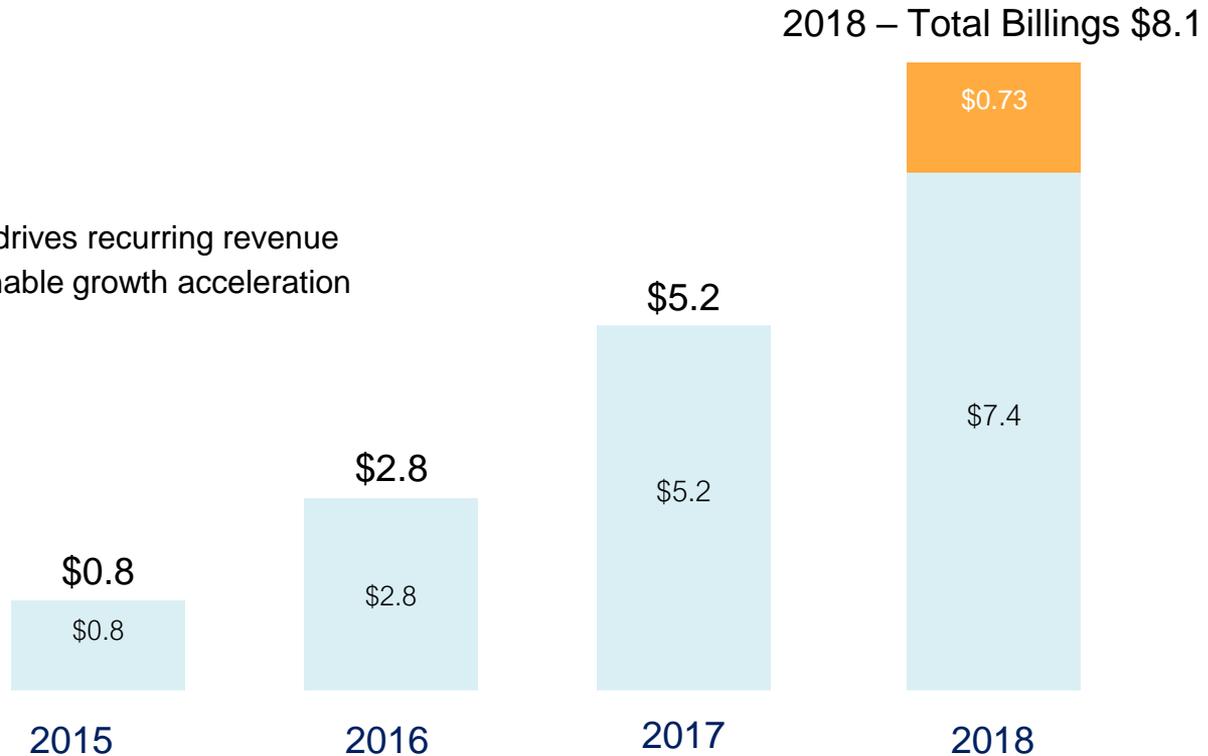
## Proven success worldwide – Our Partners



## Billings Growth\* (In Millions of \$)



- Membership model drives recurring revenue
- Multiple channels enable growth acceleration from B2C and B2B



\* See appendix 1



## Long-Term Global Potential Led by the US Market

1% of US Market (30.3 M) = Sales of **\$120M\***

1% of World Wide (480 M) = Sales of **\$1.8B\***

**250K** users = Sales of **\$100M**

\*Model assumes \$30 ARPU

## Strong Capitalization: Well positioned to support growth

### 36.8 M SHARES, HELD BY:

FAMILY OFFICES & ACCREDITED – 23.4%

VCs & INSTITUTIONS – 32.6%

BOARD & MANAGEMENT – 8.8%

PUBLIC – 35.2%

\$ 18 M WARRENTS

EXERCISE PRICE OF \$1.80 (EXPIRY: SEP 2019)

EXERCISE PRICE OF \$4.34 (EXPIRY: MAR 2021)

EXERCISE PRICE OF \$1.25 (EXPIRY: SEP, Dec 2021)

**\*NO DEBT!**

Management Investments  
(Cash and salary paid in shares)

\$1,464K BOARD MEMBER

\$858K CEO

\$114K CCO

\$1,646K CFO

\$321K COO

TOTAL \$4,403K

Company is post significant financing and is financed into 2020

# Executive Team & Board Members



## **Olivier Jarry | President & CCO**

Mr. Jarry has managed innovation at the crossroads of technology, healthcare and patient-centricity for three decades on five continents. He has held several executive roles in multinational life science companies including Bayer HealthCare, Bristol-Myers Squibb and Novartis.



## **Yoav Shaked | Chairman**

Since 2011, Mr. Shaked has served as a partner at Sequoia Capital, a leading global venture capital firm. Mr. Shaked has more than 15 years of experience of founding several medical device companies



## **Erez Raphael | CEO, Board Member**

Mr. Raphael, Digital Health Entrepreneur, has over 20 years of systems and software development experience in various industries including mobile, life science, medical device, health IT, mHealth and digital health solutions.



## **Glen Moller | Board Member**

Mr. Moller is CEO at BehaveCare, Inc. In his past career, he held the position of President-Health Plans at Concerto Health Services, Inc.; CEO Medicare Division at Centene Corp.; CEO at ArroHealth; COO for Express Scripts Insurance Co; and CMO for Oxford Health Plans.



## **Zvi Ben-David | CFO**

Mr. Ben-David has 25 years of financial and accounting experience, particularly with medical device companies. Among his previous roles, he served as Corporate VP & CFO of Given Imaging.



## **Dror Bacher | COO**

Mr. Bacher has more than 17 years of software business experience, including managing positions in product development at both mobile and semi-conductor companies.



## **Allen Kamer | Board Member**

Mr. Kamer is a successful entrepreneur and experienced corporate executive in the healthcare and medical informatics space. He has nearly 25 years of experience in converting health information to health intelligence and delivering solutions that improve care delivery.



## **João Mendes-Roter | VP Marketing**

With over 20 years of experience, Ms. Mendes-Roter is a marketing executive and online digital expert in growth marketing and direct response.



## **Professor Itamar Raz | Medical Director**

Mr. Raz is a full professor of Internal Medicine and was the Head of the Diabetes Unit at Hadassah University Hospital 2000-2015, Prof.



## **Limor Drezner | VP HR**

Ms. Drezner is a professional HR & talent acquisition manager, holding vast experience from both corporate and startup companies, and in her previous role, served as Head of HR for Gett IL (As well as Microsoft, HP, and Refael).



## **Michal Hershkovitz | VP Clinical & Regulatory**

Ms. Hershkovitz has managed global regulatory strategy design and implementation as well as global clinical studies for three decades in the Medical Devices and Pharmaceutical industry.



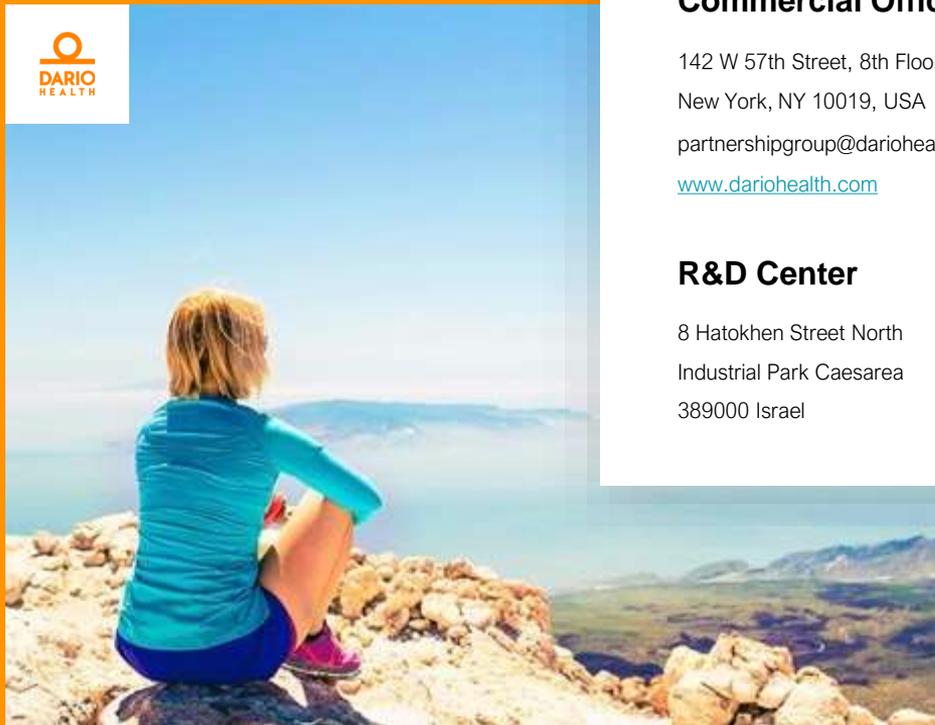
## **Yael Lipskin-Moshe | Director of Product**

Ms. Lipskin-Moshe is a professional product manager, specializing in mobile apps. Backed by 14 years of experience, she has worked on products at Wix, Gett, and Maccabi Health.



## **Yinon Amir | Head of Software**

Mr. Amir brings vast experience in software development, engineering practices, digital technologies, solution, architecture and design, as well as large scale projects management.



## **Commercial Office**

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New York, NY 10019, USA

partnershipgroup@dariohealth.com

[www.dariohealth.com](http://www.dariohealth.com)

## **R&D Center**

8 Hatokhen Street North

Industrial Park Caesarea

389000 Israel

# Appendix 1. - Non-GAAP Financial Measures

We have provided in this presentation financial information that has not been prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies. We use these non-GAAP financial measures internally in analyzing our financial results and believe they are useful to investors, as a supplement to GAAP measures, in evaluating our ongoing operational performance. We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial results with peer companies, many of which present similar non-GAAP financial measures to investors.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures provided in the financial statement tables below.

Billings (non-GAAP). We define billings as revenue recognized in accordance with GAAP plus the change in deferred revenue from the beginning to the end of the period and adjustment to the deferred revenue balance due to adoption of the new revenue recognition standard less any deferred revenue balances acquired from business combination(s) during the period. We consider billings to be a useful metric for management and investors because billings drive future revenue, which is an important indicator of the health and viability of our business. There are a number of limitations related to the use of billings instead of GAAP revenue. First, billings include amounts that have not yet been recognized as revenue and are impacted by the term of security and support agreements. Second, we may calculate billings in a manner that is different from peer companies that report similar financial measures. Management accounts for these limitations by providing specific information regarding GAAP revenue and evaluating billings together with GAAP revenue.

## Reconciliation of Revenue to Billing (Non-GAAP)

U.S. dollars in thousands

	Year Ended December 31		Three Months Ended December 31	
	2018	2017	2018	2017
GAAP Revenue	7,394	5,170	1,700	1,578
Add:				
Change in deferred revenue	736	-	351	-
Billing (Non-GAAP)	8,130	5,170	2,051	1,578