DarioHealth Corp.

AI-powered, digital solutions that drive durable behavior change in chronic disease

Nasdaq | DRIO
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. For example, when we discuss the synergies with our newly acquired businesses, the potential increases in our revenues and increase in sales in 2021 and our product offerings, we are using forward looking statements. 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.

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# Dario Health - Opportunity

## Industry
- Digital Health / Digital Therapeutics accelerated during and post COVID

## Significant TAM
- Total addressable market of $108B for *metabolic* disease market, additional $90B for the *musculoskeletal* market and $9B for the *Behavior Health* market.

## Product Excellence
- 75,000 users on the metabolic side alone, another 90,000 on MSK and 20,000 on BH Appstore (4.9/5), with a Net Promoter Score of 77.

## Powerful Business Model
- High margins SaaS / PMPM business model - $60-$89 PMPM

## Fast Growing
- In a significant transformation from D2C into B2B2C expect to scale revenues in 2021. Analysts' consensus is growth from $7.6M in 2020 to $22.5M in 2021 and $43M in 2022.

## Strong Balance Sheet
- Well positioned to deliver on our strategic plan to scale our user base through partnerships with insurance companies, health care plans and self-insuring employers. Cash position for end of June $63.9M.
Empowering behavior change to alleviate the burden of chronic conditions through simple, clinically proven digital tools and coaching – Making the right thing to do, the easy thing to do.
Chronic disease management represents a significant unmet need.

<table>
<thead>
<tr>
<th>147M+</th>
<th>1 in 4</th>
<th>7/10</th>
<th>$3 of $4</th>
<th>$3.7T</th>
</tr>
</thead>
<tbody>
<tr>
<td>people in the U.S. have chronic conditions</td>
<td>adults in the U.S. have two or more chronic conditions</td>
<td>deaths caused by chronic disease</td>
<td>spent on healthcare from chronic diseases</td>
<td>annual total cost to the U.S. economy</td>
</tr>
</tbody>
</table>

https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5876976/
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5876976/
## Employer's well-being priorities for 2021

**Employers with 500 or more employees**

<table>
<thead>
<tr>
<th>Well-being Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral health</td>
<td>75%</td>
</tr>
<tr>
<td>Diabetes</td>
<td>49%</td>
</tr>
<tr>
<td>Financial well-being</td>
<td>48%</td>
</tr>
<tr>
<td>Nutrition/weight management</td>
<td>40%</td>
</tr>
<tr>
<td>Physical activity</td>
<td>39%</td>
</tr>
<tr>
<td>Cardiovascular health</td>
<td>28%</td>
</tr>
<tr>
<td>Musculoskeletal</td>
<td>26%</td>
</tr>
<tr>
<td>Cancer</td>
<td>23%</td>
</tr>
<tr>
<td>Family planning and support</td>
<td>14%</td>
</tr>
<tr>
<td>Social determinants of health</td>
<td>8%</td>
</tr>
<tr>
<td>Senior care</td>
<td>4%</td>
</tr>
<tr>
<td>None of the above</td>
<td>8%</td>
</tr>
</tbody>
</table>

2020 Mercer National Survey of Employer-Sponsored Health Plans
Global Addressable Market – Digital Therapeutics

$162B opportunity in US alone. Of which less then 1% is already penetrated.

- Diabetes: 34.2M, $72B Metabolic total US Market
- Hypertension: 103M
- Musculoskeletal: 126.6M

Total: 51M Behavioral health

$9B BH total US Market

* Calculated as $60 PMPM for diabetes, $30 PMPM for Hypertension and $50 PMPM for MSK
Consumerization of Healthcare

Scale up chronic condition management by deploying user centric technologies.

Dario - Digital Therapeutics Platform

- Users/Patients are key stakeholders and are part of the solution
- Accessed by the users 24/7 upon their specific need (asynchronous) – between doctor visits support.
- Holistic approach for chronic condition management, one integrated clinical program to approach multi conditions.
- Enables many-to-many – providers to patients.

Traditional Healthcare

- Non digitalized
- Face to face treatment
- Silo approach – chronic condition as separate discipline

Telemedicine

- Scale HCP (Health Care Professionals) Capabilities.
- Allows effective doctor visit.
- Silo approach – multiple programs for multiple conditions.
- Enables 1-to-1 provider to patient.

Technoogy Transformation

Efficiency / Scale
DarioHealth Solution
Fully-integrated digital solutions for managing multiple chronic conditions

Dario offers solutions for:

- Diabetes
- Hypertension
- Prediabetes
- Musculoskeletal *2021
- Behavioral Health *2021
Digital Health Standard Approach

- Diabetes
- Hypertension
- BH
- MSK

Personalized per condition - Multiple data sets

MSK Data, Hypertension Data, Diabetes Data, BH Data

Dario Digital Therapeutics Approach

- One integrated program
- One journey
- One coaching program
- One continuous screening

Hyper personalized – All data in one place

AI combined with behavioral science
MSK + hypertension + diabetes + BH data
Multi-Condition, Single Platform Approach
Benefits User and Payer through Coordinated, Improved Patient Centric Virtual Care Model

UX single point for multi conditions
Platform integration solution
Coherent chronic condition management
Single Member enrollment billing

Member
185,000 users

Employers / Payers

Hyper personalized experience

Open Platform

Diabetes
Hypertension
Musculoskeletal (MSK)
Behavioral Health
Dario’s simplicity makes engagement easy
Proprietary medical device, mobile application, digital and human coaching

myDario™

- Telemedicine providers
- Behavioral health support
- **Devices**
  - Glucometer
  - BP cuff
  - Digital scale
  - MSK sensors
- MSK Sensor
- Gamification
- Unlimited consumables
- Activity tracking

DarioEngage™

- Food tracking
- Real-time coaching
- Al-based insights
- Education
- Performance rewards
### DarioHealth accelerates behavior change
by making the right thing to do, the easy thing to do

<table>
<thead>
<tr>
<th>Without Dario</th>
<th>With Dario</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Even when I know what I need to do, it feels impossible”</td>
<td>“With Dario tools, changing what I do is easy”</td>
</tr>
<tr>
<td>“It’s hard to keep up with devices and supplies”</td>
<td>“I always have what I need, when I need it”</td>
</tr>
<tr>
<td>“I’m unique—the solutions I’m offered don’t fit me”</td>
<td>“My experience is personalized to me—that helps me stay connected”</td>
</tr>
<tr>
<td>“Figuring out how to use the tools is too much effort—I just give up”</td>
<td>“The next steps are automatic—I don’t have to think about anything.”</td>
</tr>
<tr>
<td>“Nobody is in my corner”</td>
<td>“Help is a button away, and I get support before I even ask for it”</td>
</tr>
</tbody>
</table>
Dynamic Personalization for Each Individual
AI Insights Continuously Applied to the Six Domains of Personalization for Each User

“Jack’s” Dario Journey
After 12 months
Jack remains engaged
Behavioral Health
Musculoskeletal

“Jack’s” Competitor Journey
After 3 months
Jack drops out
Diabetes
Hypertension

Timing  Tone  Channel  Content  Frequency  Intervention
<table>
<thead>
<tr>
<th>Benefits</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost &amp; ROI</strong></td>
<td>30% - 50% lower cost, no per-condition fee stacking; Pay for engagement measured monthly, not once in 3 - 6 months; Unlimited supplies and coaching; ROI $2,376 PMPY; Up to 100% fees at risk based on outcome metrics.</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td>1.4% reduction in A1c; 38% reduction in blood pressure levels; 50% reduction in hypoglycemic events; 54% reduction in severe pain; 60% reduction in hyperglycemic events; 24 Clinical Studies with 2-year sustained results.</td>
</tr>
<tr>
<td><strong>Member Satisfaction</strong></td>
<td>197,000 users, consumer DNA, D2C self-pay space; 4.9/5 Stars app store rating; 77 net promoter score; 80% retention year-over-year.</td>
</tr>
<tr>
<td><strong>Data Transparency</strong></td>
<td>Data Sharing: With internal/external ecosystem; Open Platform: agnostic coaching, overall interoperability; Real-time AI: updates and agile product development; True Configurability: to meet client needs in reporting, data, and access.</td>
</tr>
<tr>
<td><strong>Devices</strong></td>
<td>3-4x Smaller than other devices; 96% accurate; Consumer tested and loved form factor; Automatic, intuitive refill of all consumables.</td>
</tr>
</tbody>
</table>

**References:**

*AADE 2018 Scientific presentation for T 2D after 12 months*

**"The Cost and Impact of Type 2 Diabetes: Policy Recommendations for a Growing Public Health Epidemic" Paul Keckley, Nov 2018* (1% HbA1c = 1700$)** – see next slide
Dario’s Competitive Advantage
Positive user experience with proven data driven return on investment in scale

• Market with less than 1% penetration
• Limited competitors with scale
• Dario positioned for Market Leadership Role

Why Dario Health Wins

Superior Technology Solution
Dario Health delivers a seamless user experience leads to superior user engagement that leads to clinical outcomes

Proven Clinical Performance At Scale
3 years and billions of data points fed through Dario’s Virtuous Cycle provides a competitive AI advantage with 15 clinical paper shows significant improvement in outcomes

Competitive and value-based pricing model
State of the art user experience with high BPS and measurable clinical results makes for an attractive ROI to payers.

Source: commentary/analysis about competitors is attributed to SVB Leerink from its August 2019 Livongo research report. Analysis on Dario is based on management estimates.
Leverage D2C core to penetrate the B2B2C market

- Following the successful penetration and growth in the D2C market, demonstrated requisite clinical results at scale, now enables the Company to move into and target the B2B2C market.

- This has enabled the Company to significantly accelerate and scale our platform
Strong Client Base / Expanding Pipeline

- **Health Plans**: NDA, NDA
- **Providers**: Remote Patient Monitoring
- **Employers**: S&P 500, S&P 500

- **Signed Contracts**
  - 16 Partners
  - 31 Clients
  - 800 Access to pool of employers through strategic partners
  - 197K Users on platform

- **Pipeline**
  - *$900M Annual revenue pipeline
  - 2.4M Access to users

- **Contracting**
  - First major plan in contracting
  - In contracting of first large employer
  - In partnership with health plan

- **Opportunity**
  - Partner for self-insured employers
  - Reduce cost
  - Medicare reimbursable
  - Opportunity for increased revenue for providers

*Annual pipeline revenue estimates are calculated as anticipated opportunity population multiplied by 10% condition prevalence times 35% enrollment at $59/month times 12 months. In the event that actual prevalence or eligible members is known, those amounts are used instead. Actual revenue from an opportunity could differ significantly from the estimated amount.*
Our Highly Scalable SaaS / PaaS Business Model
Drives recurring revenue and high growth margin.

- **SaaS** (Software as a service)
- **PaaS** (Platform as a service)

### Consumer / Retail
- Standard Membership
  - Medical Devices + Unlimited Disposables
  - Application Experience
  - Dario Coaching
  - 1st Condition: $25 PMPM
  - 2nd Condition: $35 PMPM

### Digital Therapeutic
- Premium Membership
  - Medical Devices + Unlimited Disposables
  - Enhanced Application Experience
  - Dario Coaching
  - Health Coaching (CDE)
  - 1st Condition: $60 PMPM
  - 2nd Condition: $70 PMPM

### Membership Program
- Licensing to integrate to the open platform
- Applicable for providers as well as medical devices companies
- $39 PMPM
Multi-Condition Platform
DarioHealth’s Growth Strategy
Chronic Condition Behavioral Change Platform Grown Organically and Inorganically

Disciplined Approach Requires Specific Criteria for Adding Conditions

**Consumer Centric**
- Superior user experience capabilities to engage and retain users
- Behavioral change at root of solution that drives outcomes

**Payer Demand**
- Solving big problem for self-insured employers, payers or providers who represent large user populations

**Comorbidity Overlap**
- Focus on chronic conditions or comorbidities that are tangential or overlap DarioHealth's current offering where similar care principles can be applied

**Significant TAM**
- Solve a big problem with significant total addressable market (TAM)
**Best of Suite Evolvement**

Layering on New Chronic Conditions for a More Complete Virtual Care Solution

- **2016 - 2018**: Diabetes
  - Multi Devices, CGM, Hyper personalization through AI.

- **2019**: Hypertension
  - Personalized through user journeys and education

- **2020**: Musculoskeletal (MSK)
  - Fully integrated MSK solution for Employers

- **2021**: Behavioral Health
  - Full solution for anxiety, depression & loneliness

The Most Engaging MSK Solution
Dario Move Digital First Solution for MSK Care

Hardware / Sensors
Enables biofeedback to drive personalized experience in combination with software

Software
Enables full data driven digital experience including education and content

Human coaching
Support the digital experience with human coaching to provide a durable behavioral change
Dario Move – Competitive Advantage
The Most Complete & Engaging Solution/Offering

Posture Training
Behavior Change

Education
Video Vs. Text

Train as you play
Fun

Single Sensor
Simplicity

UI
Modern

Dario Move – Competitive Advantage
The Most Complete & Engaging Solution/Offering

Posture Training
Behavior Change

Education
Video Vs. Text

Train as you play
Fun

Single Sensor
Simplicity

UI
Modern
UPRIGHT’s High User Satisfaction
Satisfaction Leads to Engagement which In turn Leads to Clinical Performance

4 out of 5 Would recommend within Employer
83% Report improvement in posture within 2 weeks
72% Would recommend a friend

4.1 out of 5 Amazon 4K customers ratings
4.7 out of 5 Apple 7.6K customers ratings
4.8 out of 5 Google Play 1057 customers ratings
UPRIGHT – Clinical Results
Real World Health Outcomes Highlight Strength of Offering

Cost savings of $73.23 for every √1% Of pain reduction

57k Users – 261K data points

√61% Moderate pain level reduction
User’s pain level rating over 13 to 18 months

$4,467

√54% Severe pain level reduction
User’s pain level rating over 13 to 18 months

$3,954

55%
Improvement in extensor muscles endurance
“Upright can be beneficial in reducing future spinal problems”

16%
Improvement in seated thoracic spinal angle
“Upright posture trainer could be beneficial in improving posture and reducing future spinal problems”

8 Out of 10
Improved their RAND SF Health Survey by an avg of 29%
“Upright improves emotional wellbeing and overall health”

38%
Reduction in maximal neck flexion
“Upright posture device can improve posture alignment in Parkinson’s disease”
Digital Therapy - MSK Solution Landscape

DARIO Move Compares Favorably to Peers

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<tbody>
<tr>
<td>DARIO MOVE</td>
<td>92K</td>
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<tr>
<td>Hinge Health</td>
<td>80K</td>
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<tr>
<td>SWORD HEALTH</td>
<td>50K</td>
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</table>

*https://medcitynews.com/2021/01/virtual-physical-therapy-startup-hinge-health-reaches-3b-valuation/
**https://www.cnbc.com/2020/05/19/omada-health-raises-57-million-acquires-physera-for-30-million.html
*** Active in the last 3 month, competitors are estimates
Acquisition of wayForward (BH)
DarioHealth – BH Solution

wayForward Satisfies Many of Dario’s Selection Criteria

- **Consumer Centric**
- **Wide condition coverage**
- **Significant user base that proves durable behavioral change**
- **Use technology that combines HW, SW and light service**
- **Company culture – consumer first!**

- **D2C Focused with very high user satisfaction**
- **Covers 90% of BH conditions by providing a solution for depression, anxiety & stress**
- **More than 60K users with improved stress, anxiety and depression**
- **Combines software application and light coaching for full experience.**
- **Share same culture of digital approach with consumer first mindset.**
Product: Digital Layer for Behavioral Health

wayForward's focus is on optimizing access and cost of treatment, by doing the triage and providing cost-effective digital care options for moderate to low severity. wayForward lies on TOP of network-centric solutions.
Behavioral Health Market Landscape
wayForward adds value and shows outcomes across the user’s journey.

**Utilization**
>17% Employees Screened
Employees Engaged (Over 20% in 2020)

**Screening**
89% Employees Screened

**User Outcomes**
82% Users Feel Better After using wayForward

**Clinical Outcomes**
48% Anxiety Symptom Reduction (UNC Research study)
59% Depression

**Organizational Outcomes**
37% Improvement in Productivity

>5x
More employees Engaged
Typical EAP gets 2-4% engagement
Behavioral Health Market Landscape

As the digital layer for BH, wayForward lies on TOP of network-centric solutions, which makes even the indirectly competitive players in the field potential partners or clients in the future.
Experienced Executive Management Team

Erez Raphael
CEO, Board Member

Rick Anderson
President & GM North America

Zvi Ben-David
CFO

Omar Manejwala, M.D.
Chief Medical Officer

Claudia Kraut
Partnership Employers

Phil Ritchey
SVP Health Systems & Providers Sales Providers

Barbara “Be” Stark
SVP & Head of Managed Markets North America Health Plans

Dror Bacher
COO

Chris Chan
SVP Employer Sales Employers

Omar Manejwala, M.D.
Chief Medical Officer

Dr. Navya Singh
Chief BH Product

Jeremy Kean
VP Client Success

Ritvik Singh
GM BH

Oded Cohen
GM Musculoskeletal & Board Member

Dr. Navya Singh
Chief BH Product

Phil Ritchey
SVP Health Systems & Providers Sales Providers

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Oded Cohen
GM Musculoskeletal & Board Member
Board of Directors and Advisors

Yoav Shaked  
Chairman of the Board

Eric Milledge  
Chairman of the Scientific Advisory Board

Allen Kamer  
Advisory Board

Dennis Matheis  
Board Member

Yadin Shemer  
Advisory Board

Dennis M. McGrath  
Chair of Audit - Board Member

Hila Karah  
Board Member

Adam Stern  
Board Member

Marilyn Ritholz, PHD  
Scientific Advisory Board

Dr. David A. Horwitz, MD.  
Scientific Advisory Board

Dennis M. McGrath  
Chair of Audit - Board Member

Hila Karah  
Board Member

Adam Stern  
Board Member

Marilyn Ritholz, PHD  
Scientific Advisory Board

Dr. David A. Horwitz, MD.  
Scientific Advisory Board

Dennis Matheis  
Board Member
Financial Highlights

- About $64M as of June 30, 2021
- Following Upright’s acquisition, the consolidated revenues have the potential to triple during 2021 compared to 2020
- Several deals signed with employers and providers provide initial indication for a more significant sales ramp up in 2021.

**GROSS MARGINS IN %**

<table>
<thead>
<tr>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.9</td>
<td>26.4</td>
<td>44.7</td>
<td>49.4</td>
</tr>
</tbody>
</table>

**REVENUE IN $M**

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.67</td>
<td>1.79</td>
<td>2.04</td>
<td>2.08</td>
<td>3.6</td>
<td>5.3</td>
</tr>
</tbody>
</table>

**GAAP revenues were $3.6M in Q1/21 - unaudited pro forma revenues as if the acquisition of Upright, which closed in February 2021, had taken place on January 1, 2021. These combined results are not necessarily indicative of the results that may have been achieved had Upright been acquired as of the first day of the period presented.**

**Gross margin was 30.1% in the first quarter, excluding acquisition related amortizations. Q1 2021 product gross margin nearly doubled to 44.7% as compared to 24.2% in Q4 2020. The pro forma gross margins for Q2 2021 is 49.4%.**
Multi Growth Drivers
Strength of platform allows for broad market reach, increased number of users and better outcomes per user

- **Scale Via B2B Clients**: Expand market through leverage of existing and new partnerships
- **Product Enhancements**: Expanding product offering to additional chronic conditions
- **Expand D2C user base**: Continue to grow profitable consumer channel
## Capital Structure

Balance Sheet & Capitalization Snapshot

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stock Price</strong></td>
<td>$11.94</td>
</tr>
<tr>
<td><strong>Shares Outstanding</strong></td>
<td>16,509K</td>
</tr>
<tr>
<td><strong>Market Cap</strong></td>
<td>$197M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares Outstanding</td>
<td>16,509K</td>
</tr>
<tr>
<td>Preferred Shares</td>
<td>3,174K</td>
</tr>
<tr>
<td>Prefunded Warrants</td>
<td>1,183K</td>
</tr>
<tr>
<td>Warrants (Exercise Price: $4.05-$12.00)</td>
<td>588K</td>
</tr>
<tr>
<td>Warrants (Exercise Price: $16.06-$77.50)</td>
<td>497K</td>
</tr>
<tr>
<td>Stock Options</td>
<td>2,399K</td>
</tr>
<tr>
<td><strong>Fully Diluted Equity</strong></td>
<td>24,350K</td>
</tr>
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</table>

Cash Balance as of June 30, 2021: $63.9M

All numbers are as of August 13, 2021
Thank You