Sialoendoscopy
TMJ Microarthroscopy
Breast Endoscopy
Lachrymal Endoscopy
Root Canal Endoscopy

Innovation in Micro Technology

June 2008
SIALO TECHNOLOGY SPECIALIZES IN MICROENDOSCOPY:

1. Rigid:
   a) “SalivaScope” - Salivary Gland Diseases.
   b) “Laduscope” - milk duct endoscopy (ductoscope).
   c) "Vitroptik" – tear channel and ECP.
   d) "Arthroptik" – the small joint endoscopy (TMJ, etc.).
   e) Live (In Vivo) Microscopy-Endoscopy for diagnosis of cancer pre-cancerous and mucosal lesions.
   f) "Dentoptik" – disposable endoscope for Root Canal and "Gingiscope" for implants.

2. Flexible:
Background - Establishment of Company & Operations

• 1994 Commencing development of the endoscopic system and technique for the treatment of salivary glands and ducts by Prof. Nahlieli and Reuven Breslauer.

• 1997 Co-operation with the German company Karl Storz, a worldwide leader in development and manufacturing of rigid endoscopes, for the development of the endoscopic system for salivary glands.

• 1999 Manufacture of the first Sialo-endoscope.

• 2001 Receiving FDA approval for the endoscope- K012527
Company Profile

- **2002**: Foundation of Sialo Technology for the development and marketing of complimentary disposable products for the endoscopic procedure.


- **2005**: Merging with the incubator project Sialo-lite (June 2003) by Prof. Nahlieli who serves as the company’s entrepreneur. The company developed an endoscopic technology based on a laser for the pulverization of salivary gland stones and for other applications such as: Arthroscopy.

- All products for Salivary Glands CE mark, FDA in process.

- **2007**: (March) - Sialo Technology commences trading on the Tel Aviv Stock Exchange.

- **October 2007**: Sialo to market the German salivary gland endoscope of PolyDiagnost.
  
  Sialo Technology has received the marketing rights of the endoscope system of the German company, PolyDiagnost, for the treatment of the salivary glands. Sialo will be responsible for the FDA process and registration of the product.

- **April 2008**: Establishment of joint company with Polydiagnost. The joint company shall engage in the marketing and licensing in the USA & Canada, as well as in obtaining FDA approvals and submitting patent applications.

[http://www.polydiagnost.com](http://www.polydiagnost.com)
The Management Team

- **Itzhak Henig** - CEO, has extensive experience in management in Israel and abroad, responsible for the success of the laser project in the incubator program.

- **Reuven Breslauer** - Marketing Manager, and a pioneer in marketing of endoscope systems in Israel, years of connection and experience with worldwide manufacturers, suppliers, and distributors.
Scientific advisers

- **Prof. Oded Nahlieli** - Graduated from the Hebrew University Hadassah School of Dental medicine in Jerusalem. He completed his Oral and Maxillofacial Surgery residency in Israel and in the Oral and Maxillofacial Surgery Department in Massachusetts General Hospital Boston USA. He is the chairman of the Department of Oral and Maxillofacial Surgery at Barzilai Medical Center Ashkelon, Israel, an Associate Professor at the Hebrew University – Hadassah School of Dental Medicine and Adjunct Associate Professor at the New York University College of Dentistry. Since 1993, Prof. Nahlieli began developing the practice of Endoscopy of the salivary glands and was one of the pioneers in the field. He preformed more then 1,000 sialoendoscopies and developed a series of endoscopes techniques and specific equipment for minimal invasive procedures in dentistry and medicine. Prof. Nahlieli has written more than 80 articles, 5 chapters, one book and obtained few patents published in the international literature.

- **Joshua Raif** - R&D Manager (Sialo-Lite), physicist, renowned worldwide for his contribution to laser systems and accessories in the medical field, including lasers for endoscopic applications.

- **Prof. Joshua Musahanov** - Acting Head of the Endodontic Department at the Hadassah School of Dental Medicine - Sialotechnology Endodontic consultant. He is an international leading expert in root canal treatment and laser research.

International Advisors

- **Prof. Mark McGurk** - Chairman Department of OMFS Guy’s Hospital London GB
- **Prof. Heinrich Iro** - Chairman Department of Head and Neck Erlangen – Nuremberg Germany
- **Dr. Philippe Katz** - Neuroradiologst American Hospital Paris France
- **Prof. Eli Eliav** - Head of Algesology Department UMDNJ NJ USA
Intellectual Property (IP)

- Revolutionary technology.
- Pioneer in minimal invasive procedures in dentistry.
- Patent request (USA) for “polymeric stent...” – accepted No. 7,195,646 B2.
- Patent request – “pulverizing stones and scar removal in soft tissue.”
- Patent request – “All in one optical and microscopic handle” August 2007 (PCT).
- Patent request – “Device and system for Root Canal treatment. PCT as A category and to USA (USPTO).
Salivary Glands – the problem

- Facial Scars
- Damage to facial nerves
- Damage to lingual nerves
- Removal of the salivary gland - 30% loss of saliva function
- General anesthesia
- Hospitalization 5-7 days
- High costs
Salivary Glands – The Sialo Solution

- No hospitalization
- No external scarring
- Success rate 90-95%
- Complete range of products for the Sialoendoscopy treatment
- Low costs
- Minimal risks
- Local anesthesia

Movie S80 (video clip)
### Salivary Glands – Summary

#### Features/technique

<table>
<thead>
<tr>
<th></th>
<th>Sialoadenectomy</th>
<th>Sialo-Technology Technique</th>
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</thead>
<tbody>
<tr>
<td><strong>The procedure</strong></td>
<td>An inpatient procedure</td>
<td>A Minimally invasive endoscopic procedure</td>
</tr>
<tr>
<td></td>
<td>Under general anesthesia</td>
<td>Under local anesthesia</td>
</tr>
<tr>
<td><strong>Complications and other effects</strong></td>
<td>Severe damage to surrounding tissue</td>
<td>Minimal damage to surrounding tissue</td>
</tr>
<tr>
<td></td>
<td>Risk to facial and lingual nerves</td>
<td>No risk to facial and lingual nerves</td>
</tr>
<tr>
<td></td>
<td>facial scars</td>
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<tr>
<td><strong>Patient comfort</strong></td>
<td>5-7 days of hospitalization</td>
<td>Ambulatory procedure</td>
</tr>
<tr>
<td></td>
<td>Facial scars</td>
<td>No facial scars</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td>Surgery costs, hospitalization costs</td>
<td>No hospitalization costs</td>
</tr>
<tr>
<td></td>
<td>Total costs in Israel: $2,550</td>
<td>Total costs in Israel: $1,375</td>
</tr>
<tr>
<td></td>
<td>Total costs in USA: $12,000</td>
<td>Total costs in USA: $5,000</td>
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</tbody>
</table>

*The H&O in North America can save up to: 300M$ a year*
Salivary Glands – Range of products

- Disposable items and ESWT Lithotripter have CE approval allowing production and sales in Europe.
- The Company is presently under going FDA process for disposable items.
- May 19, 2008 - FDA approves Sialo endoscopy device

The product is 2 balloons that expands the salivary gland for endoscopy treatment of salivary gland stones.
New Generation

PolyDiagnost SalivaScope Modular
Saliva Channel Endoscope

disposable

Modular cannulas

Sterile tray

Endoscope cannula, 1.1 mm therapeutic
Irrigation Channel
Working Channel
Optic
Optic Sheeter
Zoom Ocular
New Generation

**POLYDIAGNOST SALIVASCOPE MODULAR**
Saliva Channel Endoscope

- Advantages of this unique system is the full solution for the sterilization problem.

- Financial saving when using one salivascope + disposables, replace 4 endoscopes of 0.9-2.0 mm.
Salivary Glands Marketing Plan

“...Conclusions: Sialoendoscopy is a promising new method for use in the Diagnosis, treatment... Salivary gland diseases.”

[Image of a poster with text about Endoscopy for Mandibular Reconstruction and Salivary Disease]
Salivary Glands – Sales

• Sales forecast to end of 2008 further to FDA approval/registration of disposable products and salivascope (endoscope)

• Lithotripter potential $10,000k per annum
• Estimated gross profit 50-60%
• Estimated operating profit 25-45%
• Expected fast growth of sales in USA as result of penetration of the system to central leading medical facilities: UCLA, Indiana, Pittsburgh, Miami, NYU, Harvard.

• Low cost overhead expenses, dividend policy

• Not including Japan, Korea, India – additional market

The forecast and/or future events do not constitute a binding forecast.
**Sialo - PolyDiagnost**

Jointly owned company shall engage in the marketing and licensing in the USA & Canada, as well as in obtaining FDA approvals and submitting patent applications.
“Laduscope” - milk duct endoscopy for breast cancer detection

Assumptions

- Disposable products of Sialo-Poly for Milk duct endoscopy estimated 400$/case.
- Potential market in USA as $80 million per annum.*

Potential Growth

- Exposure of additional doctors (central clinics)
- Cooperation with leading companies in the field

Risks: new system, slow penetration, refunds from competitive insurance to patient.

1 in 8, lifetime risk of breast cancer developing (American Cancer Society 2007-2008)

*we estimate on 200,000 cases per annum.

The forecast and/or future events do not constitute a binding forecast.
“Vitroptik” - tear channel and ECP

Assumptions

• Disposable products of Sialo-Poly for tear channel and ECP 400$/case.
• Potential market in North America as N/A million per annum.*

Potential Growth

• Exposure of additional doctors (central clinics)
• Cooperation with leading companies in the field

Risks: new system, slow penetration, refunds from competitive insurance to patient.

* eMedicine Journal August 2000, updated on 08-14-2006

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“Arthroptik” – the small joint endoscopy (TMJ, etc.)

Assumptions
- Disposable products of Sialo-Poly for (TMJ) – Temporo Mandibular Joint endoscopy estimated 250$/case.
- Potential market in Europe; North America and Japan as $75 million per annum.*

Potential Growth
- Exposure of additional doctors (central clinics)
- Cooperation with leading companies in the field

Risks: new system, slow penetration, refunds from competitive insurance to patient.

According to the national institute of dental and Craniofacial research of the national institute of health, 10.8 million people in the United States suffer from TMJ problems at any given time. At least 1% requiring surgical intervention amounting to 300,000 cases per annum in Europe, North America and Japan.

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Diagnostic Endoscope System for Cancerous Tissues.

• **The problem** - The diagnosis of suspicious mucosal tissue is done by biopsy of tissue.

• NYUCD (University of NY) advertised in “NEXUS” (Fall/Winter 2005 vol 7, no. 2) cancer operations in the mouth cavity – less than 60% patients survived 5 years, only 40% of patients survived 10 years.

“...from a practical perspective, there is the issue of “numbers”. Approximately 10% of the general population have oral mucosal abnormalities”*

Assumptions

• Purpose: Early detection with check up of non-invasive procedure for tobacco and alcohol users.

• **Disposable products of Sialo-Poly N/A $/case.**

• **Potential market in North America as N/A million per annum.**

Potential Growth

• Exposure of additional doctors (central clinics)

• Cooperation with leading companies in the field

Risks: new system, slow penetration, refunds from competitive insurance to patient.

Oral Surgery, Medicine, Pathology, Radiology and Endodontology, Vol. 103 No. 2 February 2007*

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Innovative Technology and Endoscope for Root Canal Treatment
FOR IMMEDIATE RELEASE:  
Sialo Technology to be featured on Alexander Haig’s  
21st Century Health Television series  
June 29th, 2008 on CNBC 
(as paid programming) 

- CNBC – 84 Million Cable / Millions on DIRECTV and Dish Network 
as paid programming 
- International: Hong Kong, Canada 
- 650 Hospitals: Health and Science Television Network (HSTN) 
- 750 Long Term Care Facilities: Long Term Care Network (LTCN) 
- US Airways: over 1500 international flights per month reaching over 300,000 travelers 
- Air Canada: serving over 170 destinations on five continents 
- Thai: Domestic, regional and intercontinental flights traveling to 34 countries 
- Finnair: 50 international destinations including major cities across the globe 
- 9 Medical Universities/Libraries 
- 127 Universities and Colleges 
- 112 Million Worldwide Broadband Subscribers (including the US): via 21chtv.com
Root Canal Treatment the unsolvable problem!
Treatment still given in the Blind Technique!

- 17 million teeth are treated for root canal in the USA.
- The treatment is given in the blind technique by dentists – the chance of success is 65%.
- Development of endoscope system prototype for the root canal treatment.
- The company complete clinical trials on humans, with endoscope for root canal treatment for 15 cases with authorization of Helsinki Committee successfully (additional follow up after 6 months).

*According to the American association Of Endodontists an estimated 17 million teeth are saved with root canal procedure each year at the United State only (April,1999).*
# Root Canal Treatment – Summary

<table>
<thead>
<tr>
<th>Features/ technique</th>
<th>Conventional Root Canal Treatment</th>
<th>Sialo Endoscopic Root Canal Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The procedure</strong></td>
<td>* Blind Technique</td>
<td>* Under direct vision</td>
</tr>
<tr>
<td><strong>Complications and other effects</strong></td>
<td>• 65% - Dentist success rate</td>
<td>• Under experimental study</td>
</tr>
<tr>
<td></td>
<td>• 85% - Endodontist success rate</td>
<td></td>
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<tr>
<td><strong>Patient advantage</strong></td>
<td>• More aggressive treatment</td>
<td>• Complete control</td>
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<td></td>
<td>• Not all pathologies recognized</td>
<td>• 100% vision screening of root procedure + possible intra-operative medication treatment</td>
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<tr>
<td></td>
<td>• Possible un-diagnosed cracks and root fracture</td>
<td>• Possibility of root canal filling with special design material under direct vision</td>
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<td>• Possible un-diagnosed secondary canals</td>
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<td></td>
<td>• Possible late infections</td>
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<tr>
<td></td>
<td>• Moderate risk procedure</td>
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<tr>
<td><strong>Costs</strong></td>
<td>Average rate - $1500</td>
<td>Average rate - $1700</td>
</tr>
</tbody>
</table>
Endoscopic Root Canal Treatment – Dream to Reality

Full-pal6 (video clip)
The potential extent of income in America alone

Assumptions
- Disposable products of Sialo-Poly for root canal treatment $100/case.
- Potential market in USA as $1,700 million per annum.

Potential Growth
- Exposure of additional doctors (central clinics)
- Cooperation with leading companies in the field

Risks: new system, slow penetration, refunds from competitive insurance to patient.

*According to the American association Of Endodontists an estimated 17 million teeth are saved with root canal procedure each year at the United State only (April, 1999).

The forecast and/or future events do not constitute a binding forecast.

Assumptions

- Disposable products of Sialo-Poly for "Carotid" 1,200 $/ case.
- Potential market in USA as $156 million per annum.*

Potential Growth

- Exposure of additional doctors (central clinics)
- Cooperation with leading companies in the field

Risks: new system, slow penetration, refunds from competitive insurance to patient.

"...During the 1990s, about 130,000 carotid endarterectomies were performed each year in the United States"*

www.surgeryencyclopedia.com/A-Ce/Carotid-Endarterectomy.html*
## Primary Milestones 2008-2009

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Status</th>
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<tbody>
<tr>
<td>Marketing in EUROPE</td>
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<tr>
<td>FDA- (SALIVASCOPE) - Endoscop</td>
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<tr>
<td>Marketing in USA+CPT request (SALIVASCOPE)</td>
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<tr>
<td>Marketing in EUROPE- (SALIVASCOPE)</td>
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<tr>
<td>Marketing in EUROPE, SialoWave - TYPE 2</td>
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<tr>
<td><strong>Endoscopic Root Canal</strong></td>
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<tr>
<td>Summary of clinical trials</td>
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<td>Request - FDA</td>
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<tr>
<td>Marketing in USA</td>
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<tr>
<td><strong>Diagnostic Endoscope for Cancer</strong></td>
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<tr>
<td>Non invasive Cancer checkup - NEW TYPE</td>
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<tr>
<td><strong>Other Products</strong></td>
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<tr>
<td>disposable - FDA : Laudascope, Vitroptik, Arthroptik..</td>
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Sialo Technology – Principles.

- The initial income is from “the salivary glands” - the company is leading in this field with their unique product range.
- International reputation with leading medical centers and universities in Europe and America.
- The company has a large “stage” for potential speedy growth.
- Technological break through via additional uses: endoscopic root canal treatment, non-invasive diagnosis of cancer and more...
- Short time to market.
Presentation Summary

- The purpose of presentation is to acquaint leading analysts with the company and the business potential of the company.

- To present the technical advantages of the company by stressing that most of the R&D is in-house, saving costs of R&D.

- Thank you for your time.
Disclaimer

- All forward-looking statements are subject to certain risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results, performance or achievements could differ materially from those expressed in, or implied by, any such forward-looking statements. Important factors that could cause or contribute to such differences include, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, difficulties or delays in absorbing and integrating acquired operations, products, technologies and personnel, changes in business strategy and various other factors, as well as those discussed in this prospectus under “Risk factors.”

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