The Sialo Tech Story/ Introduction

Innovation

Since 2002, Sialo Tech has revolutionized treatment of salivary gland diseases with minimally invasive surgical technology.

Today, Sialo Tech is leveraging its existing technology for use in root canal treatments and other major addressable markets.

Sialo Tech’s ENDO-SCOPE significantly increases the success rate for root canals and prevents secondary complications.
The Sialo Tech Story/ Current Products

Salivary Gland Disease Solutions
Sialo Tech provides unique endoscope solutions and services to treat salivary gland diseases:

- High quality, reasonably priced lithotripters (ESWL)
- A full line of disposable items
- An endoscope optic for the saliva channel, fully sterilized

With the Sialo Tech solution, there’s no need for general surgery or gland removal.
Sialo Tech’s endoscopy products enable physicians to treat salivary gland diseases with minimally invasive surgery in their clinics.
A Strong Portfolio of Assets

• Polydiagnost (Germany)
  Joint venture with Sialo Tech markets and licenses in the U.S. and Canada, submits patent applications and works with regulators

• Distributors
  Sialo Tech is in negotiations with several large distributors of healthcare products
A Strong Portfolio of Assets

- Sialo Tech has several registered and pending patents
- The U.S. Food and Drug Administration has approved three Sialo Tech products
- Sialo Tech’s salivary-gland solution integrates the company’s proprietary technology with optical and micro instruments developed and manufactured by Polydiagnost
# The Sialo Tech Story/ Milestones

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Company formed</td>
</tr>
<tr>
<td>2003-2004</td>
<td>Development of complementary disposable products</td>
</tr>
<tr>
<td>March 2007</td>
<td>IPO on Tel Aviv Stock Exchange raises 32.6 million shekels</td>
</tr>
<tr>
<td>April-June 2007</td>
<td>Clinical trials of root canal endoscopy</td>
</tr>
<tr>
<td>October 2007</td>
<td>Becomes exclusive worldwide distributor of Polydiagnost rigid products</td>
</tr>
<tr>
<td>May 2008</td>
<td>FDA approves high pressure balloons for salivary gland endoscopy</td>
</tr>
<tr>
<td>July 2008</td>
<td>FDA approves seven types of disposable polymer drains</td>
</tr>
<tr>
<td>March 2009</td>
<td>FDA approves stone basket</td>
</tr>
<tr>
<td>September 2009</td>
<td>Files for a Continuation-In-Part (CIP) patent application. If approved, patent will protect company's endoscopy treatment for implants and gum disease for up to 20 years</td>
</tr>
</tbody>
</table>
The Sialo Tech Story/
Financials, Ownership

Recent Financials Israeli shekels, IFRS

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009 (1-3Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>977,000</td>
<td>456,000</td>
<td>576,000</td>
</tr>
<tr>
<td>Gross profit</td>
<td>576,000</td>
<td>164,000</td>
<td>186,000</td>
</tr>
<tr>
<td>Operating profit/loss</td>
<td>(3,931,000)</td>
<td>(4,992,000)</td>
<td>(3,603,000)</td>
</tr>
<tr>
<td>Net profit/loss</td>
<td>(5,378,000)</td>
<td>(1,368,000)</td>
<td>(8,013,000)</td>
</tr>
</tbody>
</table>

Sialo Tech had about 14 million shekels in cash as of Sept. 30, 2009.

**Main Shareholders (Dec. 07, 2009)**

Sialo Tech is traded on the Tel Aviv Stock Exchange with a market capitalization of about $10.5 million (Nov. 30, 2009).
The Sialo Tech Story/
Recognition in Leading Journals

Successful root canal trials with Sialo Tech appeared in the October 2009 issue of Quintessence International, the leading journal for practicing dentists (“Endoscopic Root Canal Treatment” by Joshua Moshonov, Eli Michaeli and Oded Nahlieli).

Sialo Tech’s salivary-gland solution was documented in the February 2009 issue of The Laryngoscope, the world’s highest-ranked otolaryngology journal (“Outcome of Minimally Invasive Management of Salivary Calculi in 4,691 Patients” by Heinrich Iro, et al).

“Classic Approaches to Sialoendoscopy for Treatment of Sialolithiasis” by Oded Nahlieli appears in Salivary Gland Diseases, the leading reference work in the field, edited by Robert Witt (2006, Thieme Medical Publishers).
The Sialo Tech Story/ Wide Recognition

Sialo Tech in Consumer Media

Word of Sialo Tech solutions has reached consumers as well.

Sialo Tech’s root canal endoscopy solution was the featured technology on 21st-Century Health With Alexander Haig, broadcast on the CNBC networks and other channels, March 2008.

The Sialo Tech Story/Strategy

Going Forward

- Sialo Tech is developing treatments for mouth-dentistry, maxillofacial and other relevant diseases.

- The company is researching techniques in contact microscopy systems, sialography, laser probes/handles for pulverizing stones, for arthroscopic procedures and for temporomandibular joint disorder (TMJ).

  Sialo Tech’s strategic focus today is the ENDO-SCOPE root canal endoscopy solution.
Endodontic Endoscope/ Market Opportunity

A Revolution in Root Canal

Endodontics has undergone vast improvements in technology and technique since the principles of microsurgery were established in the 1990s:

- Preparation optimized with nickel titanium (NiTi) instruments and new methods of obturation
- Dental operating microscopes replace micro mirrors and microprobes to observe procedure
- Endoscopes are used to magnify and better monitor the working field

The introduction of magnification into dentistry has given clinicians the ability to maximize skills and treat more complex problems.
Endodontic Endoscope/
Market Opportunity

Significant Challenges Remain

• Successful outcome depends on accurate intra-operative findings.

• Treatments given in blind technique have only a 65-85% chance of success.

• Dental microscopes provide only partial solution:
  - They block visibility between practitioner and operating field
  - They interfere with hands and the handpiece
  - They give inaccurate observations of the endodontic instruments
Three Critical Advances

• Provides the dentist with excellent vision and ease of use
  • Offers better intra-operative visualization than micro-mirrors or microscopes
  • Allows for visualization as well as irrigation, cleaning and shaping of the root canal
Sialo Tech’s ENDO-SCOPE for root canal takes endodontic endoscopy a major step forward, with two significant advances:

• ENDO-SCOPE’s disposable sleeves (cannula) eliminate the risk of infection caused by cleaning between procedures.

• ENDO-SCOPE combines visualization and treatment functions in a single system.

**ENDO-SCOPE is an all-in-one system comprising a camera, video, monitor, light source and archival system integrated into a laptop-like system.**
The Sialo Tech Solution/ ENDO-SCOPE

ENDO-SCOPE Components
Sialo Tech’s ENDO-SCOPE incorporates an array of unique features:

• Modular design
• Disposable sleeves (cannula)
• High-quality optical and illumination fibers
• Nitinol coating of the fibers
• Wide 120-degree field lens
• Instrument channel for micro-drills, micro-brushes
• Irrigation with 300-micron pipe
• Parallel operation
The Sialo Tech Solution/ ENDO-SCOPE

A Proven Clinical Success

Parameters
Using ENDO-SCOPE, 12 patients (15 teeth) requiring root canal were treated during January-April 2007 at Barzilai Medical Center, Ashkelon

Results
Endoscopic root canal treatment was successful in all 12 patients, with complete resolution of all symptoms (six month follow-up)

- Endoscopic removal of a fractured instrument with mini-forceps and microdrill. Arrow indicates fractured instrument.
- Endoscopic insertion of microbrush.
- Endoscopic insertion of irrigation and injection cannula.
<table>
<thead>
<tr>
<th>Procedure</th>
<th>Blind Technique</th>
<th>Direct Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success rate</td>
<td>Performed by: Dentist – 65% Endodontist – 85%</td>
<td>High Success Rate</td>
</tr>
<tr>
<td>Advantages</td>
<td>Technological limitations require more aggressive treatment, moderate risk</td>
<td>Complete control over procedure, 100% vision screening of procedure, intra-operative medication</td>
</tr>
<tr>
<td>Disadvantages</td>
<td>Not all pathologies recognized, risk of undiagnosed cracks and root fracture, risk of undiagnosed secondary canals, risk of late infections</td>
<td></td>
</tr>
<tr>
<td>ENDO-SCOPE</td>
<td>Dental Microscope</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>---------------------------------</td>
<td></td>
</tr>
<tr>
<td>Disposable sleeves prevent infection</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Real-time visualization</td>
<td>Real-time visualization</td>
<td></td>
</tr>
<tr>
<td>Integrated suction</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Irrigation</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Compact all-in-one system</td>
<td>Bulky</td>
<td></td>
</tr>
<tr>
<td>Magnification of X60-120</td>
<td>Magnification up to X70</td>
<td></td>
</tr>
</tbody>
</table>
# The ENDO-SCOPE Edge

<table>
<thead>
<tr>
<th>ENDO-SCOPE</th>
<th>Dental Microscope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wide field view 1200</td>
<td>Wide field</td>
</tr>
<tr>
<td>0.5mm and 0.9mm endoscopes enable observation/treatment in branch (accessory) canals</td>
<td>No comparable capability</td>
</tr>
<tr>
<td>Clear view</td>
<td>Clear view</td>
</tr>
<tr>
<td>Combines observation/treatment</td>
<td>Only observation</td>
</tr>
<tr>
<td>Instrumentation</td>
<td>None</td>
</tr>
</tbody>
</table>
Root Canal Treatments – Massive Growth

The number of root canals performed in the U.S. has soared from 14 million annually in the early 1990s to 40 million today.

Growth has been driven by significant improvements in technology. Root canal treatment is seen as the preferred alternative to tooth extraction.

The leading alternative to root canal is dental implants. But dental implants require additional treatment and/or surgical intervention more often (12.4%) than root canals (1.3%).
Endodontic Endoscopy/ Business Strategy

Razors and Blades Model

ENDO-SCOPE’s “razor” component comprises a camera, video, monitor, light source and archive system integrated into a laptop-like system. Its “blades” component comprises cannula (disposable sleeves).
The Sialo tech solution for Dental implants

Sialo Tech’s Modular - Endoscope for Dental Implants, with major significant advances:

- Endoscopy during routine implantology
- Endoscopic Flapless surgery
- Endoscopic closed sinus lift
- Implant site preparation surgery
- Make implant blind surgery - full visibility
- Endoscopic minimal invasive procedures
The Sialo tech solution for Dental implants

Implants Modular Endoscope

Sialo Tech’s Implants Modular Endoscope incorporates an array of unique features:

- Disposable cannulas.
- Irrigation/Suction pipe line.
- Irrigation and injection cannula.
- Curved injection cannula (300 micron diameter).
- Sprinkler cannula.
- Intra channel drills.
- Intra channel balloons.
- Intra channel pusher.
- Intra channel osteotomes.
- Intra channel mini-grasping forceps.
- Cord connection to low speed engine.
Dental Implants Treatments – Massive Growth

We see worldwide market growth for CY08E, CY09E & CY10E forecast at 18%, 17% & 17% in constant currency.*

* Merrill Lynch, Medical Technology 04 March 2008
Sialo Tech is led by a team of seasoned medical and technology professionals:

Itzhak Henig, Chief Executive Officer, has an extensive and diverse management experience, both in Israel and abroad with special expertise in technology related companies.

Shay Bachar, Chief Financial Officer, CPA, was previously chief operating officer at ComAudit Financial Services. Earlier in his career Mr. Bachar served as controller at Mishkenot Clal.

Oded Nahlieli, Scientific Adviser, is the chairman of the department of oral and maxillofacial surgery at Barzilai Medical Center, Ashkelon, Israel, and adjunct associate professor at the New York University College of Dentistry. Since 1993, Prof. Nahlieli has been developing the practice of endoscopy of the salivary glands and is a pioneer in the field.

Shmuel Shmueli, Business Development, an independent consultant in the area of business development, was previously a senior consultant at Giza-Singer-Even advising on mergers and acquisitions, as well as, capital markets related activities. Mr. Shmueli holds an MBA from London Business School and an MSc in Business Information Technology from Middlesex University, London.
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.”