



# Corporate Presentation

October 2017



# Forward-Looking Statement

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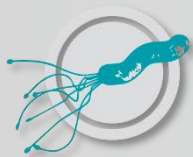
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# Exalenz Overview

## A high-growth medical technology company marketing and developing advanced breath tests for diagnosing and managing a wide range of GI diseases

- Platform technology can be applied in a broad range of high growth GI and hepatology indications
- Strong management and scientific advisory teams focused on expanding revenue and footprint of BreathID®

### Primary focus areas:



*H. pylori* - commercial stage, regulatory clearances in key markets



Liver - NASH registration study to start Q1/2018; ongoing clinical studies across multiple indications



# Investment Highlights

**Strong Revenue Growth** – Expect doubling of revenues over the next two years, followed by high double-digit annual sales growth thereafter

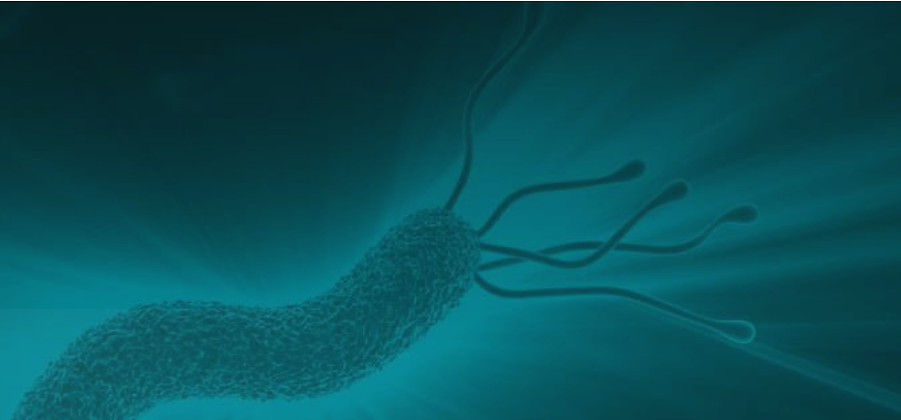
**Positive cash flow** from operations expected by 2018

**Exclusive** agreement with LabCorp for *H. pylori*

**Market** - One of only two players in the growing *H. pylori* market with the most advanced and accurate system

**Advancing** non-invasive NASH Diagnostic and Prognostic: partnerships/collaborations with three pharma companies

**Multiple** near-term catalysts



*H. pylori*

# H. pylori – A \$200 Million U.S. Opportunity

## Highly infective

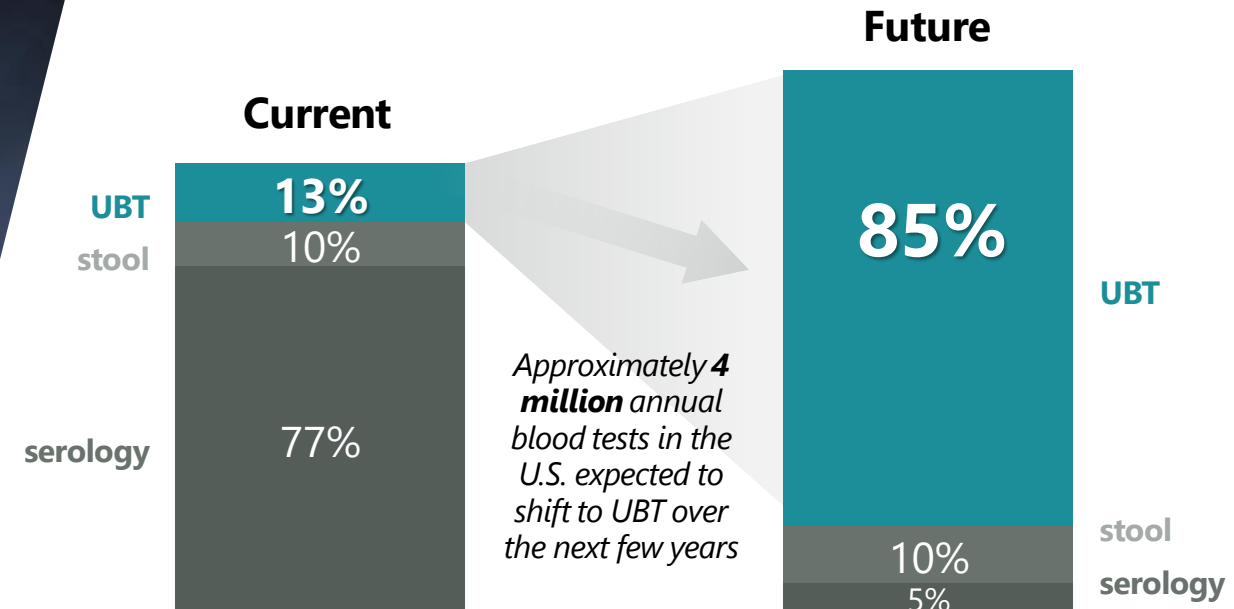
- Easily transmitted through saliva
- Over **100 million** people in the U.S. are infected with *H. pylori*, while only 6 million are tested

## Potentially lethal, easily treatable

- Treated with antibiotics
- Labeled a **carcinogen** by the WHO, *H. pylori* reduces the stomach's ability to produce mucous potentially leading to chronic irritation including gastritis, peptic ulcers, and gastric cancers

Insurance companies (Cigna, Aetna, Anthem BCBS) and labs in the U.S. supporting Urea Breath Tests (UBT) over blood tests.

## H. pylori Tests Per Year (U.S.)



### Current UBT testing

**6 million** annual diagnostic tests

### Future UBT testing

Approximately **8 million** annual diagnostic tests projected in 2021

Updated Guidance:  
Test for *H. pylori* before dyspepsia treatment  
Age for checking *H. pylori* increased from 55 to 60

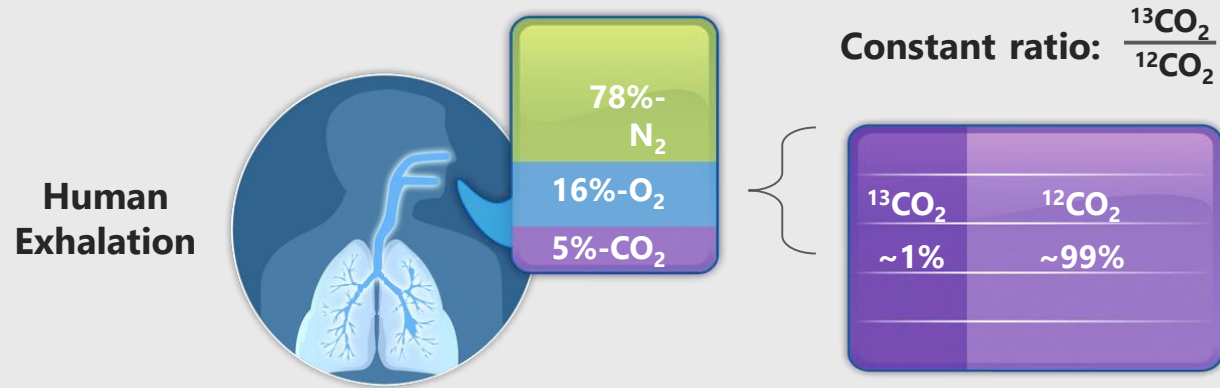
Only two players with very high barrier to entry

# Proprietary Platform: BreathID®

- Patented Molecular Correlation Spectroscopy (MCS) cold laser technology
- Utilized over 1.5 million times in clinical and real-life settings
- FDA, CFDA, CE cleared
- CLIA non-regulated
- User-friendly interface and cost-effective clinical diagnostic solution.
- Can be used in any clinical setting
  - Office-based practices
  - Hospitals
  - Labs
  - ICU



# The BreathID<sup>®</sup> Test



## Immediate Results

Start

Results



Baseline measurement



Patient drinks <sup>13</sup>C-labelled substrate



Real-time results of changes in <sup>13</sup>CO<sub>2</sub> to <sup>12</sup>CO<sub>2</sub> ratio

# Rapid Point-of-Care Test

- 100% sensitivity / 99.2% specificity
- Diagnostic results in 10-15 minutes
- Established CPT codes
- Covered by CMS and virtually all private insurers (CMS at ~\$100)
- Sales in USA, Israel, EU, China, Latin America

**BreathID® Hp is the fastest, easiest and most accurate Urea Breath Test (UBT) for diagnosing *H. pylori* infection and confirming post-treatment eradication**



# High Volume Lab System

- 100% sensitivity / 97.9% specificity
- Fully automated, 3 minutes per test
- Single use kit list price - \$51
- Secure, Seamless Systems integration with Laboratory Information Management Systems (LIMS)



## (UBT) Reimbursement Statements of Support from Major U.S. Insurers:

### Cigna

*"The overall body of literature suggests that non-invasive testing with UBT is as clinically useful as endoscopy in managing select patients with uncomplicated upper gastrointestinal symptoms."*

### Aetna

*"Stenstrom et al (2008) stated that urea breath tests are the best way to diagnose current H. pylori infection."*

### Anthem Blue Cross and Blue Shield

*"UBT (CPT codes 83013, 83014) is FDA-cleared for the initial diagnosis and to confirm eradication."*

# UBT is the Preferred *H. pylori* Diagnostic Option

	Blood Test	Stool Test	Otsuka BreathTek®	Exalenz BreathID®
<b>Superior efficacy</b>	X	X	✓	✓
<b>Sensitivity</b>	85.0%	90.6%	<b>95.2%</b>	<b>100%</b>
<b>Specificity</b>	79.0%	91.5%	<b>89.7%</b>	<b>99.2%</b>
<b>Non-invasive</b>	X	X	✓	✓
<b>Recommended by US payors</b>	X	X	✓	✓
<b>Shortest time to diagnosis</b>	X	X	✓	✓
<b>Reimbursement by most top insurers</b>	X	?	✓	✓
<b>Bi-directional EMR Connectivity</b>	X	X	<b>X</b>	✓

- Leading medical societies recommend against blood tests for *H. pylori*
- U.S is the only western country utilizing blood tests for the majority of *H. pylori* diagnoses
- Serology leads to unnecessary treatments via greater false positives + additional invasive tests via false negatives

# Accelerating U.S. Commercialization

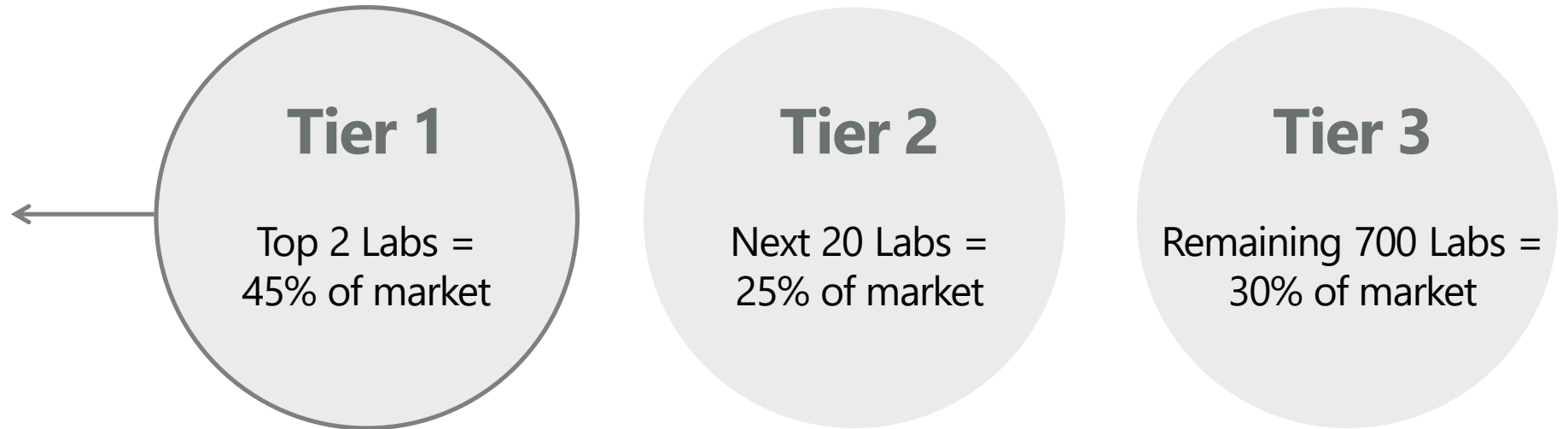
Size of labs offering *H. pylori* testing is largely skewed compared to total market\*



Exclusive supply agreement with Exalenz for *H. pylori* replacing incumbent competitor

Launched in March 2017

Expansion plan underway



100 labs = 80% of market

Large sales team unnecessary to penetrate market

## Key Focus:

Increase use of existing customers  
(versus new system placements)

Target largest  
potential customers



## Liver Diagnostic and Monitoring

# NASH: Non-Alcoholic Steatohepatitis

## What is NASH?

- The most extreme form of NAFLD (non-alcoholic fatty liver disease) marked by inflammation and fibrosis of the liver
- Regarded as a major cause of cirrhosis accompanied by varying stages of fibrosis
- Considered as a major risk factor for the need for liver transplantation and for development of hepatocellular carcinoma (HCC, primary liver cancer)



**NASH drug sales projected to be \$25 billion in 10 years**

# U.S. NASH Diagnostics Market Potential - \$1.5 Billion

## BreathID<sup>®</sup> MCS

- BreathID<sup>®</sup> MCS - a non-invasive monitoring diagnostic solution for liver disease
- BreathID<sup>®</sup> MCS being tested as a substitute for the need of a second biopsy to monitor patient improvements
  - Cost effective (potential healthcare system savings)
  - Less invasive
  - Proven technology

### Strong Partnerships



#### Phase IIb

August 2015



#### Phase IIb

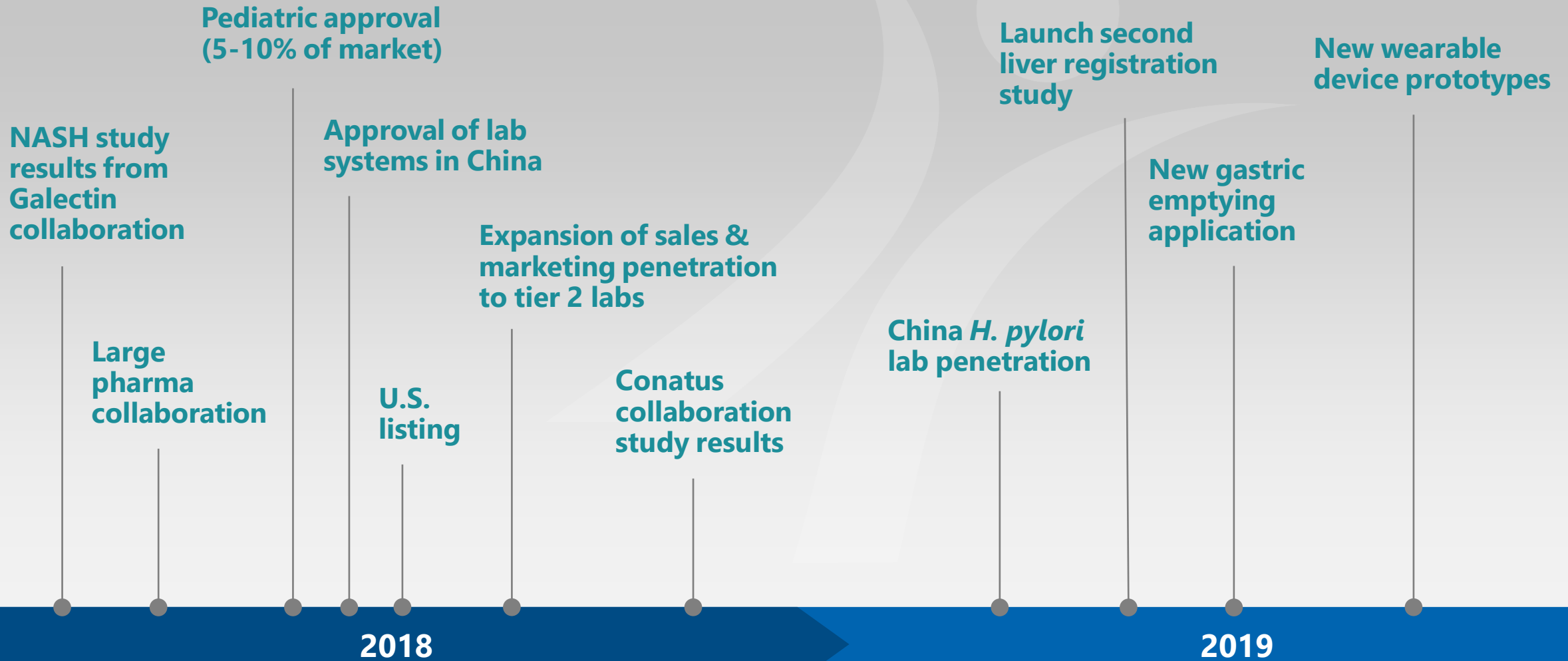
September 2016  
May 2017

### Large Pharma Company

#### Phase III/Registration Study

Expected Q1 2018

# Multiple Near-Term Catalysts



# Experienced Management Team

**Dr. Uri Geiger**

Founder & Chairman



**Raffi Werner**

CEO



**Dudy Stolick**

CFO



**Dr. Susan Alpert, M.D. PhD**

Executive VP, Regulatory



**Yaron Ilan, M.D.**

Medical Director



**Gavin Doree**

VP Sales and Marketing



**Ofer Schlesinger**

Vice President Research & Development



# Scientific Advisory Board

**Scott L. Friedman, M.D.**

*Former President, AASLD*



**Arun Sanyal, M.D.**

*Former President, AASLD*



**Didier Samuel, M.D. PhD**



**Mitchell L. Shiffman, M.D.**



**John M. Vierling, M.D. F.A.C.P.**

*Former President, AASLD*



**Professor Julia Wendon**



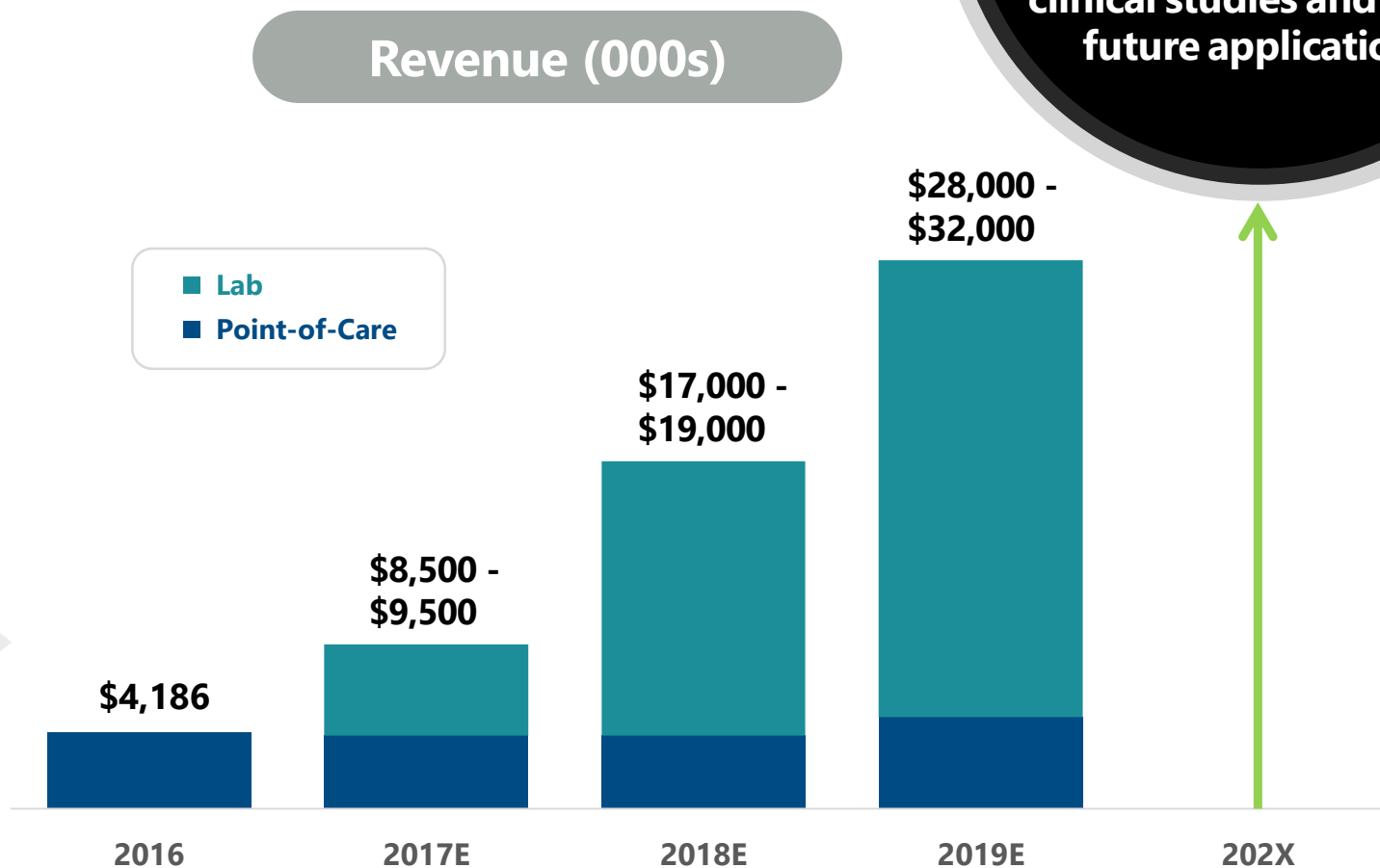
**Jaime Bosch, M.D., PhD**



# Strong Financial Profile

- TASE: EXEN
- Market cap: ~420M NIS (~\$110M)
- Break-even and positive cash flow from operating activities in 2018

Revenue projections 2019 and beyond assume mid-2018 IPO



Potential target of \$100M sales by early 2020's based on continued growth in the H. pylori market, liver applications currently in clinical studies and other future applications

# Use of Proceeds

- Increase sales & marketing domestically and internationally
- Launch additional tests on the BreathID<sup>®</sup> platform:
  - CLD - \$500 million
  - CSPH - \$100 million
  - Gastric emptying - \$375 million (U.S.)
  - ALF -
- Register BreathID<sup>®</sup> Liver tests in Europe
- Develop a new wearable device to simplify breath collection over an extended period of time to enable additional breath tests that require longer collection times
- Inorganic growth opportunities

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**Thank You!**

