Investment Highlights

Industry pioneer being one of the first companies with DiGA listing of its products benefiting from the new Digital Care Act (DVG) in Germany.

Expert management team with strong ecosystem of financial and strategic partners paving the road to success for the company.

Future market of diabetes care: participate in a large, acquisitive market of 55 million diabetics in Europe alone with high expected growth.

High stakeholder benefits: Not only patients benefit from improved health, but also the healthcare system which is able to gain significant savings potential.

Attractive opportunity to invest in a digital health & medtech innovation with platform ambitions determined to shape the future of diabetes management.
Executive Summary

- **Emperra E-Health Technologies GmbH** (Emperra) was founded in Potsdam in 2008
- Emperra developed **ESYSTA®**, the first commercially available diabetes management system in Germany
- A system that is easy to use for medical persons, which records all important therapy data and makes it available for treatment - 24/7, digitally, everywhere
- **Experienced team** consisting of experts with outstanding medical, financial, hard-/software development and marketing backgrounds
- Emperra is backed by renowned venture capital firms and investment banks

Financial Planning & Roadmap

- Already generating revenues: € 275 k in 2019
- Opportunity for **several independent revenue streams** through Emperra’s holistic approach with different product groups
- Recent M&A deals in Emperra’s peer group suggest a high **exit potential** within the coming years

Deal Information

- **Type of investment:** Profit participation certificates \(^1\)
- **Company valuation:** € 30.31 m
- **Phase:** Series C
- **Virtual equity participation:** 13,52% \(^2\)
- Direct participation in financial success and increase of valuation

\(^1\) currently only investments via EU public campaign possible
\(^2\) for an investment of € 5.0 m
Company Overview

General company information

• Founded in 2008 in Potsdam to address an unmet medical need of diabetics around the world
• Emperra is active in the field of digital diabetes management aiming to become a holistic diabetes management platform
• Emperra is already financed by internationally renowned venture capital firms and investment banks and has a strong network of strategic partners for the digital rollout

Business description & target groups

ESYSTA offers patients and medical experts a digital solution for recording, monitoring and evaluating the diabetes therapy

• Diabetics benefit from a proven reduction of the long-term sugar HbA1c and thus significantly reduce their risk of secondary diseases
• Doctors experience significant time savings due to organized patient data and telemedical consultation
• The health care system can cut down costs of € 511 - € 1,239 per year and patient through improved diabetes management

Financial planning with breakeven in 2023¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Planned Revenue (€k)</th>
<th>Planned EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>434</td>
<td>12%¹</td>
</tr>
<tr>
<td>2021</td>
<td>851</td>
<td>37%²</td>
</tr>
<tr>
<td>2022</td>
<td>2,834</td>
<td>46%²</td>
</tr>
<tr>
<td>2023</td>
<td>10,660</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>18,975</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>26,693</td>
<td></td>
</tr>
</tbody>
</table>

¹ Planned revenue in € k, ² planned EBITDA margin (%)

What makes the technology special?

Certified holistic solution: the only complete diabetes management system with smart insulin pens certified as a medical device and as a data-secure system integrating all process participants into the treatment process on a single platform

Innovative: ESYSTA Pen is the world’s first smart insulin pen that uses patent protected magnetic sensor technology to detect injected insulin units without friction and transfers the information as a data record

Developing a diabetes care platform

The ESYSTA® Ecosystem is equipped with an API to enable the ecosystem for a transformation into a platform. Innovative new solutions from Emperra internally or from external providers will be plugged in the ESYSTA® platform to be sold to patients, payors and health care providers.

First steps have been started in 2019/20:

- Finalization of the ESYSTA® Bluetooth® Pen & implementation of other 3rd party smart devices
- Exploration of other smart services around diabetes to enrich the patient value proposition
- Submission of the digital software platform ESYSTA® for general reimbursement according to the Digital Care Act (DVG/DiGA)
Market Overview and Outlook

- Diabetes is a global US$ trillion market. There are more than 7 million type 2 diabetics in Germany\(^1\) alone and 463 million worldwide. In Europe there are about 59 million, in North America about 48 million\(^2\). According to the WHO, the number of people affected worldwide has quadrupled in the last 20 years\(^3\).

- The challenges in the successful treatment of this chronic disease and the high follow-up costs are a strong motivation to use diabetes management solutions such as ESYSTA, which demonstrably improve the desolate situation (approx. 50% of all diabetics miss their therapy goals). The mass market diabetes is crowded, but to date there is no holistic management solution available:
  - The only existing market players offer individual solutions along the therapy chain represented by ESYSTA, e.g. digital blood glucose meters. These suppliers are potential cooperation partners whose products can be integrated into the ESYSTA system.
  - Emperra’s combination of technologically mature medical products and secure data preparation is equally unique on the market, creating a unique diabetes ecosystem (connected environment).
  - The future platform will be particularly interesting for health insurance companies as it is designed to take over the control, coordination and automated billing of individual services.

### Prevalence diabetes mellitus (type 1 & 2) in Germany

<table>
<thead>
<tr>
<th>Year</th>
<th>Type 1 (%)</th>
<th>Type 2 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>0.6</td>
<td>4.8</td>
</tr>
<tr>
<td>1980</td>
<td>4.8</td>
<td>8.0</td>
</tr>
<tr>
<td>2018</td>
<td>8.0</td>
<td></td>
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</tbody>
</table>

\(^1\) Deutsche Diabetes Hilfe, \(^2\) Diabetes Atlas, 9th edition 2019, \(^3\) WHO
Market and Competitive Analysis

**Strengths**
- Holistic solution without direct competition on the market
- Proven medical benefit (HbA1c reduction up to 2%)
- Positive health economic proof (cost savings of up to 1,239 EUR/year and patient)
- ESYSTA technology platform with potential integration of partners

**Weaknesses**
- Challenge of addressing three different stakeholders in a C-to-B-to-B relationship: patients, healthcare professional, health insurance companies
- Still too little awareness among patients and those providing treatment

**Opportunities**
- Dynamically growing $ trillion market
- New economic conditions/opportunities due to the Digital Supply Act (DVG)
- Demand, development and approval surge for telemedicine services for remote treatment due to the corona crisis

**Risks**
- New disruptive drugs or medical technology eliminates the basis of diabetes such as poor nutrition, lack of exercise, age
- Delays in the implementation of digital reimbursement options for medical telemedicine services can mean a standstill in the further opening of the market
Corporate Planning & Roadmap

- It is Emperra’s vision to be the leading provider of Digital Diabetes Services in Germany within the next 5 years.
- Ongoing development of the current ESYSTA ecosystem into an open platform with the aim of implementing a digital diabetes centre.
- Scaling the proven B2C go-to-market strategy via digital marketing activities.
- As of December 2020, marketing of the DiGA approved app.
- Development of ESYSTA Pen Generation 2.0.
- €10.3 m to achieve breakeven in 2022.

Diagram:
- Start Crowd Investment Campaign - target volume: 5 m EUR
- Approval of the ESYSTA App as a Digital Health Application and use of nationwide reimbursement opportunity.
- Start Cooperation (Telecommunication environment)
- Start Cooperation (Pharma environment)
- Implementation of a medical & scientific foundation for the Virtual Diabetes Centre.
- Smart Insulin Pen 2.0

Timeline:
- 2020
- 2021
- 2022

- €0.5-5.0 m (2020)
- Pan-European Crowdfunding Campaign will start in Q3/20
- Funding threshold €500k (target €0.5-3.0 m) in parallel discussions with other VCs / corporates

- min. €5.5 m (2021)
- VCs and strategic investors

- Exit Window
# Attractive Financial Planning

## Revenue

- **Existing scalable B2C sales models**

## COGS

- **Non-proportional increase because of digital products**

## Laboratory

- **Moderate growth because of a lean team and automatization**

## Costs

- **For innovations and patient inflow on a constant level**

## Table

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>434.481</td>
<td>851.366</td>
<td>2.834.014</td>
<td>10.660.273</td>
<td>18.975.442</td>
<td>26.693.105</td>
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<tr>
<td>Hardware - Pen</td>
<td>86.896</td>
<td>170.273</td>
<td>566.803</td>
<td>1.599.041</td>
<td>2.846.316</td>
<td>4.003.966</td>
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<tr>
<td>Hardware - BGM</td>
<td>108.620</td>
<td>170.273</td>
<td>283.401</td>
<td>1.066.027</td>
<td>1.897.544</td>
<td>2.669.311</td>
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<tr>
<td>Services - Coaching</td>
<td>21.724</td>
<td>42.568</td>
<td>283.401</td>
<td>1.066.027</td>
<td>1.897.544</td>
<td>4.003.966</td>
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<tr>
<td>Services - Platform</td>
<td>0</td>
<td>42.568</td>
<td>283.401</td>
<td>1.599.041</td>
<td>2.846.316</td>
<td>5.338.621</td>
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<tr>
<td><strong>COGS</strong></td>
<td>391.980</td>
<td>732.270</td>
<td>1.682.881</td>
<td>4.298.140</td>
<td>6.913.399</td>
<td>9.528.658</td>
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<tr>
<td><strong>Costs</strong></td>
<td>2.517.865</td>
<td>3.175.253</td>
<td>3.244.027</td>
<td>3.280.762</td>
<td>2.995.332</td>
<td>2.681.415</td>
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<tr>
<td>Development Costs</td>
<td>476.141</td>
<td>623.937</td>
<td>754.611</td>
<td>705.285</td>
<td>643.924</td>
<td>576.440</td>
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<tr>
<td>Marketing</td>
<td>581.613</td>
<td>633.997</td>
<td>528.184</td>
<td>570.332</td>
<td>520.712</td>
<td>466.141</td>
</tr>
<tr>
<td>Operations</td>
<td>1.460.111</td>
<td>1.917.319</td>
<td>1.961.231</td>
<td>2.005.145</td>
<td>1.830.695</td>
<td>1.638.834</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>(3.952.547)</td>
<td>(5.359.632)</td>
<td>(4.095.729)</td>
<td>1.258.266</td>
<td>7.101.172</td>
<td>12.346.573</td>
</tr>
</tbody>
</table>
High Exit Potential

- In recent years there has been significant M&A activity in Emperra’s peer group.
- M&A benchmarks are highly lucrative.
- Emperra’s position and therefore inherent exit values in the market are very promising.

Potential Exit Scenarios:
Potential acquirers of Emperra might come from the following markets:
- Medtech
- Pharmaceuticals
- Care
- Digital

Pharmaceuticals: Roche, Lilly
MedTech: Medtronic, BD, Teladoc Health, Air Liquide
Care & Digital: Novo Nordisk, SANOFI
Management Team & Other Partners

Dr. med. Janko Schildt  
Founder & CEO

Jens-Florian Krieg  
Dipl. Economist  
CFO & COO

Dr. med. Markus Bentrup  
CDO

Advisory Board

Dr. Klaus Stöckemann  
Chairman

Bent Johnsen  
Industry Expert

Dr. Fred Schaebsdau  
Industry Expert

Dr. Angelika Vlachou  
Venture Capitalist

Steven Anderson  
MedTech & Health Expert
"An electronic, web-based tele-diabetology solution - that's definitely the future of diabetology."

Dr. Diego Schmidt
Specialist for General Medicine & Diabetologist

"In five years, I'd say we want to be the number one company working with Emperra to care for patients at home."

Dr. Michael Hübschen
Head of Care Management & Tele Health
Deutsche Telekom
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