



Company Overview

Vision: Delivering innovative digital health solutions to humans

LabStyle Innovations Corp. (OTCQB:DRIO) creates innovative mobile and digital tools that empower and engage users to lead healthier lives. LabStyle's "Real data. Real time. Real improvements" approach and strategy is positioning the company as a major player in the mHealth industry; an industry currently worth \$10B and expected to reach \$31B by 2020*. LabStyle's flagship product, The Dario™ Smart Diabetes Management Solution, is a platform for diabetes management that combines an all-in-one blood glucose meter, native smart phone app (iOS & Android), website portal and a wide variety of treatment tools to support more proactive and better informed decisions by users living with diabetes, their doctors and healthcare systems.

The Dario Smart Diabetes Management Solution was granted U.S. FDA marketing clearance in December 2015 and is set to launch in the current quarter in the U.S. – the largest market in the world for glucose monitoring. LabStyle has been granted patents, and is pursuing additional applications - in multiple areas covering the specific processes related to blood glucose level measurement, as well as more general methods for rapid body fluids testing using mobile devices and cloud-based services. Dario™ is currently available in the UK, New Zealand, Netherlands, Australia, Israel, Canada, Belgium and Italy. Dario received reimbursement coverage in the UK, Australia, Israel, Italy and Canada. Sequential quarterly revenues are growing rapidly, reflecting strong market adoption.

*<http://research2guidance.com/2015/11/11/the-mhealth-app-market-will-grow-by-15-to-reach-31-billion-by-2020/>

Investment Highlights

Bringing Disease Management into the Digital Age

LabStyle solutions deliver the ability to combine and analyze consumer health data with the goal of personalizing treatment and advancing medical knowledge, in any field of chronic disease care and prevention. The Dario Smart Diabetes Management Solution is the first proven example of the company's ability to create a successful user-centric experience for testing and monitoring a variety of bodily fluids allowing users to manage a broad range of health related conditions quickly and easily through smart mobile devices. The Dario Smart Meter coupled with the robust Dario Management App delivers significant benefits to users, healthcare providers and the healthcare system.

mHealth Global Market currently estimated at \$10B

The global mHealth market is currently estimated at \$10B with significant increase of 15% (CAGR) to \$31B by 2020. Mobile health applications are one of the fastest growing categories in the app market. At present, 45,000 app publishers are responsible for some 165,000 mHealth apps available on the market. Mobile health app adoption has doubled in 2 years (2013-2015).

Blood Glucose Monitoring Market

The global blood glucose monitoring market is expected to reach \$12 billion by 2017. More than 387 million people are living with diabetes worldwide. This number is expected to grow to 592 million by 2035. The total cost of diabetes in the United States was US\$245 billion in 2012. The global diagnosis and monitoring devices market is expected to reach US \$26 billion by 2018, growing at a CAGR of 7.8% from 2011 to 2018. In addition, the total diabetes management market was US\$50.8 billion in 2011 and is estimated to reach US\$98.4 billion by 2018.

Strong Revenue Growth Reflects Rapid Market Adoption

Sequential quarterly revenues **grew** 56% from \$175,000 in Q2 2015 to \$273,000 in Q3 2015. The size of the glucose monitoring market indicates revenues can continue to grow at this rapid rate. As sales reach more substantial numbers in coming quarters,

LabStyle expects improvement of margins via volume-driven cost reductions. LabStyle has 3 recurring revenue streams: 1) sales of the Dario™ device and disposables; 2) diabetes management service fees for diabetes behavioral programs via tele-medicine designed to improve clinical outcomes; and 3) data monetization services such as meta-analysis for insurers, online monitoring for insurers, and clinical study platforms.

Global Rollout with U.S. Launch in Q1 2016.

The Dario has received marketing clearance in Europe and just received U.S. FDA clearance in December 2015. The Dario iOS mobile app recently launched with reimbursement in the United Kingdom, Australia, Israel, Italy and Canada, and has also launched in New Zealand, Netherlands, Italy and Belgium. The global rollout continues in 2016 with launches expected in the U.S., Panama, Costa Rica and India. As the largest market in the world for glucose monitoring, U.S. sales are expected to have the most significant impact on revenues and gross margins.

