

Dear Shareholders,

As we draw the curtains on 2023 and embark on the journey of 2024, I would like to take this moment to share some reflections and important updates with you:

In the aftermath of the challenging events since Simchat Torah, both on a personal and national level, it becomes imperative to view our endeavors from a broader perspective—both as a company and as members of a resilient and dynamic nation.

On the grand scale, we reside in an extraordinary and prosperous country, populated by some of the world's finest individuals. Although we have weathered a severe storm, the resilience of our people and our nation is evident. I am confident that, as a collective, we will emerge stronger, more compassionate, and ultimately more successful.

As a company, comprised of unique individuals yet functioning as a unified entity, we are navigating through a testing period, but our resilience prevails. We persist in our commitment to progress, develop, produce and sell.

It is with pride that I share that over 20% of our workforce answered the call of duty, participating actively in the conflict against Hamas. While many of our team members return to their homes in the coming weeks, some have returned to their regular or partial work routine in recent weeks, I fervently hope for the safe return of all.

Allow me to highlight a few significant milestones achieved in recent months:

Our FIZE kUO became the standard in Soroka and Beilinson ICUs, we expect the rest of the market to follow their lead.

Testing has commenced on our new sensor, designed to provide additional Intra-Abdominal Pressure (IAP) information to medical staff. This sensor is expected to empower our overall capabilities of managing the bladder wisely. Commercialization is anticipated before the end of this year.

We are in the process of qualifying a Vietnam based sub-contractor for the large-scale assembly of our disposables, with the initial batch scheduled for assembly in Q2 2024.

Admittedly, the recent conflict has had a multifaceted impact on our operations—curtailing R&D, marketing and sales efforts, and manufacturing. Unfortunately, we had to defer the pilot planned at Mayo Clinic

Rochester from October 23, 2023, to Q1 2024 due to a shortage of trained personnel to support the sizable planned pilot, thus delaying our entry into the U.S.

Nevertheless we conducted 5 additional commercial pilots in Israel since October 8. The results are translated to revenue these days.

Bellow you will find links to recent media coverage and collaterals about FIZE KUO:

[What is FIZE KUO](#)

[FIZE Medical - The Jerusalem Post](#)

[No Camels](#)

The Marker – attached is a PDF of the article in Hebrew.

As we conclude the year, we do so with optimism and a positive outlook for the future. Looking ahead to 2024, our aspirations include:

Dominating the Israeli market by year-end.

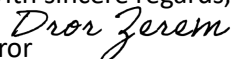
Making a significant entry into the U.S. market by establishing a presence in 5-10 major hospitals.

Obtaining CE Mark for European marketing and sales.

Initiating our approach to the Japanese market.

In terms of financing, we initiated a funding round a few months ago and have secured commitments exceeding \$5.5M, primarily from existing investors. While we plan to raise additional funds, the current economic climate has presented challenges. We are actively exploring various funding options and welcome any interested investors to join the round.

Despite the adversities surrounding us, we hold lofty aspirations and plans for the upcoming year. I want to express my gratitude for your steadfast support and extend my best wishes to all of us for success and tranquil days ahead.

With sincere regards,

Dror