



Dear Shareholder,

As we approach the Jewish New Year, I would like to take this opportunity to update you on the latest milestones and progress at FIZE Medical.

A Year of Growth and Challenge

Just a year ago, a few days before Rosh Hashanah, we onboarded Soroka Medical Center as the first to purchase and install our FIZE kUO. Shortly after, the world changed dramatically. Following a request from Prof. Klein, Director of Soroka's ICU, we immediately dispatched a team the day after the outbreak of the war to install additional devices, as the ICU expanded by 50% to meet the urgent needs. Since then, our devices have monitored thousands of patients, including a significant number of those wounded in the war. We take great pride in our role during these critical times.

Recently, we held a recognition ceremony to honor our employees who were called to serve over the past year. We are proud of their dedication and fully support them. As we look forward, we hope the coming year will bring peace, the return of the hostages, recovery for the wounded, and good health and prosperity for all.

Activity in Israel

Israel remains not only a local market but also an invaluable beta site for our innovations. In recent months, we've made significant strides in enhancing our device capabilities, particularly with the successful development of Pediatric Mode and Operation Room Mode, optimizing the device for various medical environments.

FIZE Medical's presence is growing in Israel, with three paying customers secured in the last nine months: Soroka, Beilinson, and Shaare Zedek, across six departments. We anticipate acquiring three additional customers in the next quarter. Our technology is gaining momentum, with more departments expressing interest and trialing our solutions. Negotiations are ongoing with multiple hospitals for device purchases and integration into digital medical systems, with overwhelmingly positive feedback suggesting the potential for widespread adoption.

Activity in the USA

We have established a dedicated team in the U.S. to drive sales, marketing, and implementation, currently comprising three employees with plans for future expansion. We successfully completed our first implementation in a U.S. hospital, including integration with Epic, the leading Electronic Medical Record (EMR) system, and are preparing for additional pilots in the coming months.

Activity in Japan

Three months ago, we signed an agreement with one of Japan's largest and most reputable medical device companies, with annual revenues exceeding \$20 billion. We are working closely with their teams to navigate the regulatory process with the PMDA (the Japanese FDA) and develop a comprehensive marketing and sales strategy. This marks a pivotal step toward entering the Japanese market and securing a strategic partnership.



Activity in Europe

In Europe, we are making significant progress toward obtaining regulatory approval. We have successfully passed the first audit for the CE Mark and expect to complete the final audit by the end of Q1 2025. This will allow us to begin marketing in the EU by the second half of 2025.

R&D

Our R&D efforts have focused on improving product features, upgrading sensors, and preparing for regulatory approvals in both the European and Japanese markets. We recently launched the FIZE-EMR-Bridge device management server, which has been installed in several hospitals in Israel and the U.S., and completed integration with Epic in the U.S. We were granted an additional patent and are in the process of filing another. Notably, we have developed a new sensor that enables monitoring of intra-abdominal pressure (IAP), which we plan to release to the market by mid-2025.

Clinical

Clinical research will be a cornerstone of our future activities, crucial for improving physician tools, collecting data for AI-driven innovations, and validating the benefits of our technology. This will expedite sales and help us obtain a reimbursement code for FIZE kUO. We recently completed a successful small trial at Sharon Hospital and are analyzing the results. Additionally, we are launching a large retrospective study at Soroka and another at Jefferson University in Philadelphia, both aimed at developing AI models to predict critical events such as shock or kidney damage.

Operations

We have expanded our calibration lab by 50% to meet growing market demands. Furthermore, we are finalizing approval for a manufacturing site in Vietnam, which will support the assembly of our disposable products.

Automation

We have completed the multi-year planning and system concept for our automation initiatives, with several machines and tools already built as part of this comprehensive plan. The Israel Innovation Authority (IIA) has provided primary funding for this program.

Israel Innovation Authority (IIA) Projects

In recent months, we successfully completed two development and automation projects worth \$1 million. We are currently involved in three additional IIA-approved projects, totaling \$1.5 million.



Current Funding Status (Mid-2024)

I am pleased to inform you that we have secured \$12.2 million of our \$15 million funding target. As we continue to expand our global footprint and revolutionize kidney care, your ongoing support and partnership remain invaluable to our success.

Should you have any questions or require further information, please do not hesitate to contact me.

Thank you for your unwavering confidence in FIZE Medical.

Shana Tova and warm regards,

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