



PRESS RELEASE

For immediate release

Argus Research Initiates Equity Research Report Coverage on G Medical Innovations Holdings Ltd. (NASDAQ: GMVD)

NEW YORK, December 13, 2021 (PR NEWSWIRE) -- Argus Research, an independent investment research firm, has launched Equity Research Report coverage on G Medical Innovations Holdings Ltd. (NASDAQ: GMVD)

[Click Here](#) to view full Argus Equity Research Report.

COMPANY HIGHLIGHTS: Excerpts (as conveyed by Argus Analyst Steve Silver) include:

GMVD: Driving innovation in mobile health and telemedicine:

- G Medical's current products include Prizma, a clinical-grade device that enables smartphones to be used for medical monitoring, and the Extended Holter Patch System, a biosensor that captures electrocardiogram data continuously for up to 14 days.
- The company is also developing a wireless vital signs monitoring service that we view as well positioned to generate recurring revenue through monthly subscription fees.
- In our view, G Medical has a differentiated group of products and services compared with products offered by peers, which capture only ECG data or are solely focused on fitness applications. In contrast, Prizma is designed to provide more-detailed data than such competing devices, and for that data to be easier for consumers to understand. We also expect the company to benefit from a leadership team with years of experience in the mobile health industry.
- The company raised \$13.4 million in a June 2021 IPO. We expect the proceeds to be used for salesforce expansion, completion of the vital signs monitoring system, and the development of new products.
- Based on our valuation analysis, we arrive at a fair value estimate for GMVD of \$5.50 per share, well above current levels.

INVESTMENT THESIS excerpts ([Click Here](#) to view full Argus Equity Research Report):

Founded in 2014, Israel-based G Medical Innovations Holdings Inc. develops and manufactures mobile health products. It also provides telemedicine services that help patients to manage medical conditions, particularly in areas such as cardiovascular disease, pulmonary disease, and diabetes. The company's current products include Prizma, a clinical-grade device that enables smartphones to be used for medical monitoring, and the Extended Holter Patch System, a biosensor that captures electrocardiogram (ECG) data continuously for up to 14 days. The company is also developing a wireless Vital Signs Monitoring System (VSMS), which will provide real time diagnostic and monitoring services.

In our view, G Medical is well positioned to participate in the fast-growing "mHealth" or mobile health industry. Grand View Research expects mHealth to become a \$53.6 billion market by the end of 2021, and to reach \$166 billion by 2028 (a compound annual growth rate of 17.6%). We

look for growth in mHealth to be driven by both the greater use of wearable devices and the increase in chronic medical conditions.

We note that telemedicine provides a cost-effective alternative to traditional care for many medical conditions. It also provides patients with basic healthcare services when they cannot visit physicians' offices or hospitals – as was often the case during last year's pandemic lockdowns. According to McKinsey, telemedicine accounted for 46% of healthcare consultations in April 2020, up from 11% in 2019. While we view this percentage as likely to decline as the pandemic recedes, we believe that the pandemic has made telemedicine acceptable to large numbers of consumers and that many will continue to use telemedicine services in the future.

G Medical faces competition in the market for wearable medical devices, namely from AliveCor (whose product captures only EKG data), Qardio (which is focused on blood pressure tracking), and Tytocare (focused on home health medical exams) as well as the Apple Watch. However, G Medical believes Prizma provides more-detailed data than most competing devices, particularly with respect to cardiovascular and pulmonary health, and that it makes this data easier for consumers to understand.

Prizma connects to any smartphone using a wireless Bluetooth connection. It enables users to take an ECG and measures a wide range of vital signs including oxygen saturation, temperature, heart rate, and stress levels. Users can also manually enter blood pressure, body weight, and blood glucose measurements, and track them on Prizma's app and cloud portal. In addition, users can generate reports based on the data and share them with medical professionals or family members, which we think can have a favorable impact on patient compliance and outcomes. Prizma will also be integrated with the company's wireless Vital Signs Monitoring System, to provide enhanced real-time monitoring.

The company's product portfolio also includes the Extended Holter Patch System, a multichannel biosensor that captures ECG data continuously for up to 14 days. G Medical believes that multichannel ECGs can deliver higher predictive values with more actionable data, thus helping physicians to make more-accurate diagnoses. In addition, the system allows patients to capture symptomatic events by tapping a button on the recorder and documenting their symptoms in the patient diary. This correlates the ECG with specific patient activities and provides physicians with important contextual data. Following a monitoring session, the patient returns the device to G Medical, and the data is then uploaded to a secure cloud for analysis. Certified cardiac technicians then generate a concise clinical report based on the ECG. The report is validated through a quality assurance process and made available to the patient's physician on the company's secure portal. We believe the Extended Holter Patch System has the potential to be a major revenue generator for the company, given the rise in telemedicine and eHealth and the benefits of this system in helping doctors with diagnoses.

Prizma has received European CE Mark approval, FDA 510 K approval and emergency use authorization over the counter (OTC) in the United States. G Medical expects OTC approval to remain in force during the entirety of the COVID-19 pandemic. The Holter Patch has also received FDA emergency use authorization, and is ready for commercialization. In addition, Prizma has been approved by regulators in Australia, Taiwan, and Italy, and the Holter Patch has received approval in Australia. G Medical is also preparing to file an application for Prizma with the Chinese National Medical Products Administration (NMPA).

In addition to commercializing Prizma and the Extended Holter Patch System in the U.S., China, and other markets, G Medical is completing the development of its wireless Vital Signs Monitoring System, which is designed to provide continuous real-time monitoring of a wide range of vital signs. Management expects the system to generate a recurring revenue stream in the form of monthly remote monitoring fees paid by hospitals, insurance companies, chronic care

management companies, as well as by individual patients through a direct-to-consumer channel. It also expects to generate recurring revenue from monthly fees for Prizma usage.

The mHealth industry is characterized by strong R&D, rapid innovation, and the development of proprietary software, and is likely to see intense competition over the next decade. However, we think that G Medical has the potential to carve out a niche in health telemetry and monitoring. The company has three patents on its technology and 11 patent applications pending. It currently manufactures its products in Israel, but expects to find a lower-cost manufacturing option in China or another location, which we think should help to boost gross margins over time.

About G Medical Innovations Holdings Ltd. (NASDAQ: GMVD) gmedinnovations.com

Founded in 2014, Israel-based G Medical Innovations Holdings Inc. develops and manufactures mobile health products and provides telemedicine services. The company's products include Prizma, a clinical-grade device that enables smartphones to be used for medical monitoring, and the Extended Holter Patch, a biosensor that captures electrocardiogram data. G Medical is also developing a wireless vital signs monitoring service. The company has three patents on its technology and 11 patent applications pending.

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About Argus Research Corp.

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