

# COLON 3D IMAGING CAPSULE

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Corporate Presentation  
June 2018

# Safe Harbor statement

## Forward-Looking Statements

This presentation contains certain statements that may be deemed to be “forward looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements appear in a number of places throughout this presentation and include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, our ongoing and planned product development and clinical trials; the timing of, and our ability to make, regulatory filings and obtain and maintain regulatory approvals for our product candidates; our intellectual property position; the degree of clinical utility of our products, particularly in specific patient populations; our ability to develop commercial functions; expectations regarding product launch and revenue; our results of operations, cash needs, and spending of the proceeds from this offering; financial condition, liquidity, prospects, growth and strategies; the industry in which we operate; and the trends that may affect the industry or us. As a result, actual results may differ materially from any financial outlooks stated herein.

We may, in some cases, use terms such as “believes,” “estimates,” “anticipates,” “expects,” “plans,” “intends,” “may,” “could,” “might,” “will,” “should,” “targets,” “approximately” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this presentation, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, may differ materially from the forward-looking statements contained in this presentation as a result of a variety of factors including but not limited to those risks and uncertainties relating to difficulties or delays in development, testing, regulatory approval, production and marketing of the Company’s product candidate and those risks and uncertainties associated with the protection of the Company’s intellectual property rights. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these factors.

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# Our Mission

Colon cancer prevention

through  
patient friendly screening



# Colon Cancer - Screening is Key to Prevention

**Low screening adherence**

**Mortality world-wide ~ 700K annually**

**Prevention = Detection of Pre-cancerous polyps**

**Our solution - Patient friendly prep-free screening**

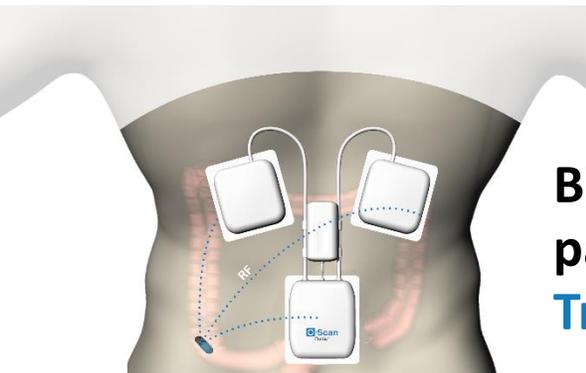
# C-Scan<sup>®</sup> - Preparation-Free Colon Screening

## C-Scan<sup>®</sup> Cap

Ingestible scanning capsule  
Generating **Imaging Data**  
+ **Positioning Data**



## C-Scan<sup>®</sup> Track

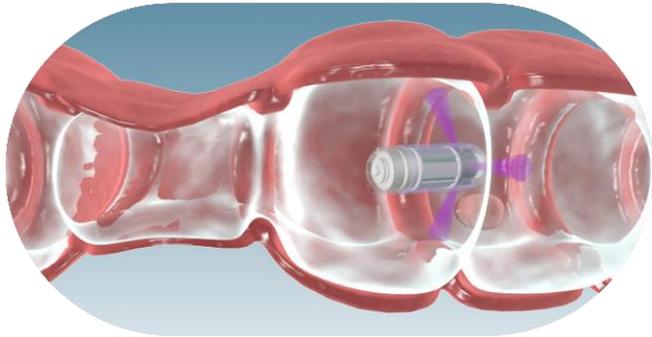


Biocompatible patch worn on  
patient's back for **Capsule Control,**  
**Tracking** and **Data Recording**

## C-Scan<sup>®</sup> View

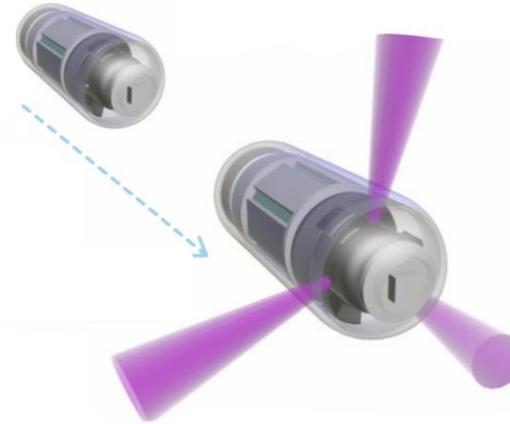


# C-Scan<sup>®</sup> - Preparation-Free Colon Screening



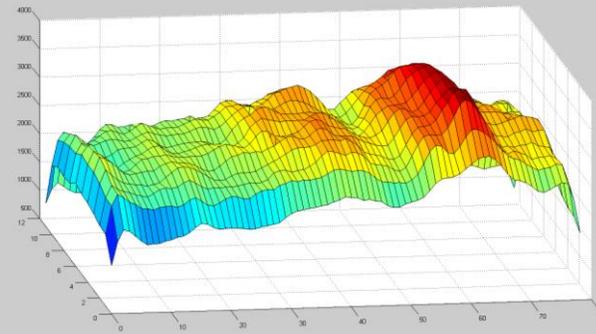
As the capsule moves naturally,  
it scans the inner lining of the  
colon in a 360 degree arc,  
scanning only when in motion

*Stand by  
mode*

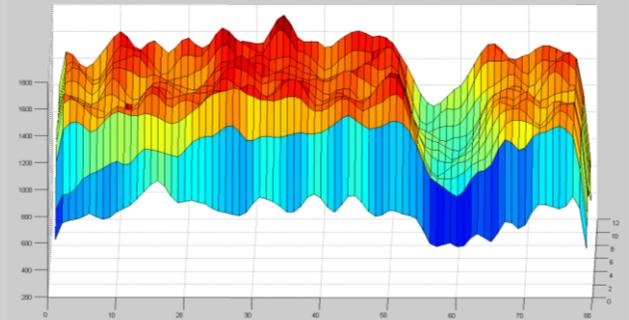


*Scan mode –  
Capsule scanning over  
a polyp*

## Disruptive Photon Counting Technology



**Compton  
Back-scattering**



**X-Ray  
Fluorescence**

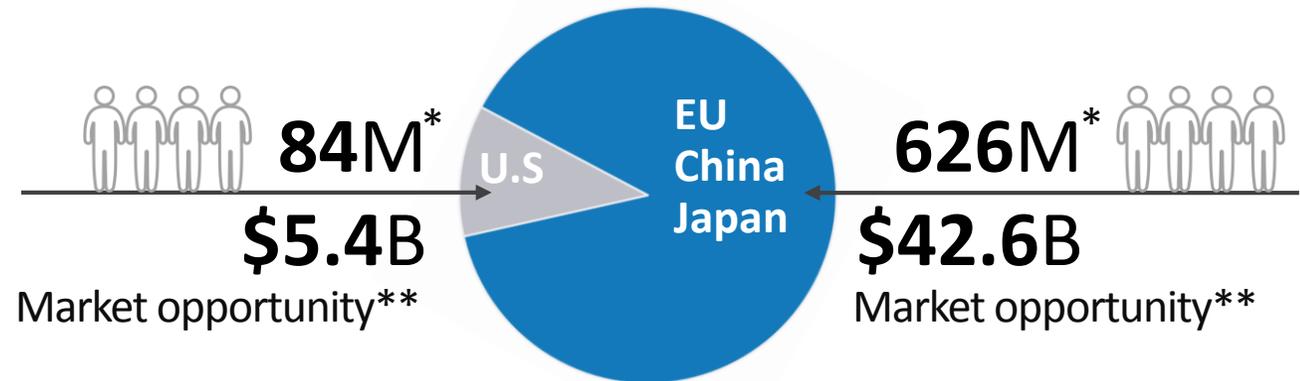
# Colon Cancer Prevention Market Opportunity

Annual Overview

	Incidence	Mortality
U.S	135k	50k
EU	471k	228k
China	310k	149k
Japan	113k	48k

Deaths world-wide ~ 700k  
 Expected to increase by 60% by 2030

Most lives could be saved

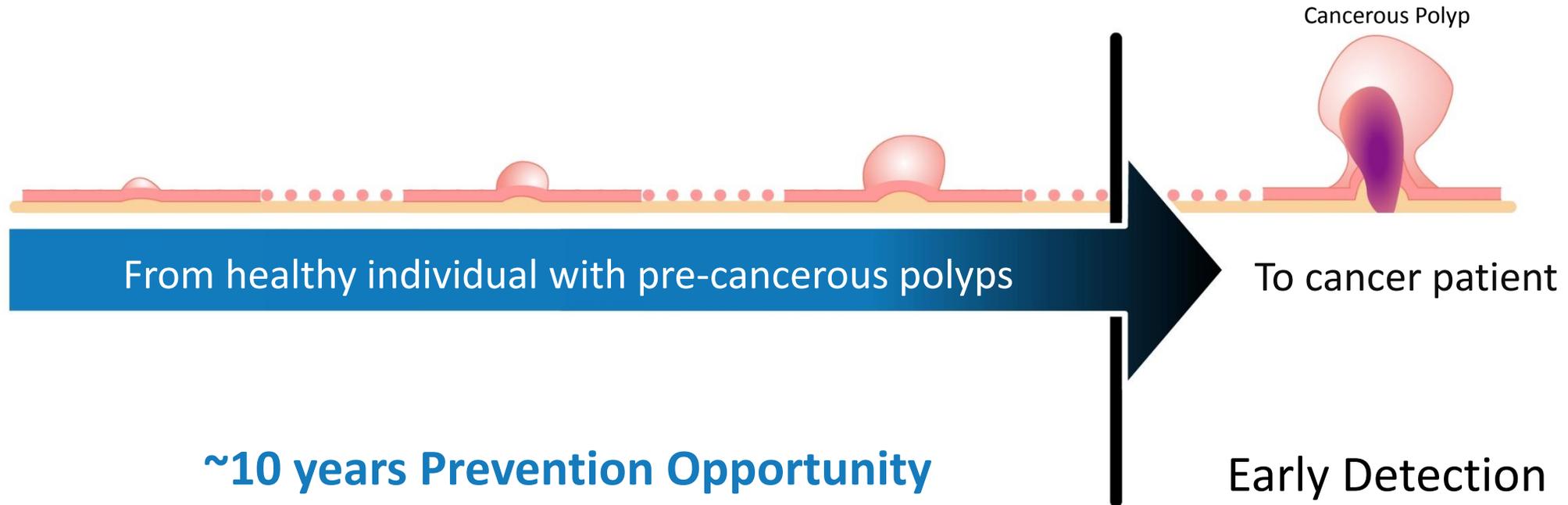


Sources: \* - Population age +50 at average risk - United Nations DESA/ Population Division – World Population Prospects 2017 (North America, Japan, China and Europe)

\*\* - For patients screened once every 10 years at average procedure cost of \$600

American Cancer Society. World Health Organization. J Natl Cancer Inst. 2011; 103:1-12 (Mariotto) Arnold M, et al. Gut 2016;0:1-9. doi:10.1136/gutjnl-2015-310912

# Highly preventable form of cancer



Source: Gastro 1997;112:594-692 (Winawer)

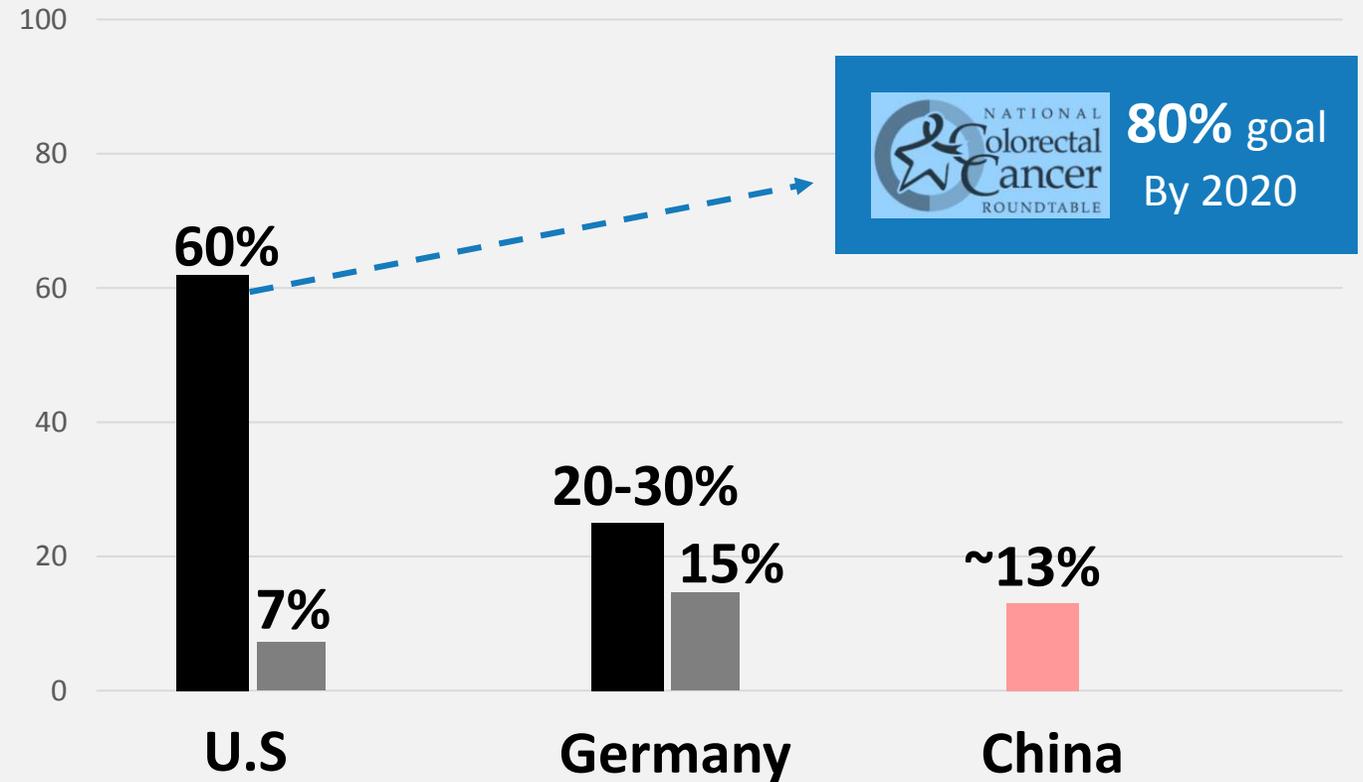
# Screening Rates U.S, EU, China



Ages  $\geq 50$

- COLONOSCOPY – 88-98 (%) \*
- FIT – 32-53 (%) \*
- FOBT – 9-24 (%) \*

\* Sensitivity for pre-cancerous polyps

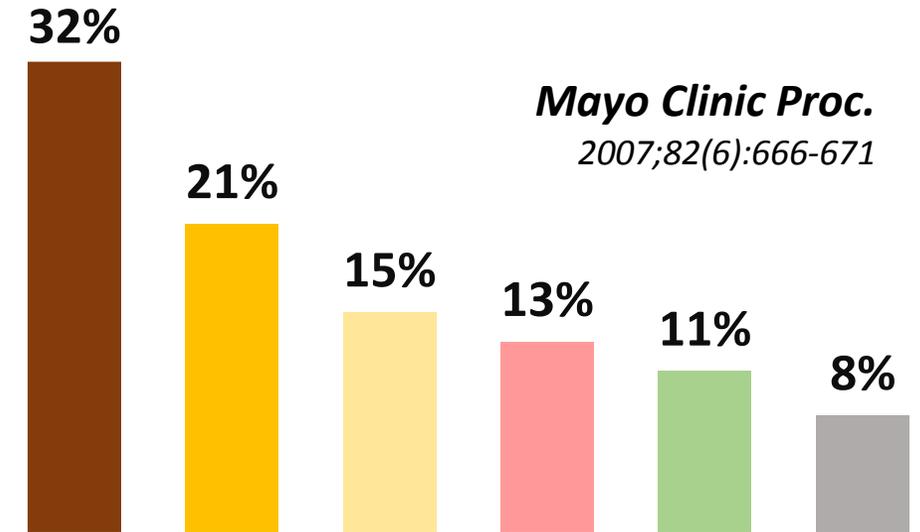


Sources: CDC NHIS survey results as published in the CDC's MMWR between 2006 and 2017 Radiology, 2017, Ahead of Print, <https://doi.org/10.1148/radiol.2017170924> (Smith) Schreuders EH, et al. Gut 2015;0:1-13. doi:10.1136/gutjnl-2014-309086

# Barriers to Colonoscopy screening in U.S



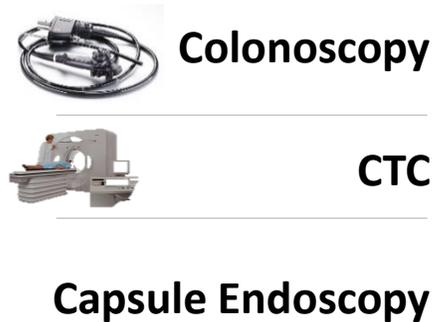
*“What do you feel is the most troubling part of colon testing?”*



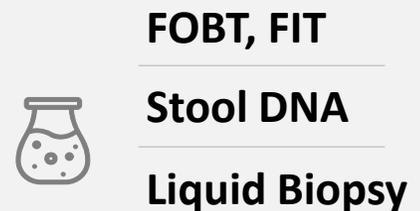
- Laxative preparation
- Insertion of endoscope
- Fasting requirements
- Concern over pain
- Embarrassment
- Other reasons

# C-Scan focuses on increasing public's willingness to screen

**Prevention-  
Screening for cancer and polyps**  
High sensitivity for pre-cancerous polyps



**Early Detection-  
Screening for cancer**  
Low sensitivity for pre-cancerous polyps



Sources: AGA Institute Guidelines for the Early Detection of Colorectal Cancer and Adenomatous Polyps  
American Cancer Society. Colorectal Cancer Facts & Figures 2017-2019. Atlanta: American  
Cancer Society; 2017 USPSTF, JAMA. 2016;315(23):2564-2575. doi:10.1001/jama.2016.5989

# Pathway to commercialization

- ✓ >200 capsules ingested, clear safety record
- ✓ ISO 13485 Certification and CE mark attained
- ✓ U.S. clinical pathway realization in planning
- ✓ Ongoing manufacturing line buildup at GE
- ✓ Request for marketing approval submitted in Israel
- ✓ Ongoing discussion with strategic partners



# Strong support from KOL's

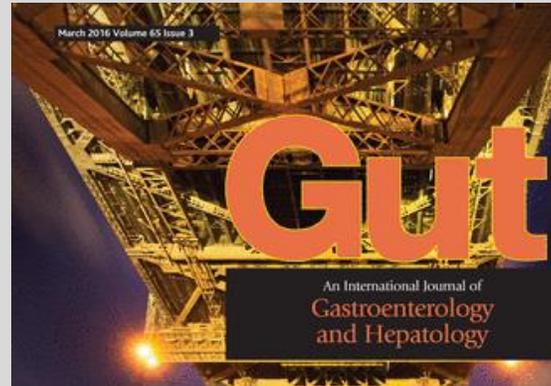
## Prof. Seth A. Gross

*“C-scan is a novel approach to improve colon cancer screening that can become an alternative to current screening methods. The device generates 3D colon mapping without the need for bowel preparation through which it eliminates barriers for screening noncompliance and has potential to save people lives”*



### Seth A. Gross

Associate Professor of Medicine at NYU School of Medicine; Gastroenterology Section Chief at Tisch Hospital; Director of Endoscopy at NYU Langone Medical Center



Endoscopy news

### A novel prepless X-ray imaging capsule for colon cancer screening

Nathan Gluck,<sup>1,2</sup> Beni Shpak,<sup>2</sup> Rita Brun,<sup>3</sup> Thomas Rösch,<sup>4</sup> Nadir Arber,<sup>1,5</sup> Menachem Moshkowitz<sup>1,5</sup>



## Prof. Nadir Arber

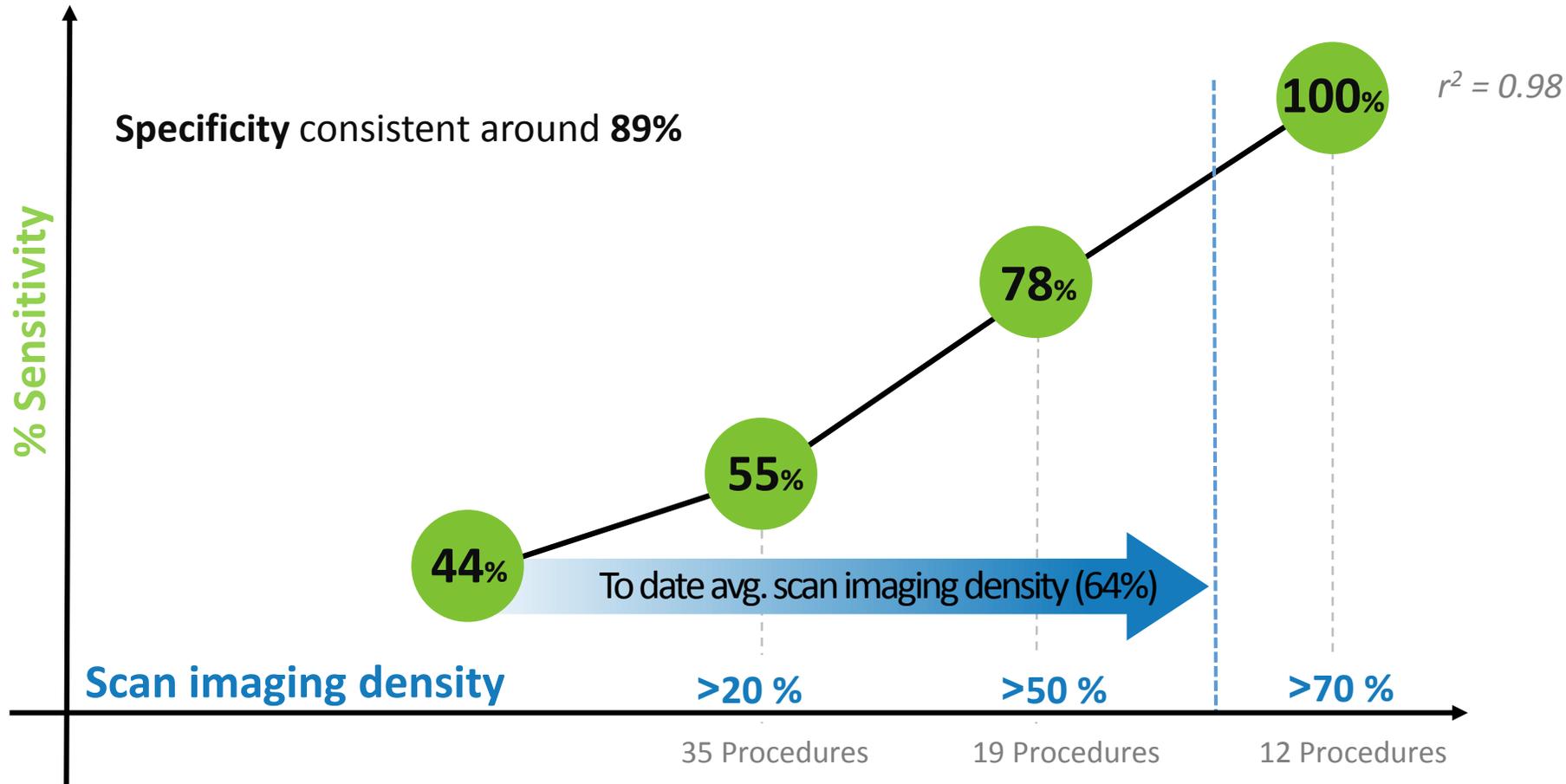
*“ C-Scan is a swallow and forget breakthrough device that can change the history of colon cancer screening and prevention.”*



### Nadir Arber

Prof. of Internal Medicine and Gastroenterology Head, Health Promotion Center Head, Integrated Cancer Prevention Center Tel-Aviv Sourasky Medical Center

# Strong correlation between scan imaging density and sensitivity



## Sensitivity

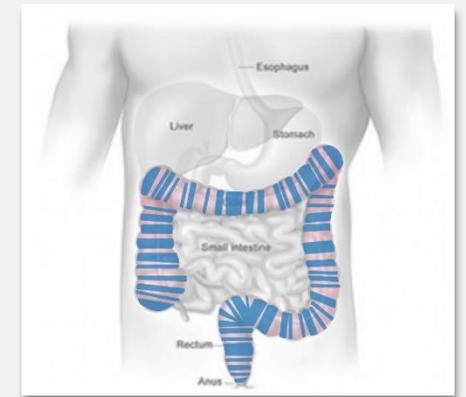
Ability to identify polyps accurately

## Specificity

Ability to identify lack of polyps

## Scan imaging density

Scans distribution along colon



44% sensitivity for all evaluable cases from CE Study; 46% average scanning image density from CE Study; 64% average scan imaging density with 21 evaluable cases for C-Scan Version 3

# C-Scan<sup>®</sup> Advantages

## Patient

**NO laxatives**

**NO boosters**

**NO sedation**

**Autonomous procedure**

**Patients continue normal  
daily routine (avg. 2-3 days)**

## Hospital and Physician



**NO need for anesthesia**

**NO operating room**

**Minimal staff involved**

**Analysis anywhere –  
Portal based analysis suite**

**GIs focused  
on polyp removal**

## Payer



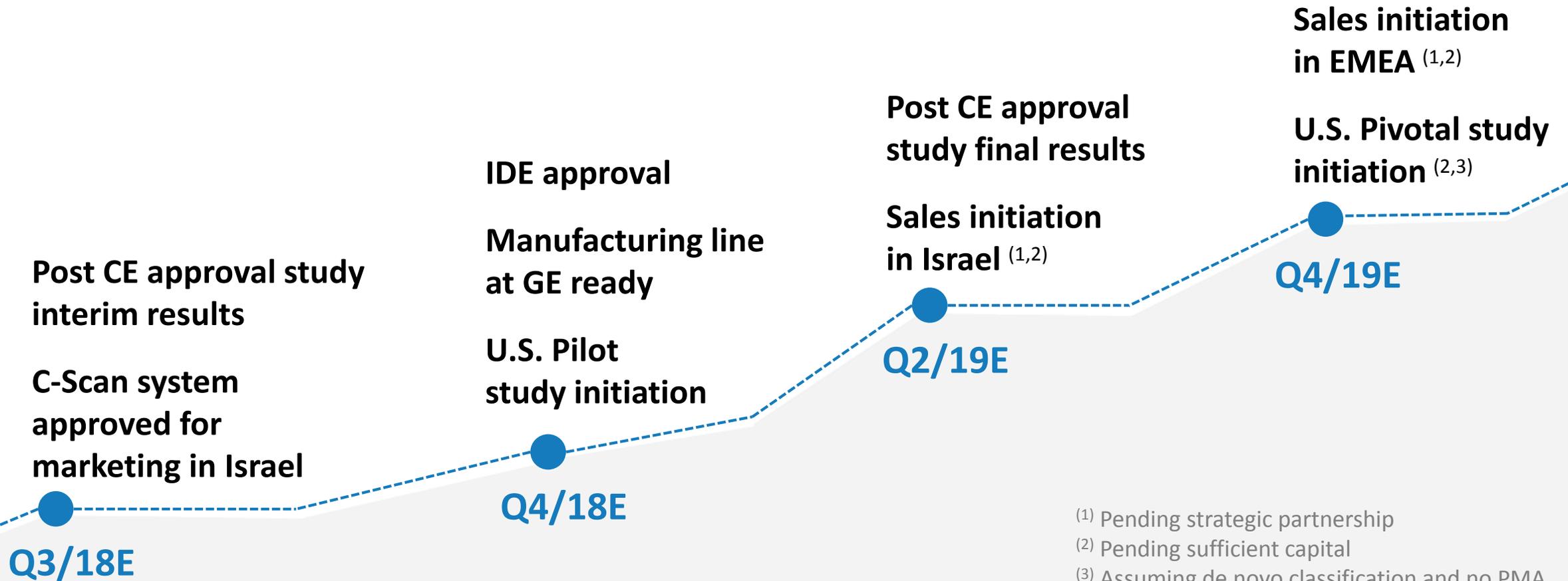
**INCREASES** screening  
adherence

**INCREASES** willingness to  
undergo colonoscopy

**REDUCES** CRC incidents  
and mortality

**SAVES** treatment cost

# Multiple near term inflection points



(1) Pending strategic partnership

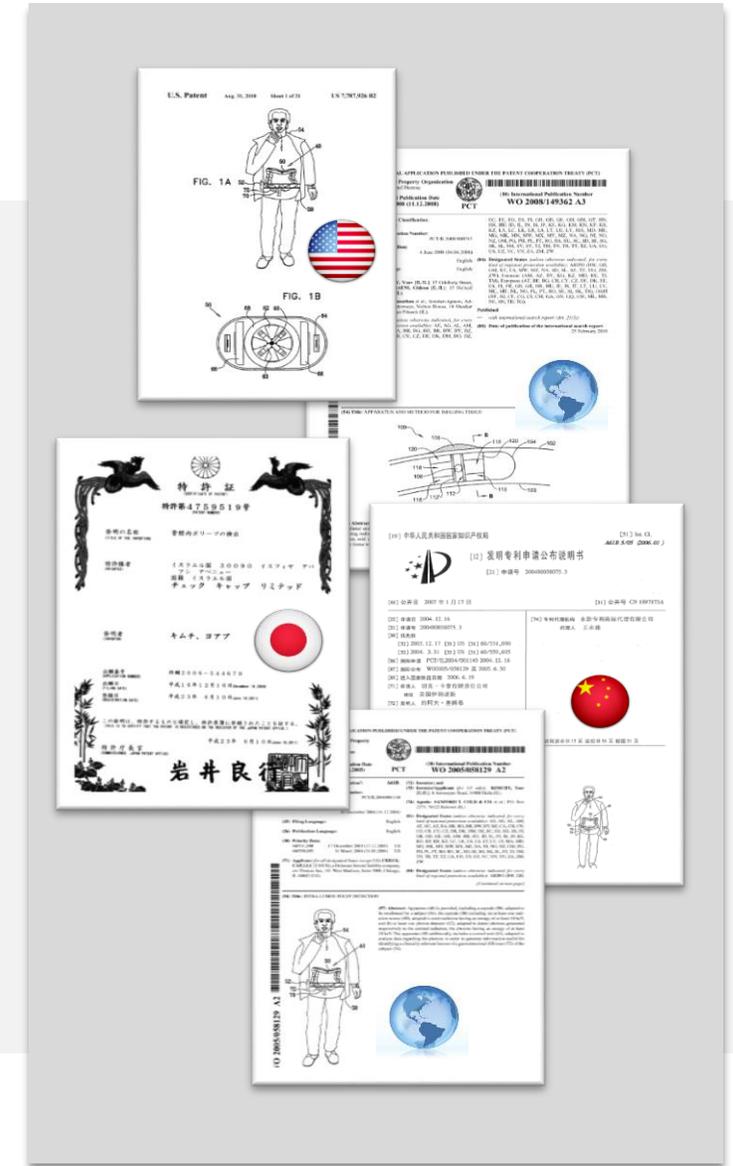
(2) Pending sufficient capital

(3) Assuming de novo classification and no PMA

# Robust Intellectual Property

Core patents granted in major jurisdictions

**33** Granted  
**1** Allowed  
**20** Pending worldwide



# Financial Overview

Amounts raised:

**\$25.5 million IPO**

with simultaneous private placement in 2015

**\$11.2 million total**

registered direct offerings in 2016-2017

**\$20.2 million**

underwritten public offering in May 2018

**1.6 million shares outstanding (3/31/2018)**

**5.3 million shares outstanding (5/25/2018)**

Trade on the NASDAQ: [CHEK](#), [CHEKW](#), [CHEKZ](#)

**\$4.6 million Cash & CE (3/31/18)**

**\$22.6 million Cash & CE (pro-forma)**

Analyst coverage:

**H.C. Wainwright, Chardan Capital**

**Markets**

# Executive Management

**Alex Ovadia**  
CEO



**Dr. Yoav Kimchy**  
Founder & CTO



**Lior Torem**  
CFO



**Boaz Shpigelman**  
VP R&D



# BOD

**Steve Hanley**  
Chairman



**Dr. Walt Robb** (1)



**Yuval Yanai**



**Dr. Mary Jo Gorman**



**XQ Li**



**Tomer Kariv**



**Clara Ezed**



(1) Member of the BOD of Check -Cap US Inc. our U.S Subsidiary

# Investment Highlights

Revolution in CRC screening market

CE Mark approved in the European Union

Strategic collaboration with GE Healthcare

Productive discussions with regulatory agencies

Commercialization pathway buildup

Robust intellectual property protection



GE Healthcare



# Appendix

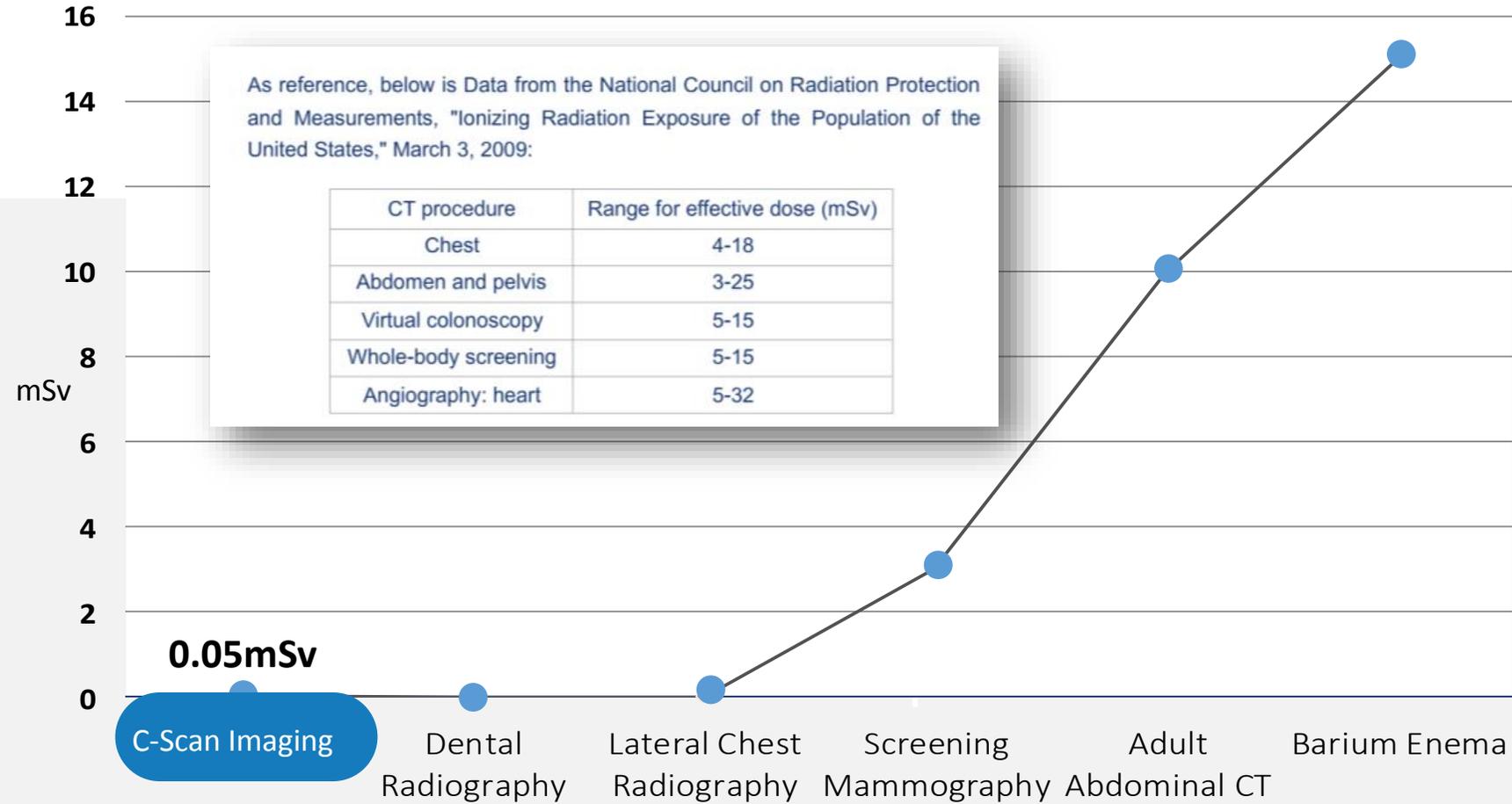
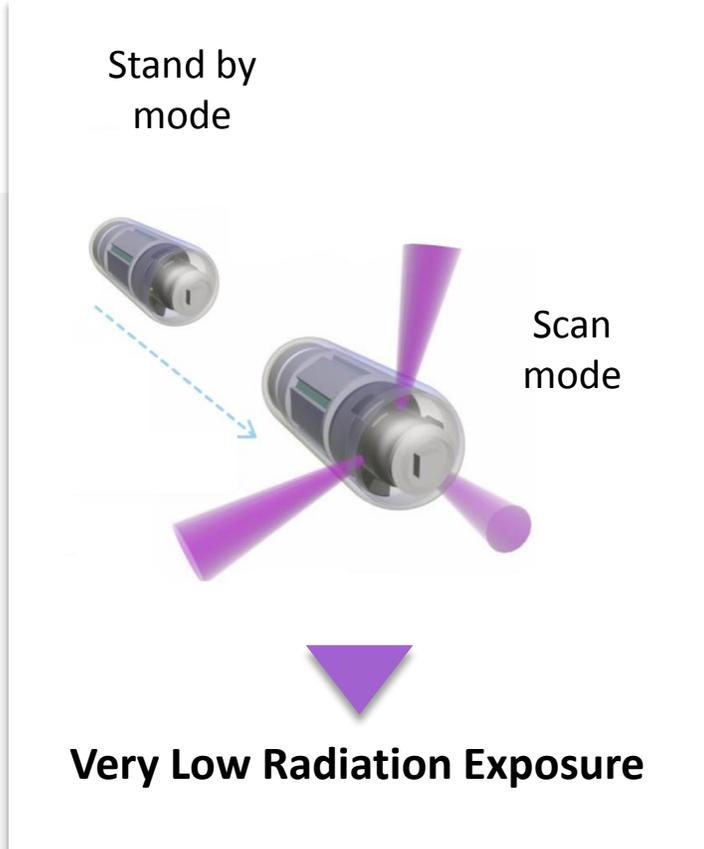
# Reimbursement for screening methods

U.S	<ul style="list-style-type: none"><li>• <b>Colonoscopy</b> (avg. including, anesthesia, biopsy, bowel prep)</li></ul>	
	- Medicare	<b>\$1,036</b>
	- Private sector	<b>\$2,000 to \$3,000</b>
	<ul style="list-style-type: none"><li>• <b>CTC</b> (Virtual colonoscopy)</li></ul>	<b>\$436</b>
	<ul style="list-style-type: none"><li>• <b>Cologuard</b> (Stool DNA, Exact)</li></ul>	<b>\$509</b>
Japan	<ul style="list-style-type: none"><li>• <b>Capsule Endoscopy</b> (Medtronic)</li></ul>	<b>83,100 JPY (\$776)</b> using current exchange rate for year 2014

Sources: <https://www.cms.gov/apps/physician-fee-schedule/>, Apr. 2015  
<https://www.sec.gov/Archives/edgar/data/1124140/000155837018000941/exas-20171231x10k.htm>, Feb. 2018  
<http://mayafiles.tase.co.il/rpdf/854001-855000/p854945-00.pdf>

# X-ray Exposure Control

Typical organ radiation doses from various radiologic studies



# Potential New applications

depending on potential strategic partnerships

- Localized drug delivery capsule
- Gastro intestinal motility diagnostics capsule
- Small bowel video capsule combined with C-Scan<sup>®</sup> tracking system

## Exploring opportunities for C-Scan<sup>®</sup> technology spin offs



### A novel capsule technology platform for specific localized drug delivery

Elizabeth Half<sup>(1)</sup>, Doron Schwartz<sup>(2)</sup>, Nathan Gluck<sup>(2)</sup>, Maayan Jan-David<sup>(2)</sup>, Jessi Lachter<sup>(1)</sup>, Melhem Alaa<sup>(2)</sup>, Benny Shpak<sup>(3)</sup>, Ian Galnek<sup>(4)</sup>, Tova Rainis<sup>(5)</sup>, Evgenya Lopukhin<sup>(2)</sup>, Menachem Moshkowitz<sup>(2)</sup>, Nadir Arber<sup>(2)</sup>  
1) Rambam Health Care Campus, Haifa, Israel 2) Tel Aviv Sourasky Medical Center, Tel Aviv, Israel 3) Laniaado Medical Center, Netanya, Israel 4) Emek Medical Center, Afeka, Israel 5) Bnai Zion Medical Center, Haifa, Israel

**Introduction**  
A large variety of intestinal drugs can be more efficacious and less toxic, if they are precisely delivered to the disease site in the gut. Over the years, many types of delivery vehicles have been developed, such as pH based delivery technologies, time dependent, pressure and flora sensitive drug release mechanisms. These technologies have performed with variable degree of success due to the wide individual heterogeneity of gut motility and physiology. Herein, a novel capsule technology is described which incorporates 3D real time positioning system, and a diffused gas sensor that allow accurate sensing of cecal entrance, as well as real time position sensing platform technology for accurate, programmable, localized, drug delivery system to the small bowel and colon.

**System and method**  
A work in progress is described aiming to develop an accurate localized drug delivery system to the small bowel and colon. For accurate and localized drug delivery, two capsule types are planned for clinical use.  
The first type is a *scout capsule*, a video camera capsule that incorporates precise localization for recording video images of the small bowel and colon in conjunction with precise position data for off-line disease analysis and localization.  
The second is a *drug delivery capsule* that is programmed to release drugs in specific pre-planned locations based on the findings of the *scout capsule*.  
A surveillance *scout capsule* can serve as a very efficient way of monitoring treatment efficacy.

**1. Diagnosis**  
Video camera scout capsule → Videos / Images → Position Recording → Clinical Data + Position Data

**2. Treatment**  
Drug Delivery capsule → Liquid or powder → Position Recordings + Release command program → Drug delivery on location

**3. Assessment**  
Video camera scout capsule → Videos / Images → Position Recording → Clinical Data + Position Data

**Figure 1** - Recorder placement on patient's back.  
**Figure 2** - Typical averaged capsule position trace in the colon.

**Results**  
The average total transit time of the capsule was 43 hours (range: 15-68 hours). Transit time to caecum was average 13.8 hours and average time across the colon was 12.8 hours (range 6-25). The position tracking and the RF communication between the capsule and the recorder even in obese patients showed > 90% coverage in all cases. No adverse events were reported.

**Conclusions**  
A capsule with accurate position tracking, two-way communication, and on-line algorithms can determine colonic entrance and identify exact location in the small bowel and colon. A wide variety of drugs can accurately be delivered to their exact target. It enables for a more effective (high dose) and less toxic (no systemic delivery) therapy for a variety of diseases and in particular IBD and cancer.

