

Creating stockholder value through operating excellence, internal growth investments, and acquisitions

Common Stock: (Nasdaq: DRAD)

4.7 million shares as of 6/30/20

Series A Preferred Stock (Nasdaq: DRADP)

1.92 million shares as of 6/30/20

10% annual cash dividend

- Transformed into a diversified holding company (“HoldCo”) through the acquisition of ATRM Holdings as the initial “kick-off” transaction to form HoldCo
- ATRM acquisition closed on 9/10/2019; tax-efficient Series A 10% Preferred stock (non-convertible) issued as consideration in the transaction
- HoldCo structure: separate business divisions with shared corporate functions
- In May 2020, completed a \$5.5 million public offering; proceeds to finance growth

Digirad Corporation has three business divisions:

Healthcare

Across the USA

Diagnostic Imaging

Designs, manufactures, and sells proprietary solid-state mobile imaging cameras for hospitals and physicians

Services existing installed base

Diagnostic Services

Offers mobile imaging services to medical providers in their facilities

Mobile Healthcare

Provides mobile diagnostic imaging including CT, MRI, PET, PET/CT, and nuclear medicine and healthcare expertise

Digirad-branded cameras

Mainly Digirad-branded cameras

Non Digirad-branded cameras



Building & Construction

Maine/New England

KBS Builders

Designs and manufactures modular housing units

Designs and manufactures wall panels

Commercial and residential projects

Minneapolis-area

EGBL

Designs and manufactures wall panels and engineered wood products

Distributes building materials and operates a professional lumber yard and showroom

Commercial and residential projects



Real Estate & Investments

Real Estate

Owns and manages real estate assets of HoldCo’s operating companies

Future acquisition targets could have underappreciated real estate assets

Investments

Strategic investments could be made in potential acquisition targets for HoldCo



OPERATING CEOs

- Manage Operating Businesses
- Pursue Growth Opportunities

CURRENT OPERATING BUSINESSES

Healthcare

CEO: Matt Molchan

Building & Construction

GMs: Matt Mosher/Scott Jarchow

(bolt-on acquisitions to expand existing divisions)

FUTURE OPERATING BUSINESSES

Future Acquisition 2

Future Acquisition 3

(future acquisitions to create new business divisions)

HoldCo MANAGEMENT

Chairman (Jeff Eberwein)

COO/CFO (David Noble)

Board of Directors

- Capital Allocation
- Strategic Leadership
- Assist Operating CEOs
- Restructurings & Turnarounds
- Mergers, Acquisitions, & Dispositions
- Bank Relationships
- Capital Markets
- Investor Relations
- Financial Reporting, FP&A
- Manage Corporate Costs
- Manage Real Estate & Investments

Real Estate & Investments

- Improved revenue, cash flow, and earnings due to stronger growth, cost savings, and other efficiencies
- Optimized capital allocation to maximize ROIC and ROE over the long term
- Operating CEOs focused on operations and growth rather than on corporate functions
- Platform for future bolt-on acquisitions and other growth opportunities

Investment Highlights

FY 2019 Highlights (vs. FY 2018)

\$114.2M

Revenue
+9.6%

\$22.1M

Gross Profit
+21.0%

\$7.7M

Adjusted EBITDA⁽¹⁾
+29.2%

\$3.0M

Free Cash Flow⁽¹⁾
vs \$5.0M

Tax Asset

\$91.6M

NOL⁽²⁾
@ 12/31/2019

(1) This presents non-GAAP financial measures. A discussion of the reasons why management believes that the presentation of non-GAAP financial measures provides useful information to investors regarding Digirad's financial condition and results of operations is included as Exhibit 99.2 (with a reconciliation included in Exhibit 99.1) to Digirad's report on Form 8-K filed with the Securities and Exchange Commission on March 6, 2020 and May 15, 2020, May 15, 2020, and August 13, 2020, respectively.

(2) Net operating loss carryforward can be used to offset US taxable income from any source.

Contacts

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Growth Strategy

Healthcare

- Expand geographic and client footprint for higher margin segments such as camera sales and mobile scanning services

Building & Construction

- Exploring ways to increase KBS's modular manufacturing output by expanding South Paris plant and fully re-opening Oxford plant
- Goal of reaching output capability of 750-1000 modules/year at some point in 2021. KBS's actual production in 2019 was ~ 230 modular units
- Recently entered structural wall panels markets in the New England area by partially re-opening idled Oxford plant
- KBS and EGBL both want to expand presence in their markets by growing output and adding new products and services to their offering to clients

Real Estate & Investment

- Completed a financing via commercial mortgages for its three plants with proceeds used to fund working capital requirements for Building & Construction division

Organic Growth

Acquisitions

Seeking attractive acquisition opportunities to:

- **Expand existing business divisions** through bolt-on acquisitions
- **Create new business divisions** for HoldCo

Financing Growth Strategy

Recently completed a **\$5.5 M public offering** issuing

- **2,450,000 common stock** at a price of **\$2.25/share**, and
- **Warrants to purchase common stock** up to a total of 1,225,000 shares

Proceeds to fund

- **KBS projects** (specifically, three multi-family modular housing projects to be constructed in New England, as well as further expansion in the commercial scale project market segment)
- **Working capital** and,
- Other **general corporate expenses**