

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

Common Stock: (Nasdaq: DRAD)

4.3 million shares as of 5/31/20

Series A Preferred Stock (Nasdaq: DRADP)

1.92 million shares as of 3/31/20

10% annual cash dividend

- Transformed into a diversified holding company (“HoldCo”) through the acquisition of ATRM Holdings as the initial “kick-off” transaction for 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 cameras for hospitals and physicians

Services existing installed base

Digirad-branded cameras

Diagnostic Services

Offers mobile imaging services to medical providers in their facilities

Mainly Digirad-branded cameras

Mobile Healthcare

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

Non Digirad-branded cameras

Building & Construction

Maine/New England

KBS Builders

Designs and manufactures modular housing units

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, 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

- In discussions for several new commercial construction projects to be built in 2020 in the New England area that could lead to:
 - Increased utilization rate at factory in South Paris, ME
 - Opening of an idle facility in Oxford, ME

Real Estate & Investment

- Completed a financing via Digirad's 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 million 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**