

# American Shared Hospital Services

*Making the Best Healthcare Technology Accessible*



# Safe Harbor Statement

This presentation may be deemed to contain certain forward-looking statements with respect to the financial condition, results of operations and future plans of American Shared Hospital Services (including statements regarding the expected continued growth of the Company and the expansion of the Company's Gamma Knife, proton therapy and MR/LINAC business, which involve risks and uncertainties including, but not limited to, the risks of economic and market conditions, the risks of variability of financial results between quarters, the risks of the Gamma Knife and proton therapy businesses, the risks of developing The Operating Room for the 21st Century program, the risks of changes to CMS reimbursement rates or reimbursement methodology, the risks of the timing, financing, and operations of the Company's Gamma Knife, proton therapy, and MR/LINAC businesses, the risks of the COVID-19 pandemic and its effect on the Company's business operations and financial condition, the risk of expanding within or into new markets, the risk that the integration or continued operation of acquired businesses could adversely affect financial results and the risk that current and future acquisitions may negatively affect the Company's financial position. Further information on potential factors that could affect the financial condition, results of operations and future plans of American Shared Hospital Services is included in the filings of the Company with the Securities and Exchange Commission.

# Overview

American Shared Hospital Services has an over 30-year track record of providing state-of-the-art, capital-intensive medical equipment to hospitals and medical centers in the United States and abroad. We are the worldwide leader in Gamma Knife unit ownership through our 81% owned subsidiary, GK Financing, LLC (GKF). We also provide Proton Beam Radiation Therapy through a joint venture at a facility in Orlando, Florida. Our business model has been expanded to include other advanced radiation therapy devices such as Linear Accelerators ("LINAC") and MR-guided Linacs. These systems provide advanced therapies such as Intensity Modulated Radiation Therapy (IMRT), Image Guided Radiation Therapy (IGRT), Stereotactic Body Radiation Therapy (SBRT) and Stereotactic Radiosurgery (SRS).

- [Long-standing alliances](#) with premier cancer centers
- [Pioneer](#) in single room Proton Beam Radiation Therapy (PBRT) services
  - [World leading supplier](#) of Gamma Knife services

## MARKET DATA

Ticker: NYSE American	AMS
Price (9/13/2021)	\$2.74
52 Week Range	\$1.68 - \$5.04
Market Cap	\$16.5M
Average Daily Trading (30 day)	~171,000
Common Shares Outstanding	5.9M
Tangible Book Value per share (6/30/2021)	\$4.04
Cash and Equivalents per share (6/30/2021)	\$1.44

# Investment Highlights

- Experienced CEO leading management team with deep experience
- Diversifying business model
  - Product offerings
  - Geographically
  - Retail vs Wholesale
- Large and growing market opportunities from expanded equipment offerings
  - Proton Therapy
  - MR-guided Linac
  - Advanced radiation therapy devices
- Strong balance sheet to support growth
  - Recent restructuring and debt refinancing
  - Firmly back on path to sustained profitability



# Respected Management Team With Deep Experience

MANAGEMENT TEAM	Years of Healthcare Experience
Ernest A. Bates, M.D. Founder and Chairman of the Board	30+
Ray Stachowiak CEO and Director	30+
Craig K. Tagawa President, COO and CFO	30+
Ernest R. Bates Senior VP, Sales and Business Development and International Operations	15+
Alexis Wallace Chief Accounting Officer and Corporate Secretary	10+

# Highly Regarded Customers\* and International Operations

## Domestic Operations

- Orlando Health, FL
- UC San Francisco Medical Center, CA
- Methodist Hospital, San Antonio, TX
- Johns Hopkins Medical Center, Baltimore, MD
- Yale-New Haven Hospital, New Haven, CT
- Kettering Medical Center, Kettering, OH
- Lovelace Medical Center, Albuquerque, NM
- Tufts Medical Center, Boston, MA
- PeaceHealth, Eugene, OR
- USC University Hospital, Los Angeles, CA

## International Operations

- Peru – startup in 2017
- Ecuador – acquired in 2020

\* Representative list of past and current customers

# Proven Business Model

- Structured as an [alternative leasing company](#)
- [Offers Innovative financing](#) features not available from traditional finance companies
- [Provides](#) healthcare providers and patients [access to capital intensive, advanced radiation therapy technologies](#)
  - [Long Term Agreements](#)
    - Typically 10 years
  - [Revenue Sharing, Fee Per Use or Turn-key Models](#)
    - No minimum volume guarantees
    - Wholesale and Retail billing

# Partner Responsibilities

## ASHS' RESPONSIBILITIES

- Acquire equipment
- Equipment-related operating expenses
- Jointly fund marketing

## HOSPITAL RESPONSIBILITIES

- Site costs
- Non-equipment-related operating expenses
- Jointly fund marketing



## PROTON THERAPY

+ Historically, centers were 3 – 5 treatment room centers costing from \$150 - \$250 million or more.

+ New single room systems have reduced the average cost as follows:

- Equipment - \$20 - \$25 million
- Facility Construction - \$ 5 - \$15 million
- Total cost - \$25 - \$40 million



## IMPLEMENTING A PROTON THERAPY PROGRAM

+ Easy integration into existing practice

+ Minimal footprint

+ Manageable capital investment

+ Manageable operation costs

+ Reliable Machine uptime

# Proton Beam Radiation Therapy

Partner: Orlando Health UF Health Cancer Center – Orlando, FL

## Commercial & Profitable:

- Single room proton beam radiation therapy centers
  - Mevion Medical Systems is equipment provider
- ASHS's investment less than \$20 million

- NOT a NEW Technology
- Clinically Advantageous
  - Proton therapy delivers a concentrated dose of radiation to a tumor with minimal entry and exit doses of radiation deposited in normal, healthy tissue compared to other technologies
- Increasing awareness of PBRT's therapeutic benefits across indications
- Indications Treated:

Prostate	Breast
Head and Neck	Lymphomas
Lung	Central Nervous System
Liver	Pediatric
GI	

# Large U.S. Market Opportunity for Additional PBRT Centers

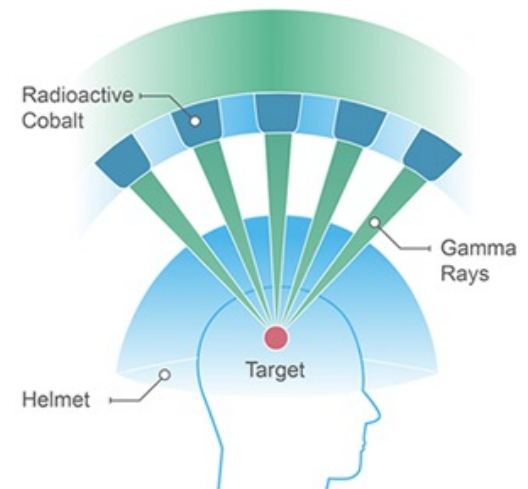
- Currently **only 40 PBRT** centers in operation\*
  - Supply of **110 rooms**
- Demand is projected to require **683 – 1,367 rooms\*\***
- Therefore, **only 8% - 16% of required capacity** is currently available for treatment
- Each additional treatment room offers the potential for substantial incremental Revenue and EBITDA

\* Particle Therapy Co-Operative Group, 2021

\*\* ASHS assumes 15% - 30% of 1.1 million patients eligible for radiation therapy annually receive PBRT, see previous slide

# Gamma Knife Radiosurgery Equipment

- World's leading supplier with U.S. market share of approximately 11%
- Gold standard equipment for cranial radiosurgery
  - Non-invasive alternative to surgery for malignant and benign brain tumors, vascular malformations and trigeminal neuralgia (facial pain)
- Typically improves patient quality of life both during and after treatment
  - Usually performed as an outpatient procedure
  - Virtually pain-free
  - Typically no anesthesia
  - Minimal side effects
  - Patients usually return to pre-surgery activities within 2-3 days
- Average project cost - \$3 - 4 million



# Gamma Knife International

## *Retail Operations – Our Stand-alone Clinics Deal with Patients and Payors*

### Peru

- Start up in 2017
- Instituto de Gamma Knife del Pacifico (“IGKP”) was a turn-key operation
- Only Gamma Knife in Peru
  - Population of 33 million
- Contracts in place with Peru’s largest private health insurance providers
- Marketing focused on raising awareness with referring physicians, payors and patients
- Large opportunity to treat population with both public and private health insurance coverage

### Ecuador

- Gamma Knife Center Ecuador (“GKCE”) acquired in June 2020
- Turn-key operation
- Began clinical treatments in Oct 2011
- Only Gamma Knife in Ecuador
  - Population of 16 million
- Over 1400 patients treated to date
- 30% of 200 neurosurgeons practicing in Ecuador have referred patients to GKCE
- Icon upgrade planned in 2022 to drive higher patient volumes
- Large opportunity to treat the growing population with private health insurance coverage

# Linear Accelerators

- Medical linear accelerators, or LINACs, accelerate electron beams giving an x-ray output to treat both benign and malignant disease.
- Can be used to treat cancer in virtually any area of the body utilizing a variety of radiation delivery techniques
  - These systems provide advanced therapies such as Intensity Modulated Radiation Therapy (IMRT), Image Guided Radiation Therapy (IGRT), Stereotactic Body Radiation Therapy (SBRT) and Stereotactic Radiosurgery (SRS).

## MR-LINAC

- Integrated magnetic resonance (MR) imaging and LINAC radiotherapy device
  - Simultaneously enables real time adaptive planning and treatment
- Dual benefits of an integrated device
  - Ability to reshape the dose based on daily changes in shape, size and position of the tumor and surrounding healthy anatomy
  - Once dose is fixed, then enables accurate delivery of the dose through real-time visualization of the tumor

# Exploring Expansion and Diversification Opportunities

- Single room PBRT centers
- MR-guided LINACs
- Gamma Knives, LINACs, and upgrades
- JVs with hospital and physician partners
- Turn-key projects
- International
  - South America
  - Asia



# American Shared Hospital Services

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ASHS



Thank You!

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