Executive Summary

Introduction

It is well known that the skin with its about 2 m² is our largest organ. Unknown is however, that of all tumors (benign and malignant) that grow in us over a lifetime, more than half originate from the skin.

In the European environment, Switzerland is considered a high-risk country – we are seeing, for example, nearly twice as many new cases in Switzerland than there are in Germany. According to the statistics 80 % of all patients older than 70 years are suffering from actinic keratosis, which can lead to malignant cancer and is therefore potentially dangerous when wrongly treated. Skin cancer is expanding rapidly worldwide.

The most frequent, malignant skin tumors behave much less aggressively and because of their inconspicuous appearance they rarely receive the necessary attention. They are often trivialized and they also hardly appear in cancer statistics. Delayed recognition, unsuccessful treatment or failed local control are life-threatening.

Which therapeutic measure is the most appropriate depends on the extent of the tumor, the involvement of the healthy environment and its location. In the facial area, the surgical removal can lead to significant cosmetic and functional limitations. Here also the X-ray therapy is decidedly advantageous.

In the often large-scale actinic keratosis and basal cell carcinomas today chemotherapeutic ointments and photodynamic therapy (PDT) are initially given although both are not sustainable. The PDT can also be incredibly painful. As compared to all other therapy methods, radiotherapy has a healing rate which can be, depending on the indications, as high as 97%.

The surface radiation is a better alternative in most cases. A single therapy cycle includes 10 (6 -12) exposures at only 1 to 2 minutes each at intervals of 2 to 4 days.

After Wilhelm Conrad Röntgen discovered in 1895 that one could look through a human body with X-rays, patients whose inflamed joints had been fluoroscoped became pain free. The inflammation subsided under the action of X-rays. So in addition to the diagnostic possibilities, the therapeutic possibilities were discovered. Today, the therapeutic applications in dermatology are primarily in treatment of skin cancers.

The renaissance of radiotherapy in dermatology started a few years ago and continues. The lost expertise is being rebuilt. Radiotherapy is sustainable, it is painless and comparatively inexpensive and it is being reimbursed by the health insurance in Switzerland.

The Management

The knowledge and experience of the management team range from the X-ray technology to marketing and IPO transactions on to information technology and it covers three decades. The key players of TR SoftRay PLC have proven to be an effective and successful team in the field of radiology for many years.

The team will be supplemented by the “Scientific Advisory Board” headed by Prof. Dr. med. Renato G. Panizzon, former Clinic Director Dermatology at the University Hospital CHUV, Lausanne, Dr. med. Markus Notter, radiooncologist at the Lindenhofspital Bern, and Dr. med. Martin Kägi, Dermatologist and head of „HautZentrum Zurich”.

The Business

Product

TR SoftRay PLC owns all rights to the product T 60 (production and worldwide distribution). T 60 has been developed by WOLF Medizintechnik GmbH Germany a leading company in the field of radio therapy. Our product is characterized in particular by a specially developed and integrated therapy planning computer. The computer software entails a standard therapy menu for about 12 indications in the area of skin cancers and skin disorders. This computer program prevents the therapist from making mistakes in his therapy settings. By this the machine is safe for the patient.

Concept and markets

The X-ray units T-60 will been introduced in the market in 3 steps.

In the first step 4 plants were leased to dermatologists in Switzerland with a thriving practice at strategically
good locations and 6 more dermatological clinics are presently under negotiation.

**End of February 2017 the Company started to generate revenues from the first three installations. The therapy frequencies were higher than expected.**

The dermatologists pay a monthly rent, which is calculated based upon the number of X-Ray treatments they have made during the past month representing about one third of their overall revenue. Our equipment is approved by the Federal Office of Public Health (FOPH) and the Swiss health insurances are obligated to reimburse the treatment costs. The first three units are already in operation in Zurich, St. Gallen and Orsières.

**In the second step a Competence Center will be established under the patronage of Prof. Dr. Renato G. Panizzon in the area of Bern / Luzern. This center offers only dermatological radiotherapy. The center is run by the Company, the training of responsible dermatologist and his staff will be done by our Scientific Advisory Board in cooperation with the chief engineer of TR Röntgen AG. The competence centers will be either fix installed or mobile.**

**In the third step we will be expanding to the export.**
We plan our first competence centers in Gran Canaria, Mallorca and North Italy. It is planned to go for self-paying patients only (locals, expatriates and medical tourists). After phase 4 (see Cap Plan page 21) the Company will use the cash comming from the secondary public offering to enter the following markets: Australia, USA and Asia.

As in all export markets we will have to go with radiooncologists, the power of our X-Ray equipements will be increased in order to make it applicable for orthopedic treatments such as all joints (knees, hips, elbows etc.). The orthopedic market is constantly growing for X-Ray therapy as it helps reducing the often unnessessarly performed operations down about 50%. The patients are comming from the same age group as in dermatology.

**Curative Effect**
There are two main effects of the X-rays:

1. Tumor destruction / antiproliferative effect by influencing the rate of cell division. This effect is exploited in the treatment of benign and malignant tumors (dermatology).

2. Inhibition of inflammation and pain relief. It is demonstrated that a low-dose radiation inhibits acute and chronic inflammatory processes (ortopedic).

The use of X-rays is unrivaled particularly in skin tumors and their precursors (actinic keratosis). Radiotherapy can also be used successfully for indications, such as chronic refractory hand eczema, certain forms of psoriasis, for the Hidradenitis suppurativa, post-surgery keloids, etc.

Unlike other therapeutice methods radiotherapy is physically very gentle and painless for the patient. Their effect is sustainable and risk free.

**The Market Chances**
A few years ago Radiotherapy started to be used again. In the face of steadily increasing life expectancy, skin cancer cases are increasing in all their forms. Of all diagnosed cancer phenotypes 50 % have been originating from the skin – they call for a gentle, effective and sustainable treatment – Radiotherapy.

It is important to gain public awareness. Our first seminar for dermatologists and general practitioners has taken place on March 16, 2017 upon the invitation of the Swiss Dermatology Society. Similar seminars will be held on a quarter yearly basis.

Patients will be informed on our Medical Platform, www.radiodermatologie.ch.

**Finances**
The profit development during the next 10 years shows an initially slow, but thereafter disproportionate development. This is explained by the marketing concept, as described in “The Business”.

**Share Value**
The increase in value of shares that have emerged from the convertible loan can be seen in Cap plan, page 21. Interest on loans prior to conversion: 5 % p.a.

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The company plans on paying out 30 % of its net profit by way of dividends.