

Growing shareholder value through operational excellence and disciplined capital allocation

Common Stock: (Nasdaq: STRR)

4.8 million shares as of 9/30/20

Series A Preferred Stock: (Nasdaq: STRRP)

1.92 million shares as of 9/30/20

10% annual cash dividend

- Transformed into a diversified holding company through the acquisition of ATRM Holdings (Sep. 2019)
- New company structure: separate business divisions with shared corporate functions
- Tax-efficient Series A 10% Preferred stock (non-convertible) issued as consideration in the transaction
- In May 2020, completed a \$5.5 million public offering; growth plans now fully funded
- Announced planned sale of DMS Health segment (Mobile Healthcare)* and changed name to Star Equity Holdings (“Star”) in Q1 2021

Star currently has three 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

Digirad cameras

Diagnostic Services

Offers mobile imaging services to medical providers in their facilities

Mainly Digirad cameras

Mobile Healthcare *

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

Non-Digirad 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

Star Real Estate

Owens and manages real estate portfolio of Star’s operating companies

Investments

Strategic investments could be made in potential acquisition targets for Star

* Star entered into a Stock Purchase Agreement to sell its DMS Health Technologies, Inc. business unit for \$18.75M. The Agreement is subject to customary closing conditions and is expected to close in Q1 2021.

Star Business Divisions and Corporate Structure

OPERATING CEOs

- Manage Operating Businesses
- Develop Organic Growth Opportunities
- Pursue Bolt-on Acquisitions

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 1

Future Acquisition 2

(future acquisitions to create new business divisions)

Star's Management

Executive Chairman (Jeff Eberwein)

COO/CFO (David Noble)

Board of Directors

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

Real Estate & Investments

Benefits of

Holding Company Structure

- Enhanced revenue, cash flow, and earnings due to stronger growth, cost savings, and other efficiencies
- Optimized and disciplined capital allocation to maximize returns over the long term
- Operating CEOs focused on operations and growth
- 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 Star's financial condition and results of operations is included as Exhibit 99.2 (with a reconciliation included in Exhibit 99.1) to Star's report on Form 8-K filed with the Securities and Exchange Commission on March 6, 2020, May 15, 2020, May 15, 2020, August 13, 2020, and November 13, 2020, respectively.

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

Our Growth Strategy

Organic Growth Opportunities

Healthcare

- Increase demand for proprietary high-margin portable nuclear imaging cameras through continued advances in hardware design and security software upgrades
- Extend and grow high-margin post warranty camera support contracts through increased point of sale efforts
- Increase camera utilization and customer density at all DIS points of service thereby increasing overall revenue and gross margin
- Expand geographic footprint of the DIS business through new and innovative product and service offerings to further grow business

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 per year in the near term; 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

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

Disciplined Acquisition Strategy

Seeking attractive acquisition opportunities to:

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

Contacts

Star Equity Holdings

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Investor Relations

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Financing Our Growth Strategy

PLAN FULLY FUNDED

- Completed a \$5.5 million public offering in May 2020
- Issued 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

AGREEMENT TO SALE NON-CORE ASSETS FOR \$20.14 MILLION

- Signed a Stock Purchase Agreement to sell DMS Health Technologies, Inc. business unit for \$18.75 million
- Subject to customary closing conditions, the Agreement is expected to close in Q1 2021.
- MD Office, a small regional operation in Northern California, was sold on February 1, 2021 for \$1.39 million