

Press Release



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LifeWatch grew revenues in its core US cardiac monitoring business by 9.8% in 2015

Zug/Switzerland, January 29, 2016 – LifeWatch AG (SIX Swiss Exchange: LIFE), a leading developer and provider of medical solutions and remote diagnostic monitoring services to the digital health market, today announces preliminary unaudited key figures for 2015.

LifeWatch increased revenues in its core US cardiac monitoring business by 9.8% in 2015. Total revenue grew by 8.2%, which is slightly below guidance, as a result of lower than expected device sales from the Far East and delays of FDA regulatory clearances for its patch products, one of which received FDA clearance earlier this month.

Based on preliminary unaudited numbers, LifeWatch expects an EBITDA margin, after adjusting for one-off and unplanned events, of approximately 14%, which is at the level indicated in its guidance. On an unadjusted basis, the EBITDA margin is expected to be around 12%. Delays in the FDA clearance of our ACT software for the Android operating system, which caused additional purchases of more costly phones, as well as the refocusing of customer service activities in the USA, resulted in additional costs leading to an expected adjusted EBIT margin of between 6% and 7%, which is below guidance. On an unadjusted basis the EBIT margin is expected to be between 4% and 5%. The establishment of our new business in Turkey and the write-off of our remaining LifeWatch V inventory and components resulted in a one-off cost of around USD 2 million.

Dr. Stephan Rietiker, CEO of LifeWatch, stated: “Despite unexpected delays in obtaining FDA product clearances, 2015 was a very successful year for LifeWatch. Revenue growth was significantly above the market and adjusted EBITDA of over USD 14 million was the second best in the history of the company. We remain positive for 2016, particularly given the recent FDA clearance and CE Mark for our Mobile Cardiac Telemetry 1-Lead patch and expect double-digit revenue growth and improving EBIT and EBITDA margins in 2016 and beyond.”

LifeWatch will provide detailed information on its 2015 results on March 17, 2016.

For further questions:

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About LifeWatch AG:

LifeWatch AG, headquartered in Zug and listed on SIX Swiss Exchange (LIFE), Switzerland, is a leading healthcare technology and solution company, specializing in advanced digital health systems and wireless remote diagnostic patient monitoring services. LifeWatch's services provide physicians with critical information to determine appropriate treatment and thereby improve patient outcomes. LifeWatch AG has operative subsidiaries in the United States, in Switzerland and in Israel, and is the parent company of LifeWatch Services Inc., and LifeWatch Technologies, Ltd. LifeWatch Services, Inc. is a leading U.S.-based provider of cardiac monitoring services and home sleep testing of Obstructive Sleep Apnea (OSA). LifeWatch Technologies Ltd., based in Israel, is a leading developer and manufacturer of tel-emedicine products. For additional information, please visit www.lifewatch.com.

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