

Press Release



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LifeWatch discloses supplemental information on Highmark arbitration case

- Arbitrator found LifeWatch liable for damages in the amount of USD 18.7 million, plus interest
- LifeWatch will vigorously pursue all post-arbitration options
- LifeWatch's requested damages in related antitrust case against Highmark and others exceeds damages awarded to Highmark in this arbitration

Zug/Switzerland, March 21, 2016 – LifeWatch AG (SIX Swiss Exchange: LIFE), a leading developer and provider of medical solutions and remote diagnostic monitoring services in the digital health market, provides this supplemental report in regard to the Wednesday, March 16, 2016, decision issued by an arbitrator from the International Centre for Dispute Resolution against its subsidiary, LifeWatch Services, Inc. The dispute with Highmark Blue Cross Blue Shield, a private health insurer, arose over payment for ACT telemetry monitoring services. The arbitrator found LifeWatch liable for damages for the years 2009-2010 in the approximate amount of \$18,700,000.00 plus six percent per annum simple pre-judgment interest from January 2013. This amount will be reduced by approximately \$700,000 in off-sets which Highmark has taken each time LifeWatch provided its services to Highmark insureds for the past several years.

LifeWatch believes that, in reaching this decision, the arbitrator ignored key facts and, that an injustice has occurred given that LifeWatch Services, at all relevant times, has and continues to provide essential cardiac diagnostic services to patients throughout the United States. As a result, LifeWatch will take steps to vigorously pursue all post-arbitration options. These include, but are not limited to, seeking to vacate the arbitration award and seeking recourse through a related antitrust matter LifeWatch currently has pending against Highmark, several other Blue Cross Blue Shield entities and the Blue Cross Blue Shield National Association to recover damages for their collective refusal to cover ACT telemetry services. The damages sought in the antitrust case exceed those damages awarded to Highmark in this arbitration proceeding.

Dr. Stephan Rietiker, CEO of LifeWatch, stated: "The arbitrator's verdict is surprising, and extremely disappointing. That said, while our lawyers vigorously pursue all our legal options, the Company itself remains fully focused on its mission to provide high quality services to all patients, bring to market our new technologies and strengthening its position as an innovational leader in digital health. As reported on March 17, 2016, the underlying operational health of the company is strong."

LifeWatch continues to evaluate other potential ramifications of this adverse arbitration decision and will, consistent with its obligations under the Listing Rules of the SIX Swiss Exchange, provide additional information as required.

At this time, consistent with internal policy not to comment on ongoing litigation, no further details can be provided.

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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