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LifeWatch reports 2016 Financial Results

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Zug/Switzerland, March 17, 2017 – LifeWatch AG (SIX Swiss Exchange: LIFE), a leading provider of medical solutions and remote diagnostic monitoring services in the digital health market, today reports its 2016 financial results.

In 2016 revenue was USD 113.8 million representing an increase of 6.8% over prior year's adjusted revenues. Gross profit for the period was USD 56.7 million, or 49.8% of revenue resulting in an EBITDA of USD 2.1 million.

While the revenue in 2016 was modestly higher than the estimated growth in the Company's market segment, the Company's profitability was negatively impacted by two large legal settlements, one-time costs associated with the discontinuation of the Vital Signs Patch (VSP) and International Normalized Ratio (INR) initiatives as well as the discontinuation of internal device development and closure of subsidiaries in Japan and India. These strategic decisions facilitated LifeWatch's transition to a pure-play service provider and have resulted in a nimbler organization which LifeWatch believes will yield improved operating results for the Company in 2017 and beyond.

In 2016, on a non-adjusted basis, EBIT was a negative USD 7.7 million due to increases in non-capitalized R&D, sales and marketing, general and administrative costs, increased legal expenses and costs attributable to the establishment of a joint-venture in Turkey.

After adjusting for one-time costs and write-offs, EBIT and EBITDA would result in approximately USD 4 million and USD 14 million, or 4% and 12% of revenue, respectively.

Outlook 2017

Following the successful capital increase and the settlement of the major legal cases in 2016, LifeWatch's efforts are focused on revenue growth and sustained profitability.

The completion of several in-house technology projects is anticipated to improve the efficiency of operations, increase gross profit and contribute to expansion in profitability. Several additional growth initiatives including the commencement of business in Turkey as well as the collaboration with GE Healthcare are also expected to contribute to LifeWatch's business.

2017 has started well and indications are positive. LifeWatch anticipates achieving double-digit revenue growth and positive operating results even after taking into account the costs associated with solicitation of potential acquirers following the public offer made by Aevis Victoria SA and investments into the Turkish joint venture.

Key Figures for Fiscal Year 2016 (unaudited, in USD millions)

	FFY 2016		FFY 2015	
	adjusted	unadjusted	adjusted	unadjusted
Revenues	113.83	113.83	106.63	88.63
Gross profit	60.35	56.74	55.59	37.59
As % of revenues	53.0%	49.8%	52.1%	42.4%
EBITDA / (LBITDA)	14.05	2.15	15.57	(3.62)
As % of revenues	12.3%	1.9%	14.6%	-4.1%
EBIT / (LBIT)	4.23	(7.67)	7.54	(11.66)
As % of revenues	3.7%	-6.7%	7.1%	-13.2%
Net income / (loss)	(1.50)	(13.40)	1.62	(11.95)
As % of revenues	-1.3%	-11.8%	1.5%	-13.5%
Total fixed assets, net	18.36	18.36	16.35	16.35
Total equity	56.93	56.93	39.33	25.77
Employees at the end of period	640	640	612	612

Detailed reporting

The 2016 Annual Report will be available on the LifeWatch website via the following link:
<https://www.lifewatch.com/Investor-Relations/Financial-Publications-and-Presentations.html>

Calendar:

April 26, 2017 Ordinary Shareholders Meeting in Zurich
August 24, 2017 Analyst Conference Results HY 2017

A press and analyst meeting will take place on March 20 at 10.00 in Zurich.

Dr. Stephan Rietiker, CEO, and Andrew Moore, CFO, will comment on the results of the 2016 financial year and provide an update on current projects.

The Live Audio Webcast and the presentation slides can be found under the following link:
<http://lifewatch200317-live.audio-webcast.com>

The dial-in numbers to join by telephone are detailed below:

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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. LifeWatch Technologies Ltd., based in Israel, is a leading developer and manufacturer of telemedicine products. For additional information, please visit www.lifewatch.com.

Sign up for customized e-mail alerts and documentation requests at <https://www.lifewatch.com/Investor-Relations/Alert-Service.html>

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