

Semler Reports Third Quarter 2015 Financial Results

Year Over Year Growth of 74%; Quarterly Growth of 20%

PORTLAND, Ore., Oct. 30, 2015 /PRNewswire/ -- Semler Scientific, Inc. (Nasdaq: SMLR), a company that provides diagnostic and testing services to healthcare insurers and physician groups, today reported financial results for the third quarter ended September 30, 2015.

"In the third quarter of 2015, Semler reported continued progress with year over year revenue growth of 74% and quarter over quarter revenue growth of 20%" said Doug Murphy-Chutorian, M.D., chief executive officer of Semler. "During this period, we booked new orders expected to generate additional revenues in the fourth quarter from WellChec™, our new multitest service offering, and we launched QuantaFlo™, our next generation testing system for vascular disease."

FINANCIAL RESULTS

In the three months ended September 30, 2015, compared to the corresponding period of 2014, Semler had:

- Revenue of \$1,562,000, an increase of \$665,000, or 74%, compared to \$897,000
- Cost of revenue of \$385,000, an increase of \$207,000, or 117%, compared to \$178,000
- Total operating expenses, which include cost of revenue, of \$3,114,000, an increase of \$850,000, or 37%, compared to \$2,264,000
- Net loss of \$1,580,000, or \$0.32 per share, an increase of \$114,000, or 8%, compared to a net loss of \$1,466,000, or \$0.31 per share

In the nine months ended September 30, 2015, compared to the corresponding period of 2014, Semler had:

- Revenue of \$4,067,000, an increase of \$1,487,000, or 58%, compared to \$2,580,000
- Cost of revenue of \$887,000, an increase of \$383,000, or 76%, from \$504,000
- Total operating expenses, which include cost of revenue, of \$8,281,000, an increase of \$2,536,000, or 44%, compared to \$5,745,000
- Net loss of \$4,293,000, or \$0.87 per share, an increase of \$978,000, or 30%, compared to a net loss of \$3,315,000, or \$0.85 per share
- During the nine months of 2015, we issued and sold an aggregate of 260,500 shares of our common stock for an aggregate cash purchase price of \$999,100

In the three months ended September 30, 2015, compared to the three months ended June 30, 2015, Semler had:

- Revenue of \$1,562,000, an increase of \$259,000, or 20%, compared to \$1,303,000
- Cost of revenue of \$385,000, an increase of \$141,000, or 58%, from \$244,000
- Total operating expenses, which include cost of revenue, of \$3,114,000, an increase of \$498,000, or 19%, compared to \$2,616,000
- Net loss of \$1,580,000, or \$0.32 per share, an increase of \$239,000, or 18%, compared to a net loss of \$1,341,000, or \$0.27 per share
- Unrestricted cash of \$1,925,000, a decrease of \$415,000 compared to \$2,340,000

Third Quarter 2015 Highlights

The third quarter of 2015 for Semler resulted in continued revenue expansion. Other highlights included:

- The launch of QuantaFlo™, the next generation product for testing for vascular disease. Semler believes that customer will be attracted to its enhanced performance features and expanded marketing labeling.
- The initiation of our second contract this year for WellChec™, our new multitest service offering.
- Obtaining several new orders for WellChec™, which if successfully fulfilled would significantly impact revenue in the fourth quarter of 2015.

"We had our best quarter in dollar terms of sequential quarterly growth and added new larger clients contracting for our WellChec™ service," said Dr. Murphy-Chutorian. "We are furthering our goal to aid physicians and insurance plans to

evaluate their patients earlier and more comprehensively, which may in turn lead to more prevention and lower healthcare costs," he added.

Notice of Conference Call

Semler will host a conference call at 11 a.m. EST, Friday, October 30, 2015. The call will address third quarter results and will provide a business update on Semler's market outlook and strategies for the near-term future.

The conference call may be accessed by dialing (877) 359-9508 for domestic callers and (224) 357-2393 for international callers. Please specify to the operator that you would like to join the "Semler Third Quarter 2015 Financial Results Call, conference ID#: 57014373." The conference call will be archived on Semler's website at www.semlerscientific.com.

Semler Scientific, Inc.
Unaudited Condensed Statements of Operations
(In thousands, except share and per share amounts)

| | For the three months ended September 30 | | For the nine months ended September 30 | |
|--|--|------------|---|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenue | \$ 1,562 | 897 | \$ 4,067 | 2,580 |
| Operating expenses: | | | | |
| Cost of revenue | 385 | 178 | 887 | 504 |
| Engineering and product development | 268 | 262 | 983 | 906 |
| Sales and marketing | 1,314 | 1,040 | 3,809 | 2,514 |
| General and administrative | 1,147 | 784 | 2,602 | 1,821 |
| Total operating expenses | 3,114 | 2,264 | 8,281 | 5,745 |
| Loss from operations | (1,552) | (1,367) | (4,214) | (3,165) |
| Other expense: | (28) | (99) | (79) | (150) |
| Net loss | \$ (1,580) | \$ (1,466) | \$ (4,293) | \$ (3,315) |
| Net loss per share, basic and diluted | \$ (0.32) | \$ (0.31) | \$ (0.87) | \$ (0.85) |
| Weighted average number of shares used in computing basic and diluted loss per share | 4,983,198 | 4,708,162 | 4,909,354 | 3,900,746 |

Semler Scientific, Inc.
Unaudited Condensed Balance Sheet
(In thousands of U.S. Dollars)

| | As of September 30, 2015 | As of December 31, 2014 |
|--------------------------|-----------------------------|----------------------------|
| Cash and restricted cash | \$ 1,925 | \$ 6,256 |
| Other current assets | 529 | 490 |
| Noncurrent assets | 1,066 | 754 |
| Total assets | 3,520 | 7,500 |
| Current liabilities | 2,941 | 4,064 |
| Non-current Liabilities | 48 | - |

| | | |
|--|----------|----------|
| Stockholders' equity | 531 | 3,436 |
| Total liabilities and stockholders' equity | \$ 3,520 | \$ 7,500 |

About Semler Scientific, Inc.:

Semler Scientific, Inc., is a company that provides diagnostic and testing services to healthcare insurers and physician groups. Our mission is to develop, manufacture and market innovative proprietary products and services that assist healthcare providers in evaluating and treating chronic diseases. Our first patented and U.S. Food and Drug Administration, or FDA, cleared product, introduced commercially in 2011, measured arterial blood flow in the extremities to aid in the diagnosis of peripheral arterial disease. In March 2015 we received FDA 510(k) clearance for the next generation version of this product named QuantaFlo™, which was commercially launched in August 2015. In April 2015, we launched our multi-test service offering, WellChec™, to more comprehensively evaluate patients for chronic disease. Additional information about Semler can be found at semlerscientific.com.

Forward-Looking Statements

This press release contains "forward-looking" statements. Such statements can be identified by, among other things, the use of forward-looking language such as the words "may," "will," "expect," "anticipate," "estimate," "project," "would," "could" or words with similar meaning or the negatives of these terms or by the discussion of strategy or intentions. The forward-looking statements in this release include statements regarding the WellChec™ platform and its impact on revenue growth, as well as the effects of Semler Scientific's products and services on prevention and healthcare costs. Such forward-looking statements are subject to a number of risks and uncertainties that could cause Semler Scientific's actual results to differ materially from those discussed here, such as whether or not insurance plans and other customers will continue to lease its vascular disease testing products or adopt WellChec™, along with those statements detailed in Semler Scientific's SEC filings, and involve assumptions, estimates, and uncertainties that reflect current internal projections, expectations or beliefs. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. All forward looking statements contained in this press release are qualified in their entirety by these cautionary statements and the risk factors described above. Furthermore, all such statements are made as of the date of this release and Semler Scientific assumes no obligation to update or revise these statements unless otherwise required by law.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/semler-reports-third-quarter-2015-financial-results-300169456.html>

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