



Semler Scientific

Corporate Presentation

October 2019

OTCQB: SMLR

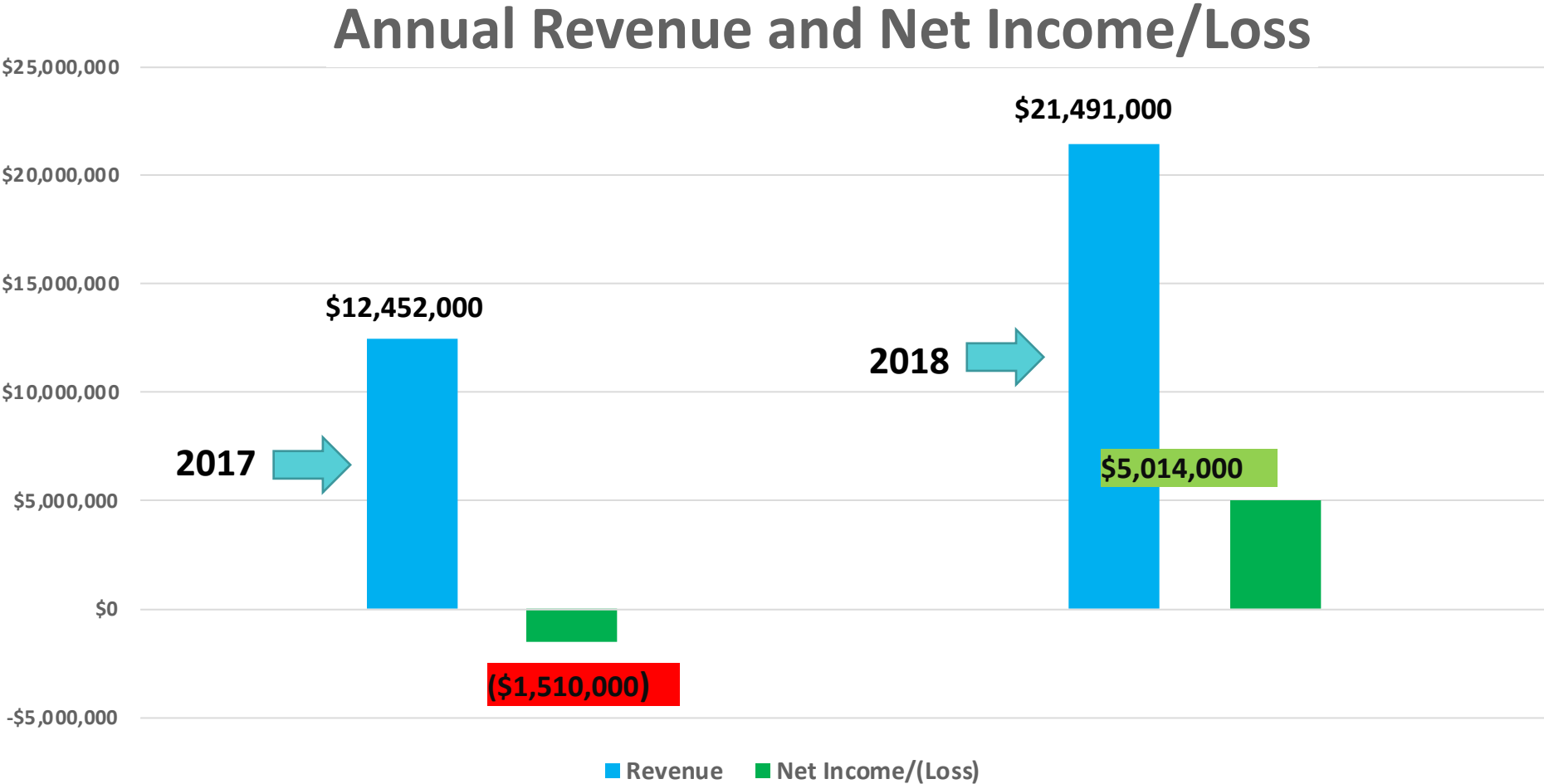
Forward Looking Statements

This presentation includes statements that are, or may be deemed, “forward-looking statements.” In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe,” “estimate,” “anticipate,” “expect,” “plan,” “intend,” “may,” “could,” “might,” “will,” “should,” or, in each case, their negative or other variations thereon or comparable terminology, although not all forward-looking statements contain these words. Such forward-looking statements appear in a number of places throughout this presentation and include statements regarding our expectations regarding revenue growth, growth in operating expenses, and continued generation of cash from operations and profitability. These statements are based on our current intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, the impact of healthcare reform (including the Affordable Care Act) on our business, the effect of new financial incentives for medical providers and the amount of such payments, our ongoing and planned development of products, the timing of launch of such new products, the strength and breadth of our intellectual property, the degree of clinical utility and adoption of our product, particularly for specific patient populations, and the success of new service models.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics, our expected financing needs and sources of financing, the industry in which we operate and the trends that may affect the industry or us. Our results of operations, financial condition, liquidity, prospects, growth and strategies depend on the economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. Although we believe that we have a reasonable basis for each forward-looking statement contained in this presentation, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this presentation as a result of, among other factors, the factors referenced in the “Risk Factors” section of our Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 7, 2019 and as may be amended from time to time. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this presentation, they may not be predictive of results of developments in future periods. Any forward-looking statements that we make in this presentation speak only as of the date of such statement, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this presentation, except as required by law.

You should read carefully our “Cautionary Note Regarding Forward-Looking Statements and Industry Data” and the factors described in the “Risk Factors” sections of the Annual Report to better understand the risks and uncertainties inherent in our business.

Continuing to build on 2018 our first profitable year



Solutions to Improve Healthcare for Age 50 and Over

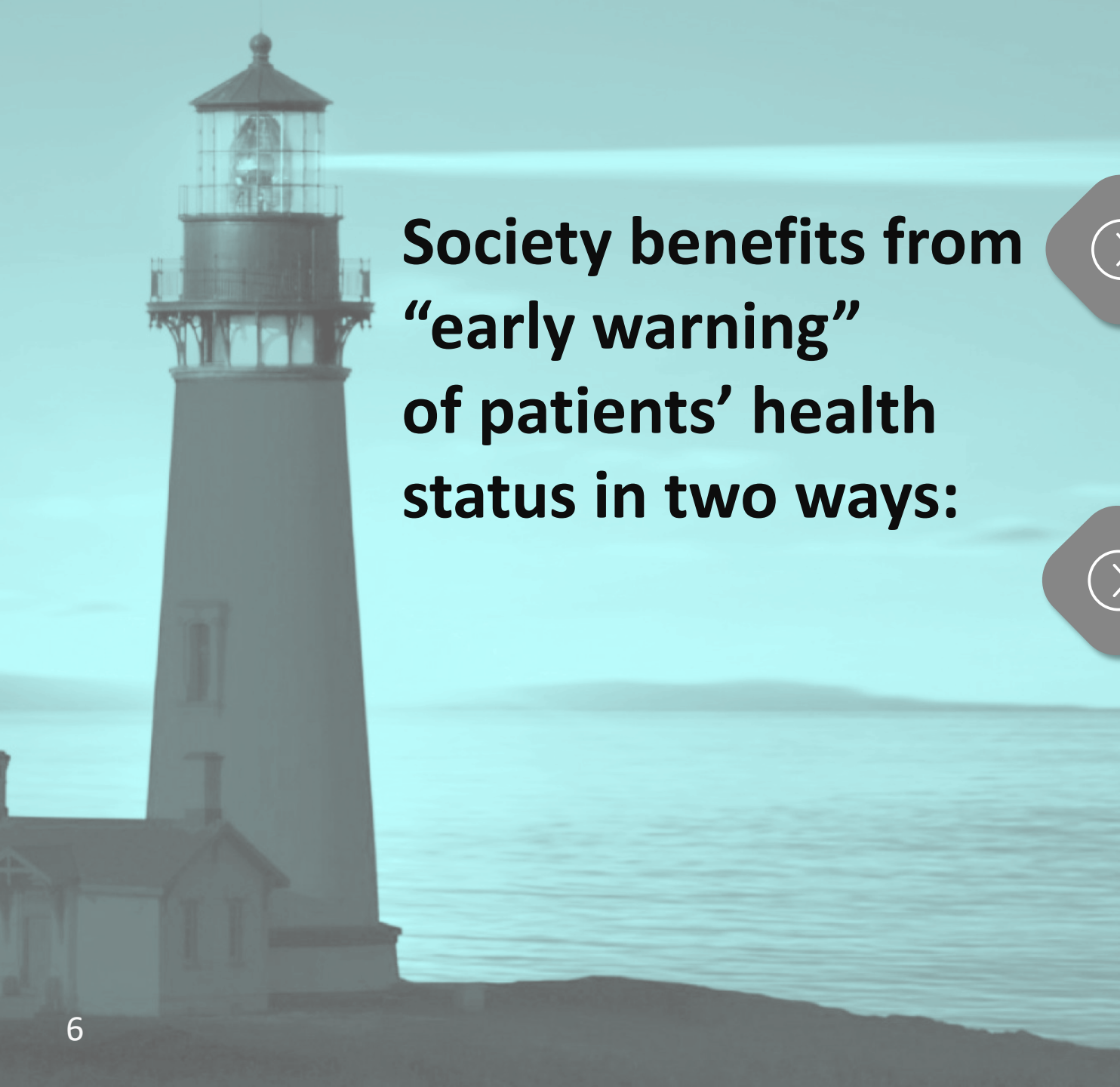


What Is Currently Lacking?



Patients at risk for **heart attacks and strokes** are often unaware of their status

A **need** exists for cost efficient or time efficient means to identify these patients



**Society benefits from
“early warning”
of patients’ health
status in two ways:**



Start preventive care to
avoid acute care costs
down the road



Improved economics to
mitigate the financial
costs of heart attacks,
strokes and chronic
disease

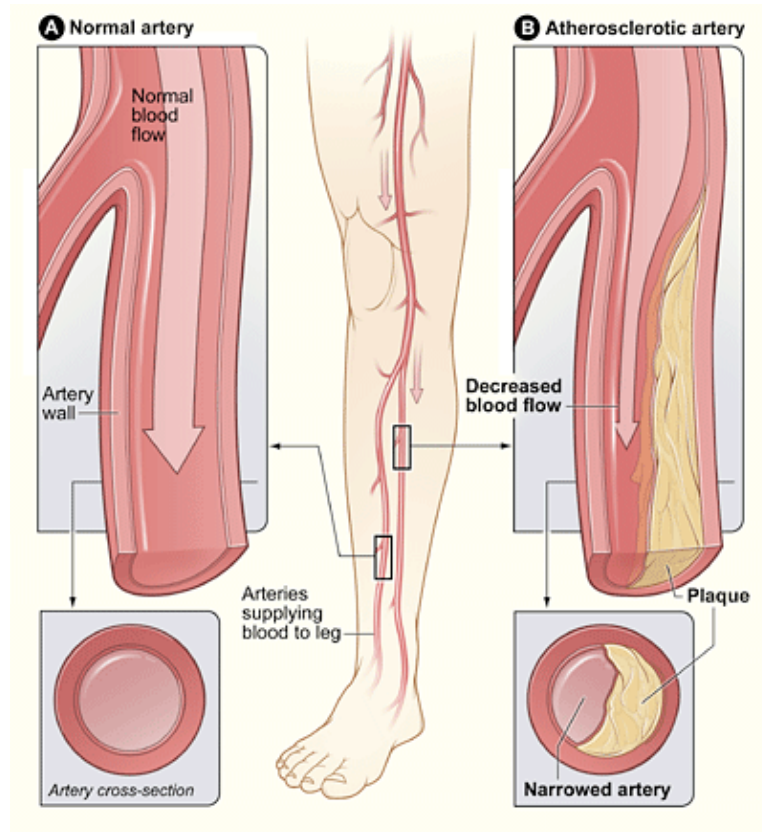


Semler Scientific Software and Products Platform

Software & Products
that are:

- ▶ Faster
- ▶ More practical to use
- ▶ More accurate
- ▶ Less expensive

Costs for the Government



Example:

Vascular Disease

- ▶ 75% of cases undiagnosed (~8-12 million Americans)
- ▶ Significant annual costs to the U.S. Government
- ▶ Early detection may mean:
 - ▶ More preventive care
 - ▶ Improved patient lives

<http://www.nhlbi.nih.gov/health/health-topics/topics/pad/>

Source: Yost, ML, The Sage Group, 2010 <http://thesagegroup.us>

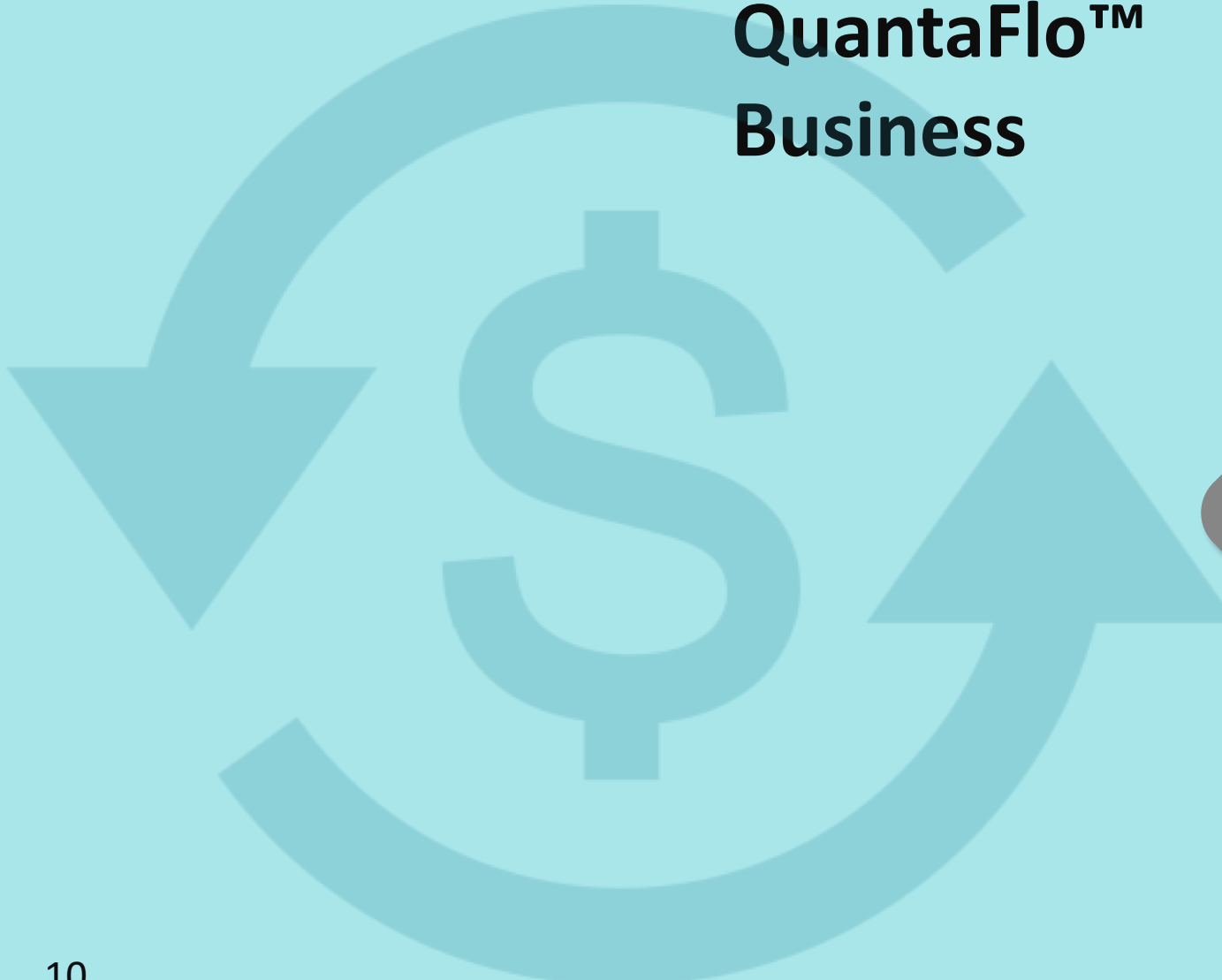
Jaff, MR, et al. Clinical outcomes and medical care costs among medicare beneficiaries receiving therapies for peripheral artery disease. *Ann Vasc Surg* 2010; 24(5): 577-87.

Mahoney, EM, et al. Vascular hospitalization rates and costs in patients with peripheral artery disease *Circ Cardio Qual Outcomes* 2010; 3(6): 642-51.

Saving Time for the Primary Care Physician



- ▶ Semler's QuantaFlo™ point-of-care, vascular disease test can be performed by a medical aide in less than 5 minutes.
- ▶ The primary care physician is spared substantial time and paperwork, which may be better spent on patient care management.



Semler's QuantaFlo™ Business



Recurring revenue model, typically monthly software license fees at fixed price or variable price based on usage



Customer base includes health insurance plans, physician groups and home risk assessment companies

Operations

- ▶ 38 person sales and marketing team as of September 30, 2019
- ▶ Contract manufacturing
- ▶ Few capital expenditure requirements
- ▶ Experienced management, accomplished Board
- ▶ Partners and sub-contractors for distribution and fulfillment



Achievements



FDA marketing clearance and patent granted



Clinical trials have demonstrated the accuracy of the Semler product

Annual Performance – 2018 vs. 2017

- ▶ \$21.5M revenue increased 73% compared with \$12.5M
- ▶ \$5.0M net income, or \$0.82 per basic share and \$0.66 per diluted share, compared with \$1.5M net loss, or (\$0.28) per share
- ▶ Annual earnings per share for 2018 were calculated as of 12/31/2018 using:
 - 6.1M basic weighted average shares,
 - 7.6M diluted weighted average shares

Quarterly Performance – Q3 2019 vs. Q3 2018

- ▶ \$8.9M revenue increased 60% compared with \$5.6M
- ▶ Pre-tax income of \$3.1M increased 112% compared with \$1.5M
- ▶ \$7.8M net income, or \$1.20 per basic share and \$0.96 per diluted share, compared with \$1.5M net income, or \$0.24 per basic share and \$0.19 per diluted share
- ▶ Income tax benefit of \$4.7M primarily due to the release of a tax valuation allowance
- ▶ Quarterly earnings per share (Q3 2019) were calculated as of 9/30/2019 using
 - 6.5M basic weighted average shares,
 - 8.1M diluted weighted average shares

Business Outlook

- ▶ Revenue is expected to continue to grow
- ▶ Operating expense is expected to grow but at a slower rate than revenue
- ▶ Cash generation from operations and continued profits are anticipated in remainder of 2019 and 2020

2019 Goals

- ▶ Add additional customers
- ▶ Generate profits from operating activities
- ▶ Keep stockholder dilution at a minimum
- ▶ Establish our products as a standard of care in the industry



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