

Report of the Board of Directors of LifeWatch AG, Zug, Switzerland

Regarding the improved Public Take-Over Offer of Cardiac Monitoring Holding Company, LLC, Malvern, Pennsylvania, United States of America

1. Recommendation to accept the improved Offer

The board of directors of LifeWatch AG has after a thorough examination concluded unani- mously that also the improved public takeover offer by Cardiac Monitoring Holding Compa- ny, LLC, a company of the BioTelemetry group, shall be accepted since the improved offer is in the best interest of LifeWatch AG and its shareholders and that the improved offer price is fair and adequate.

2. Reasoning

The competing tender offer of Cardiac Monitoring Holding Company, LLC, Malvern, Penn- sylvania, United States of America (**Cardiac Monitoring**), a wholly owned subsidiary of Bi- oTelemetry, Inc., Malvern, Pennsylvania, Vereinigte Staaten von Amerika (**BioTelemetry**), was preceded by an unfriendly public tender offer of AEVIS VICTORIA SA, Freiburg, Swit- zerland (**AEVIS**) for all publicly held registered shares of LifeWatch AG, Zug, Switzerland (**LifeWatch**), AEVIS having published the offer prospectus on 20 February 2017.

AEVIS offered for each registered share of LifeWatch 0.1818 registered shares of AEVIS or – at the option of the LifeWatch shareholders – the net amount of CHF 10.00 in cash. Pursuant to its report of 10 March 2017, the board of directors of LifeWatch recommended to reject the offer of AEVIS.

On April 24, 2017, Cardiac Monitoring offered the shareholders of LifeWatch – at their option –

(i) 0.1457 shares of BioTelemetry, common stock along with CHF 10.00 in cash (**Main Offer Consideration**) or

(ii) 0.2185 shares of BioTelemetry Common Stock along with CHF 8.00 in cash (**Alternative Offer Consideration**).

On April 24, 2017, the Board of LifeWatch considered that the offer April 24, 2017 to be ben- eficial for LifeWatch and its shareholders.

On May 23, 2017, Cardiac Monitoring increased the offer to the shareholders of LifeWatch – at their option –

(i) 0.1617 shares of BioTelemetry, common stock along with CHF 10.00 in cash (**Main Offer Consideration**) or

(ii) 0.2350 shares of BioTelemetry Common Stock along with CHF 8.00 in cash (**Alternative Offer Consideration**).

On May 24, 2017 AEVIS announced to support the revised offer of BioTelemetry as being in the best interest of LifeWatch and to have irrevocably agreed to tender all its currently owned 2'207'089 shares of LifeWatch AG into the revised public offer of BioTelemetry within the main offer period.

Considering the above, i.e. the increased offer price and the support by AEVIS, and referring to its report to the BioTelemetry offer of April 24, 2017 the Board of LifeWatch considers also the increased offer May 23, 2017 to be beneficial for LifeWatch and its shareholders.

3. Further Information Required according to Swiss Public Takeover Law

a. Intention of the Shareholders, Holding more than 3% of the Voting Rights

According to the notifications of significant shareholders pursuant to Art. 120 et seqq. of the Financial Market Infrastructure Act published as per 20 April 2017 (i) Himalaya (Cayman Islands) TMT Fund (15.26%), (ii) AMG Substanzwerte Schweiz and other collective investment schemes, respectively LB (Swiss) Investment AG as beneficial owner (10.044%), (iii) Martin Eberhard (3.23%) and (iv) Oddo Meriten Asset Management SAS (3.21%) hold more than 3% of the voting rights in LifeWatch. In addition, (v) AEVIS, respectively Antoine Hubert, Géraldine Hubert-Reynard and Michel Reybier as beneficial owners, hold pursuant to the offer prospectus of AEVIS 11.99 % of the voting rights in LifeWatch as per 24 January 2017¹.

The Board of LifeWatch has been informed that in addition to AEVIS, also Himalaya TMT Fund has indicated to accept the increased Offer.

b. Conflicts of Interests

The Board has reviewed the issue and is currently not aware of any conflict of interest.

4. Annual- and Semi-Annual Reports

The annual report for the year 2016 can be accessed on the website of LifeWatch (<https://www.lifewatch.com/Investor-Relations/Financial-Publications-and-Presentations.html>) since 20 March 2017. Since the end of the year 2016, no significant changes in the assets and liabilities, financial position, earnings and prospects of LifeWatch have occurred.

Zug, 26 May 2017

The board of directors of LifeWatch AG

¹ Among these 11.99 % of the shares of LifeWatch, the RSUs which Antoine Hubert holds (see below under section 6c(i)) are included.