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Fairness Opinion

Regarding the Public Exchange and Cash Offer by
Cardiac Monitoring Holding Company, LLC,
Malvern, Pennsylvania, USA,
(Domicile: Wilmington, Delaware, USA),
for all publicly held registered shares of

Life Watch Ltd., Zug („Life Watch“)
April 21, 2017

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Contents

Tables & Charts

Glossary & Abbreviations

Aevis	AEVIS VICTORIA SA, Fribourg, Switzerland
Alternative Offer Consideration	0.2185 shares of BioTelemetry Common Stock along with CHF 8.00 in cash for each LifeWatch registered share.
BioTelemetry	BioTelemetry, Inc. (Nasdaq: BEAT), having its corporate headquarters in Malvern, Pennsylvania (USA) and its legal domicile in Wilmington, Delaware (USA)
BioTelemetry Offer	The public takeover offer preannounced by BioTelemetry on April 9, 2017 for all publicly held registered shares of LifeWatch, which comprises a Main Offer Consideration or, at the choice of each LifeWatch shareholder, an Alternative Offer Consideration
the Company	LifeWatch Ltd., Zug, Switzerland
Compac	Comparable acquisition analysis
Compco	Comparable company analysis
CRP	Country risk premium
DCF	Discounted free cash flow
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortizations
ECG	Electrocardiogram, the record produced by electrocardiography; a tracing representing the heart's electrical action by using electrodes placed on the skin and derived by amplification of the minutely small electrical impulses normally generated by the heart
EMR	Electronic medical record
EQV	Equity value
EV	Enterprise value
GE Cooperation	The future business generated from a planned strategic relationship with GE Medical Systems Information Technologies, Inc. As per the date of this fairness opinion, the legal basis for the cooperation is still a letter of intent as announced by the Company in a press release dated October 24, 2016. LifeWatch’s management expects that the cooperation may commercially commence in Q3/Q4 2017
the Group	LifeWatch Ltd., Zug, Switzerland, and its subsidiaries
Holter	A portable device for continuously monitoring various electrical activity of the cardiovascular system for at least 24 hours. The Holter monitor was initially developed by experimental physicists Norman J. Holter and Bill Glasscock
IDTF	Independent diagnostic testing facility
Joint Venture	Life Watch Turkey Holding AG, Zug, Switzerland
LoI	Letter of Intent
LifeWatch	LifeWatch Ltd., Zug, Switzerland
LTM	Last twelve months
Main Offer Consideration	0.1457 shares of BioTelemetry Common Stock along with CHF 10.00 in cash for each LifeWatch registered share
MCT	Mobile cardiac telemetry

MCT 3-lead	LifeWatch's MCT monitor records rhythms through independent leads for up to 30 days and provides three distinct views of the heart. The monitor records rhythms through independent leads for up to 30 days and wirelessly transmits asymptomatic and symptomatic arrhythmia to LifeWatch clinicians for analysis
MCT 1-lead patch	LifeWatch's new MCT system, based on an easy to use hydrocolloid patch
Mio.	Millions
Raiffeisen	Raiffeisen Switzerland Cooperative, St. Gall, Switzerland
TOB	Swiss Takeover Board
Turkey JV	LifeWatch Saglik Hizmetleri A.S., Ankara, Turkey
US Core Business	The business performed LifeWatch's currently existing affiliates in the US, in particular LifeWatch Services, Inc, which receives management, development and other intragroup support from LifeWatch Ltd. itself and the Group's affiliates in Israel and Macedonia
VWAP	Volume-weighted average price
WACC	Weighted average cost of capital

1. Introduction

1.1. Background

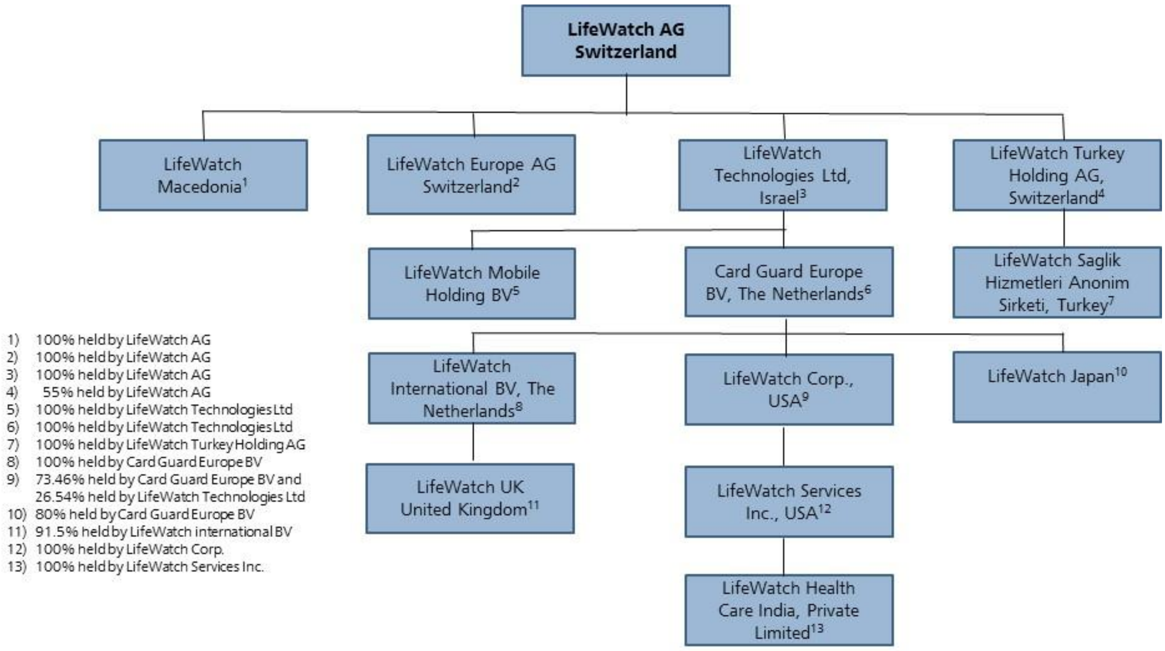
LifeWatch Ltd., Zug („LifeWatch“ or the “Company”), is a public company traded on the SIX Swiss Exchange. It had a stock market capitalization of approximately CHF 180 million as of January 23, 2017. LifeWatch is active in the healthcare solutions industry, specializing in wireless remote diagnostic patient monitoring services. LifeWatch’s solutions provide cardiologists and other healthcare professionals with critical information to determine appropriate treatment and thereby improve patient outcomes.

The LifeWatch Group (the “Group”) consists of LifeWatch and its subsidiaries. The Company directly holds fully owned subsidiaries in Israel (LifeWatch Technologies, Ltd., Rehovot), in Macedonia (LifeWatch MK Ltd., Skopje) and in Switzerland (LifeWatch Europe AG, Neuhausen am Rheinfall). Life Watch Ltd. also holds a majority (55%) of LifeWatch Turkey Holding Ltd., Zug, which in turn holds 100% of LifeWatch Saglik Hizmetleri A.S. in Ankara.

In the 2016 financial year, the main commercial unit of the Group was LifeWatch Services Inc., a Delaware-incorporated company, indirectly owned by LifeWatch Technologies, Ltd. in Rehovot. Last year LifeWatch Services, which has management office in Rosemont, Illinois, accounted for 100% of the Group’s patient services revenues of USD 114.4 Mio. and also all of the Group’s 3rd party revenues. Activities outside Patient Services were discontinued in 2016 (the Group reported negative net products sales of USD 0.6 Mio. in this segment). LifeWatch Services is only active in the US, which clearly indicates the overwhelming importance of the US healthcare and healthcare insurance market for LifeWatch.

The Group’s affiliates and offices in Switzerland, Israel, and Macedonia are providing intragroup services only (e.g. management services, development and laboratory). The Turkish subsidiary shall start commercial operations in the course of March/April 2017. The other units of group are either irrelevant or dormant (as in the UK and the Netherlands) or currently being closed (as in Japan and India).

Table 1: Corporate structure



Source: Annual Report 2016

On January 24, 2017, AEVIS VICTORIA SA, Fribourg ("Aevis") announced to launch a public tender offer for all publicly held registered shares of LifeWatch. In its pre-announcement to the Swiss Takeover Board ("TOB"), Aevis declared its intention to offer for each registered share of LifeWatch (with a nominal value of CHF 1.30) 0.1818 registered share of Aevis (with a nominal value of CHF 5.00), or alternatively, upon the discretion of each LifeWatch shareholder, CHF 10.00 in cash per registered share of LifeWatch. Aevis is also listed on the SIX Swiss Exchange and majority owned by a group composed of Mr Antoine Hubert, Mrs Géraldine Hubert-Reynard, and Mr Michel Reybier. Aevis became a significant shareholder in LifeWatch in the course of LifeWatch's ordinary 37% capital increase from 13'483'850 shares to 18'477'869 registered shares issued, recorded in the commercial register of the Canton of Zug on July 13, 2016. In the pre-announcement dated January 24, 2017, Aevis disclosed that Aevis and its reference shareholders held 2'216'267 registered shares of LifeWatch, representing 11.99% of the share-capital and voting rights.

As per the Company's Annual Report 2016, the significant shareholders of the Company other than Aevis as per February 20, 2017 are Himalaya (Cayman Islands) TMT Funds with 15.26%, LB (Swiss) Investment AG with 10.04% and Mr Martin Eberhard with 3.23% of the voting rights.

On February 1, 2017, LifeWatch announced that it will solicit additional offers. On February 20, 2017, Aevis published the offer prospectus of its public takeover offer for LifeWatch.

On March 10, 2017, the Company's Committee of the Board of Directors, which consists of the Company's four non-conflicted board members, unanimously recommend to LifeWatch's public shareholders to reject the Aevis offer.

On April 9, 2017, Cardiac Monitoring Holding Company, LLC, Malvern, PA (USA) (Domicile: Wilmington, Delaware, DE (USA)), a direct, wholly-owned subsidiary of BioTelemetry, Inc. ("BioTelemetry"), which is listed on NASDAQ Stock Market LLC under the symbol BEAT, announced its intention to launch a public tender offer with a cash component and a share component (the "BioTelemetry Offer") on or about April 18, 2017 for all publicly held registered shares of LifeWatch. On the same day, BioTelemetry entered into a transaction agreement with the Company. The Company's Committee of the Board of Directors unanimously agreed, inter alia, to recommend the BioTelemetry Offer for acceptance by the holders of LifeWatch shares. BioTelemetry intends to offer

- 0.1457 shares of BioTelemetry Common Stock along with CHF 10.00 in cash (the "Main Offer Consideration"), or, at the choice of each LifeWatch shareholder,
- 0.2185 shares of BioTelemetry Common Stock along with CHF 8.00 in cash (the "Alternative Offer Consideration") for each LifeWatch share.

Among other conditions, the BioTelemetry Offer is subject to a 67% minimum acceptance quota, i.e. BioTelemetry will only complete the offer, if it holds at least 67% of all shares at the end of the offer period. Also, BioTelemetry shall have received from the Israel Tax Authority a tax ruling confirming that the payment of the Main Offer Consideration or the Alternative Offer Consideration shall be exempted from Israeli backup withholding tax with respect to shareholders meeting certain conditions as specified in the BioTelemetry preannouncement. BioTelemetry reserves the right to waive these minimal acceptance and tax ruling conditions. Further, BioTelemetry will also need the approval to issue the shares of BioTelemetry Common Stock pursuant to the BioTelemetry Offer and of their listing on NASDAQ.

1.2. Mandate of Raiffeisen Switzerland

LifeWatch mandated Raiffeisen Switzerland Cooperative, St. Gall ("Raiffeisen") on February 17, 2017 to provide a fairness opinion assessing the financial adequacy of Aevis' offer or any other offer the Board may receive in connection with the announced process to solicit additional offers, or any revised offer by Aevis or a 3rd party.

In connection with its mandate to provide a fairness opinion, Raiffeisen will receive no compensation that is contingent upon the statements made in this fairness opinion or the successful outcome of an existing or future takeover bid or upon the price paid. Raiffeisen is therefore independent in its judgment.

This fairness opinion is solely intended for the independent Committee of the Board of Directors of LifeWatch for use in preparing a report of the independent Committee of the Board of Directors in compliance with the Ordinance of the Swiss Takeover Board ("TOB") on Public Takeover Offers. This fairness opinion does not constitute a recommendation for the public shareholders of LifeWatch to accept or to reject the public tender offers made by Aevis or BioTelemetry (or, respectively, BioTelemetry's fully owned subsidiary Cardiac Monitoring Holding Company, LLC). The Committee of the Board of Directors of LifeWatch will, however, express its opinion on the takeover offers in its report addressed to LifeWatch's shareholders and reference will be made to this fairness opinion. In doing so, this fairness opinion can be used for publication in connection with the BioTelemetry Offer. It may also be referred to in the Offer Prospectus of BioTelemetry. Use for any other purposes is not permitted.

Raiffeisen's fairness opinion is not in any way addressed to Aevis, BioTelemetry or their shareholders nor is it intended for use in evaluating the transaction from the standpoint of Aevis, BioTelemetry or their shareholders.

1.3. Assessment basis

Raiffeisen based its assessment on the following:

- Publicly accessible information on LifeWatch considered to be relevant for the valuation of the Company and the assessment of the financial adequacy of the BioTelemetry Offer. This includes in particular the annual reports 2012-2016, as well as the interim reports dated June 30, 2015 and 2016 (unaudited), and ad hoc press releases of the Company and Company presentations
- Research reports from Edison Investment Research Limited, as available on the Company's website
- Information package on LifeWatch, dated February 2017
- Management presentation on LifeWatch (Final Draft), dated March, 2017
- Management business plan and key financials (in Excel), as per February 27, 2017
- Consolidation report, December 2016 (in Excel)
- Monthly report to the Board of Directors, December 2016 and January 2017
- Tables and calculations on US and Swiss tax losses and details on deferred taxes as per December 2016
- Balance sheet – Turkey only; Dec 2016 – Feb 2017 Actuals; Plan until Dec 2017
- Capex Split out by project 2017-2021, for US Core Business, Turkey and GE Cooperation
- Certain broker and analyst reports on BioTelemetry (up to February 2017) and publicly accessible information on BioTelemetry
- Short summaries of the limited financial, tax and legal reverse due diligence reports conducted by LifeWatch's due diligence advisors on BioTelemetry (partly as draft versions for discussion purposes)
- Duff & Phelps, 2016 International Valuation Handbook, Guide to Cost of Capital, John Wiley & Sons
- Capital market data and financial data on selected listed companies (peer group)
- Multiples paid in comparable acquisition transactions
- Control premiums paid to acquire listed companies in Switzerland

- Current and historical financial market analyses to determine relevant valuation parameters

On March 17, 2017, Raiffeisen held a meeting with the Company's CEO and CFO to discuss the plausibility of public and non-public information provided to Raiffeisen, the financial situation and business performance, the market environment and competitive situation, as well as management's business plan and certain assumptions and value drivers therein. We also received follow-up documentation on certain questions. On March 20, 2017, representatives of Raiffeisen attended the Company's press and analysts meeting.

Raiffeisen did not visit any sites and facilities of the Company other than its head office in Zug. Raiffeisen also did not appraise or value the assets and liabilities of LifeWatch nor did it have any such appraisals and calculations performed by third parties.

In preparing this fairness opinion, Raiffeisen assumed that the financial information and other data on LifeWatch were accurate and complete and it relied on said information without accepting any responsibility for the independent verification of such information. In addition, Raiffeisen has relied on the assurances given by LifeWatch's management to the effect that the latter is not aware of any facts or circumstances that would render the information provided being incomplete, inaccurate or misleading.

As explained in greater detail in Section 3.1. Introduction, the most important factors ("value drivers") in determining the enterprise value were evaluated by Raiffeisen with respect to their plausibility and consistency.

The information and criteria in this document are based on the prevailing market, corporate, economic and financial conditions as per March 24, 2017. Any circumstances thereafter may impact the information, which has been used as a basis for the analysis. Raiffeisen has no obligation to update, verify or confirm any information contained in this document.

The valuation date of the fairness opinion is March 24, 2017.

2. Overview of LifeWatch

2.1. LifeWatch Group – History and business evolution

The historic origins of LifeWatch are in Israel, where its predecessor company Card Guard Scientific Survival Ltd. incorporated in 1986 and commenced operations in 1990. After having entered the US and Japanese markets in 1997, Card Guard completed its initial public offering in Switzerland in 1999 and reorganized itself two years later as a Swiss company under the name Card Guard AG in Neuhausen am Rheinfall in the Canton of Schaffhausen. In 2000, Card Guard acquired LifeWatch Inc., a Chicago-based provider of cardiac event monitoring, pacemaker and Holter services to patients and physicians, for USD 11 Mio. In the same year, Card Guard also acquired Instromedix, a division of Alaris Medical Systems Inc, San Diego, for USD 30 Mio. Instromedix was a provider of telemedicine systems in the US. In 2001, Quality Diagnostics Services, an Atlanta based provider of cardiac monitoring services, was purchased for USD 18 Mio. In 2009, Card Guard AG changed its name to LifeWatch AG. The Company changed its domicile to Zug in 2015.

In its history, which now spans over a quarter of a century, LifeWatch and its predecessor companies helped healthcare professionals diagnose and treat millions of patients with remote cardiac monitoring technologies and services. The Group underwent several changes in its business profile and strategy since its inception, however. LifeWatch was loss-making most of the time since its listing for a variety of reasons, including but not limited to legal cases and dispute settlements. The Group repeatedly had to discontinue significant product development efforts or exit certain markets it tried to enter. In January 2016, for instance, the Company announced to suspend its activities in obstructive sleep apnea monitoring with a home sleep testing device. It also had costs and write-offs related to the decision in July 2016 to discontinue the development of its vital signs patch, a non-invasive sensor worn on a patient’s chest for the monitoring of various vital signs. In mid 2016, LifeWatch made the strategic decision to focus on the service business and cease the in-house development of diagnostic devices. It subsequently downsized its device development operations in Israel and decided to close its subsidiaries in Japan and India. In January 2017, LifeWatch announced to withdraw its planned offering in remote coagulation measurement, a field that LifeWatch tried to enter through a small acquisition at the end of 2015 (Flexlife INR).

2.2. LifeWatch’s business model in its US Core Business

Today, LifeWatch’s offering focuses on ambulatory electrocardiogram (“ECG”) services. These services are provided with sophisticated near real-time mobile cardiac telemetry (“MCT”) and with traditional cardiac event monitoring and Holter technologies and services, thereby allowing physicians to select the right device for patient needs and payor requirements. The purpose of its ambulatory products and monitoring services is the detection of heart rhythm disorders, i.e. infrequent or asymptomatic arrhythmia outside the hospital environment.

To this end, LifeWatch maintains in the US three certified 24/7 cardiac monitoring centers as independent diagnostic testing facilities ("IDTF"). In LifeWatch's monitoring centers, cardiac technicians, senior clinicians and a supervising physician staff analyze all incoming ECG transmissions and post a summary report and preliminary findings either to an online portal for the physician's review, or via electronic medical record ("EMR") integration to the physician's EMR system, or send the reports by fax.

Today, MCT is the most important offering of LifeWatch. While MCT is a relatively expensive solution for the payors (approximately USD 850 per patient for a 30 days monitoring period as opposed to USD 50 for a traditional Holter monitoring solution), it provides flexibility for both the patient and the physician and has various diagnostic advantages. LifeWatch provides two MCT solutions (MCT 3-lead and MCT 1-lead patch) that detect, record and wirelessly transmit asymptomatic and symptomatic arrhythmia to LifeWatch's centers for analysis. Patients may also record manual events with symptom and activity reporting.

The MCT 3-lead system, with a first version launched in 2008, provides three distinct views of the heart for very specific and sensitive diagnostic value. The monitor records rhythms through independent leads for up to 30 days and is able to auto-detect cardiac events.

The new MCT 1-lead patch, which has been cleared by the FDA in January 2016 and launched in Q3 2016, is a patient-friendly, easy to use, discrete and lightweight alternative to traditional recording and transmitting devices. While it does not provide the additional diagnostic detection capabilities of a MCT 3-lead system, it is more comfortable for the patient and may therefore improve patient compliance and diagnostic yield in cases where the additional information provided by the MCT 3-lead is not required. Even if there may be a moderate cannibalization of the MCT 3-lead by the MCT 1-lead patch, management expects that physicians will see the MCT 1-lead patch as an interesting new extension of LifeWatch's range of technology offerings. Nevertheless, MCT 1-lead patch still needs to find its adequate position in the cardiac monitoring market as it does not suit all purposes and patients equally well.

When a cardiologist enrolls a patient on a MCT, LifeWatch ships the device to the patient by mail. A technician calls the patient to assist in the set-up and to commence with the recording. The ECG and other cardiac data is transmitted via the GSM network to one of the three LifeWatch monitoring centers. The cardiologist receives the reports on agreed intervals, e.g. on a daily basis, event-dependent, or at the end of the prescribed session. At the end of the monitoring session, the patient sends the monitoring device back to LifeWatch for cleaning and reprocessing. Finally, LifeWatch sends the invoice for its purely technical work to the patient's insurer (payor) or to the patient, who will be reimbursed by the insurance company.

LifeWatch has over 600 payor contracts in the US. In 2015, Medicare was by far the most important payor with a share of 38%. Blue Cross and Blue Shield of Illinois was the 2nd most important payor with a share of 11%. Aetna Health Insurance was No 3 with a share of 4%.

LifeWatch used to manufacture its devices in its site in Israel, except for the 3rd party manufactured DigiTrak XT Holter Monitor. For the MCT 1-lead patch, important parts are already outsourced to a contract manufacturer. In connection with its strategy to become a pure play service provider, LifeWatch plans to outsource the entire production during 2017.

In 2015, LifeWatch monitored over 340’000 patient enrollments, handled 9.7 million patient interactions and 400’000 phone calls. LifeWatch markets its cardiac monitoring solutions primarily through a direct sales force to physician practices, home health care providers, outpatient clinics, emergency care centers, hospitals and other cardiac monitoring providers.

LifeWatch’s principal intellectual properties include its brand, trademarks and patents covering most of its cardiac monitoring devices. LifeWatch relies on patent protection, trade secret and unfair competition laws in the US and other jurisdictions. LifeWatch holds a portfolio of over 30 issued and approximately 30 pending patents worldwide.

2.3. Legal issues in the US

LifeWatch recently faced various court, arbitral and administrative proceedings.

In 2013, an employee filed a qui tam (whistleblower) case against LifeWatch. In June 2016, LifeWatch settled the case with a payment of USD 12.75 Mio. subject to approval of the US Department of Justice, which has been received in the meantime. On March 8, 2017, the Company has announced that payments have been made. The settlement amount has already been provisioned in the Company’s consolidated balance sheet as per December 31, 2016.

In 2015, the Company initiated an arbitration process to settle an overpayment claim by an insurance company (Highmark Case) and a counter claim by the Company for unpaid services. The arbitrator issued a decision against LifeWatch in March 2016, which lead to a restatement of the Company’s 2015 accounts. The parties subsequently settled their dispute; the Company paid the settlement amount of USD 13 Mio. in July 2016.

These two significant legal cases ultimately triggered LifeWatch’s decision to increase its share capital by 37% in July 2016 from 13'483'850 shares issued to the current 18'477'869 shares issued, which provided the Company with net proceeds of approximately CHF 43.8 Mio.

In the notes to its 2016 Annual Report, the Company discusses a few other litigation cases against the Company or initiated by the Company. By management’s assessment, the cases are either closed, settled and paid, of limited significance or of low legal risk (such as the case brought forward against the

Company by the former shareholders of Flexlife Inc. in 2017). Accordingly, after the payment of the qui tam settlement, there are no legal provisions left in the Company's balance sheet.

Management believes that LifeWatch's internal compliance processes improved considerably and that the large legal issues are a matter of the past. Other than limited ordinary recurring legal costs for legal advice, minor cases and compliance (in the range of USD 1-2 Mio. p.a.), management's budgets and business plans do not contain major unexpected legal costs or proceeds. Accordingly, other than the qui tam settlement provision recorded in our calculation of the Group's net debt as per year-end 2016, there are no further valuation adjustments made in the fairness opinion regarding legal issues.

2.4. Outlook, competitive strength and strategic plans

The Company's monitoring services are mainly driven by the need to diagnose, treat and prevent cardiovascular disease, which includes arrhythmia. In this context, the Company believes that the trend towards outpatient facility care to save costs will accelerate growth in hospital-independent diagnostic testing facilities, that is, hospitals will increasingly outsource ambulatory cardiac monitoring.

LifeWatch intends to increase its market presence by fixing certain internal issues such as a lack of use of its customer relationship management system and the implementation of a more dynamic sales commission plan. To improve its reporting services, LifeWatch is introducing an updated web portal, bringing down delivery time for clinical reports, and offering more flexible reporting and EMR integration with more automation and improved algorithms. Even so, the ordering physician or cardiologist will continue to perform the professional analysis of the reports and test results. Furthermore, LifeWatch intends to grow revenues with its MCT 3-lead and MCT 1-lead patch devices and introduce new versions of these technologies over time, which may not depend on the use of dedicated mobile phones anymore, thereby reducing the capital intensity of the business.

On 24 October 2016, LifeWatch announced that it had signed a letter of intent ("LoI") with GE Healthcare (GE Medical Systems Information Technologies, Inc). The purpose of this LoI is to explore the opportunities of a long-term strategic relationship regarding the exclusive third-party distribution of LifeWatch's monitoring services in the USA and possible other markets. While LifeWatch foresees substantial growth potential stemming from this strategic relationship (revenue potential of up to USD 30 Mio. or more), the LoI is non-binding and the intended relationship subject to signing of a cooperation agreement. Several aspects still require clarification, including the legal set-up of LifeWatch's IDTF for GE. Management expects that a term sheet may be signed soon and that the Group will become an outsourcing services provider to GE Healthcare from Q4 2017 onwards (later in this document referred to as the "GE Cooperation").

Additionally, LifeWatch intends to penetrate certain international markets. Turkey has been identified as one of the markets where its US business model can be replicated. LifeWatch signed a joint venture agreement in 2015 with a Turkish partner (IKSIR TEKNOLOJI SAGLIK VE KIMYA SAN. Ve TIC. A.S.).

LifeWatch maintains a majority interest (55%) in LifeWatch Turkey Holding AG (the "Joint Venture"), the parent of LifeWatch Saglik Hizmetleri A.S., Ankara (the "Turkey JV"). The goal is to start a platform for LifeWatch in Turkey in 2017 and to become the first MCT provider in a country with a population of 80 million. In the meantime, the IT platform is developed and tested and the relevant local functions are existing, so that the Turkey JV, according to LifeWatch, is basically ready to commence operations. Final testing started in late 2016 and launch preparations are currently underway with certain test patients already enrolled by mid of March 2017. The Turkey JV is in contact with the Turkish authorities but certain registrations are still pending and reimbursement policies with the national universal payor need to be finally agreed. Management expects that first commercial revenues shall be achieved in H1 2017.

2.5. Historical financials

As discussed earlier in this document, LifeWatch's financial performance has been distorted by a variety of non-recurring events. Asides from the net costs of the legal settlements and related legal advisory costs (USD 5.1 Mio. in 2016), there have been write-offs relating to the Company's decision to cease the development of the international normalized ratio monitoring services acquired in the connection with the Company's acquisition of FlexLife Health Inc. in 2015 (USD 1.8 Mio. in 2016) and the decision to discontinue the development of the vital signs patch (USD 3.6 Mio. in 2016). Further, there was a change in the bad debt accounting method (USD 1.2 Mio. in 2016). Altogether, management's cost normalizations in 2016 amounted to USD 11.9 Mio. on the EBIT level.

The profit and loss statement (P&L) (reported and audited according to US-GAAP) for the period 2014-16 is summarized in Table 2. For comparison, normalizations made by management are depicted in the "adjusted" rows. As the Highmark case concerned revenue recognition, the Highmark settlement has been charged to the 2015 revenues line as per US-GAAP rules.

Table 2: Consolidated P&L statements 2014 – 2016

Profit & Loss Statement, reported vs adjusted/normalized figures; Source: Company Management

USD in thousands	2014	2015	2016
Totel revenues (reported)	98'471	88'628	113'832
Totel revenues (adjusted)	98'471	106'630	113'832
Total cost of revenues (reported)	(45'287)	(51'037)	(57'092)
Gross profit (reported)	53'184	37'591	56'740
Gross margin	*54.0%*	*35.3%*	*49.8%*
Selling and marketing Expenses (reported)	(22'682)	(18'796)	(21'098)
General and adminstrative expenses (reported)	(25'139)	(26'316)	(31'941)
R&D expenses (reported)	(5'562)	(4'140)	(5'658)
Legal settlements and other (income) expenses (reported)	499	--	(5'715)
Total operating expenses (reported)	(52'884)	(49'252)	(64'412)
EBIT (reported)	300	(11'661)	(7'672)
EBIT Margin (reported)	*0.3%*	*-13.2%*	*-6.7%*
EBIT (adjusted)	300	7'540	4'230
EBIT Margin adjusted	*0.3%*	*7.1%*	*3.7%*
Financial expenses, net (reported)	(484)	(3'924)	(1'377)
Other income (expenses), net (reported)	(4)	(32)	(17)
Loss before taxes (reported)	(188)	(15'617)	(9'066)
Tax benefit (expense) (reported)	(2'540)	4'459	(2'724)
Share in losses of affiliate company (reported)	--	(790)	(1'612)
Net income (reported)	(2'728)	(11'948)	(13'402)
Net income margin	*-2.8%*	*-11.2%*	*-11.8%*
EBITDA (adjusted)	5'950	15'570	14'050
EBITDA Margin (adjusted)	*6.0%*	*14.6%*	*12.3%*

Source: Annual Reports 2016, 2015 and LifeWatch annual results press releases

Table 3 depicts the Company's consolidated balance sheets 2014-16. In 2016, shareholders' equity increased despite the high net loss because of the Company's capital increase in July 2016. The settlement amount of USD 12.975 Mio. has been paid in March 2017, leading to a corresponding reduction of liquidity. The short-term and long-term loans and financial liability of USD 3.9 Mio. as per end of 2016 are capital leases. The remaining pro forma net liquidity of USD 4.5 Mio. as per December 31, 2016 is fully considered as operationally necessary. In fact, management estimates its liquidity needs to be somewhat higher. Additional net debt adjustments concern the non-contingent elements of the Company's costs in connection with the Aevis offer and its solicitation for additional offers.

The 55% interest in LifeWatch Turkey Holding AG was not yet consolidated in the financial year 2016. The investment in the Joint Venture of USD 2.1 Mio. as per December 31, 2016 is the balance of the Company's share in the share capital of the Joint Venture, its shareholder loan to the Joint Venture less the accumulated losses of the Joint Venture's local subsidiary.

Out of the Company's deferred tax assets of USD 17.4 Mio. (as per December 2016), USD 14.9 Mio. related to carryforward tax losses in the US. It is assumed in the management's business plan as well as in the free cash flow calculations in this document that US tax losses may be fully used in coming years.

Table 3: Consolidated balance sheets 2014 – 2016

Summary consolidated balance sheets

USD in thousands	2014	2015	2016
Assets			
Cash & cash equivalents	7'867	7'400	21'376
Accounts receivables	12'335	13'275	13'984
Inventory	1'973	1'750	1'111
Property, Plant & Equipment	14'922	16'348	18'361
Investment in Turkish affiliate	--	--	2'174
Other non current assets	940	947	881
Goodwill	14'976	15'859	14'976
Intangible Assets	1'356	4'581	1'695
Deferred income tax	14'615	19'160	17'399
Total Assets	68'984	79'320	91'957
Liabilities			
Current portion of long-term loans	2'296	6'508	2'897
Account payable and accruals	17'568	21'419	17'210
Provision for settlement	8'210	22'284	12'975
Loans and other liabilities	3'047	1'616	1'007
Accrued expenses	657	797	463
Obligation to affiliate	--	155	--
Accrued severance and other benefits	323	776	475
Total liabilities	32'101	53'555	35'027
Total shareholder equity	36'883	25'765	56'930
Total shareholder equity & liabilities	68'984	79'320	91'957

Source: Annual Reports 2016, 2015, 2014

The Company reports all its financials in USD. Its shares are traded in CHF, however. Accordingly, per share data have to be translated into Swiss Francs with the applicable exchange rate.

2.6. Market overview

In the US, approximately 11 million patients have a heart rhythm disorder (arrhythmia). Of these patients, 6 million suffer from the most common form, atrial fibrillation ("AF"). Persons with AF are five times more likely to suffer a stroke than individuals with normal heartbeat. The National Stroke Association estimates that up to 80% of these strokes are preventable with early detection and adequate treatment.

To this end, a well-established ambulatory cardiac monitoring market exists in the US, which performs approximately 4.6 million diagnostic tests per year.

Remote monitoring market

Apart from monitoring cardiac activity in a stationary setting (i.e. hospital or ambulatory), a large market for remote cardiac monitoring exists. The remote cardiac monitoring market can be subdivided into two broad segments, non-telemetric services and telemetric services. Telemetry services offer transmission and evaluation of data in near real-time, whereas non-telemetric services do not automatically transmit data, e.g. transmission and evaluation takes place at the end of a monitoring period.

Remote heart monitoring is typically undertaken with the following means:

- Holter monitoring, i.e. a mobile diagnostic tool which allows typically for a 24 to 48 hours of continuous ECG monitoring. Data analysis occurs at the end of the monitoring period.
- Event monitoring, which occurs in a variety of forms to monitor cardiac activity such as patient activated recording or automatic detection recording. Systems may offer telemetry or period data transmissions.
- Mobile cardiac telemetry, i.e. automatic detection and transmission of cardiac abnormalities via cell phone in near real-time to a diagnostic center.

An aging population and increasing chronic diseases drive the need to offer telemetry health care services in the US. It is noted in the Company's Annual Report 2016 that market research group Millenium Research forecasts that the US telemetry market would grow to USD 1.6 billion by 2025, which would imply high double-digit compound annual growth rates. The Company's management views these market projections with some caution and predicts that LifeWatch will grow organically in the US with slower rates (excluding the new business from the GE Healthcare cooperation).

2.7. Peers and competition

The market for remote patient monitoring in the US is fragmented and characterized by a large number of often smaller competitors, some of which offer their services only on a regional basis. No company holds a dominant market position. Competition is influenced by technology changes, shifting customer needs and expectations and the frequent introduction of new products. As a result, competition is intense and rapidly evolving.

The Group's main competitors are companies providing services in MCT, event and Holter monitoring. The group of competitors include BioTelemetry Inc., Preventive Solutions Inc., iRhythm Technologies Inc. and Medtronic Inc.

3. Valuation Analysis

3.1. Introduction

This fairness opinion is based on the discounted cashflow analysis ("DCF") as the primary valuation method for the existing core business of the Company in the US ("US Core Business").

For the contemplated strategic alliance with GE Healthcare (the "GE Cooperation"), the primary method is a risk-adjusted net present value calculation, which reflects the fact that the GE Cooperation is not yet fully agreed and established (i.e. it may potentially still fall apart before any sales materialize). The risk adjustments also take into account that the GE Cooperation may not last forever and that the terms of the cooperation are still subject to negotiations. The cooperation may eventually be expanded to businesses and geographies not yet covered in the management business plan. Nevertheless, there will be an unneglectable likelihood that the GE Cooperation may be terminated by either party after an initial contract duration (or after future extensions, as the case may be), or that terms of the cooperation may change over time to the disadvantage of LifeWatch.

Similar to the GE Cooperation, the primary valuation method for the Turkey JV also makes risk adjustments, while it still is, conceptually, a DCF-calculation. The discount factor applies a country risk premium for Turkey on all years plus a start-up venture equity risk premium in the period 2017-21. The start-up venture premium reflects the fact that the Turkish business is still in a pre-sales situation and that it has the goal to develop a market that is not yet existing. If financing would be sought from venture capitalists (instead of LifeWatch), cost of equity would presumably become significant and reflect both the risk of a failure in the start-up period and the specific country risk.

Additional valuation methods like the comparable company analysis ("Compco") and, where meaningful, the comparable acquisition analysis ("Compac") have been applied for all three businesses. In addition, we performed a premium analysis on past public takeover transactions in Switzerland.

As BioTelemetry will offer part of the Main Offer Consideration and the Alternative Offer Consideration in its own Common Stock, we have included an evaluation of BioTelemetry Common Stock for use as payment consideration (see section 3.9).

The financial forecasts used for the valuation assume that LifeWatch will continue to operate as an independent business ("stand-alone") without consideration of the potential consequences (e.g. synergies) of an acquisition by a strategic partner. In case of an acquisition, most strategic buyers will get opportunities to exploit potential synergies on the cost or income side.

The cash flow based methods (DCF and risk adjusted net present value) and the comparable company analysis (as described in this chapter) do not take these synergies into account as LifeWatch is not able to realize synergies in a stand-alone scenario.

However, the comparable transactions analysis and the premium analysis allow for a comparison with values that were actually paid within the scope of other (comparable) transactions. These values can be indicative for the compensation that the shareholders of other target companies have received for the potential synergies.

The valuation is primarily based on the business plan 2017 - 2019 and an additional extrapolated projection period 2020 – 2021 as prepared by the management of Lifewatch. The underlying assumptions have been reviewed by Raiffeisen for plausibility and consistency in discussion with the management and by comparing the assumptions with historical and expected market developments, industry benchmarks and analyst expectations. Where deemed adequate, Raiffeisen has adjusted the underlying assumptions.

3.2. Enterprise value

The value of a company is determined by the economic benefits that the company can generate in the future based on its specific success factors at the time of valuation, including its tangible assets, capacity for innovation, products, market position, internal organization, workforce and management team. Under the assumption that a company's objectives are ultimately purely financial in nature, the value of a company is derived from its capacity to generate a financial surplus for the company's shareholders through the interaction of all the factors influencing its earnings power in the future.

To calculate future financial surpluses, Raiffeisen used historic developments and the management projections 2017-21. Furthermore, for the year 2022, we derived a normalized financial surplus for the calculation of the residual value for any of the three businesses (US Core Business, GE Cooperation, Turkey JV). Within the scope of this normalization, we ensured that growth rates, margins, capital expenditures and tax rates were plausible and consistent in light of historical values and the future strategy of LifeWatch.

To capture the specific characteristics of each of the three separately planned businesses (US Core Business, GE Cooperation, Turkey JV), Raiffeisen conducted separate DCF valuations or, respectively, risk-adjusted net present value calculations for each (sum-of-the-parts-method).

3.3. Business Plan assumptions

The following table sets-out the key assumptions used for the most important value drivers:

Growth	2017 – 2021	2022
Nominal growth of net revenues US Core Business: LifeWatch announced in 2016 its new strategy to become a pure-play service provider and to streamline its offering. The company discontinued unprofitable projects, improved sales management processes and re-	Average growth: 12.1%	1.0%

organized marketing activities. The Company's market position as #2 in the US market puts LifeWatch in a favorable position to benefit from the demographic trend and the industry shift towards outpatient facility care. However, the competition in the highly fragmented cardiac monitoring industry is perceived as very intense and rapidly evolving (new providers and/or new technology). The Company is expected to grow at an average rate of 12.1% p.a., which is in line with the growth expectations of major competitors but below the optimistic US telemetry market growth forecasts made by Millenium Research Group (as referred to in Section 2.6).		
GE Cooperation: LifeWatch expects to initiate the GE Cooperation in H2 2017 and to fully leverage the GE distribution network from 2018 onwards. Management expects for this year significant revenues from the alliance (mid-to-high single digit USD Mio.). Thereafter, the expected average annual revenue growth rate until 2021 amounts to 54.7%. Management does not consider these high initial growth rates as excessively aggressive.	Average growth: 54.7%	1.0%
Turkey JV: After the planned market entry in Q2 2017, the revenues budget for the Turkey JV for the rest of the year is in the lower USD single digit millions. From 2018 onwards, LifeWatch expects to realize average growth rates of 75.6% until 2021. The main growth drivers are: (i) a large population of approximately 80 million inhabitants; (ii) a lack of a telemetry offerings; (iii) very limited competition so far; (iv) advanced health care infrastructure allowing the technical integration of LifeWatch's services (including reimbursement under Turkey's universal health insurance system); and (v) the support of the Turkish authorities for the introduction of telemetric services. According to management, the planned revenue growth is conservative when compared to the growth expectations of the Turkish joint venture partner. A certain risk is attributed to the reimbursement implementation, as there is no experience in that field yet.	Average growth: 75.6%	1.0%
Gross- and EBIT-margin US Core Business: The 2nd generation MCT 1-lead patch, which will not be introduced before next year, will be returned by the patient after use in order to recycle re-usable parts. Hence, the 2nd generation patch reduces the direct costs by 25%-35% resulting in higher gross margins as compared to the current MCT-1 lead patch. The average gross margin 2017-21 is expected to be 56.1%. In the long-term, a gross margin of 59.5% is assumed.	Average gross margin: 56.1%	Gross margin: 59.5%

Due to efficiency improvement projects, management expects to achieve a long-term EBIT margin of 15.3%. Major projects supporting the efficiency improvements are (i) improved algorithms reducing manual intervention, (ii) further automation to improve procurement and (iii) outsourcing of R&D.	Average EBIT margin: 10.5%	EBIT margin: 15.3%
GE Cooperation: LifeWatch shall receive reimbursements from GE at a discounted rate, but will benefit from limited selling and marketing expenditures, limited additional overhead and reduced bad debt exposure, if any. Overall, contribution margins from the GE Cooperation shall be similar to the margins of the US Core Business, whereas EBIT margins shall be higher because of the lower overhead and R&D allocations.	See US Core Business	See US Core Business
Turkey JV: The Turkey JV is expected to become cash flow positive during 2018. Due to the product-mix, gross profit is forecasted to be lower than in the US Core Business. Even though, due to the qualified but low cost Turkish labor force, long-term EBIT margin is expected to increase to 30.4%.	Average gross margin: 41.3% (excl. 2017) Average EBIT margin: 20.2% (excl. 2017)	Gross margin: 50.0% EBIT margin: 30.4%
Net working capital (excl. other receivables/payables and accruals) US Core Business: Net working capital developments are based on the management's balance sheet projections on group level. Raiffeisen discussed the net working capital needs for each business line with LifeWatch's management and complemented the projections with own assumptions where appropriate. An average net working capital ratio of 3.8% to net revenues is assumed over the planning horizon as compared to 3.7% in the long term. Due to the introduction of the MCT 1-lead patch, the net working capital investments will be relatively high in 2017.	Average relative to sales: 3.8%	3.7%
GE Cooperation: With the initiation of the GE Cooperation, LifeWatch plans to significantly build up inventories due to the expected jump in demand in 2017/2018 coming from the GE distribution network. A higher average net working capital level of 7.1% is assumed on average.	Average relative to sales: 7.1%	6.1%

Turkey JV: LifeWatch will have to deal with longer Days of Sales Outstanding (DSO) than in other parts of the Group. This leads in combination with the ramp-up of the business activities to an average networking capital of 17.1% of net revenues during the planning horizon and 16.4% in the long term.	Average relative to sales: 17.1%	16.4%
Capex US Core Business: We used the Company's capex projections for the US Core Business, which anticipate relatively high capex in 2017 (full replacement of existing mobile phones) and significantly lower capex thereafter. Management argues that in the mid-to long-term, capital intensity of the business will be reduced as future MCT devices are expected to directly connect with the patient's mobile phones via Bluetooth. Consequently, LifeWatch may not need to provide all patients with mobile phones to ensure wireless access. For the residual value, we assume a stable relationship of fixed assets to sales for 2022 and beyond.	Capex to sales average: 4.7%	Capex to sales average: 3.2%
GE Cooperation: Given the volume projections for this cooperation, significant capex expenditure will be required initially. In the long-run, Raiffeisen assumes that capex to sales will normalize but remain at a higher level than for the US Core Business (mainly because of the lower sales prices).	15.2%	4.5%
Turkey JV: Initial capex will be significant, as projected by management. In the long-run, Raiffeisen assumes that capex will flatten out and be slightly above depreciation. It is assumed that local low cost sourcing will have some cost advantages.	13.0%	3.4%
Tax Rate US Core Business: The US Core Business may fully utilize tax losses carried forward until 2019. Raiffeisen understands that there is a widespread expectation that US corporate income tax levels on a federal level (currently 34%-35%) will be significantly reduced. According to sources, the US House of Representatives contemplates federal corporate income tax rates of around 20%. Raiffeisen's DCF projections assume that a federal corporate tax reform will be implemented by 2019 (until 2019 the exact implementation date is value neutral because of tax losses carried forward, however). As future political majorities in US Congress and tax plans of future US administrations may change again, we expect, however, that long-term	Between 26.0% and 39.0%	32.9%

corporate income tax will return to an average of current applicable rates and targeted rates. We do not assume any changes in State taxes and use the State of Illinois as a benchmark.		
GE Cooperation: See tax rate discussion in US Core Business. In the short-term, we use a somewhat lower State tax rate than in Illinois.	See US Core Business	See US Core Business
Turkey JV: The long term marginal tax rate for the Turkey JV is assumed by Raiffeisen to be 21.7%, reflecting both local income tax and additional cross-border tax costs related withholding taxes in Turkey for dividends paid to Switzerland. It is further assumed that the Turkey JV may fully use its tax losses carried forward during the planning period (not reflected in tax rates projections in this table).	21.7%	21.7%
Residual Value US Core Business: The calculation of the residual value is based on an assumed perpetual growth rate of 1%, which is slightly lower than equity research forecasts for the industry and industry peers. We justify a relatively modest long-term growth rate with lifecycle considerations for the MCT industry in general and the Company in particular. Further, long-term pressures on reimbursement rates seem plausible.	-	1.0%
GE Cooperation: Raiffeisen expects that the GE Cooperation will phase-out in the very long term. Specifically, we assume that there is a positive likelihood in the mid-to long-term that the cooperation will not be extended (or, as an alternative interpretation that terms are changed to the disadvantage of LifeWatch). In particular, Raiffeisen assumes in the base scenario of its planning model a high 90% probability that the alliance will be implemented and achieve its initial goals, but only a conservative 50% probability that the GE Cooperation is extended with unchanged terms after an initial 5 years contract period and another 50% probability of a 2^{nd} five year extension. Thereafter, we assume that the cooperation will renew with a 75% probability each year with unchanged terms. While considered to be plausible by us, these probabilities are a matter of pure subjective judgement; other persons may assign other probabilities. Leaving aside the termination risks, we assume that revenues of the GE Cooperation would also grow by 1% in the long-term.	-	Not meaningful

Turkey JV: See US Core Business.	See US Core Business.	See US Core Business.

3.4. Discounted Cash Flow Analysis ("DCF")

The DCF is based on free cash flows achievable in the future before financing activities, i.e. cash flows available to both debt and equity capital providers. These cash flows are discounted per valuation date with the weighted average costs of capital ("WACC") to reflect the present value of the cash flows and the underlying entrepreneurial risk. The determination of the WACC is based on the capital asset pricing model. The following input variables were used in the calculation of the discount rate:

Risk-free interest rate

To determine the risk-free interest rate, long-term interest yields of public issuers are used. As LifeWatch is mainly active in the US, the risk free rate is based on the current yield of 30-years US government bonds on 24 March 2017, which amounted to 3.0%, approximately.

Equity risk premium

Any entrepreneurial commitment is invariably associated with risks. For this reason, future financial surpluses cannot be forecasted with certainty. Market participants demand risk premiums as compensation for taking on entrepreneurial risk. Since investors take on a special risk when investing in a company, a risk premium on top of the risk-free rate must be added to the risk-free rate. In order to determine the adequate rate, the risk structure of the underlying company has to be taken into account.

The company-specific risk premium is derived by multiplying the beta factor of the company by the market risk premium. The beta factor is a measure of the company-specific risk in relation to market risk[1]. The market risk premium is the difference in the returns on equity and risk-free investments[2]. According to Duff & Phelps, the United States Long-Horizon Equity Risk Premia (1926-2015) amounted to 6.9%.

To derive the beta factor for LifeWatch, we used the beta factors of comparable companies (see Appendix 4). To ensure that the beta factors are effectively comparable, they were adjusted by the company-specific leverage (debt-adjusted or unlevered beta). The median debt-adjusted (unlevered) beta factor for comparable companies is 0.93.

By taking a certain degree of typical leverage in the group of comparable companies into account, a relevered beta of 0.96 results, resulting in costs of equity of 9.6% for the US Core Business and GE Cooperation activities.

[1] A beta factor of greater than one implies that the stock value of the company in question will tend to display proportionally greater sensitivity to market movements, while a beta factor of less than one suggests that the value will rise or fall proportionally less than the corresponding market movements.

[2] Capital market studies over long observation periods have shown that investing in equities has in the past yielded higher returns than investments in debt securities with low risk.

Country risk premium

To capture the additional risk of investing in Turkey as compared to investing in the US, a country risk premium (CRP) of 7.1% is added to the resulting cost of equity of the Turkey JV (source: Duff & Phelps, based on Erb-Harvey-Viskanta, which applies, for the cost of equity, country-credit risks derived from a poll of US investors).

After accounting for the CRP of Turkey and assuming 100% equity financing of the Joint Venture, a cost of capital of 16.7% results for the Turkey JV, excluding specific start-up risks associated with the venture's pre-sales status.

Cost of debt

The company specific cost of long-term debt have been determined based on the discussion with management and is assumed to be 3.0%. That assumption is based on the Company's use of (shorter-term) USD capital leases and (currently unused) credit lines as debt instruments, as well as the generally higher yield spreads in the US.

Total cost of capital

Based on the assumptions described above, the weighted average cost of capital for LifeWatch is calculated as follows:

Table 4: Weighted average cost of capital (“WACC”)

WACC components	US Core Business & GE Cooperation	Turkey JV	Notes	Source
Risk free rate	3.0%	3.0%	Current yield on 30-year US government bonds	Bloomberg
Market risk premium	6.9%	6.9%	Excess return (over the risk-free rate) that an investor can expect to receive from an investment in a market portfolio of US equities	Duff & Phelps: "2016 International Valuation Handbook"
Beta (unlevered)	0.93	0.93	Median regression beta of comparable companies (5-year regression against MSCI World Index based on monthly returns)	Bloomberg
Beta (relevered)	0.96	0.96	= Unlevered Beta * (1+((1-taxrate) * Gearing))	Modigliani & Miller
Country Risk Premium (CRP)	0.0%	7.1%	Erb-Harvey-Viskanta Country Credit Rating Modell, cost of equity capital estimate for countries having a country credit risk rating (US investors' poll)	Duff & Phelps: "2016 International Valuation Handbook"
Cost of Equity	9.6%	16.7%	= Risk free rate + (Relevered Beta*Market risk premium) + CRP	
Risk free rate	3.0%		Current yield on 30-year US government bonds	Bloomberg
Credit spread	3.0%		Difference between the effective financing costs of the company and the short term risk free rate	Company information
Pre-tax cost of debt	6.0%		= Risk free rate + Credit spread	
Tax rate	32.9%		Expected long term tax rate	Average of current US corporate tax rate and US House of Representative's tax plan (state taxes unchanged)
Post-tax cost of debt	4.0%		= Pre-tax cost of debt * (1 - Tax rate)	
Equity ratio	94.9%	100.0%	Median of capital structure of comparable companies	
Debt ratio	5.1%	0.0%	Median of capital structure of comparable companies	
WACC	9.4%	16.7%		

Caveat on the Turkey JV (2017-21)

Raiffeisen applied a specific cost of equity of 33.3% during the planning horizon 2017-21 to account for the start-up venture nature of the Turkey JV and the venture's ambition to enter and to develop a new market. In our view, our applied start-up premium can be compared with a typical internal rate of return ("IRR") expectation of a venture capitalist investing in a low-risk country in a later-stage start-up, having a minimum 3-4x original investment return expectation over a 4-5 years holding period. The equity country risk premium of 7.1% for Turkey is added to this start-up cost of equity of 33.3%.

3.5. Calculation of resulting value

On this basis, an enterprise value ("EV") of USD 228.1 Mio. for the US Core Business and USD 29.3 Mio. for the GE Cooperation as of 24 March 2017 will result. A net debt adjustment of USD 4.1 Mio. is deducted from the Enterprise Value of the US Core Business, which comprises cash & cash equivalents net of certain operating cash and financial debt, the legal settlement provision and other costs (e.g. non-contingent transaction costs in 2017, not reflected in the budget).

The enterprise value of the Turkey JV amounts to USD 13.8 Mio; the net shareholder loan of approximately USD 4.6 Mio. has to be deducted to get the venture's equity value ("EQV", based on 100% of the share capital) of USD 9.2 Mio. As LifeWatch only holds 55%, its stake is worth USD 5.0 Mio. Including the shareholder loan, the value of LifeWatch's investment in the Turkey JV amounts to USD 9.7 Mio., yielding a total equity value of the Group of USD 263.0 Mio. (refer to Table 5).

Based on the Company's 18'477'869 registered shares issued and its treasury share balance of 13'125 shares, there are 18'464'744 shares outstanding. Based on a USD/CHF exchange rate of 0.9914 as per the valuation date (Source: Bloomberg), the resulting value per LifeWatch share is CHF 14.12 as of 24 March 2017. This value per share can be split in per share equity values of CHF 12.03, CHF 1.57 and CHF 0.52 for the US Core Business, the GE Cooperation and the Turkey JV, respectively.

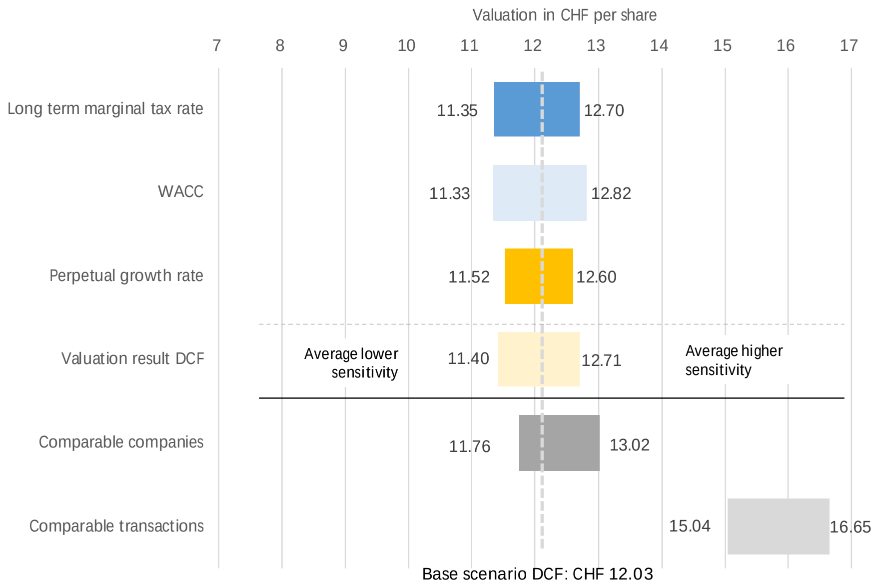
Table 5: Calculation of value per LifeWatch share

USD Mio.	US Core Business	GE Cooperation	Turkey JV (55%)	Total
Enterprise value	228.1	29.3	13.8	271.2
Net cash / (debt)	(4.1)	--	(4.6)	n.m.
Equity value (100%)	224.0	29.3	9.2	262.5
Equity value of LifeWatch's stake	224.0	29.3	5.0	258.3
Intragroup loan	--	--	4.6	4.6
Sum-of-the parts valuation	224.0	29.3	9.7	263.0
Number of shares	18'464'744	18'464'744	18'464'744	18'464'744
USD / CHF exchange rate	0.9914	0.9914	0.9914	0.9914
Equity value per share in CHF	12.03	1.57	0.52	14.12

The value range for LifeWatch's shares has been determined by applying a sensitivity analysis. The sensitivity analysis sets out the value effect of changes in two or three key valuation parameters, such as the tax rate, WACC, and terminal growth rates in the case of the US Core Business. The sensitivity analysis in Table 6 yields a valuation range of CHF 12.65 (lower end) to CHF 16.54 (upper end) per share of LifeWatch.

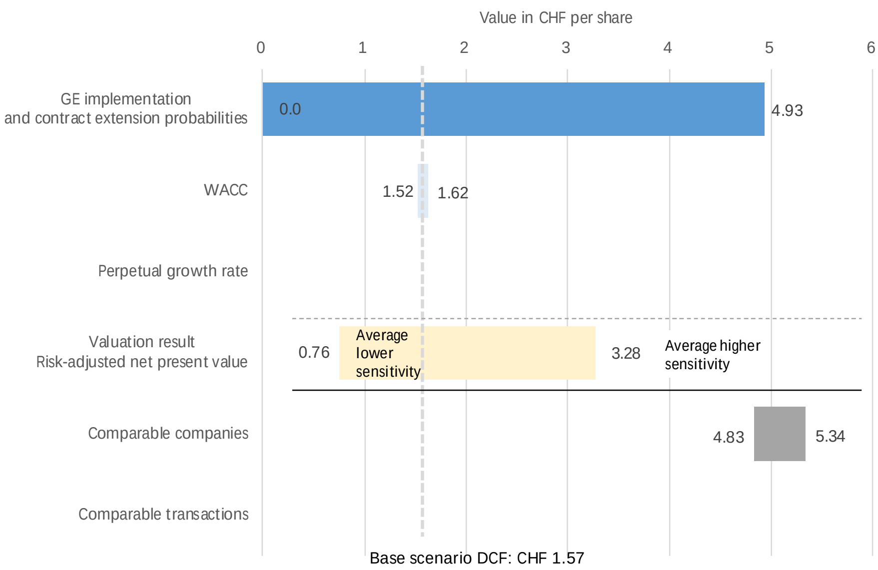
Table 6: Sensitivity analysis

Sensitivities US Core Business



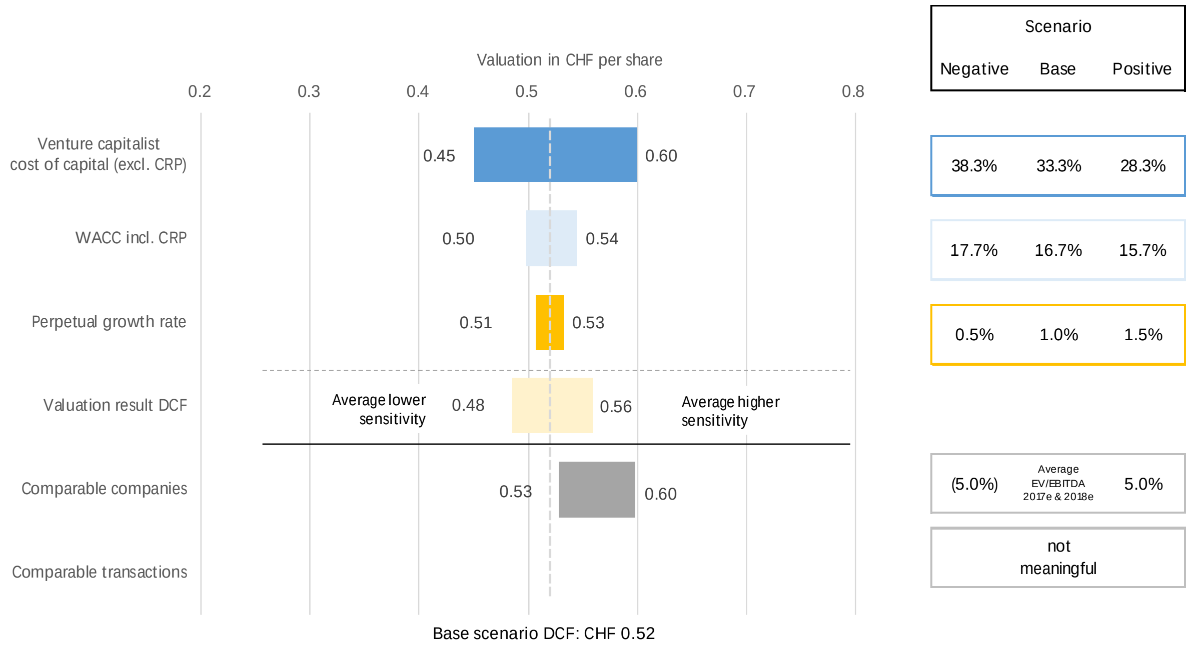
Scenario		
Negative	Base	Positive
37.9%	32.9%	27.9%
9.9%	9.4%	8.9%
0.5%	1.0%	1.5%
(5.0%)	Average EV/EBITDA 2017e & 2018e	5.0%
(5.0%)	EV/Sales 2016: 2.6x	5.0%

Sensitivities GE Cooperation

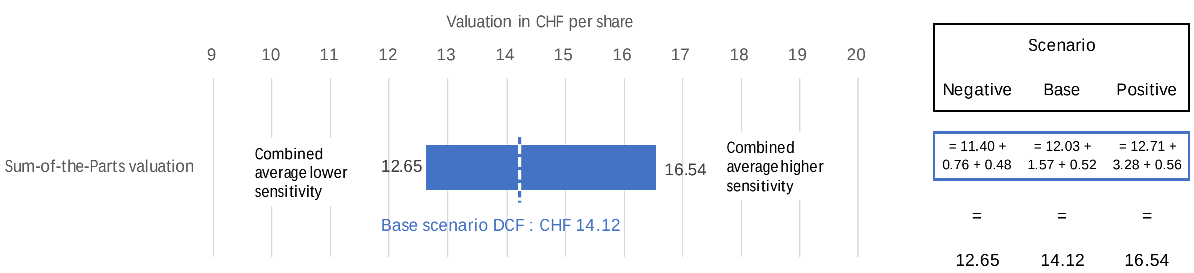


Scenario		
Negative	Base	Positive
0.0%	intermediate assumptions	100.0%
9.9%	9.4%	8.9%
	not meaningful	
(5.0%)	Average EV/EBITDA 2017e & 2018e	5.0%
	not meaningful	

Sensitivities Turkey JV



Summary relevant sum-of-the-parts-valuation range



3.6. Comparable company analysis ("Compco")

The comparable company analysis method is used by capital market participants not possessing detailed financial forecasts for the company to be valued. The method is based on the current valuation of comparable listed companies. To obtain a meaningful result, the availability of listed comparable companies and their careful selection is essential. Only companies, which share a relatively high degree of similarity with LifeWatch in terms of business model, growth and profitability prospects and with regard to risks and opportunities can be used for that purpose.

By dividing the enterprise value[3] of comparable listed companies by current or expected key financials (e.g. EBITDA, EBIT), so-called trading multiples are calculated (see Appendix 1 "Trading Multiples of Comparable Companies"). Applying the average multiples to the key financials of LifeWatch delivers a valuation result with respect to each of the average multiples calculated.

The following two factors have a significant influence on the valuation result:

- The selection of comparable companies
- The selection of the key financials to which the multiple is applied

The calculation of multiples is based on the current financial result and on the expected results for the next one to two years.

Selection of comparable companies for LifeWatch

The following selection criteria have been used to identify comparable companies:

- Business focused on cardiac monitoring in an outpatient setting, alternatively
- Business offering cardiac monitoring and other monitoring services in an outpatient setting

Using these criteria, the following comparable companies were selected:

Table 7: Comparable companies

Company	Business model	Business cycle	Forecast available	Dominant business region	Groups of comparables
BioTelemetry Inc.	Cardiac monitoring in outpatient setting	Advanced	Yes	USA	Core
iRhythm Technologies Inc.	Cardiac monitoring in outpatient setting	Early stage	Negative profitability	USA	Core
Medicalgorithmics SA	Cardiac monitoring in outpatient setting	Early stage	Yes	Poland, USA	Core
SHL Telemedicine Ltd.	Cardiac monitoring in outpatient setting	Advanced	No	Israel, Germany	Core
Masimo Corporation	Cardiac monitoring in outpatient setting offered as a product / offering line	Advanced	Yes	USA	Additional
Hill-Rom Holdings, Inc.	Cardiac monitoring in outpatient setting offered by subsidiary Welch Allyn	Established	Yes	USA	Additional
Medtronic PLC	Cardiac monitoring in outpatient setting offered as a product / offering line	Established	Yes	USA	Additional

On this basis, two groups of comparable companies were formed, core and additional comparables.

For the selected companies, the enterprise value was calculated based on current market capitalizations (as of 24 March 2017) and the latest available actual net debt / net cash positions. The resulting enterprise value was set against the EBITDA consensus[4] for both the years 2017e and 2018e for each comparable company to determine the EBITDA multiple (we did not perform multiple analyses on historic

[3] Market capitalization plus net debt
[4] IBES consensus

results because LifeWatch's past performance has been distorted by a variety of one-off effects, as explained in Section 2.5).

Within the core group of comparable companies, 2017e and 2018e EBITDA multiples were only available for BioTelemetry Inc. and Medicalgorithmics SA. iRhythm Technologies Inc. and SHL Telemedicine Ltd. either have negative multiples or no available multiples (as no EBITDA forecasts are available).

In contrast, for all companies of the additional comparables group, 2017e and 2018e EBITDA multiples could be calculated.

Table 8: EBITDA multiples of comparable companies

Comparable companies	EBITDA multiples	
	2017e	2018e
Core comparables		
BioTelemetry Inc.	15.4x	13.4x
iRhythm Technologies Inc.	n/a	n/a
SHL Telemedicine Ltd.	n/a	n/a
Medicalgorithmics SA	14.3x	11.5x
Median	14.9x	12.5x
Additional comparables		
Masimo Corporation	17.3x	16.0x
Medtronic PLC	13.9x	12.8x
Hill-Rom Holdings, Inc.	11.5x	10.7x
Median	13.9x	12.8x

Sources: Bloomberg, Raiffeisen

To reflect the higher risk nature of the GE Cooperation and the Turkey JV, we applied the EBITDA multiples separately on the US Core Business' EBITDA and on the consolidated Group EBITDA (2017e and 2018e). The lower end of the valuation range is represented by the US Core Business and the upper end by the consolidated business plan.

The average from the resulting multiples was applied to LifeWatch's 2017e and 2018e EBITDAs[5], resulting in an enterprise value ("EV") range for LifeWatch. To determine the equity value ("EQV") range, a net debt adjustment of USD 4.1 Mio. was applied. With 18'464'744 shares outstanding and a USD/CHF exchange rate of 0.9914 (as of 24 March 2017), a value range per LifeWatch share of CHF 12.39 for the US Core Business to CHF 17.32 for the consolidated business as of 24 March 2017 results.

[5] Based on the business plan, using EBITDA 2017e / 2018e as per consolidated business plan and as per the US Core Business

Table 9: Calculation of value range per LifeWatch share

Compco valuation		US Core Business EBITDA		Consolidated EBITDA	
		2017e	2018e	2017e	2018e
EQV per share Core comparables	USD	10.9	14.2	11.5	23.5
EQV per share Additional comparables	USD	10.2	14.7	10.7	24.2
USD/CHF exchange rate	0.9914				
Average EQV per share	CHF		12.39		17.32

The result is of limited significance for the following key reasons:

- Forecasted multiples 2017e / 2018e could be calculated for two core comparable companies only
- BioTechnology Inc. and Medicalgorithmics SA are significantly more profitable than LifeWatch
- Additional comparable companies are well-established, well diversified companies with both a product and service offering and a market capitalization at least 15x higher than LifeWatch
- The value calculated on the basis of the US Core Business EBITDA 2017e and 2018e (lower end of range) does not assign any value to the GE Cooperation and the Turkey JV
- The value calculated on the basis of the consolidated EBITDA 2017e and 2018e (upper end of range) assumes that the GE Cooperation and the Turkey JV are realized as per business plan with no specific risks of failure, non-implementation or early termination. Asides, the country risk premium for Turkey is neglected

On this basis, we believe the valuation result based on the comparable company analysis is somewhat understating LifeWatch's fair value on the lower end and overstating LifeWatch's fair value on the upper end.

Table 10: Comparable companies – YOY revenue growth, EBITDA and EBIT margin comparison

Growth & Profitability	Revenues growth			EBITDA margin			EBIT margin		
	2016 (e)	2017e	2018e	2016 (e)	2017e	2018e	2016 (e)	2017e	2018e
Core comparables									
BioTelemetry Inc.	16.7%	11.2%	9.7%	19.6%	22.9%	24.0%	12.8%	11.7%	13.6%
iRhythm Technologies Inc.	77.6%	38.6%	35.1%	-23.0%	-24.8%	-8.3%	-24.3%	-25.9%	-10.8%
SHL Telemedicine Ltd.	0.3%	n/a	n/a	-2.1%	n/a	n/a	-21.6%	n/a	n/a
Medicalgorithmics SA	152.1%	126.9%	21.8%	18.3%	31.1%	31.7%	16.2%	n/a	n/a
Average	61.7%	58.9%	22.2%	3.2%	9.8%	15.8%	-4.2%	-7.1%	1.4%
Additional comparables									
Masimo Corporation	10.2%	8.4%	6.7%	24.2%	25.9%	26.3%	21.8%	24.0%	24.3%
Medtronic PLC	11.6%	5.0%	4.4%	27.4%	32.0%	33.2%	17.4%	28.7%	29.6%
Hill-Rom Holdings, Inc.	22.0%	4.4%	3.8%	19.1%	20.7%	21.6%	11.1%	16.9%	17.5%
Average	14.6%	5.9%	5.0%	23.6%	26.2%	27.0%	16.8%	23.2%	23.8%

Sources: Bloomberg, Raiffeisen

3.7. Valuation based on comparable acquisitions ("Compac")

The comparable acquisitions method is based on analyzing precedent M&A transactions of companies, which are comparable with LifeWatch. The consideration paid in such transactions are dependent on the specific circumstances of the transaction and may, to a certain extent, reflect subjective behavior of the parties involved. The availability of comparable transactions and their careful selection is essential to deliver a meaningful result.

A strategic buyer and a seller negotiating an acquisition price typically consider the potential for synergies and combined market potential of the intended transaction. To this end, the buyer may agree to share some of the synergy potential by factoring this into its offered price.

By dividing the enterprise value paid for an acquisition with certain key financials (e.g. Revenues, EBITDA, EBIT), "paid" multiples are derived. The average multiples derived are then multiplied with the corresponding key financial ratios of the target company, resulting in an implied enterprise value for the target.

Selection of comparable transactions

The key criteria applied in selecting comparable transactions were:

- Transaction size of more than USD 50 Mio.
- Similar business model of the target company (i.e. medical patient monitoring services)
- Transaction date within last 5 years
- Acquisition of a majority interest
- Availability of disclosed multiples or of sufficient information to calculate key financials

On this basis, the following transactions were identified:

Table 11: Overview of selected transactions

Target Company	Bidder	Completion Date	Type of Payment	EV (in USD Mio.)	LTM Revenues Multiple	LTM EBITDA Multiple
Mortara Instrument	Hill-Rom	Feb 17	Cash	330	2.9	n/a
Sorin Group	Cyberonics	Oct 15	Share	1,505	1.8	11.0
Welch Allyn	Hill-Rom	Sep 15	Mixed	2,050	2.9	n/a
SHL	Shanghai Jiuchuan Investment	lapsed	Cash	116	2.8	15.5
DR Systems	Merge Healthcare	Feb 15	Cash	70	1.6	6.8
Pulsion Medical Systems	Maquet Getinge Group	Feb 14	Cash	189	4.1	12.5
Suntech Medical	Halma	May 12	Cash	52	2.3	n/a
			Average		2.6	11.5
			Average w/o min/max		2.5	11.8
			Median		2.8	11.8

Source: Mergermarket

Since LifeWatch's only marginally positive reported EBITDA 2016 of USD 2.145 Mio. cannot provide a meaningful valuation result (and normalizations made by management may be debatable), the valuation is solely based on the LTM revenues multiple.

For the selected comparable transactions, the implied enterprise value (“EV”) and the implied historical Revenues multiples were calculated. As a next step, the average revenues multiple was applied to LifeWatch’s reported revenues 2016, resulting in an enterprise value for LifeWatch. To determine the equity value, a net debt adjustment of USD 4.1 Mio. was made. Based on 18’464’744 shares outstanding and a USD / CHF exchange rate of 0.9914 (as of 24 March 2017), an equity value per LifeWatch share of CHF 15.85 as of 24 March 2017 results.

To calculate a value range, the average of the resulting multiples was increased by 5% (upper end) and reduced by 5% (lower end).

Table 12: Calculation of value range per LifeWatch share

			LTM Revenues Multiple	
2016 Consolidated Revenues (USD Mio.)		113.8		
Valuation range [-5.0% ; +5.0%]			-5.0%	5.0%
EV Compac Average (USD Mio.)			284.3	314.2
2016 Net debt (USD Mio.)	-	4.1		
EQV Compac Average (USD Mio.)			280.2	310.1
# of shares outstanding		18'464'744		
EQV per share Compac Average (USD)			15.17	16.79
USD/CHF exchange rate		0.9914		
EQV per share Compac Average (CHF)			15.04	16.65

Raiffeisen believes that the Compac method, albeit based on a somewhat limited number of comparable transactions, provides a meaningful result thereby confirming the plausibility of the upper end of the valuation range derived from the DCF analysis.

3.8. Analysis of premiums paid in the Swiss capital market (“Premium Analysis”)

In a further analysis, we assessed how the premium offered by BioTelemetry in relation to the volume-weighted average price (“VWAP”) of the last 60 days of trading for the LifeWatch share prior to the pre-announcement of the Aevis public tender offer announced compares to the average premium paid within the scope of comparable precedent takeover transactions on the SIX Swiss Exchange.

The particular circumstances of a public takeover bid can have a substantial impact on the premium paid. Factors such as the stake held by the offering party in the target company at the date of the pre-announcement may be of significance. Should a bidder already own a controlling stake in a target company, its willingness to pay a (high) premium is typically low. In the case of contested offerings, higher premiums may be paid than for offers without competitive bidding.

Furthermore, the determination of the offer price and the resulting premium may be affected by the composition of the compensation offered, i.e. whether the potential buyer issues a cash offer, a mixed offer[6] or an exchange offer[7].

The following criteria were applied in selecting comparable public tender offers:

- Consideration of transactions since 1 January 2007
- Target company is/was listed on the SIX Swiss Exchange
- Pure cash offer or mixed offers (cash and equity component)
- Acquisition of control, i.e. the offering party held a majority stake of below 33.3% in the target company before pre-announcing the offer
- The target is neither an investment company, a real estate company, a biotech company, a bank or insurance company nor a software company

Result of the premium analysis

Since 2007, average premia of 37.3% were paid compared to the 60-day VWAP.

Applying a premium range of 32.5% to 42.5% to LifeWatch's 60-day VWAP of CHF 9.95 as of 23 January 2017, i.e. the last trading day prior to the pre-announcement of the Aevis offer, results in a value range of CHF 13.15 to CHF 14.15 for each LifeWatch share.

We believe that the 60-day VWAP of LifeWatch prior to the Aevis pre-announcement has not been distorted by any events or trading behavior of significance. Consequently, the 60-day VWAP is a relevant basis for this analysis.

The calculation of the paid premia is set out in Appendix 3.

3.9. Development of BioTelemetry Common Stock price and trading volumes

Share price development

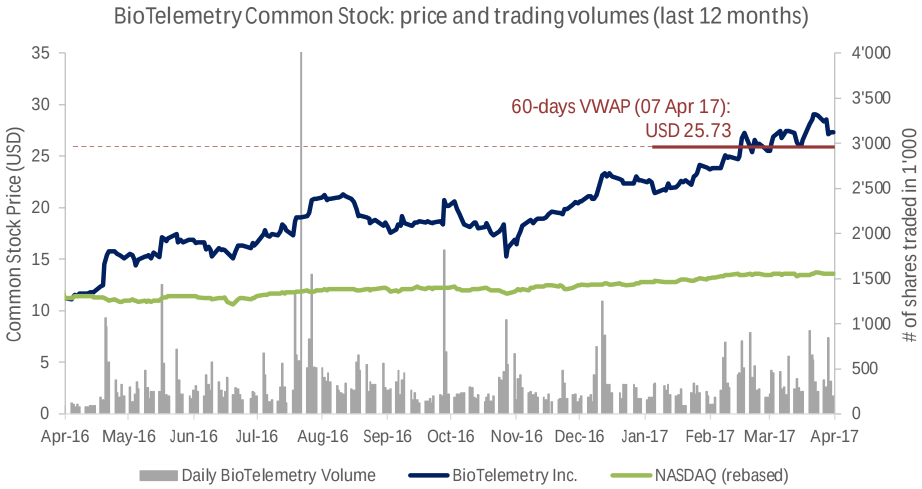
Table 13 shows the historical development of the BioTelemetry Common Stock price and trading volumes over the last 12 months (until and including 7 April 2017, that is, the last trading day prior to BioTelemetry's pre-announcement).

- The Common Stock price has gained 144% over the last 12 months
- The Common Stock ranged from USD 10.96 to USD 29.50, with the average share price being USD 19.75 over the period. As shown in the chart, BioTelemetry Inc.'s Common Stock price experienced a significant but quite continuous increase over the last twelve months. There are no obvious abnormal pattern
- The closing price on 7 April 2017 was USD 27.30
- As at 7 April 2017, the 60-day VWAP is USD 25.73

[6] A combination of shares and cash
[7] Only shares are offered as consideration

· In comparison, the NASDAQ Composite Index has gained 21.2% over the twelve months period

Table 13: BioTelemetry Common Stock price development (last 12 month)



Source: Bloomberg

Liquidity

BioTelemetry Inc. is listed on the NASDAQ exchange. Its shares are considered liquid, as calculated on the basis of the Swiss takeover law (TOB Circular No. 2: Liquidity in the context of Takeover Law):

Table 14: Liquidity calculation

12 Months prior announcement	Monthly median of daily volume	% of Free Float	Liquidity criteria
Apr-16	93'924	0.39%	Yes
May 16	253'872	1.04%	Yes
Jun-16	258'922	1.06%	Yes
Jul-16	252'130	1.03%	Yes
Aug-16	401'293	1.65%	Yes
Sep-16	260'007	1.07%	Yes
Oct 16	217'312	0.89%	Yes
Nov-16	236'863	0.97%	Yes
Dec-16	232'181	0.95%	Yes
Jan-17	220'937	0.91%	Yes
Feb-17	318'137	1.30%	Yes
Mar-17	292'461	1.20%	Yes
Average	253'170	1.04%	Yes

Source: Bloomberg

Free float

Based on the NASDAQ Composite Index glossary, the free float of Biotelemetry Inc. is computed by taking into account the number of outstanding shares and deducting treasury stock, new issues of stocks, shares of insiders and restricted stock. As at 31 December 2016, the number of outstanding vested Common Stock of BioTelemetry Inc. was 28'261'503 and the Free Float is 24'393'155, or a percentage of 86.30%.

The following large shareholdings in BioTelemetry Inc. are disclosed:

Table 15: BioTelemetry largest shareholders

BioTelemetry largest shareholders	# of shares	# of shares in % of outstanding shares
Blackrock	3'312'870	11.7%
Vanguard Group	1'500'423	5.3%
Dimensional Fund Advisers	1'443'399	5.1%
Renaissance Technologies	1'099'300	3.9%
Cannell Capital	915'560	3.2%
Wellington Management	784'100	2.8%
Wells Fargo & Co	754'509	2.7%
State Street Corp	705'674	2.5%
Thompson Siegel & Walmsley	659'420	2.3%
Total	11'175'255	39.5%

Source: Bloomberg

The list of BioTelemetry's largest shareholders comprises institutional shareholders holding the shares on behalf of third parties. Contrary to SIX rules, NASDAQ does not deduct institutional holdings above 5% from the free float.

Equity research analysts' target prices

This analysis is based on a review of target prices published by equity research analysts covering BioTelemetry Inc.

A target price can generally be taken as the value an equity research analyst expects a company's share price to reach within a 12-month timeframe on a theoretical basis and is approximately equivalent to a per-share valuation of the company.

- The median target price across all analysts is USD 30.00 per BioTelemetry Inc. share, with target prices ranging from USD 24.09 to USD 33.00

The table summarizes the recommendations and target prices of those equity research analysts covering BioTelemetry Inc. and known to us:

Table 16: Equity research analyst recommendations

Date	Analyst	Recommendation	Target Price
27-Feb-17	Lake Street	Buy	30.00
24-Feb-17	Sharewise	Sell	24.09
23-Feb-17	Gabelli & Co	Buy	-
23-Feb-17	Stonegate	Hold	-
23-Feb-17	Dongherty & Co	Buy	30.00
23-Feb-17	Sidoti & Co	Buy	33.00
16-Dec-16	ENA Dimensions	Underweight	-
Average			29.27
Median			30.00

Sources: Bloomberg, Thomson Reuters

Limited reverse due diligence findings on BioTelemetry

Based on the market efficiency assumption that the risks of financial loss associated with any matters already disclosed in BioTelemetry's publicly available filings are already reflected in BioTelemetry's stock price, the limited reverse financial, tax and legal due diligence undertaken by LifeWatch on BioTelemetry has - as far as we have been made aware - not yielded any findings which would led us to the conclusion that the current market valuation of BioTelemetry would be materially affected in a negative way by a disclosure of such findings.

Summary

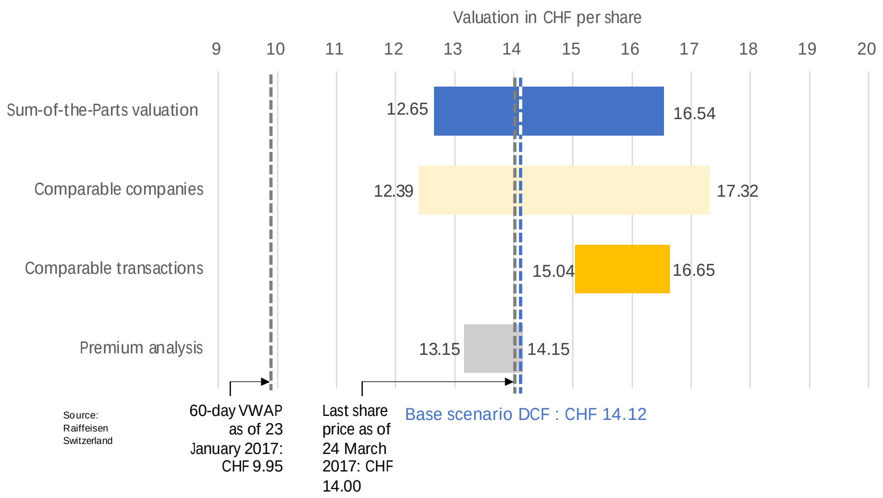
On the basis of this analysis, we conclude that (i) no abnormal share price pattern could be detected in the last 12 months, (ii) the shares are reasonably liquid, (iii) a majority of equity analysts covering the BioTelemetry stock have a buy recommendation (4 out of 7 recommendations) and (iv) in the course of the limited reverse due diligence, to our knowledge no material findings potentially materially affecting the stock price have been discovered.

Based on the closing price of the BioTelemetry Common Stock of USD 27.30 on NASDAQ on April 7, 2017, the last trading day preceding the pre-announcement of the BioTelemetry Offer, and the USD/CHF exchange rate of 1.0058 published by the Swiss National Bank for that day and used in BioTelemetry's preannouncement, both the Main Offer Consideration and the Alternative Offer Consideration yield a value of approximately CHF 14.00 per LifeWatch registered share.

Based on the 60-days BioTelemetry VWAP of USD 25.73 as per April 7, 2017 and a USD/CHF exchange rate of 1.0058 that day, the Main Offer Consideration amounts to CHF 13.77 per LifeWatch share, whereas the Alternative Offer Consideration amounts to CHF 13.65 per LifeWatch share. As the 60-days BioTelemetry VWAP is somewhat below the closing price on April 7, 2017, the value of the BioTelemetry Main Offer Consideration is 1.6% below the headline value of CHF 14.00 (or respectively, 2.5% below the headline value in the Alternative Offer Consideration), when a 60-days VWAP is used as valuation benchmark instead of the closing price prior to the pre-announcement of the BioTelemetry Offer.

4. Result of the Fairness Opinion

Table 17: Summary of the various valuations



Scenario		
Negative	Base	Positive
= 11.40 + 0.76 + 0.48	= 12.03 + 1.57 + 0.52	= 12.71 + 3.28 + 0.56
=	=	=
12.65	14.12	16.54

Raiffeisen's valuation findings are best expressed in a sum-of-of-the-parts valuation method, which individually and separately values the existing US Core Business and the new businesses expected to start in 2017 (the GE Cooperation and the Turkey JV). The valuation by parts allows to capture the specific inherent risks of LifeWatch's current and future businesses:

(i) For the existing US Core Business, our primary valuation method is based on a DCF analysis of the management business plan.

(ii) For the GE Cooperation, which has a certain probability of non-implementation (and also a risk of a subsequent non-continuation), we used a risk-adjusted net present value method (the probabilities applied by Raiffeisen are discussed in Section 3.3; Residual Value).

(iii) For the Turkey JV, the valuation is based on a DCF method, which incorporates a specific country risk for Turkey as well as an equity risk premium during the planning horizon 2017-21 to account for the start-up and pre-sales situation of the Joint Venture (confer, inter alia, to the discussion in Section 3.4; country risk premium; caveat on Turkey).

Based upon the aforementioned considerations, the results of certain sensitivity analyses on the sum-of-the parts method were used to define the relevant valuation range, which goes from CHF 12.65 to CHF 16.54 per LifeWatch share. The value of the Company in the base scenario is CHF 14.12 per share, which is below the mid-point of the range. This asymmetry is due to the specific distribution on the probabilities of the GE Cooperation in the base scenario, which somehow reflect the "option nature" of that business for LifeWatch's shareholders.

To validate the plausibility of the sum-of-the-parts valuation, it is useful to compare the above valuation range with other valuation methodologies:

(a) The lower end of the comparable companies valuation range of CHF 12.39 per share contains the potential of the US Core Business only. The upper end of the comparable companies valuation range of CHF 17.32 per share additionally incorporates the full potentials of the GE Cooperation and the Turkey JV without any specific risk discounts. Accordingly, the upper end of the comparable companies range is above the upper end of the sum-of-the-parts valuation range, which applies country and startup discounts on the Joint Venture and a high, but not 100% certainty of implementation and long-term continuation of the GE Cooperation.

(b) The valuation results based on comparable transactions (CHF 15.04 to CHF 16.65 per share) are on the upper end of the sum-of-the-parts valuation range, potentially reflecting synergies arising from takeover transactions. However, as there is a certain lack of meaningful profitability data in the comparable transactions (and no robust LTM profitability at LifeWatch because of the one-off events), we had to rely on sales multiples. The valuation range resulting from sales multiples of comparable transactions may be considered to be a reasonable valuation approach if potential buyers of LifeWatch would abstain from discounting LifeWatch's profitability, which is still somewhat below the peer group.

(c) The valuation range obtained by applying paid premiums in past transactions (CHF 13.15 to CHF 14.15 per share) supports the lower end of the sum-of-the-parts valuation range.

Based on the value range of CHF 12.65 to CHF 16.54 per LifeWatch share, which is resulting from the cash flow based sum-of-the-parts analysis as per the valuation date (24 March 2017), the BioTelemetry Offer of CHF 14.00 per LifeWatch share (based on the April 7, 2017 closing price) is considered financially fair and adequate. If the 60-days BioTelemetry VWAP of USD 25.73 (equivalent to CHF 25.88 as per the USD/CHF exchange rate per April 7, 2017) is used instead of the BioTelemetry closing price, BioTelemetry's Main Offer Consideration amounts to CHF 13.77 (or, respectively, CHF 13.65 in case of the Alternative Offer). Hence, by applying the 60-days VWAP valuation of BioTelemetry's Common Stock on the unchanged LifeWatch value range (CHF 12.65 to CHF 16.54 per LifeWatch share), both the Main Offer Consideration and the Alternative Offer Consideration still remain financially fair and adequate.

In this respect, it has to be noted that the USD/CHF exchange rate as well as the market price of newly issued BioTelemetry Common Stocks may change in the period between the BioTelemetry pre-announcement and the eventual consummation of the BioTelemetry Offer to the advantage or disadvantage of LifeWatch shareholders, that is, the total value of the Main Offer Consideration and the Alternative Offer Consideration will be subject to change. Any changes in the USD/CHF exchange rate and the BioTelemetry Common Stock prices after April 7, 2017 will impact the absolute values as well as the relative values of the Main Offer Consideration and the Alternative Offer Consideration. Any such changes are not taken into account in this fairness opinion.

Important tax considerations for LifeWatch shareholders

The result of this fairness opinion does not take into account potential tax consequences of the BioTelemetry Offer or any other offer for LifeWatch shareholders. Inter alia, we refer to Section VI.

“IMPORTANT ISRAELI TAX CONSIDERATIONS” of the BioTelemetry Pre-Announcement of its Public Exchange and Cash Offer dated April 9, 2017:

The receipt of cash and BioTelemetry Common Stock in exchange for LifeWatch Shares pursuant to the BioTelemetry Offer will be a taxable sale transaction for Israeli income tax purposes, as LifeWatch holds LifeWatch Technologies, Ltd., Rehovot/Israel, which is in turn the indirect owner of LifeWatch Services, a US company where a material amount of the Group’s revenue is derived. The consideration payable by BioTelemetry might eventually be exempt from Israeli backup withholding, depending on certain conditions, such as the provision of a specific certificate of exemption from withholding tax issued by the Israel Tax Authority applicable to the sale of LifeWatch shares, or the granting of a Israeli tax ruling for non-5% or more shareholders and for non-Israeli resident shareholders generally, as well as the terms of such a ruling. It is not assured yet that any such ruling will be granted and that it will exempt shareholders, which hold less than 5% of the LifeWatch shares and which will submit a declaration confirming that they are not a resident of Israel and that such shareholders purchased the LifeWatch shares on or after January 1, 2009 or other specified date. More detailed information on the Israeli tax consequences and potential tax implications in other territories will be provided in the BioTelemetry offer prospectus, inter alia in the section discussing tax consequences.

Raiffeisen is therefore pointing out that in this fairness opinion, no consideration has been given to possible tax implications arising from the BioTelemetry Offer and that individual tax implications may have an impact on the financial adequacy of the BioTelemetry Offer.

Accordingly, holders of LifeWatch shares are encouraged to consult with their tax advisors regarding the BioTelemetry Offer or any other offer on LifeWatch shares.

Zurich, April 21, 2017

Raiffeisen Switzerland Cooperative

sig. Alexander Cassani

sig. Niklaus Müller

Appendix 1

Trading Multiples of Comparable Companies

Company	Country	Currency	Share price 24.03.2014	Market cap. (in Mio.)	Revenues Multiples			EBITDA Multiples			EBIT Multiples			LFY EBITDA Margin in %	LFY EBIT Margin in %
					2016 (e)	2017e	2018e	2016 (e)	2017e	2018e	2016 (e)	2017e	2018e		
Core comparables															
BioTelemetry Inc.	USA	USD	26.60	831	3.9x	3.5x	3.2x	20.0x	15.4x	13.4x	30.6x	30.2x	23.7x	19.6%	12.8%
iRhythm Technologies Inc.	USA	USD	35.36	587	8.0x	5.8x	4.3x	n/a	n/a	n/a	n/a	n/a	n/a	-23.0%	-24.3%
SHL Telemedicine Ltd.	Switzerland	CHF	7.08	74	2.5x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-2.1%	-21.6%
Medicalgorithmics SA	Poland	PLN	341.90	1'233	10.1x	4.5x	3.7x	55.3x	14.3x	11.5x	62.7x	n/a	n/a	18.3%	16.2%
Additional comparables															
Masimo Corporation	USA	USD	93.22	3'815	4.9x	4.5x	4.2x	20.1x	17.3x	16.0x	22.3x	18.7x	17.3x	24.2%	21.8%
Medtronic PLC	Ireland	USD	81.00	115'214	4.7x	4.4x	4.3x	17.0x	13.9x	12.8x	26.7x	15.5x	14.4x	27.4%	17.4%
Hill-Rom Holdings, Inc.	USA	USD	70.13	4'670	2.5x	2.4x	2.3x	13.1x	11.5x	10.7x	22.3x	14.1x	13.1x	19.1%	11.1%
Average					5.2x	4.2x	3.7x	25.1x	14.5x	12.9x	32.9x	19.6x	17.1x		
Average (w/o min max)					4.8x	4.2x	3.8x	19.0x	14.5x	12.6x	26.6x	17.1x	15.8x		
Median					4.7x	4.5x	3.9x	20.0x	14.3x	12.8x	26.7x	17.1x	15.8x		

Sources: Bloomberg, Raiffeisen

Appendix 2

Precedent Transactions

Target Company	Bidder	Completion Date	Type of Payment	EV (in USD Mio.)	LTM Revenues Multiple	LTM EBITDA Multiple
Mortara Instrument	Hill-Rom	Feb 17	Cash	330	2.9	n/a
Sorin Group	Cyberonics	Oct 15	Share	1,505	1.8	11.0
Welch Allyn	Hill-Rom	Sep 15	Mixed	2,050	2.9	n/a
SHL	Shanghai Jiuchuan Investment	lapsed	Cash	116	2.8	15.5
DR Systems	Merge Healthcare	Feb 15	Cash	70	1.6	6.8
Pulsion Medical Systems	Maquet Getinge Group	Feb 14	Cash	189	4.1	12.5
Suntech Medical	Halma	May 12	Cash	52	2.3	n/a
			Average		2.6	11.5
			Average w/o min/max		2.5	11.8
			Median		2.8	11.8

Sources: Mergermarket.

Appendix 3

Public Takeover Premia since 1 January 2017 – Relevant Transactions only

Target Company	Acquiror	Announcement Date	Transaction Value	Participation Acquiror at Announcement	Resulting participation	Minimal acceptance level	Premium paid (based on 60-day VWAP)	Consideration (% of cash)
Gétaz Romang Holding	CRH Europe Holding	05.03.2007	537	32.5%	99%	67%	25%	100%
SEZ	LAM	11.12.2007	639	6.7%	95%	67%	54%	100%
Baumgartner [1)]	Behr Bircher Cellpack	29.02.2008	60	25.6%	91%	67%	11%	100%
Ciba	BASF	15.09.2008	3'346	1.5%	95%	67%	64%	100%
Winterthur Technologie AG	3 M (Schweiz)	06.12.2010	363	14.4%	85%	67%	23%	100%
Feintool International Holding AG	Artemis Beteiligungen III AG	17.01.2011	267	33.0%	81%	50%	7%	100%
Schulthess Group AG	Nibe Industrier AB	11.04.2011	629	31.1%	97%	67%	26%	60%
Newave Energy Holding AG	ABB Schweiz AG	12.12.2011	169	0.0%	99%	67%	36%	100%
Acino Holding AG	Pharma Strategy Partners GmbH	02.10.2013	398	0.0%	94%	67%	53%	100%
Victoria Jungfrau Collection AG [2)]	Aevis Holding SA	24.10.2013	86	10.7%	71%	51%	70%	100%
Publigroupe SA	Swisscom AG	17.04.2014	473	23.0%	98%	67%	73%	100%
Nobel Biocare Holding AG	Danaher Corporation	15.09.2014	1'997	4.6%	97%	67%	7%	100%
Swisslog Holding AG	KUKA Aktiengesellschaft	25.09.2014	338	0.4%	92%	67%	14%	100%
Micronas Semiconductor Holding AG	TDK Corporation	17.12.2015	210	0.0%	94%	67%	63%	100%
Kuoni Reisen Holding AG	Kiwi Holding AG	02.02.2016	1'360	0.0%	91%	67%	34%	100%
gategroup Holding AG	HNA Group Co.	11.04.2016	1'384	0.8%	96%	67%	37%	100%
Average Premium paid (relevant transactions)							37.3%	

[1)] offer has been improved by the acquiror

[2)] competing bids

Sources: Takeover.ch, Raiffeisen

Appendix 4

Calculation of Beta Factors

Comparable Company	levered Beta [1]	Net debt / Market cap.	Marginal tax rate [2]	unlevering Factor [3]	unlevered Beta [4]
Biotelemetry	0.95	(1.7%)	35.0%	1.01	0.96
Masimo Corp	0.95	(11.5%)	35.0%	1.08	1.02
Hill-Rom	1.12	40.3%	35.0%	0.79	0.89
Medtronic	0.87	17.1%	23.6%	0.88	0.77
Average	0.97	11.1%	32.2%	0.94	0.91
Median	0.95	7.7%	35.0%	0.95	0.93
Excluded:					
iRhythm Technologies[5]	n.m.	n.m.	n.m.	n.m.	n.m.
SHL Telemedicine[6]	0.17	15.2%	25.0%	0.90	0.15
Medicalgorithmics SA[5]	0.53	2.0%	19.0%	0.98	0.52

[1] Source: Bloomberg

[2] Marginal tax rate: as given in company's annual reports; and if not available as given in KPMG corporate tax rates table 2016

[3] Unlevering Factor = 1/(1+(1-Grenzsteuersatz) x (Fremdkapital/Marktkapitalisierung)

[4] Unlevered Beta = levered adjusted Beta * unlevering Factor

[5] Too short observation period since the IPO

[6] Low liquidity

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