



Semler Scientific

Corporate Presentation

January 2014

Forward Looking Statements

This presentation includes statements that are, or may be deemed, "forward-looking statements." In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should," "approximately" or, in each case, their negative or other variations thereon or comparable terminology, although not all forward-looking statements contain these words. Such forward-looking statements appear in a number of places throughout this presentation and include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, the impact of healthcare reform (including the Affordable Care Act) on our business, the effect of new financial incentives for medical providers, our ongoing and planned development of products, the strength and breadth of our intellectual property, the degree of clinical utility and physician adoption of our product, particularly for specific patient populations, our results of operations, financial condition, liquidity, prospects, growth and strategies, and depend on the economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics, and time that we will be able to continue to fund our operating expenses and capital expenditures, our expected financing needs and sources of financing, the industry in which we operate and the trends that may affect the industry or us. Although we believe that we have a reasonable basis for each forward-looking statement contained in this presentation, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this presentation as a result of, among other factors, the factors referenced in the "Risk Factors" section of our Registration Statement on Form S-1 initially filed with the Securities and Exchange Commission on November 15, 2013 as subsequently amended to date (our "Registration Statement"). In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this presentation, they may not be predictive of results of developments in future periods. Any forward-looking statements that we make in this presentation speak only as of the date of such statement, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this presentation, except as required by law.

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



Free Writing Prospectus Statement

This presentation highlights basic information about us and the offering. Because it is a summary, it does not contain all of the information that you should consider before investing.

We have filed a registration statement (including a preliminary prospectus) with the SEC for the offering to which this presentation relates. The registration statement has not yet become effective. Before you invest, you should read the preliminary prospectus in the registration statement (including the risk factors described therein) and other documents we have filed with the SEC for more complete information about us and the offering.

You may get these documents for free by visiting EDGAR on the SEC Website at <http://www.sec.gov>. The preliminary prospectus, dated January 24, 2014, is available on the SEC Website at <http://www.sec.gov>. Alternatively, we or any underwriter participating in the offering will arrange to send you the prospectus if you contact Aegis Capital Corp., Prospectus Department, 810 Seventh Avenue, 18th Floor, New York, NY 10019, telephone: 212-813-1010, e-mail: prospectus@aegiscap.com

Initial Public Offering Summary

| | |
|--------------------------|--|
| Issuer | Semler Scientific, Inc. |
| Exchange / Ticker | NASDAQ Capital Market / SMLR |
| Shares Offered | 1,150,000 (100% Primary) |
| Over-Allotment | 15% or 172,500 (100% Primary) |
| Price Range | \$12.00 - \$14.00 |
| Use of Proceeds | Working Capital and Other General Corporate Purposes |
| Sole Book-Runner | Aegis Capital Corp. |

Experienced Management and Board

- **Herb Semler, MD – Founder/Chairman**
Founded Instromedix acquired by Alaris in 1998 for \$60M and Advanced Vascular Dynamics acquired in 2005
- **Doug Murphy-Chutorian – CEO**
Founded ESTI – IPO at market cap of \$400M in 1996; Atlantis Catheter acquired by Biocompatibles in 1996 for \$75M
- **Bob McRae – President and COO**
Management team at VNUS acquired by Covidien in 2009 for \$440M; Bacchus acquired by Covidien in 2010

Board of Directors

Herb Semler, MD – Chairman

Will Chang
CEO, Westlake Development Group

Greg Garfield
Former COO, Acclarent acquired by JNJ in 2010 for about \$800M; Guidant acquired by BSX for \$27B

Dinesh Gupta
Managing Member, Satwik Ventures

Doug Murphy-Chutorian – CEO

Elliot Sainer
Former CEO, Aspen Education Group acquired by CRC in 2006 for \$300M

Shirley Semler
Former President, Instromedix

Risk Assessment Diagnostics Industry

Semler Scientific, Inc.

A Medical Risk Assessment company

- Help to identify the risk profile of patients
- Allow providers to capture full payment for medical conditions that are 'codeable'
 - Codeable conditions increase revenue per patient
 - Prevention programs may be initiated
 - Healthcare costs may be decreased
 - Wellness and quality of care may be increased



Payment Reform “Here to Stay”

***“This is here to stay,”
said Dr. Sam Ho, chief
medical officer at
UnitedHealthcare.***

***“We are shifting from a
volume-based payment
model to value-based.
The American health
care system cannot
afford to go back.”***

Forbes



Bruce Japsen, Contributor

I write about health care and policies from the president's hometown

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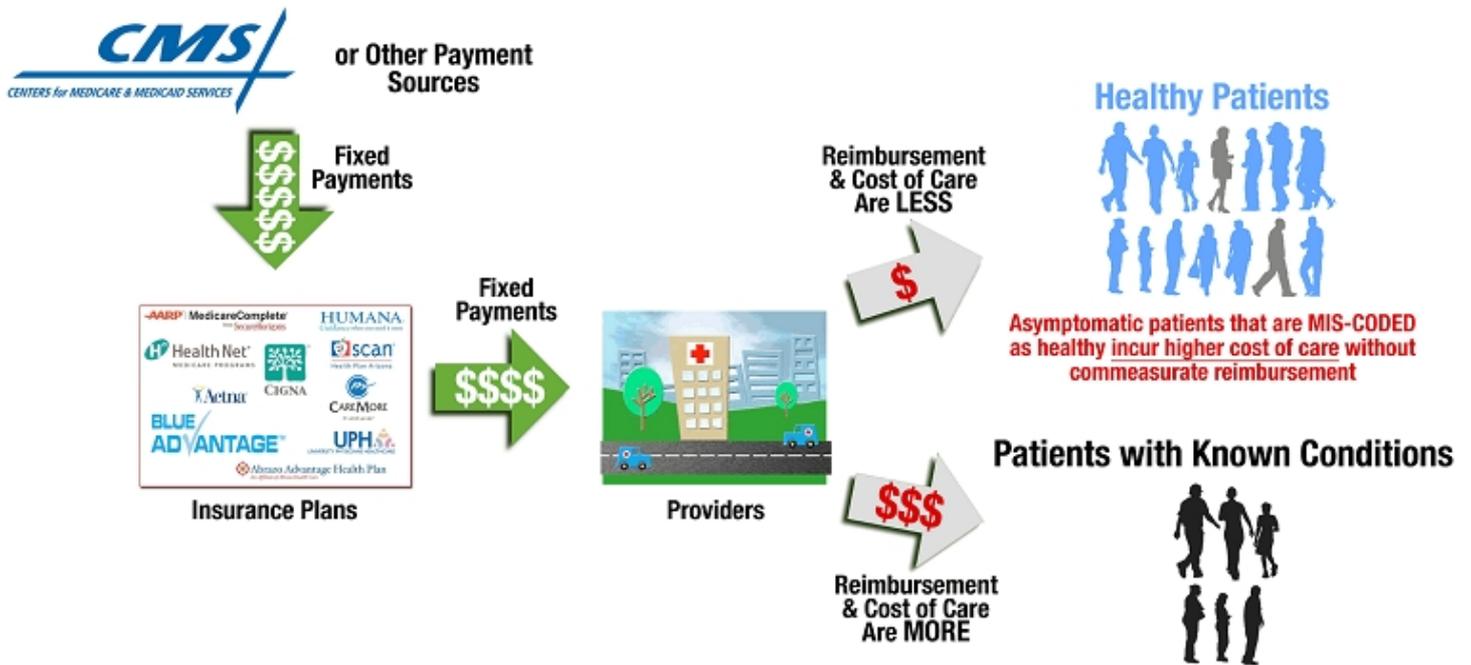
PHARMA & HEALTHCARE | 7/10/2013 @ 12:00AM | 36,286 views

UnitedHealthcare Makes \$50 Billion Wager On Accountable Care As Obamacare Looms

<http://www.forbes.com/sites/brucejapsen/2013/07/10/unitedhealthcare-makes-50-billion-wager-on-accountable-care-as-obamacare-looms/>



Fixed Payments Instead of Fee-For-Service



New Healthcare Paradigm



- **Fixed Payment** is already in place for approximately 14 million Medicare Advantage patients
- Trend towards Fixed Payment is increasing

Patients with Chronic Diseases Account for 75% of U.S. Healthcare Costs

Of the \$2 trillion spent on U.S. health care

Of every dollar spent...



...**75 cents** went towards treating patients with one or more chronic diseases

In public programs, treatment of chronic diseases constitute an even higher portion of spending:

More than **96 cents** in **Medicare...**

...and **83 cents** in **Medicaid**

"The United States cannot effectively address escalating health care costs without addressing the problem of chronic diseases."

-- Centers for Disease Control and Prevention

www.cdc.gov/chronicdisease/resources/publications/aag/chronic.htm
www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/downloads/highlights.pdf
www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/chronic-conditions/downloads/2012chartbook.pdf
www.chcs.org/usr_doc/Full_Report_Faces_II.PDF
www.cdc.gov/program/performance/ly2000plan/2000vii.htm

Combat the High Cost of Healthcare

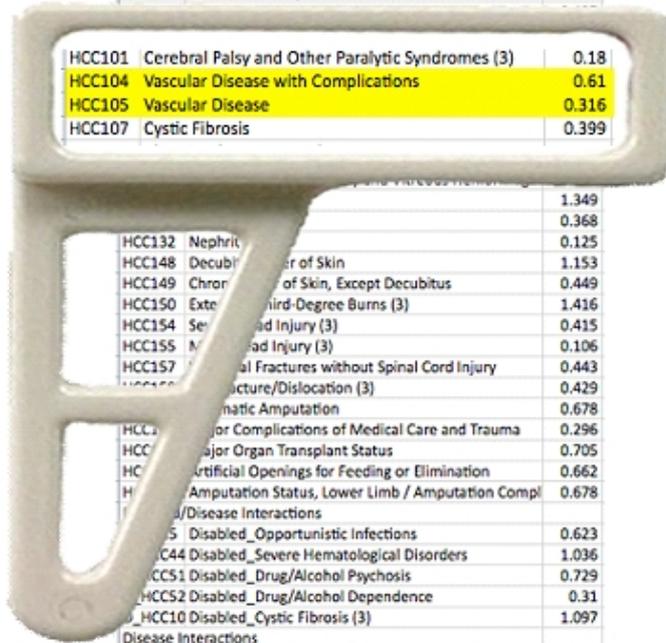
Medical Risk Assessments

- Identify chronic disease or condition
- Initiate high priority primary care
- Prevent occurrence of events or progression of disease
- Decrease healthcare costs
- Increase wellness and quality of care

Conditions Drive Payments - Initial Focus: Vascular Disease

List of Disease Conditions

| | | |
|-------|--|-------|
| HCC82 | Unstable Angina and Acute Ischemic Heart Disease | 0.284 |
| HCC83 | Angina Pectoris/Old Myocardial Infarction | 0.244 |
| HCC92 | Specified Heart Arrhythmias | 0.293 |
| HCC95 | Cerebral Hemorrhage | 0.324 |
| HCC96 | Ischemic or Unspecified Stroke | 0.265 |



| | | |
|--------|--|-------|
| HCC101 | Cerebral Palsy and Other Paralytic Syndromes (3) | 0.18 |
| HCC104 | Vascular Disease with Complications | 0.61 |
| HCC105 | Vascular Disease | 0.316 |
| HCC107 | Cystic Fibrosis | 0.399 |

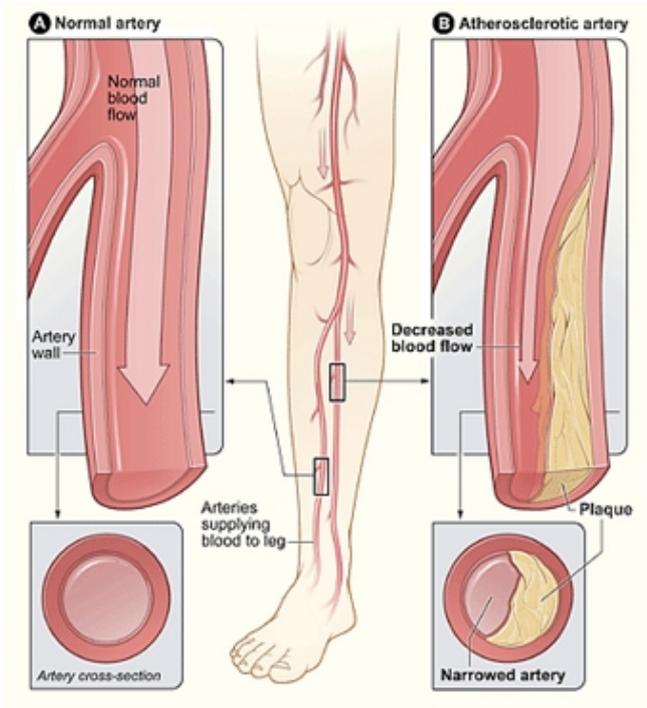
| | | |
|--------|--|-------|
| HCC132 | Nephritis | 1.349 |
| HCC148 | Decubitus Ulcer of Skin | 0.368 |
| HCC149 | Chronic Ulcer of Skin, Except Decubitus | 0.449 |
| HCC150 | Extensive Third-Degree Burns (3) | 1.416 |
| HCC154 | Severe Head Injury (3) | 0.415 |
| HCC155 | Mild Head Injury (3) | 0.106 |
| HCC157 | Major Fractures without Spinal Cord Injury | 0.443 |
| HCC158 | Minor Fracture/Dislocation (3) | 0.429 |
| HCC159 | Major Amputation | 0.678 |
| HCC160 | Major Complications of Medical Care and Trauma | 0.296 |
| HCC161 | Major Organ Transplant Status | 0.705 |
| HCC162 | Artificial Openings for Feeding or Elimination | 0.662 |
| HCC163 | Amputation Status, Lower Limb / Amputation Complications | 0.678 |
| HCC164 | Amputation Status, Upper Limb / Amputation Complications | 0.678 |
| HCC165 | Disability/Disease Interactions | 0.623 |
| HCC166 | HCC165 Disabled_Opportunistic Infections | 0.623 |
| HCC167 | HCC165 Disabled_Severe Hematological Disorders | 1.036 |
| HCC168 | HCC165 Disabled_Drug/Alcohol Psychosis | 0.729 |
| HCC169 | HCC165 Disabled_Drug/Alcohol Dependence | 0.31 |
| HCC170 | HCC165 Disabled_Cystic Fibrosis (3) | 1.097 |
| HCC171 | Disease Interactions | 0.154 |
| INT1 | DM_CHF (2) | 0.154 |
| INT2 | DM_CVD | 0.102 |

- Insurance plans and MDs may receive **higher fees when conditions are identified**
- Find a specific condition and get a **risk factor adjustment payment**
- Example: **Vascular Disease pays 30% more**

http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Reports/downloads/pppe_2000_2.pdf



Initial Focus for Semler: Vascular Disease



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

- Narrowing of blood vessels in the legs from atherosclerotic plaque
- Often indicates plaque growth in the arteries of heart and neck as well
- More than 80 million Americans are older than 50 years (U.S. Census).
- 18 million may have vascular disease of the legs (Sage Group).
- Patients with vascular disease in the legs have a 21% event rate of cardiovascular death, heart attack, stroke or hospitalization for an atherothrombotic event within one year (JAMA 2007).

Under-Diagnosed Condition

THE WALL STREET JOURNAL.

“Peripheral arterial disease (PAD) is the most common, deadly and costly cardiovascular disease that the public hasn’t heard of...”

PAD is a form of vascular disease

"When Achy Legs Are a Warning", The Informed Patient,
Wall Street Journal, Nov 30, 2010

Identify Patients Now to Save Cost Later

| | |
|--|-----------------------|
| Medicare Advantage Patients | 14 million |
| Estimated 10% with Vascular Disease ¹ | 1.4 million |
| 30% Extra Payment (HCC 108*) | \$3,600 each |
| Annual Incremental Fees | \$5.68 billion |

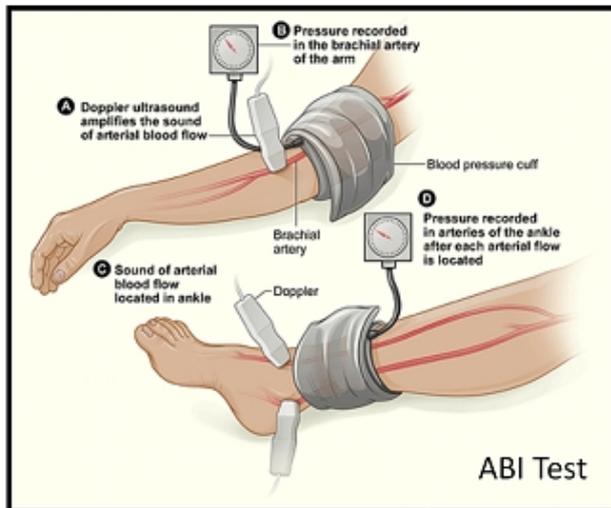
- Government is currently spending **\$164B to \$290B** to treat peripheral artery disease²
- Early diagnosis can lead to more preventative care and lower costs

¹Hirsch et al JAMA 2001 Sep 19;286(11):1317-24

²<http://thesagegroup.us/pages/news/pad-awareness-13.php>

* Note: Code for vascular disease was HCC 105 and becomes HCC 108 in 2014

Problems with the Traditional Test



The traditional test is an “ABI” or “Ankle-Brachial Index”

- Requires specially- trained technician
- Not always accurate
- Can be uncomfortable and time-consuming

FloChec™ System

Simple, fast test...



 Semler Scientific

FloChec™ System

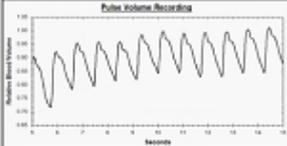
**...that measures blood flow
difference between arms and
legs...**



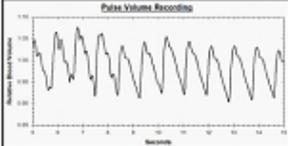
FloChec™ System

Main Street Medical Clinic
 Noninvasive Peripheral Arterial Study
 145 Main Street Center City, CA 94906

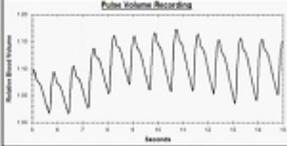
| Patient: John Doe | | Date: 4/22/2013 |
|---|------------------|---------------------------------|
| ID: | | Time: 9:57 AM |
| Sex: M | | DOB (Age): 4/22/2013 (0) |
| Right Foot: 0.99 (Normal) | | Left Foot: 0.99 (Normal) |
| dABI | Interpretation | Corresponding Doppler ABI Range |
| 1.00 - 0.80 | Normal | 1.30 - 1.00 |
| 0.79 - 0.65 | Borderline** | 0.59 - 0.91 |
| 0.65 - 0.00 | Flow Obstruction | 0.50 - 0.00 |
| *Artifact Detected | | |
| **Clinical correlation and/or repeat testing is advisable | | |



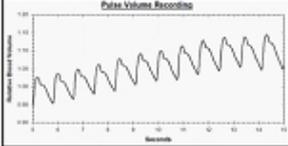
Pulse Volume Recordings
Right Hand



Pulse Volume Recordings
Left Hand



Pulse Volume Recordings
Right Foot



Pulse Volume Recordings
Left Foot

| | |
|---|--|
| <p>Notes:</p> <p>Presentation Factors: Claudication, History of Stroke/TIA</p> | <p>Exercise Details:</p> <p>Exercise Position: Standing Exercise Modality: Calf-Raises Heaps / Time: 45</p> |
|---|--|

| | |
|-------------------|-----------|
| Technician: Tech2 | 4/22/2013 |
| | Date |

**...and provides
 instant test results
 to the physician.**



Fast and Practical in the Primary Care Office



FloChec™ can be performed by a medical aide in less than four minutes, allowing the primary care practice to do these tests without a vascular technician or technologist.

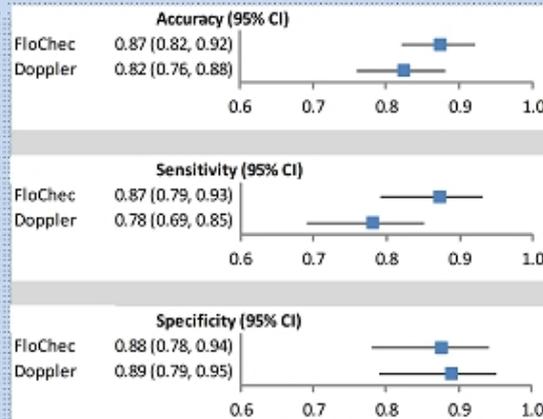
FloChec vs. Traditional ABI (Doppler)

Clinical studies show:

- **FloChec results agree with traditional ABI tests 78% of the time**
- **When the tests disagree, the true positive rate of FloChec was significantly higher than that of ABI with Doppler by a 2 to 1 margin.**

Study methods:

- 5 MD practices - 181 limbs
- Test same patient with both FloChec and Doppler ABI and Duplex Scan imaging.
- Compare the results of first two tests using Duplex Scan imaging as the gold standard to confirm that the result was correct or incorrect.



Accuracy: When a test is highly accurate, it does a good job at both ruling in and ruling out the disease in question.

Sensitivity: When a test is highly sensitive, a negative test means you can be nearly certain that they **do not** have the disease. Good for 'ruling out' a condition.

Specificity: When a test is highly specific, a positive test means you can be nearly certain that they **do** have the disease. Good for 'ruling in' a condition.

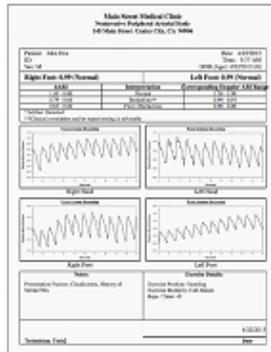
¹Noninvasive Detection of Vascular Disease 2013 white paper. The results of the study have not been submitted for publication in a peer reviewed journal and are available as a white paper that may be shown to potential customers or other interested parties. Among other limitations of the study, the study had a small sample size, was conducted at specialty practices not primary care practices, had a retrospective design with incomplete collection of demographic information and clinical characteristics of the population, was not peer reviewed and was sponsored by us.

FloChec™ Can Pay for Itself in Less Than One Week



Assuming a frequency
of undiscovered
vascular disease:
10 – 20%

Hirsch et al JAMA 2001 Sep 19;286 (11):1317-24



Cost per test: **\$5**

ONE HUNDRED

Every 100 patients with newly-coded
vascular disease could bring in:
\$300,000 annually

Potential FloChec™
Return on Investment:
60 to 1
(first year alone)



Case Study: Customer ROI



- FloChec™ system is rented, not sold, which provides continuity revenue and speeds up sales cycle
- Each FloChec™ system is rented to customer for list price of \$4,800 per year and can test hundreds of patients
- 10 clinics rent 10 FloChec™ units for >\$40k annual rental fee total
- ~ 500 patients with no known vascular disease are tested weekly with FloChec
- 70 patients on average are found to have vascular disease and coded accordingly
- Fixed payment per patient per year increases by more than \$3,000 for each patient with vascular disease
- 70 patients x \$3,000 incremental fixed payment = \$210,000 potential additional revenue per week on average

¹ Actual customer's volume of tests and FloChec™ results. Estimated fixed payment per patient.

Potential Market & Call Points

- Potential user base is about 250,000 primary care providers or about 100,000 FloChec™ units
- Current market penetration is 1%
- User base is aggregated under <2,000 insurance plans and provider groups that are the Semler call points
- Monthly rentals are increasing with only 5 direct sales people in the field
- Portion of the IPO proceeds will be used to increase sales and marketing efforts



Rental Business Model

- FloChec™ is a testing system with no disposable component
- Monthly rental fee which we believe is reasonable for providers who receive fixed monthly payments per patient
- So the Rental Model has an alignment of interest with the Fixed Payment Model

Other Features of Rental program:

no maintenance, no service, installation or training fees, no capital required, damaged systems are replaced for free, no disposables, and no long term commitment



Operating Activities through September 2013

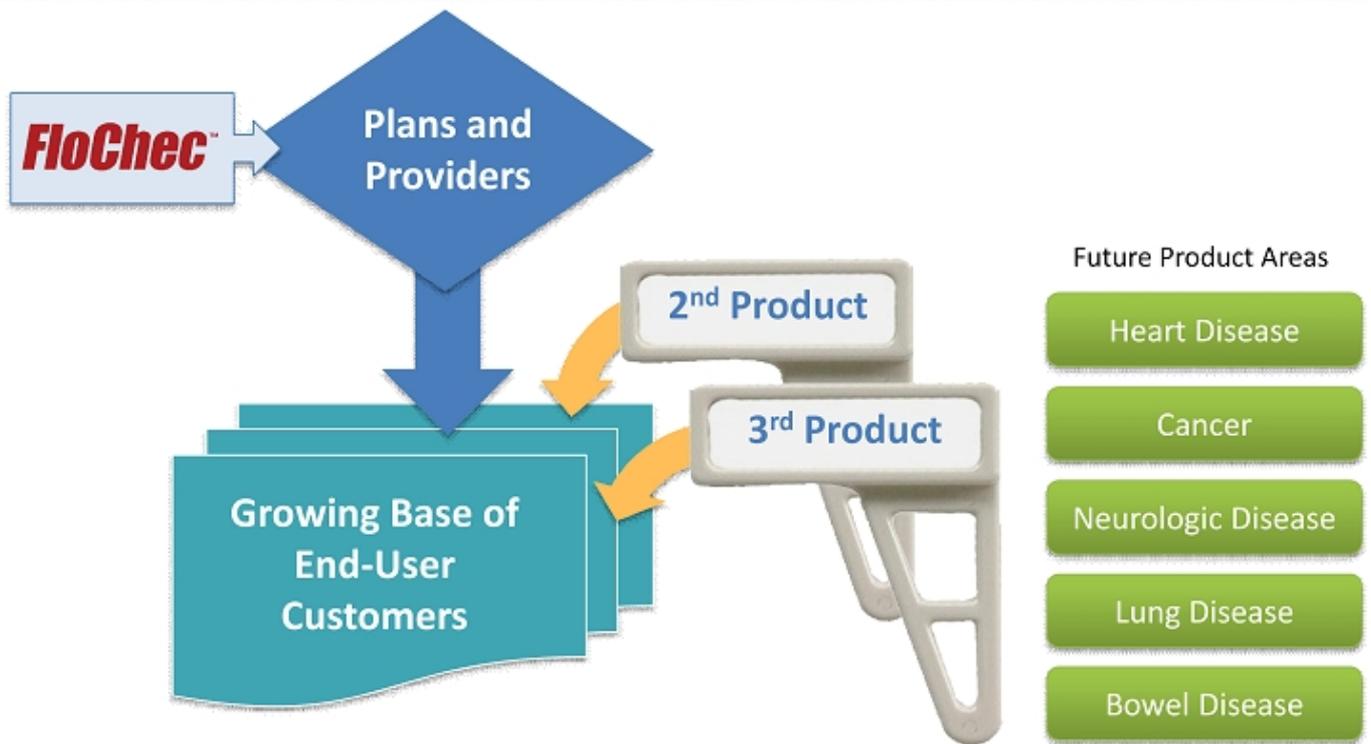
- Launched product in the U.S. in 2011
- Revenue of \$1.5M at 9 Months ended September 30, 2013
- 90% revenue growth rate (9 months 2013 compared to 9 months 2012)
- 5 Direct Sales Reps and co-exclusive distributor
- Contract manufacturing

Distribution Partner



- Co-exclusive distribution with C.R. Bard, Inc.
- \$10B market cap company
- Hundreds of sales reps introducing FloChec™
- Currently, <20% of revenue in 9 months ended September 30, 2013

Growth Strategy – Product Expansion

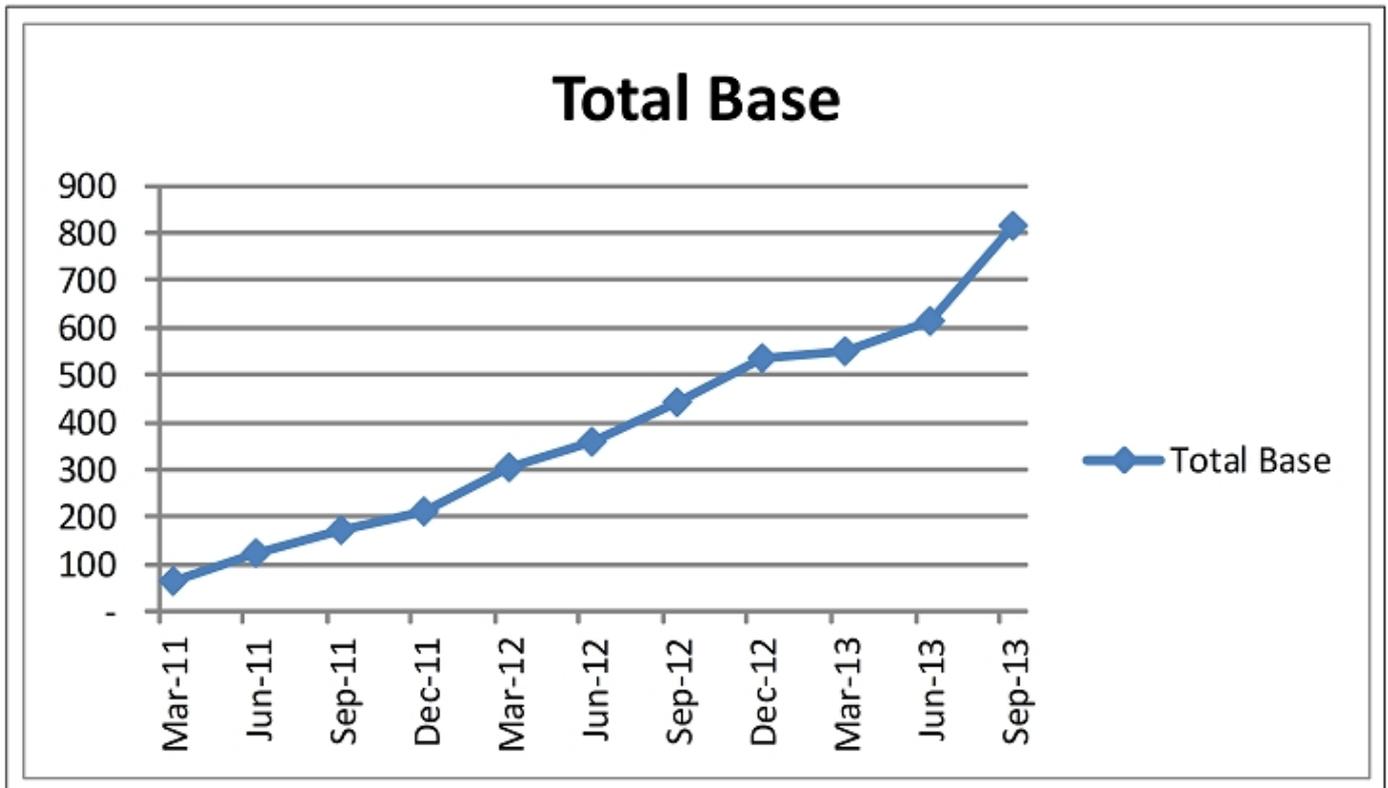


Patents and FDA Clearance

| | |
|--|---|
| (12) United States Patent Semler et al. | (10) Patent No.: US 7,628,760 B2 |
| | (45) Date of Patent: Dec. 8, 2009 |
| (54) CIRCULATION MONITORING SYSTEM AND METHOD | 4,830,014 A 5/1989 Goodman et al. |
| | 5,337,744 A 8/1994 Branigan |
| | 5,452,717 A 9/1995 Branigan et al. |
| (75) Inventors: Herbert J. Semler , Portland, OR (US); Philip Benz , Portland, OR (US); Gary Mills , Portland, OR (US); James McNames , Portland, OR (US) | 5,482,036 A 1/1996 Diab et al. |
| | 5,490,505 A 2/1996 Diab et al. |
| | 5,575,284 A * 11/1996 Alhan et al. 600/323 |
| | 5,632,272 A * 5/1997 Diab et al. 600/323 |
| | 5,685,299 A 11/1997 Diab et al. |

- One patent issued with three additional U.S. patents pending
- FDA cleared for commercial sale
- Used every day routinely in medical practices across the nation

FloChec™ Installed User Base (units)



Financials

| Income Statement Summary | Nine Months ended 9/30/13 | Nine Months ended 9/30/12 |
|---------------------------------------|----------------------------------|----------------------------------|
| Revenue | \$ 1,493,000 | \$ 772,000 |
| Cost of Revenue | 276,000 | 232,000 |
| Total Operating Expenses* | 3,073,000 | 2,759,000 |
| Net Loss | \$ (1,707,000) | \$ (2,085,000) |
| Net Loss attributable to common stock | \$ (2.17) | \$ (1.77) |
| Balance Sheet Summary | Nine Months ended 9/30/13 | |
| Cash | \$ 1,504,000 | |
| Accrued expenses | 1,077,000 | |
| Total long-term liabilities | 190,000 | |

* includes cost of revenue

Capitalization Structure

| Capitalization (as of 9/30/13) | Shares Outstanding | % Outstanding |
|-----------------------------------|-----------------------|---------------|
| Common Stock* | 3,654,993 | 85% |
| Stock Options | 337,500 | 8% |
| Warrants | <u>288,214</u> | <u>7%</u> |
| Fully-diluted Shares Outstanding | 4,280,707 | 100% |

* assumes automatic conversion of preferred stock for an aggregate of 2,012,152 shares of common stock and cashless exercise of warrants to acquire 1,295,866 shares of preferred stock into 856,091 shares of common stock at an assumed IPO closing price of \$13.00 per share (the midpoint of the price range).

Risk Assessment Diagnostics Industry Comps

| Company | Symbol | Price | Market Cap (mm) |
|--------------------------------|-------------|---------|-------------------------|
| Atossa Genetics, Inc. | ATOS | \$2.23 | \$39 |
| Exact Sciences Corp. | EXAS | \$14.61 | \$1,040 |
| Foundation Medicine, Inc. | FMI | \$30.65 | \$862 |
| Genomic Health, Inc. | GHDX | \$31.32 | \$963 |
| Interleukin Genetics, Inc. | ILIU | \$0.31 | \$38 |
| Myriad Genetics, Inc. | MYGN | \$24.51 | \$1,830 |
| Response Genetics, Inc. | RGDX | \$1.57 | \$54 |
| TrovaGene, Inc. | TROV | \$5.96 | \$112 |
| Semler Scientific, Inc. | SMLR | | \$71¹ |

Source: Yahoo! Finance - January 15, 2014

¹ Assumes mid-price of the offering range, fully diluted shares outstanding (4,280,707) as of 9/30/13 and 1,150,000 shares offered in the IPO, which is a pro forma total of 5,430,707 shares



Investment Summary

- Healthcare payment reform is here now
- Semler is positioned to benefit from healthcare reform
 - address the need for risk assessment products
 - deliver cost-effective wellness solutions for the care of patients with chronic diseases
 - provide economics that work for the providers, the insurance plans, the government and the patient
- Its first product, FloChec™ may assist providers to
 - identify patients with vascular disease,
 - initiate high priority primary care and preventive measures,
 - receive higher fixed payment reimbursements for each patient
- Future Semler products intend to expand this strategy to include risk assessment of other chronic diseases
- Semler team has a proven track record



Semler Scientific