

August 8, 2022



Augmedix Reports Second Quarter 2022 Financial Results

SAN FRANCISCO, Aug. 08, 2022 (GLOBE NEWSWIRE) -- Augmedix, Inc. (Nasdaq: AUGX), a leading provider of automated medical documentation and data services, today reported financial results for the three months ended June 30, 2022.

“This quarter, we continued to see good momentum and are pleased with our strong start to 2022. We remain focused on our path to profitability as we drive enterprise customer expansion, make good progress on our automation and new product development, and scale our business model. The operating leverage inherent in our business model helps us realize economic benefits as we grow the business. As a result, we now have over two years of operating runway based on cash on hand and availability under our new debt facility,” said Manny Krakaris, Chief Executive Officer of Augmedix. “As physician retention, burnout, and staffing shortages continue to impact healthcare organizations, our pipeline continues to expand, leading to continued revenue growth and record bookings. We are encouraged by our progress so far in 2022 and are set up to deliver a strong second half.”

Second Quarter 2022 Financial and Operational Highlights

All comparisons, unless otherwise noted, are to the three months ended June 30, 2021.

- Total revenue was \$7.3 million, an increase of 42% compared to \$5.2 million.
- Dollar-based Net Revenue Retention was 131% for our Health Enterprise customers compared to 129%.
- Average Clinicians in Service grew 49% YoY.
- GAAP Gross Margin was 43.7% compared to 46.6%. Non-GAAP Gross Margin was 44.0% compared to 45.2%.
- GAAP Operating Expenses were \$9.3 million, up 44% compared to \$6.4 million. Non-GAAP Operating Expenses, which excludes stock-based compensation and one-time items in both periods, grew 33% to \$8.8 million compared to \$6.6 million.
- GAAP Net Loss was \$7.4 million compared to \$4.6 million.
- EBITDA losses were \$6.8 million compared to \$3.8 million. Adjusted EBITDA losses were \$5.3 million compared to \$4.0 million, which excludes the Stock-based compensation expense in both periods, the Loss on extinguishment of the prior debt facility in 2022, and the negotiated reduction of previously invoiced transaction-related expenses, related to the October 2020 transactions, and lease provision write-off in 2021.
- Cash and restricted cash as of June 30, 2022, was \$30.8 million compared to \$16.7 million as of June 30, 2021.

Non-GAAP Operating Expenses, Non-GAAP Gross Margin, EBITDA and Adjusted EBITDA are Non-GAAP financial measures. Please see “Non-GAAP Financial Measures” below and the Reconciliation of the GAAP to non-GAAP Financial Measures table below in this press release.

Conference Call

Augmedix will host a conference call at 1:30 p.m. PT / 4:30 p.m. ET on Monday, August 8, 2022, to discuss its second quarter 2022 financial results. The conference call can be accessed by dialing +1-877-407-3982 for U.S. participants or +1-201-493-6780 for international participants and referencing conference ID # 13730853. Interested parties may access a live and archived webcast of the event on the "News and Events" section of the Company's website at: <https://ir.augmedix.com/news-events>.

Definition of Key Metrics

Dollar-Based Net Revenue Retention: We define a "Health Enterprise" as a company or network of doctors that has at least 50 clinicians currently employed or affiliated that could utilize our services. Dollar-based net revenue retention is determined as the revenue from Health Enterprises as of twelve months prior to such period end as compared to revenue from these same Health Enterprises as of the current period end, or current period revenue. Current period revenue includes any expansion or new products and is net of contraction or churn over the trailing twelve months but excludes revenue from new Health Enterprises in the current period. We believe growth in dollar-based net revenue retention is a key indicator of the performance of our business as it demonstrates our ability to increase revenue across our existing customer base through expansion of users and products, as well as our ability to retain existing customers.

Average Clinicians in Service: We define a clinician in service as an individual doctor, nurse practitioner or other healthcare professional using our services. We average the month-end number of clinicians in service for all months in the measurement period and the number of clinicians in service at the end of the month immediately preceding the measurement period. We believe growth in the number of clinicians in service is an indicator of the performance of our business as it demonstrates our ability to penetrate the market and grow our business.

About Augmedix

Augmedix, Inc. (Nasdaq: AUGX) provides automated medical documentation and data services to large healthcare systems and physician practices, supporting medical offices, clinics, hospitals, emergency departments, and telemedicine nationwide. The Company's Ambient Automation Platform converts the natural conversation between physicians and patients into timely and comprehensive medical notes and performs a suite of related data services. These services relieve physicians of administrative burdens to enable more time for patient care. Augmedix's proprietary platform uses automatic speech recognition, natural language processing and clinical datasets to capture the ambient visit conversation and generate a structured medical note. The structured medical note data is then used to deliver additional data services. Quality is assured by trained medical documentation specialists. To learn more about Augmedix, visit augmedix.com.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: Non-GAAP gross profit, adjusted gross margin, Non-GAAP Operating Expenses, EBITDA, and adjusted EBITDA. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our recurring core business operating results, like one-time transaction costs related to the reverse merger and OTC listing. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business.

There are a number of limitations related to the use of non-GAAP financial measures. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP financial measures and evaluating these non-GAAP financial measures together with their relevant financial measures in accordance with GAAP.

For more information on the non-GAAP financial measures, please see the Reconciliation of GAAP to non-GAAP Financial Measures table in this press release. This accompanying table includes details on the GAAP financial measures that are most directly comparable to Non-GAAP financial measures and the related reconciliations between these financial measures.

Forward-Looking Statements

This press release contains "forward-looking statements" that involve a number of risks and uncertainties. Words such as "believes," "may," "will," "estimates," "potential," "continues," "anticipates," "intends," "expects," "could," "would," "projects," "plans," "targets," "excited," "optimistic," and variations of such words and similar expressions are intended to identify forward-looking statements. Such forward-looking statements include, without limitation, statements regarding our momentum in 2022; our focus on our path to profitability as we drive enterprise customer expansion; our progress on automation and new product development and our scaling of our business model; our operating leverage helping us realize economic benefits as we grow the business; our operating runway; our pipeline expansion leading to continued revenue growth and record bookings; and statements regarding being encouraged by our progress so far in 2022 and being set up to deliver a strong second half. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, risks detailed in our most recent Form 10-K filed with the U.S. Securities and Exchange Commission on March 30, 2022 as well as other documents that may be filed by us from time to time with the U.S. Securities and Exchange Commission. In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: our expectations regarding changes in regulatory requirements; our ability to interoperate with the electronic health record systems of our customers; our reliance on vendors; our ability to attract and retain key personnel; the competition to attract and retain remote documentation specialists; anticipated trends,

growth rates, and challenges in our business and in the markets in which we operate; our ability to further penetrate our existing customer base; our ability to protect and enforce our intellectual property protection and the scope and duration of such protection; developments and projections relating to our competitors and our industry, including competing dictation software providers, third-party, non-real time medical note generators and real time medical note documentation services; and the impact of current and future laws and regulations Past performance is not necessarily indicative of future results. The forward-looking statements included in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to change. We undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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AUGMEDIX, INC.
Condensed Consolidated Statements of Operations
(Unaudited, in thousands except Average Clinicians in Service)

	Three Months Ended June 30,	
	2022	2021
Revenue	\$ 7,333	\$ 5,173
Cost of revenues	4,131	2,761
Gross profit	3,202	2,412
Operating expenses		
General and administrative	4,172	3,220
Sales and marketing	2,432	1,728
Research and development	2,649	1,499
Total operating expenses	9,253	6,447
Loss from operations	(6,051)	(4,035)
Total other income (expenses), net	(1,396)	(602)
Net loss	\$ (7,447)	\$ (4,637)
Average Clinicians in Service	1,040	700

AUGMEDIX, INC.
Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited, in thousands)

	Three Months Ended June 30,	
	2022	2021
Stock Based Compensation Expense		
Cost of revenues	\$ 24	\$ 7
General and administrative	344	174
Sales and marketing	42	16
Research and development	81	42
Total stock-based compensation expense	\$ 491	\$ 239
Net loss	\$ (7,447)	\$ (4,637)
Interest expense	385	605
Tax	2	50
Depreciation and Amortization	215	165
EBITDA	\$ (6,845)	\$ (3,817)
Add: Stock-based compensation expense	491	239
Add: Loss on extinguishment	1,097	-
Less: Lease provision write-off	-	(259)
Less: Transaction related expense write-off	-	(208)
Adjusted EBITDA	\$ (5,257)	\$ (4,045)
GAAP Cost of Revenues	\$ 4,131	\$ 2,761
Less: Stock-based compensation expense	(24)	(7)
Add: Lease provision write-off	-	82
Non-GAAP cost of revenues	4,107	2,836
Non-GAAP Gross Profit	\$ 3,226	\$ 2,337
Non-GAAP Gross Margin	44.0%	45.2%
GAAP Operating Expenses	\$ 9,253	\$ 6,447
Less: Stock-based compensation expense	(467)	(232)
Add: Lease provision write-off	-	177
Add: Transaction related expense write-off	-	208
Non-GAAP Operating Expenses	\$ 8,786	\$ 6,600

AUGMEDIX, INC.
Condensed Consolidated Balance Sheet
(Unaudited, in thousands)

	June 30, 2022	December 31, 2021
Assets		
Cash & restricted cash	\$ 30,778	\$ 41,587
Accounts receivables, net	4,697	7,178
Other assets	5,088	2,918
Total asset	<u>\$ 40,563</u>	<u>\$ 51,683</u>
Liabilities & Stockholders' Equity		
Liabilities		
Accounts payable	\$ 1,584	\$ 1,365
Deferred revenue	5,863	6,238
Loan payable	14,932	14,837
Other liabilities	7,017	5,559
Total liabilities	<u>\$ 29,396</u>	<u>\$ 27,999</u>
Stockholders' equity	<u>\$ 11,167</u>	<u>\$ 23,684</u>
Total liabilities & stockholders' equity	<u>\$ 40,563</u>	<u>\$ 51,683</u>

AUGMEDIX, INC.
Condensed Consolidated Statement of Cash Flows
(Unaudited, in thousands)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities	\$ (8,856)	\$ (7,853)
Cash flows from investing activities	(615)	(318)
Cash flows from financing activities	(1,248)	1,884
Effect of exchange rate changes on cash and restricted cash	(90)	(1)
Net decrease in cash	<u>\$ (10,809)</u>	<u>\$ (6,288)</u>
Cash and restricted cash at the beginning of the period	<u>\$ 41,587</u>	<u>\$ 22,973</u>
Cash and restricted cash at the end of the period	<u>\$ 30,778</u>	<u>\$ 16,685</u>



Source: Augmedix Inc