



# Investor presentation 4Q20.



March 2021

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# Presentation Plan.



**| Financial Results 4Q20**

**Group Development**

**Innovation Roadmap**

**Q&A**

# Revenue.

- Number of claims decreased by 1% Q/Q and increased by 4% Y/Y
- Average reimbursement rates paid by insurers (in USD) were higher in 4Q20 vs 3Q20 due to **better product mix** and lower Y/Y due to changes in business model
- Out of US revenues down by 11% Q/Q (services up 16% Q/Q, devices sales down by 90% Q/Q) and up by 10% Y/Y (services up 50% Y/Y, devices sales down by 89% Y/Y)

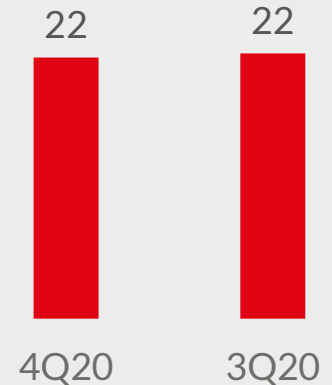
## Revenue M PLN

+10% Q/Q



## Claims submitted to insurers '000

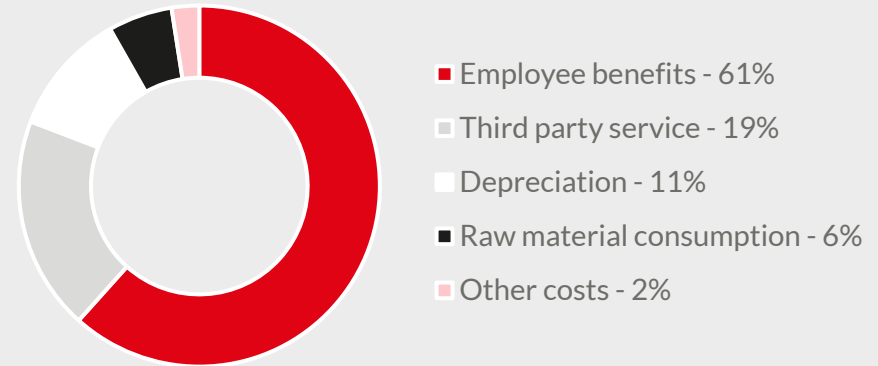
-1% Q/Q



# Operating Costs.

- Total operating costs grew by 1.1 M PLN Q/Q in 4Q20 (+3% Q/Q) and decreased by 24.1 M PLN Y/Y in FY2020 (-14% Y/Y)
- **Employee benefits** up by 1.1 M PLN Q/Q in 4Q20 (+5% Q/Q) mainly due to increase in Medi-Lynx related to higher value of tests and still limited no of FTE's in Q3, with stable level in Medicalgorithmics and marginal fx impact

Operating costs 4Q20



M PLN	4Q 20	3Q 20	Q/Q	4Q 19
Employee benefits	22.5	21.4	1.1	25.1
Third party service	7.0	7.3	(0.3)	9.4
Depreciation	4.0	3.8	0.2	5.0
Raw material consumption	2.1	2.1	0.0	1.8
Other costs	0.9	0.8	0.1	1.7
<b>Total operating costs</b>	<b>36.6</b>	<b>35.5</b>	<b>1.1</b>	<b>42.9</b>

# Financial Results.

- Revenue increased by 2.4 M PLN Q/Q due to higher average rate for test related to better product mix
- Operating costs slightly higher Q/Q mainly due to slight increase of employee cost
- Operating result down by 1.8 M PLN Q/Q mainly due to one-off (3.1 M PLN) related to impaired asset and slightly higher operating costs offsetting revenue growth in 4Q20

M PLN	4Q 20	3Q 20	Q/Q	2Q 20	1Q 20
<b>Sales revenue</b>	27.5	25.1	2.4	23.1	36.1
Total costs of sales	(36.6)	(35.5)	1.1	(33.4)	(44.6)
<b>Profit/(loss) on sales</b>	<b>(9.1)</b>	<b>(10.3)</b>	<b>1.2</b>	<b>(10.3)</b>	<b>(8.6)</b>
Net other operating	(3.2)	(0.1)	(3.1)	4.2	(0.1)
<b>EBIT</b>	<b>(12.3)</b>	<b>(10.5)</b>	<b>(1.8)</b>	<b>(6.1)</b>	<b>(8.6)</b>
Net finance	(1.2)	(0.8)	(0.4)	(1.0)	0.5
<b>Profit/(loss) before tax</b>	<b>(13.4)</b>	<b>(11.3)</b>	<b>(2.1)</b>	<b>(7.2)</b>	<b>(8.1)</b>
Income tax	4.7	3.7	1.0	2.7	1.1
<b>Net profit/(loss)</b>	<b>(8.7)</b>	<b>(7.5)</b>	<b>(1.2)</b>	<b>(4.5)</b>	<b>(6.9)</b>
Net profit/(loss) attributable to Shareholders of the Parent Company	(5.0)	(3.4)	(1.6)	(1.2)	(3.3)
<b>EBITDA</b>	<b>(8.3)</b>	<b>(6.7)</b>	<b>(1.6)</b>	<b>(2.1)</b>	<b>(4.6)</b>

# Cash & debt.

- Cash position was 16.2 M PLN at the end of 4Q20 with net debt at 23.2 M PLN
- On December 4, 2020 Company signed 16.0 M PLN loan agreement, the limit of the available loan will be gradually reduced within 24 months. As of December 31, 2020, the company had an available loan limit of 13.2 M PLN
- Promissory note amounting to 9.9 M PLN will be paid in 48 monthly installments starting from February, 2021
- On March 24, 2021 Medi-Lynx received a Paycheck Protection Loan of USD 2 million under the CARES Act. Pursuant to the CARES Act, part or all of the loan, expended under certain conditions is non-returnable

M PLN	December 31, 2020
Promissory note	9.9
Cares Act loan	12.0
Bank debt	3.0
<b>Total financial debt</b>	<b>24.9</b>
Lease liabilities	14.4
<b>Total financial liabilities</b>	<b>39.4</b>
Cash and term deposits	16.2
<b>Net financial debt (before IFRS 16)</b>	<b>8.7</b>
<b>Net debt</b>	<b>23.2</b>

**Debt ratio** **0.3x**

# Presentation Plan.



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# USA Operations Continuing During Covid-19 Pandemic.

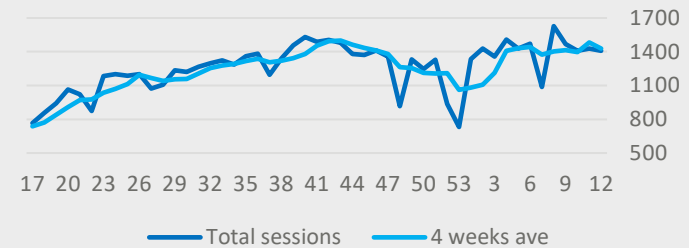
- Daily sessions are back to Pre-Covid level in the 320+ a day. In-Network and test mix are being focused on for improvement
- Many states are still in lock down mode, increase positive testing. Political environment fueling the situation - cautiously optimistic
- Productivity programs are on track for the 7 M of improvement, Introducing global Six Sigma Lean program with Master BB
- Working remote is the “New Norm” and showing continuing productivity with specifics metrics and guidelines for employee expectations
- 2021 business plan is being built with new product Introductions, productivity improvements and FTE requirement

**Global company collaboration, accountability and commitment to future success, is driving the new exciting culture ...**

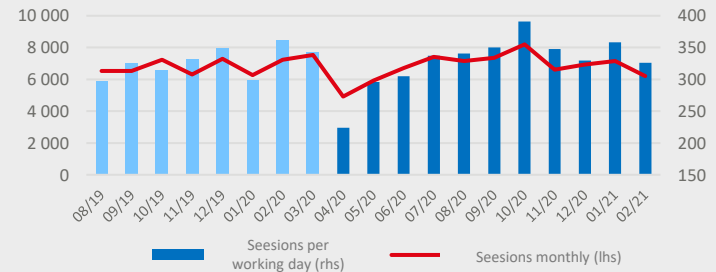
# Significant improvement in sessions started.

- Changes in # of sessions  
**summary:** Current 4 weeks vs previous 4 week: +2%; Current 12 weeks vs previous 12 weeks: +13%
- Average numbers of claims per working day and sessions started are similar to pre-pandemic period
- 21 741 claims reported in 4Q20, (-1% vs 3Q20)
- 356 claims per working day in 4Q20 (+4% Q/Q; +8% Y/Y)

MediLynx: Sessions started (weekly, 4 weeks moving average)



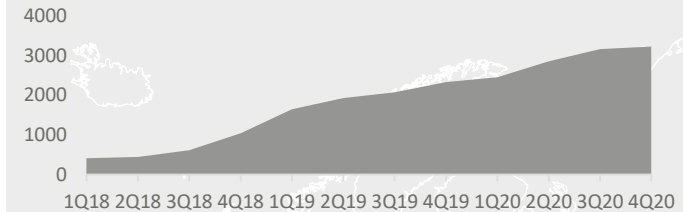
MediLynx: Average # of daily claims



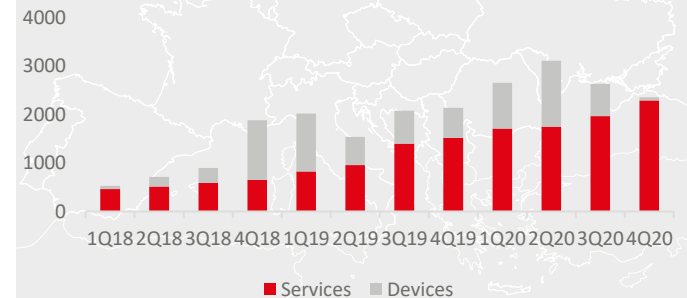
# Business out of US.

- New devices sale in 4Q20 with visible Covid impact, FY2020 sale at satisfying level of almost 1500
- Medicalgorithmics Out of US revenues from services up 16% Q/Q, and up 51% Y/Y; from devices sales down by 90% Q/Q
- Shift for telehealth services supporting business growth, expected higher y/y results in 2021

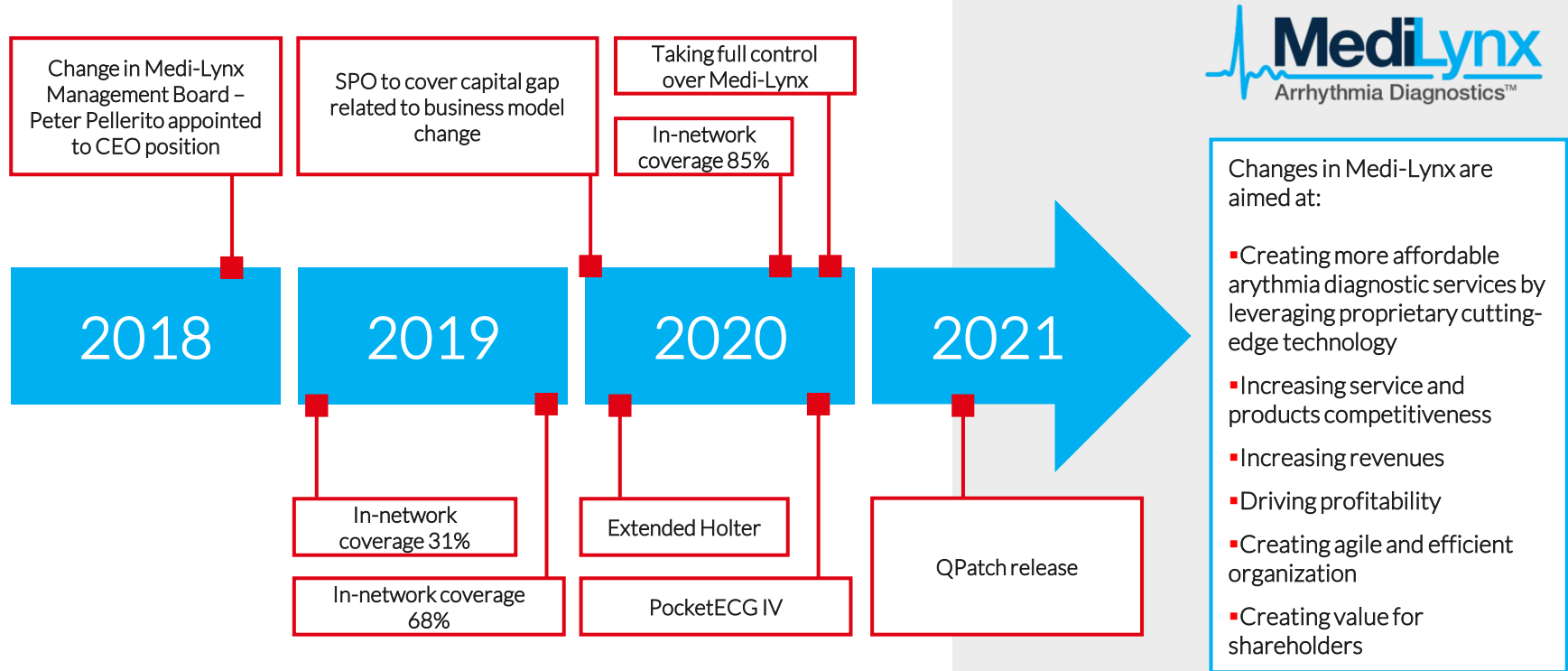
Medicalgorithmics: Active devices out of US



Medicalgorithmics: Revenues out of US (kPLN)



# ”In-network” transformation sum-up.



**Strategy to position the company for large enterprise sales. Driven with the full complement in technology , patch, payor contracts, 85-90% in network and EHR (electronic hospital records)**

# Presentation Plan.



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# Innovation roadmap – update on current progress.

## PocketECG IV

Status: Complete - launched in 4Q20

- Post-launch bugs fixed and optimizations implemented
- Full replacement of PocketECG III in 2021



## DeepRhythmAI

Status: on track - final phase of certification (FDA review in progress)

- Further automating the ECG approval process
- full automation est. for 2021/2022

## NextGen PocketECG software platform

Status: on track – est. for Q3.21/Q4.21

- Fully web-based software solution
- Based on DeepRhythmAI
- limited interactivity for the ECG technicians due to automation
- Support for mobile platforms / improved access to granular data

## QPatch

Status: on track - final phase of certification (FDA review in progress)

- System in 99% ready for launch
- Pre-production batch shipped - in use for customer presentations
- Manufacturing starts in April 2021
- Real patients monitoring / tests by customers next month



# Innovation roadmap – further developments.

How to add value in the changing healthcare environment with aging populations?

Critical thinking in identifying and solving problems:

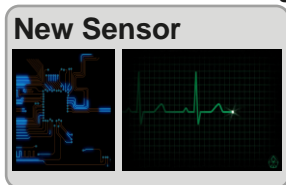
- **Active** collaboration with Key Opinion Leaders to identify and **thoroughly understand** the problems to solve,
- Using our **large datasets** and data collection capabilities to attract KOLs and engage in collaborations
- Using KOLs feedback for future product and technology development initiatives

We develop our hardware, software and AI solutions **in the context of the identified problems**

Future product development directions:

- Increasing diagnostic precisions through more complex data collection: **hardware + better algorithms / AI**
- Cutting diagnosis costs through better algorithms, automation & AI: **DeepRhythmAI**
- Developing prediction methods to **prevent from complications & (re)hospitalizations** – post: TAVR, CABG, etc.
- Developing data transmission capabilities to enhance remote monitoring capabilities allowing to optimize hospital beds: **new Mobile Cardiac Telemetry sensor – development start in Q2/3, 2021**

Extended monitoring



Multichannel data

+

Cloud computing



+

Advanced AI development



Big data

=

Solving real problems



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