



Investor presentation 1Q21.



May 2021

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Presenting today.



**Marek
Dziubiński, PhD**
CEO, CTO

Previously at:
Aud-X Team, Waveformatic,
Houper Digital Audio

Education:
University of Warsaw (Msc);
Gdansk University of Technology
(PhD).

Founder of the Company. Since
June 2005 (with intervals)
President of the Management
Board and CTO (Chief
Technology Officer) at
Medicalgorithmics S.A.



**Maksymilian
Sztandera**
CFO

Previously at:
KPMG, AIG/Lincoln,
Novum, VGD

Education:
University of Economics in
Poznan; chartered auditor.

Company's Deputy CFO in
September 2014 and has been
its CFO since August 2015



**Peter
Pellerito**
CEO, MediLynx

Previously at:
Siemens, ImaCor Inc, ONI, GE
and Phillips

Education:
University Downstate Medical
Wharton Executive Business
School

GE: Black Belt Six Sigma-
certified,

CEO of MediLynx since
November 2018.

30 years of experience in
Medical Devices, Diagnostic, &
Cardiovascular industry



**Marcin
Gołębicki**
appointed for CEO

Previously at:
Johnson & Johnson, Boston
Scientific, St. Jude Medical
(SJM), Abbott and Philips

Education:
Harvard University, Minnesota
University and Indiana
University

Medicalgorithmics SB member
since 2019, appointed for CEO
position from June 16 2021

25 years of experience in
Medical Devices, Diagnostic, &
Cardiovascular industry

Presentation Plan.



| Financial Results 1Q21

Group Development

Innovation Roadmap

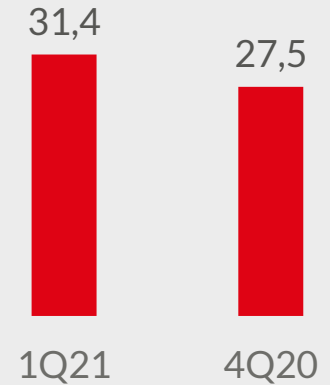
Q&A

Revenue.

- Number of claims decreased by 4% Q/Q and **remained flat Y/Y**
- Average reimbursement rates paid by insurers (in USD) were higher in 1Q20 vs 4Q20 due to **better product mix** and lower Y/Y due to changes in business model
- Out of US revenues **up by 66% Q/Q** (services up 14% Q/Q, devices sales up by 1888% Q/Q) and **up by 52% Y/Y** (services up 50% Y/Y, devices sales up by 39% Y/Y)

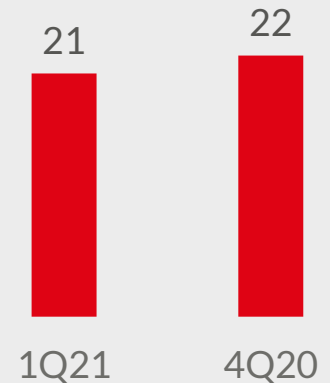
Revenue M PLN

+14% Q/Q



Claims submitted to insurers '000

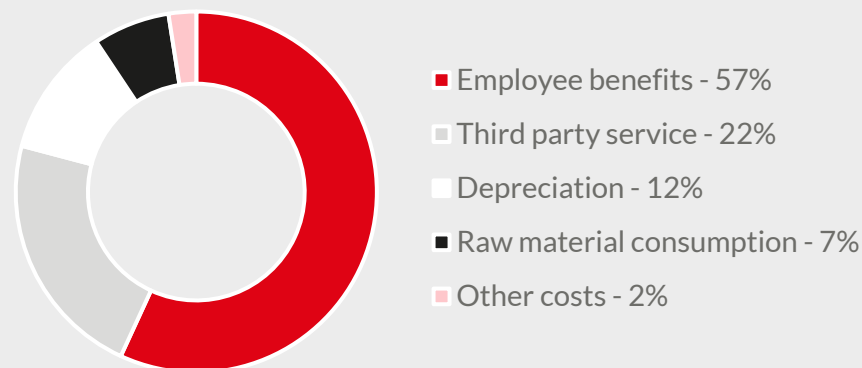
-4% Q/Q



Operating Costs.

- Total operating costs decreased by 0.2 M PLN Q/Q in 1Q21 and decreased by 8.2 M PLN Y/Y in 1Q21 (-18% Y/Y)
- **Employee benefits** down by 1.8 M PLN Q/Q in 1Q21 (-8% Q/Q) mainly due to lower costs in MediLynx (-1.1M PLN), lower sales commissions (-0.3M PLN), lower costs in MDG and fx impact, and down by 6.6 M PLN Y/Y in 1Q21 mainly due to lower average FTE in Medi-Lynx with decrease in MDG (-0.5M PLN Y/Y) and negative fx impact (-0.8M PLN Y/Y)

Operating costs 1Q21



M PLN	1Q 21	4Q 20	Q/Q	1Q 20
Employee benefits	20.7	22.5	(1.8)	27.3
Third party service	8.1	7.0	1.1	8.7
Depreciation	4.2	4.0	0.2	4.0
Raw material consumption	2.5	2.1	0.4	3.2
Other costs	0.9	0.9	0.0	1.4
Total operating costs	36.4	36.6	(0.2)	44.6

Financial Results.

- Third consecutive quarter with revenue growth. Revenue increased by 3.9 M PLN Q/Q due to higher average rate for test related to better product mix
- Operating costs slightly lower Q/Q mainly due to slight decrease of employee cost
- Operating result up by 7.2 M PLN Q/Q mainly due to higher revenues, flat cost of sales Q/Q and high base effect on other operating costs due to one-off (3.1 M PLN) related to impaired asset in 4Q20

M PLN	1Q 21	4Q 20	Q/Q	3Q 20	2Q 20	1Q 20
Sales revenue	31.4	27.5	3.9	25.1	23.1	36.1
Total costs of sales	(36.4)	(36.6)	(0.2)	(35.5)	(33.4)	(44.6)
Profit/(loss) on sales	(5.0)	(9.1)	4.1	(10.3)	(10.3)	(8.6)
Net other operating	(0.1)	(3.2)	3.1	(0.1)	4.2	(0.1)
EBIT	(5.1)	(12.3)	7.2	(10.5)	(6.1)	(8.6)
Net finance	1.8	(1.2)	3.0	(0.8)	(1.0)	0.5
Profit/(loss) before tax	(3.3)	(13.4)	10.1	(11.3)	(7.2)	(8.1)
Income tax	2.3	4.7	(2.4)	3.7	2.7	1.1
Net profit/(loss)	(1.0)	(8.7)	7.7	(7.5)	(4.5)	(6.9)
Net profit/(loss) attributable to Shareholders of the Parent Company	(1.0)	(5.0)	4.0	(3.4)	(1.2)	(3.3)
EBITDA	(0.8)	(8.3)	7.5	(6.7)	(2.1)	(4.6)

Cash & debt.

- Cash position was 23.7 M PLN at the end of 1Q21 with net debt at 32.2 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 March 31, 2021, the company had an available loan limit of 4.6 M PLN
- Promissory note amounting to 9.8 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	March 31, 2021
Promissory note	9.8
Cares Act loan	20.6
Bank debt	11.6
Total financial debt	42.0
Lease liabilities	13.9
Total financial liabilities	55.9
Cash and term deposits	23.7
Net financial debt (before IFRS 16)	18.3
Net debt	32.2

Debt ratio **0.3x**

Presentation Plan.



Financial Results 1Q21

| Group Development

Innovation Roadmap

Q&A

US operations in Q1.

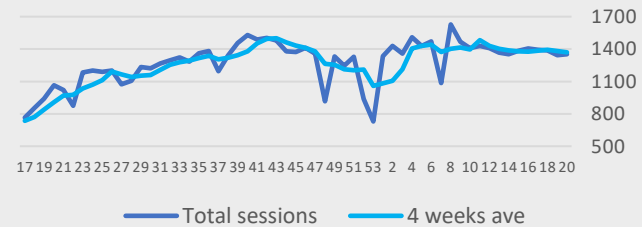
- Increase Blue cross Blue shield business nationally with payor contract, focus on sales growth, margin and our marketing awareness
- Launched our EHR, Electronic healthcare Record, for large enterprise hospital systems
- Improvement on our product mix/profitability telemetry vs Holter tests several percent
- USA business is opening up for onsite sites and implementations
- Focus on new sales and marketing opening up several new territories in the USA
- Continued productivity improvements with working remote , customer service , and clinical ECG teams

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

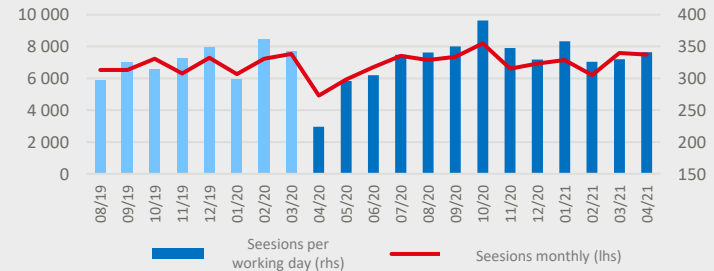
Significant improvement in sessions started.

- Changes in # of sessions
summary: Current 4 weeks vs previous 4 week: -1%; Current 12 weeks vs previous 12 weeks: +8%
- Average numbers of claims per working day and sessions started are similar to pre-pandemic period with product mix adding value
- 20 938 claims reported in 1Q21, (-4% vs 4Q20)
- 343 claims per working day in 1Q21 (-4% Q/Q; +3% Y/Y)

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



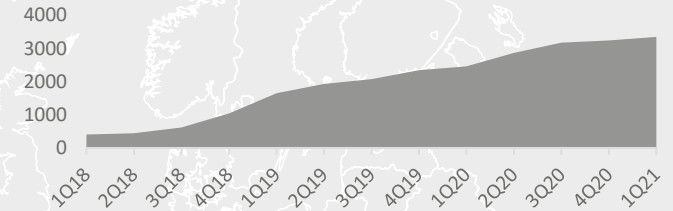
MediLynx: Average # of daily claims



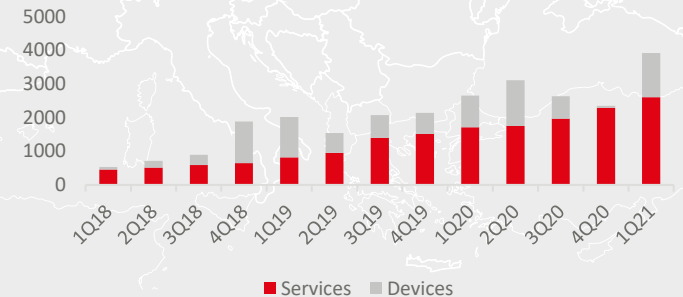
Business out of US.

- 1.3 M PLN from new devices sale in 1Q21 and ca. 3350 active devices at the end of 1Q21
- Medicalgorithmics Out of US revenues from services up 14% Q/Q, and up 52% Y/Y
- Shift for telehealth services supporting business growth, expected double digit growth Y/Y results in FY2021

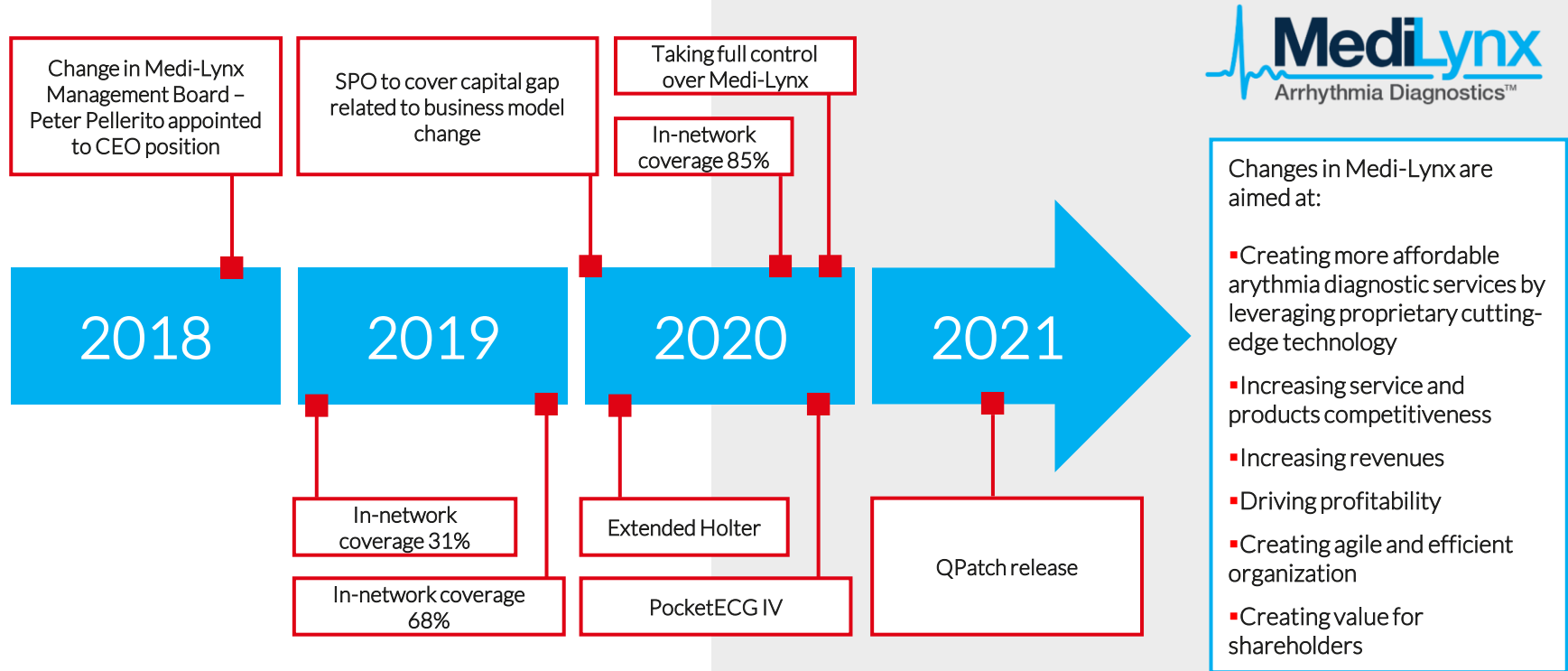
Medicalgorithmics: Active devices out of US



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.



Financial Results 1Q21

Group Development

| Innovation Roadmap

Q&A

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: under FDA review process

- ✓ System in 100% ready for launch
- ✓ Pre-production batch shipped - in use for customer presentations and internal tests in MediLynx
- ✓ Real patients monitoring / tests by customers next month
- ✓ Pilot manufacturing batch (40 units) released



Innovation roadmap – further developments.

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

Critical thinking in identifying and solving problems:

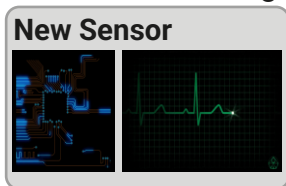
- **Active** collaboration with Key Opinion Leaders to identify and **thoroughly understand** the problems to solve,
- Using our **large datasets** and data collection capabilities to attract KOLs and engage in collaborations
- Using KOLs feedback for future product and technology development initiatives

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**

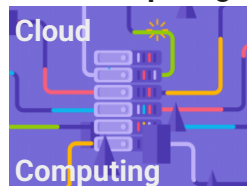
Extended monitoring



Multichannel data

+

Cloud computing



+

Advanced AI development



Big data

=

Solving real problems



Presentation Plan.



Financial Results 1Q21

Group Development

Innovation Roadmap

| Q&A



Medicalgorithmics SA
Central Tower, 19 piętro
Al. Jerozolimskie 81
02-001 Warszawa
www.medicalgorithmics.pl



Contact IR
CC Group
Piotr Owdziej
+48 697 612 913
piotr.owdziej@ccgroup.pl



Contact PR
CC Group
Katarzyna Sadowska
+48 697 613 020
katarzyna.sadowska@ccgroup.pl

