

# Report on Review of the Condensed Interim Financial Statements

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For the Shareholders of Medicalgorithmics S.A.

## *Introduction*

We have reviewed the accompanying condensed interim financial statements of Medicalgorithmics S.A. (the Company) with its registered office in Warsaw, Jerozolimskie 81 Av., which comprise the condensed statement of financial position as of June 30, 2021, the condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows for the period from January 1, 2021 to June 30, 2021 and selected explanatory notes.

The Management Board of the Company is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

## *Scope of Review*

We conducted our review in accordance with National Standard on Review Engagements 2410 consistent with International Standard on Review Engagements 2410 *Review of Interim Information Performed by the Independent Auditor of the Entity* adopted by the National Council of Statutory Auditors' resolution No. 3436/52e/2019 of April 8, 2019, as amended. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with National Standards on Auditing consistent with International Standards on Auditing adopted by the National Council of Statutory Auditors' resolution No. 3430/52a/2019 of March 21, 2019 (as amended), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

### *Emphasis of Matter*

We draw attention to note 4 to the interim financial statements in which the Company's Management Board presented the following conditions and the resulting material uncertainty:

Activities of Medicalgorithmics S.A. is closely related to the activities of the subsidiary Medi-Lynx Cardiac Monitoring LLC, the most material component in the Medicalgorithmics S.A. Capital Group, from which the Company generates a significant part of the sales revenues.

The Management Board of the Parent Company has prepared an updated financial plan for the subsidiary Medi-Lynx Cardiac Monitoring LLC for the period from July 2021 to December 2024, which provides for cash flows enabling the continuation of the activities of Medi-Lynx Cardiac Monitoring LLC. The condition for the successful implementation of the assumed plan is the successful continuation of the implementation the strategy of the Medicalgorithmics S.A. Capital Group concerning the operational activity on the American market.

This situation indicates the existence of a material uncertainty which may raise significant doubts as to the Company's ability to continue as a going concern. In the aforementioned note, the Management Board also presented activities undertaken in order to eliminate such threats. In the opinion of the Management Board, these activities will be successful, however, there is no such certainty. Our conclusion is not modified in respect of this matter.

In addition, we would like to point out that the Management Board of the Company in note 33 selected explanatory notes presented the results of the impairment test for shares in the subsidiary Medicalgorithmics US Holding Corporation, which holds 100% of shares in Medi-Lynx Cardiac Monitoring LLC. The test was performed based on the revenue planning of Medi-Lynx Cardiac Monitoring LLC, assuming the success of the updated financial plan for 2021-2024. The condition for the successful implementation of the assumed plan is the successful continuation of the implementation the strategy of the Medicalgorithmics S.A. Capital Group concerning the operational activity on the American market.

In the event of failure to implement the updated plan, the value of shares in the condensed interim financial statements would decrease significantly due to the need to recognize impairment losses on shares. In the above-mentioned note, the Management Board of the Company also presented the measures taken to eliminate these threats. In the opinion of the Management Board of the Company, these actions will be successful, but there is no such certainty. Our conclusion is not modified in respect of this matter.

Marcin Diakonowicz

Statutory Auditor No. 10524

Key Audit Partner performing the review on behalf of

Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością sp. k.,  
Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Warszawa, September 30, 2021.

THIS IS TRANSLATION ONLY. The Polish language version of the report is the only valid and legally binding version. This translation into English is provided to facilitate understanding of the report.