

Interim report 2Q of 2021.

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Selected financial data
Report on the activities of the Management Board

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Cracow, 12 th of August 2021.

Dear All,
in Q2 '2021, MedApp managed to maintain its dynamic growth in revenue and net income while expanding the Company's domestic and overseas distribution network.

In the reporting period the **net revenue** from sales amounted to **PLN 3 528 thousand** against PLN 239 thousand in the corresponding period of 2020.

The **net profit** amounted to **PLN 1 462 thousand** compared to net loss of PLN 900 thousand for the same period of 2020.

The YTD **net profit for the first six months of 2021** amounting to **PLN 1 838 thousand** also comes as a success if compared to the result of the period of 2020 (PLN -1 160 thousand).

The first six months of 2021 saw revenues from sales of **PLN 5 472 thousand** against PLN 255 thousand in revenues for the first half of 2020.

For the Company, Q2 '2021 turned out to be a period of consistent implementation of the strategy, focused on the development of the sales network at home and overseas, while expanding the Company's product offer. The Company entered into partnership with FP Business SAS, a French distribution company, in order to introduce the CarnaLife Holo technology to hospitals and medical facilities in France and Luxembourg. We also managed to expand our channels for reaching hospitals and clinics in Poland by concluding a distribution agreement with Medical Idea; the Management Board believes this will significantly strengthen the distribution of MedApp solutions in Poland.

New functionalities of CarnaLife Holo and CarnaLife System introduced in the second quarter of this year to the product offer have become well appreciated by our customers.

Expanding the use of the CarnaLife Holo technology in the fields of vascular surgery and laryngological oncology enables the Company to utilise its solutions even more broadly. We find it extremely important that physicians of other medical fields appreciate and make use of our solution in their everyday practice, thus improving the safety and health of their patients. We also consider a surgical procedure of abdominal aortic aneurysm performed using the remote support of the CarnaLife Holo application - our proprietary solution - as very important for the practical expansion of the use of that application. This procedure, conducted simultaneously between facilities in two different countries using the technology by MedApp S.A., was one of the first of its kind in the world.

June saw an integration of our CarnaLife System platform with the Microsoft Teams application for remote monitoring and diagnostics; this way our partner medical facilities obtained another convenient, simple and secure - in terms of medical data processing - tool for communication during medical consultations with patients. By expanding our cooperation with Microsoft we are able to further scale the solutions offered by MedApp.

In the coming quarters, we will focus on further development of our sales network both at home and overseas. As we believe, preparations for the IPO and further work on the application for FDA certification in the United States, as well as efforts in the implementation of further functionalities in the offered portfolio will enable the Company to maintain its current pace of growth in the coming quarters.

We take pride in the fact that we are improving the quality of patient treatment. We are pleased to see that our products are available not only in Poland, but also in the UK and France. We seek to gradually enable the use of solutions offered by MedApp in more markets. We know that artificial intelligence, big data analytics and 3D mixed reality imaging used in our products are already not only making a difference but increasingly saving lives. Our mission is to empower clients and patients to live better and longer lives. We believe that MedApp's proprietary solutions will become increasingly available to physicians and medical staff as well as to patients.

Empower people for better health #MedApp

You are kindly welcome to review the attached report.



Krzysztof Mędrala
President of the Management
Board MedApp S.A.



1. Abbreviated quarterly financial statements.

For the period between 1 April 2021 and 30 June 2021.

All figures disclosed in these abbreviated financial statements are expressed in PLN (polish zloty).



Balance sheet - assets

Specification	30.06.2021	30.06.2020
A. NON-CURRENT ASSETS	11 553 807.59	7 408 870.94
I. Intangible fixed assets	9 863 284.65	5 796 447.00
1. R&D expenses - completed R&D projects	5 320 192.56	943 598.67
2. Goodwill	4 543 092.09	4 852 848.33
3. Other intangible assets	-	-
4. Advance payments for intangible fixed assets	-	-
II. Tangible fixed assets	28 502.79	43 233.60
1. Fixed assets	28 502.79	43 233.60
a) land (including right to perpetual usufruct)	-	-
b) buildings, premises, civil and water engineering structures	17 459.17	20 039.17
c) technical equipment and machines	5 807.49	14 966.34
d) vehicles	-	-
e) other tangible fixed assets	5 236.13	8 228.09
2. Tangible fixed assets under construction	-	-
3. Advance payments for tangible fixed assets under construction	-	-
III. Long-term receivables	-	-
1. From related parties	-	-
2. From other entities	-	-
IV. Long-term investments	785 587.00	785 587.00
1. Real property	-	-
2. Intangible fixed assets	-	-
3. Long-term financial assets	785 587.00	785 587.00

Balance sheet - assets

Specification	30.06.2021	30.06.2020
a) in related parties	-	-
- shares	-	-
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
b) in other entities, in which the company holds equity interests	785 587.00	-
- shares	785 587.00	-
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
c) in other undertakings	-	785 587.00
- shares	-	-
- other securities	-	785 587.00
- loans granted	-	-
- other long-term financial assets	-	-
V. Long-term accruals	876 433.15	783 603.34
1. Deferred income tax assets	876 433.15	783 603.34
2. Other prepayments and accruals	-	-
B. CURRENT ASSETS	13 997 276.86	12 328 658.43
I. Inventory	65 478.00	-
1. Materials	59 996,00	-

Balance sheet - assets

Specification	30.06.2021	30.06.2020
2. Semi-finished products and work in progress	-	-
3. Finished products	-	-
4. Traded goods	-	-
5. Advances towards deliveries	5 482.00	-
II. Short-term receivables	7 777 046.10	3 609 682.21
1. Receivables from related parties	-	-
a) trade receivables maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
b) other	-	-
2. Receivables from other entities, in which the entity holds equity interest	-	-
a) trade receivables maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
3. Receivables from other entities	7 777 046.10	3 609 682.21
a) trade receivables maturing:	7 756 165.33	3 243 272.67
- up to 12 months	7 756 165.33	3 243 272.67
- above 12 months	-	-
b) relative to taxes, subsidies, customs duties, social and health insurance	22.00	300 499.00
c) other	20 858.77	65 910.54
d) receivables claimed in court	-	-

Balance sheet - assets

Specification	30.06.2021	30.06.2020
III. Short-term investments	79 916.08	215 295.36
1. Short-term financial assets	79 916.08	215 295.36
a) in related parties	-	-
- shares	-	-
- other securities	-	-
- loans granted	-	-
- other short-term financial assets	-	-
b) in other entities	-	-
- shares	-	-
- other securities	-	-
- loans granted	-	-
- other short-term financial assets	-	-
c) cash and other pecuniary assets	79 916.08	215 295.36
- cash in hand and at bank	79 916.08	215 295.36
- other cash	-	-
- other financial assets	-	-
2. Other short-term investments	-	-
IV. Short-term prepayments	6 074 836.68	8 503 680.86
TOTAL ASSETS	25 551 084.45	19 737 529.37

Balance sheet - equity and liabilities

Specification	30.06.2021	30.06.2020
A. SHAREHOLDERS' EQUITY	22 395 104.86	17 109 411.78
I. Share capital	24 716 094.00	23 919 094.30
II. Called-up share capital	-	-
III. Treasury stock (shares)	-	-
IV. Supplementary capital	1 332 630.60	1 065 566.26
share premium	-	1 065 566.26
V. Revaluation reserve	-	-
VI. Other reserve capital (funds)	287 126.40	772 000.00
VII. Previous years' profit (loss)	(5 779 070.51)	(7 487 168.95)
VIII. Net profit (loss)	1 838 324.37	(1 160 079.83)
IX. Write-off on net profit during the financial year	-	-
B. LIABILITIES AND PROVISIONS FOR LIABILITIES	3 155 979.59	2 628 117.59
I. Provisions for liabilities	302 645.38	13 300.00
1. Provision for deferred income tax	-	-
2. Provision for retirement and similar benefits	145 445.38	-
- long-term	145 445.38	-
- short-term	-	-
3. Other provisions	157 200.00	13 300.00
- long-term	-	-
- short-term	157 200.00	13 300.00
II. Long-term liabilities	-	-

Balance sheet - equity and liabilities

Specification	30.06.2021	30.06.2020
1. To related parties	-	-
2. To other entities	-	-
a) loans and borrowings	-	-
b) arising from issuance of debt securities	-	-
c) other financial liabilities	-	-
d) other	-	-
III. Short-term liabilities	1 912 846.61	2 422 817.55
1. To related parties	-	-
a) trade liabilities, maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
b) other	-	-
2. Liabilities to other entities, in which the company holds equity interests	-	-
a) trade liabilities, maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
Other	-	-
3. To other entities	1 912 846.61	2 422 817.55
a) loans and borrowings	405.48	405.48
b) arising from issuance of debt securities	-	-
c) other financial liabilities	-	-

Balance sheet - assets

Specification	30.06.2021	30.06.2020
d) trade liabilities, maturing:	417 798.97	339 931.75
- up to 12 months	417 798.97	339 931.75
- above 12 months	-	-
e) advances received for supplies	-	2 439.02
f) promissory notes	-	-
g) arising from tax, customs, insurance and other	1 136 113.56	1 297 613.15
h) payroll liabilities	170 216.18	101 690.88
i) other	188 312.42	680 737.27
4. Special funds	-	-
IV. Accruals and prepayments	940 487.60	192 000.04
1. Negative goodwill	-	-
2. Other prepayments and accruals	940 487.60	192 000.04
- long-term	-	-
- short-term	940 487.60	192 000.04
TOTAL LIABILITIES	25 551 084.45	19 737 529.37

Profit and loss account

	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
A. Net revenues from the sale of products, goods and materials, including:	5 472 433.79	255 188.82	3 528 165.39	239 050.90
from related parties	-	-	-	-
I. Net revenues from sales of products	5 472 433.79	255 188.82	3 528 165.39	239 050.90
II. Net revenues from sales of goods and materials	-	-	-	-
B. Costs of products, goods and materials sold, including:	73 995.00	-	59 196.00	-
to related parties	-	-	-	-
I. Manufacturing cost of products sold	73 995.00	-	59 196.00	-
II. Value of goods and materials sold	-	-	-	-
C. Profit (loss) on sales (A- B)	5 398 438.79	255 188.82	3 468 969.39	239 050.90
D. Selling costs	145 101.28	97 263.02	84 428.48	(22 561.66)
E. General administrative costs	2 996 685.84	1 130 996.04	1 646 582.28	858 814.94
F. Profit (loss) on sales (C-D-E)	2 256 651.67	(973 070.24)	1 737 958.63	(597 202.38)
G. Other operating income	116 000.00	-	116 000.00	-
I. Gain on disposal of non-financial fixed assets	-	-	-	-
II. Subsidies	-	-	-	-
III. Revaluation of non-financial assets	-	-	-	-
IV. Other operating income	116 000.00	-	116 000.00	-
H. Other operating expenses	154 878.12	168 532.12	77 439.06	90 093.06
I. Loss on disposal of non-financial fixed assets	-	-	-	-
II. Revaluation of non-financial assets	-	-	-	-

Profit and loss account

	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
III. Other operating expenses	154 878.12	168 532.12	77 439.06	90 093.06
I. Profit (loss) on operating activities (F+G-H)	2 217 773.55	(1 141 602.36)	1 776 519.57	(687 295.44)
J. Financial income	-	-	-	-
I. Dividends and profit sharing, including:	-	-	-	-
a) From associates	-	-	-	-
in which the company holds equity interest	-	-	-	-
b) from other entities, including:	-	-	-	-
in which the company holds equity interest	-	-	-	-
II. Interest, including:	-	-	-	-
from related parties	-	-	-	-
III. Profit on sales of financial assets, including:	-	-	-	-
in related parties	-	-	-	-
IV. Revaluation of financial assets	-	-	-	-
V. Other	-	-	-	-
K. Financial expenses	23 796.18	2 692.55	23 796.18	2 595.58
I. Interest, including:	11 235.40	2 534.00	11 235.40	2 534.00
from related parties	-	-	-	-
Loss on sales of financial assets, including:	-	136.00	-	136.00
from related parties	-	-	-	-
III. Revaluation of investments	-	-	-	-

Profit and loss account

	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
IV. Other	12 560.78	22.55	12 560.78	(74.42)
L. Gross profit (loss) (I+J-K)	2 193 977.37	(1 144 294.91)	1 752 723.39	(689 891.02)
M. Income tax	355 653.00	15 784.92	290 953.00	210 139.12
N. Other statutory reductions in profit (increases in loss)	-	-	-	-
O. Net profit (loss) (L-M-N)	1 838 324.37	(1 160 079.83)	1 461 770.39	(900 030.15)

Cash flows

Indirect method	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
A. Operating cash flows	-	-	-	-
I. Net profit (loss)	1 838 324.37	(1 160 079.83)	1 461 770.39	(900 030.14)
II. Total adjustments	(2 499 244.88)	(1 743 357.43)	(1 805 320.34)	(1 649 861.12)
1. Amortisation and depreciation	952 146.54	360 824.77	486 949.70	183 667.53
2. Foreign exchange gain (loss)	-	-	-	-
3. Interest and profit sharing (dividend)	-	-	-	-
4. Profit (loss) on investment activity	-	136.00	-	136.00
5. Change in provisions	67 200.00	-	45 200.00	-
6. Change in inventories	13 999.00	-	(800.00)	-
7. Change in receivables	(1 784 524.59)	(396 622.70)	(1 858 047.03)	(449 392.36)
8. Change in short-term liabilities excluding credits and loans	(319 949.66)	(377 012.38)	122 370.10	(824 599.76)
9. Changes in prepayments and accruals	(1 428 116.17)	(1 330 683.12)	(600 993.11)	(559 672.53)
10. Other adjustments	-	-	-	-
III. Net cash flows from operating activities (I+/-II)	(660 920.51)	(2 903 437.26)	(343 549.95)	(2 549 891.26)
B. Cash flow from investing activities	-	-	-	-
I. Proceeds	-	-	-	-
1. Disposal of intangible and tangible fixed assets	-	-	-	-
2. Disposal of investments in real property and intangible fixed assets	-	-	-	-
3. From financial assets, of which:	-	-	-	-
a) in related parties	-	-	-	-

Cash flows

Indirect method	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
b) in other entities	-	-	-	-
- sales of financial assets	-	-	-	-
dividends and profit sharing	-	-	-	-
repayment of granted long-term loans	-	-	-	-
interest	-	-	-	-
other inflows from financial assets	-	-	-	-
4. Other investment inflows	-	-	-	-
II. Expenditures	73 300.81	8 510.59	47 876.42	8 510.59
1. Acquisition of intangible fixed assets and tangible	73 300.81	8 510.59	47 876.42	8 510.59
fixed assets	-	-	-	-
2. Investments in real properties and intangible assets	-	-	-	-
3. For financial assets, of which:	-	-	-	-
a) held in related undertakings	-	-	-	-
b) in other entities	-	-	-	-
purchase of financial assets	-	-	-	-
long-term loans granted	-	-	-	-
4. Other capital expenditure	-	-	-	-
III. Net cash flow from investing activities (I-II)	(73 300.81)	(8 510.59)	(47 876.42)	(8 510.59)
C. Cash flow from financing activities	-	-	-	-
I. Proceeds	34 742.10	3 058 224.56	-	2 771 097.21

Cash flows

Indirect method	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
1. Net inflows from issue of shares and other equity instruments	34 742.10	2 528 224.56	-	2 528 224.56
and additional contributions to equity	-	-	-	-
2. Borrowings and loans	-	-	-	-
3. Issue of debt securities	-	-	-	-
4. Other financial inflows	-	530 000.00	-	242 872.65
II. Expenditures	-	-	-	-
1. Purchase of own shares	-	-	-	-
2. Dividends and other payments to equity holders	-	-	-	-
3. Other outflows under distribution of profits than payments made to owners	-	-	-	-
4. Repayment of loans and borrowings	-	-	-	-
5. Redemption of debt securities	-	-	-	-
6. Payment of other financial liabilities	-	-	-	-
7. Payment of liabilities under finance lease agreements	-	-	-	-
8. Interest	-	-	-	-
9. Other financial expenditures	-	-	-	-
III. Net cash flow from financing activities (I-II)	34 742.10	3 058 224.56	-	2 771 097.21
D. Total net cash flow (A.III+/-B. III+/-C.III)	(699 479.22)	146 276.71	(391 426.37)	212 695.36
E. Balance sheet movement in cash, including:	(699 479.22)	146 276.71	(391 426.37)	212 695.36
Change in cash due to exchange differences	-	-	-	-
F. CASH AT THE BEGINNING OF THE PERIOD	779 395.30	69 018.65	471 342.45	2 600.00

Cash flows

Indirect method	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
G. Cash at end of period (F+/-D), including	79 916.08	215 295.36	79 916.08	215 295.36
of limited disposability	-	-	-	-

Statement of changes in equity

as at 30.06.2021

	01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
I. Opening balance of equity	20 556 780.50	16 231 767.05	20 933 334.48	15 972 135.00
corrections of fundamental errors	-	-	-	-
la. Opening balance of equity after adjustments	20 556 780.50	16 231 767.05	20 933 334.48	15 972 135.00
1. Opening balance of share capital	24 716 094.00	13 850 000.00	24 716 094.00	13 850 000.00
1.1 Changes in share capital (fund)	-	10 069 094.30	-	10 069 094.30
a) increase (due to)				
- issuance of shares	-	10 069 094.30	-	10 069 094.30
b) decrease (due to)				
- redemption of shares (stocks)				
1.2 Closing balance of share capital (fund)	24 716 094.00	23 919 094.30	24 716 094.00	23 919 094.30
2. Called up share capital at the beginning of period	-	-	-	-
2.1 Changes in called up share capital	-	-	-	-
a) increase (due to)				
b) decrease (due to)	-	-	-	-
2.2 Closing balance of called-up share capital	-	-	-	-
3. Opening balance of own shares	-	-	-	-
a) increase	-	-	-	-
b) decrease				
3.1 Closing balance of own shares	-	-	-	-
4. Opening balance of supplementary capital	1 179 417.59	-	1 179 417.59	-
4.1 Changes in supplementary capital (fund)	-	-	-	-

Statement of changes in equity

as at 30.06.2021

		01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
a)	increase (due to)	-	1 065 566.26	-	1 065 566.26
	- share premium	-	1 065 566.26	-	1 065 566.26
	- from distribution of profit (statutory)	153 213.02	-	153 213.02	-
	- from profit distribution (above the required statutory minimum amount)	-	-	-	-
b)	decrease (due to)	-	-	-	-
	- loss coverage	-	-	-	-
4.2 Closing balance of supplementary capital (fund)		1 332 630.61	1 065 566.26	1 332 630.61	1 065 566.26
5. Opening balance of revaluation reserve		-	-	-	-
5.1	Changes in revaluation reserve (fund)	-	-	-	-
a)	increase (due to)	-	-	-	-
b)	decrease (due to)	-	-	-	-
	- sales (disposal) of fixed assets	-	-	-	-
5.2	Closing balance of revaluation reserve	-	-	-	-
6. Opening balance of other reserve capitals		287 126.40	9 868 936.00	287 126.40	9 868 936.00
6.1	Changes in other reserve capitals (funds)	-	-	-	-
a)	increase (due to)	-	772 000.00	-	772 000.00
b)	decrease (due to)	-	9 868 936.00	-	9 868 936.00
6.2	Closing balance of other reserve capitals (funds)	287 126.40	772 000.00	287 126.40	772 000.00
7. Profit (loss) brought forward at the beginning of period		(7 541 020.28)	(8 160 310.49)	(7 164 466.30)	(8 160 130.49)
7.1	Opening balance profit brought forward	-	-	-	-
	- corrections of fundamental errors	-	-	-	-
7.2	Opening balance of profit brought forward, after adjustments	-	-	-	-
a)	increase (due to)	-	-	-	-
	- distribution of retained profit	1 915 162.79	-	1 915 162.79	-
b)	decrease (due to)	1 915 162.79	-	1 915 162.79	-
	- transfer of profit to cover previous years' losses	1 761 949.77	-	1 761 949.77	-
	- transfer due to establishment of supplementary capital as per CCC	153 213.02	-	153 213.02	-
7.3	Closing balance of previous years' profit	-	-	-	-
7.4	Opening balance of previous years' loss	(7 541 020.28)	(8 160 310.49)	(7 164 466.30)	(8 160 130.49)
	- corrections of fundamental errors	-	-	-	-

Statement of changes in equity

as at 30.06.2021

		01.01 -30.06.2021	01.01 -30.06.2020	01.04 -30.06.2021	01.04 -30.06.2020
7.5	Opening balance of previous years' loss, after corrections	(7 541 020.28)	(8 160 310.49)	(7 164 466.30)	(8 160 130.49)
a)	increase (due to)	-	-	-	(260 049.69)
	- retained loss brought forward for covering	-	-	-	-
b)	decrease (due to)	1 761 949.77	673 141.54	1 761 949.77	673 141.54
	- transfer of 2020 profit	1 761 949.77	-	1 761 949.77	-
7.6	Closing balance of previous years' loss	(5 779 070.51)	(7 487 168.95)	(5 402 516.53)	(7 747 218.64)
7.6	Closing balance of previous years' loss	(5 779 070.51)	(7 487 168.95)	(5 402 516.54)	-
8.	Net profit/loss	1 838 324.37	(1 160 079.81)	1 461 770.39	(900 030.14)
a)	net profit	1 838 324.37	-	1 461 770.39	-
b)	net loss	-	1 160 079.81	-	900 030.14
c)	appropriations from profit	-	-	-	-
II.	Closing balance of equity	22 395 104.86	17 109 411.78	22 395 104.86	17 109 411.78
III.	Equity including proposed profit distribution (loss coverage)	-	-	-	-

2. Information on the principles adopted in drafting the report, including information on changes in the applied accounting principles (policy).

The financial report of MedApp S.A. for the second quarter of 2021 was not audited or reviewed by an entity authorized to audit financial statements. The quarterly report was prepared pursuant to provisions of: Appendix no. 3 to the Alternative Trading System Rules "Information current and periodical information provided in the alternative trading system on the NewConnect market"; Laws accounting Act of 29 September 1994 (consolidated text of Laws No 152, item 1223 of 2009), as amended and Appendix No. 1 to this Act "Scope of information to be disclosed in the financial statements referred to in section 45 of the Act for entities other than banks, insurance and reinsurance undertakings".

In the data for the year 2020 there was a change in the accounting principles (policy) regarding the presentation of shares of the Company OZE Capital S.A. In accordance with the National Accounting Standard No 7 "Changes in accounting principles (policy), estimated values, correction of errors, events after the balance sheet date – recognition and presentation". A change in accounting policy shall be accounted for using a full retrospective approach. In connection with the approval of the 2020 financial statements on June 29, 2021, the Company will restate the comparative figures in the 2021 financial statements.

In this quarterly report presented as of 30.06.2021, shares of OZE Capital have been presented in accordance with the adopted change in accounting principles. In the quarterly report as of 31.03.2021 the values of 785 587,00 was presented in long-term financial assets in other entities, including shares and stocks – after the adjustment, the presentation would appear in long-term financial assets in other entities in which the issuer has an involvement in the capital, including shares and stocks.

The Company's financial year is the calendar year divided into reporting periods corresponding to the individual months of the financial year. Among the optional asset valuation methods and liabilities and to determine the financial result, the methods presented in the accounting policy are applied applicable to the Company. The profit and loss account is prepared on a comparative basis. Account cash flow is prepared using the indirect method. The reporting currency is the Polish zloty. The condensed financial statements cover the period from April 1, 2021 to June 30, 2021 and comparative figures for the period 1 April 2020 to 30 June 2020. Data were also presented cumulative data for the period from 1 January 2021 to 30 June 2021 and comparative data period from January 1, 2020 to June 30, 2020.



3. Brief description of significant achievements or failures of the Issuer in the reporting period, as well as the description of the most important factors and events, in particular of an extraordinary nature, affecting the achieved results.

26 APRIL 2021

MedApp S.A. concluded a distribution agreement with its French partner - FP Business SAS. The agreement covers activities in France and Luxembourg in commercialisation of CarnaLife Holo - a 3D imaging system enhancing precision, comfort and safety of medical procedures used in cardiology, oncology, orthopaedics and laryngology.

According to the agreement, the Partner will enjoy exclusive distribution rights for a period of one year of the date of conclusion of the Agreement in the aforementioned territory, however the exclusivity right granted shall not restrict the Company's ability to sell the CarnaLife Holo product in France and Luxembourg. The parties signed the Agreement for a period of three years and worked out a sales plan as of the date of the Agreement. If the sales plan is fulfilled during the first year of the Agreement, the Distributor's exclusive rights are transferred to the following year of the Agreement. The distributor has the right to enter into sub-distribution agreements upon the approval of MedApp S.A.

19 MAY 2021

Some of the Company's shares were listed for trading on the "Börse Frankfurt" platform operated by the Frankfurter Wertpapierbörse (Frankfurt Stock Exchange).

The Frankfurt Boerse is not a regulated market but an organised trading platform, similar to the NewConnect market. The admission and introduction of the Company shares to trading took place without the participation of the Issuer. The Company incurs no additional costs due to its shares being listed in Germany.

All shares of the Company traded on the NewConnect market with ISIN code PLYLWHT00012 were introduced to trading on the "Börse Frankfurt" platform operated by the Frankfurter Wertpapierbörse (Frankfurt Stock Exchange).

26 MAY 2021

MedApp S.A. concluded a distribution agreement with Medical Idea based in Łódź. The agreement covers the distribution of CarnaLife Holo applications (software) and the hardware which is necessary to use the software in Poland. According to the agreement, the Distributor will enjoy exclusive distribution rights for a period of one year of the date of conclusion of the Agreement in the aforementioned territory, however the exclusivity right granted shall not restrict the Company's ability to sell the CarnaLife Holo



product directly to its clients. The exclusivity right covers reselling to customers being hospitals, clinics and outpatient facilities. The distributor has the right to enter into sub-distribution agreements upon the approval of MedApp S.A.

The Agreement was concluded for the period of 3 years with automatic extension for another 3-year period, unless either Party, 6 months before the end of the first 3-year period, submits to the other Party a written statement on termination of cooperation. The Company may terminate the Agreement with a six-month written notice effective at the end of a calendar month and forwarded to the other Party should the Distributor fail to meet the sales plan for relevant Agreement term. The Agreement provides for immediate termination by either the Company or the Distributor in the event of a gross breach of the Agreement by the other party.

4. Comments of the Issuer's Management Board on the implementation of financial forecasts.

The Management Board of MedApp S.A. declares that the Company published no financial forecasts for 2021.

5. Description of the progress of Issuer's activities and investments and their implementation schedule (if the issuer's information document contained the information referred to in § 10 item 13a) of Schedule No. 1 to the Alternative Trading System Rules).

Not applicable.



6. Information on the Issuer's business development activities during the reporting period, in particular activities with the purpose of introducing innovative solutions to the enterprise.

5 APRIL 2021

Introducing new measurement features for the CarnaLife Holo App

The reporting period saw implementation of measuring functions of the examined anatomical area - an important measure to improve the functionality of the CarnaLife Holo system, which enhances the precision, comfort and safety of medical procedures. By extending the existing usability for physicians during surgery with CarnaLife Holo, MedApp specialists obtained a wide range of new, precise solutions to facilitate the dimensioning and evaluation of the visualised anatomical areas of the patient using the extended usability.

5 APRIL 2021

New opportunities for using CarnaLife Holo technology in vascular surgery

On 27 April this year, a team of vascular surgeons of the Department of Vascular Surgery and Angiology at the Independent Public Clinical Hospital No. 1 in Lublin successfully performed an innovative surgery on a patient with an abdominal aortic aneurysm using the CarnaLife Holo technology. From the product development perspective, it is important that physicians in this medical field expand and use the 3D medical data visualisation solution in their daily practice.

The surgery also created an opportunity for a practical assessment of the implemented measurement solutions, which, in the opinion of the medical team, fulfilled the assumed functions, improving the quality of surgical interventions.

29 APRIL 2021

Expanding the application catalogue of the CarnaLife Holo technology to include laryngological oncology

On 29 April this year, a team of surgeons of the Department of Otorhinolaryngology and Laryngological Oncology, Specialist Hospital in Zabrze, under the direction of Prof. Grażyna Lisowska, MD PhD, performed a surgery to remove osteoma located in the sphenoid sinus using the CarnaLife Holo technology. The opportunity of utilising the advantages of a hologram, which realistically imitated the operated neoplastic lesion, created a chance, not available in other conditions, to precisely assess the tumour and its location.

Laryngology is another surgical field that attests to the versatility of the CarnaLife Holo solution and the adaptability of functionality for surgeons in other fields.



19 MAY 2021

Pilot implementation of CarnaLife System application in Medcover facilities

In May this year, the Company finalised negotiations on the cooperation with the nationwide medical network Medcover Poland. According to the agreement, the Company will implement a pilot digital medicine solution - CarnaLife System for remote patient health monitoring and medical treatment management - in selected medical centres. In the scope of the pilot implementation, selected employees and patients will receive regular remote measurements and examinations in cardiology, internal medicine, diabetology and family medicine. Care will be provided primarily to patients with chronic diseases, patients affected by civilisation diseases - diabetes, hypertension, obesity or overweight and patients with heart rhythm disorders.

Getting involved with as recognisable and large entity in the medical services market as Medcover Poland, creates an opportunity for the Company to strengthen its competence in remote patient diagnosis and the development of artificial intelligence algorithms with its proprietary CarnaLife System platform.

8 JUNE 2021

International surgery with remote support using CarnaLife Holo

At the beginning of June this year, in the Independent Public Clinical Hospital No. 1 in Lublin and in a medical facility in Bulgaria an abdominal aortic aneurysm surgery took place, using remote support of the MedApp application; this surgery was very important for practical expansion of the methods of use of the CarnaLife Holo application. This procedure, conducted simultaneously between facilities in two different countries, 1 500 km apart, using the technology by MedApp S.A., was one of the first of its kind in the world. The Head of the Department of Vascular Surgery and Angiology, Prof. Tomasz Zubilewicz, MD PhD, Tomasz Zubilewicz and Assistant Professor Marek Ilżycki, owing to the innovative technology they used, could act as consultants during the surgery performed by specialists of the Bulgarian facility assisted by the Polish team of doctors of the Independent Public Clinical Hospital No. 1 in Lublin. Visualisation of imaged medical data for both intervention teams, was provided with assistance of the CarnaLife Holo technology using Microsoft's HoloLens 2 goggles.

From the perspective of product development, this event is an important step towards diagnostics and medical treatments using remote support, which creates the possibility of mutual communication and exchange of experience between remote medical facilities, both in Poland and worldwide.

30 JUNE 2021

Integration of Microsoft Teams tool with the CarnaLife System application

In June this year, the Company extended its collaboration with the existing partner, Microsoft. Following the integration of the Microsoft Teams application with the CarnaLife System, users of the System obtained



an easy and widely known tool for secure patient-doctor communication, necessary in the process of remote consultations. Following the implementation, Microsoft Teams features such as: appointment scheduling in an electronic calendar, chat, video or secure data transfer will ensure comfort and safety of remote consultations in the System. A fundamental strength of Microsoft Teams is the fulfilment of the extended security and conformity requirements for healthcare. For Microsoft Teams, a cloud-based service of the Microsoft 365 platform, ensures HIPAA compliance (Health Information Privacy and Portability Act), and meets the requirements of the Health Information Trust Alliance (HITRUST), Service Organization Controls (SOC) 1 and 2, and the General Data Protection Regulation (GDPR) - necessary to maintain high standards of security when handling of sensitive personal patient data.

01 APRIL - 30 JUNE 2021

Continuation of the DECODE programme

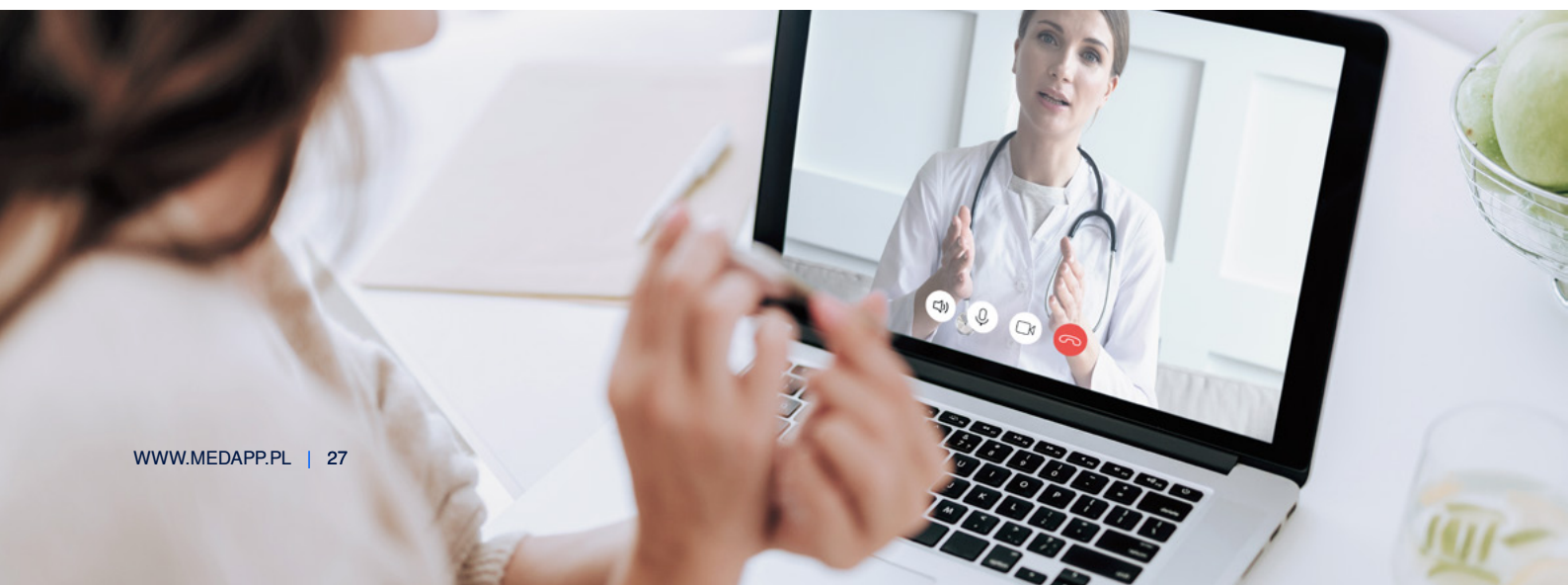
The reporting period also saw further activities in the development of an international research and development project DECODE. The program is pursued by MedApp S.A. in a consortium with the University of Ioannina, the Polytechnic University of Milan, the BioIRC Bioengineering Research and Development Center, the University of Patras, the University of Montpellier, and the Université National de Montpellier as well as the Kapodistrian University of Athens. A "Research and development projects" tab is now available on www.medapp.pl, containing information on all R&D projects pursued by the Company, so that both shareholders and all entities interested in the Company's R&D activities - can follow information in this regard.

Furthermore, the Company continued its recruitment of specialists to work on the project. Evaluations of resumes sent by candidates and interviews with the most outstanding individuals were conducted. Recruitment is now extended until 31 August this year.

As the Company's Management Board believes, through its participation in the program, MedApp develops its competencies in international scientific cooperation and exchange of know-how. The research work directly contributes to the development of the technology offered by MedApp S.A., improving at the same time the competitiveness of the company on the market for innovative solutions in the medtech sector.

7. Reasons for which consolidated financial statements are not prepared.

The Management Board of MedApp S.A. declares that the Company forms no capital group and therefore is not required to publish consolidated financial statements.



8. Information on Issuer's shareholding structure along with the list of shareholders with at least 5% of votes at the General Meeting, as at the date of drafting of this report.

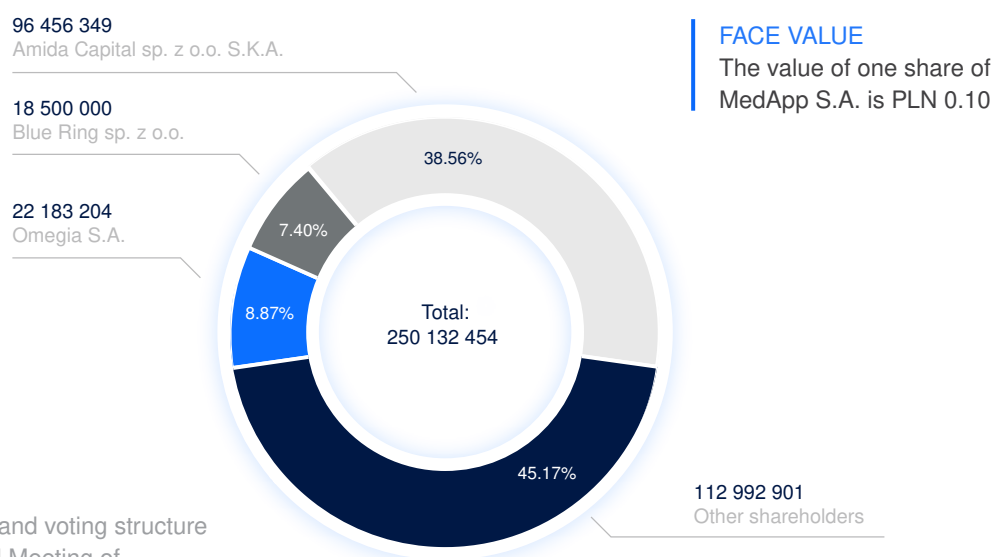


Table 1
Shareholding and voting structure
at the General Meeting of
MedApp S.A. (as at 12.08.2021)

Shareholder	Number of shares held	Equity interest	Number of votes held	Share of voting rights
Amida Capital Spółka z ograniczoną odpowiedzialnością S.K.A.	96 456 349	38.56%	96 456 349	38.56%
Omega Spółka Akcyjna	22 183 204	8.87%	22 183 204	8.87%
Blue Ring Sp. z o.o.	18 500 000	7.40%	18 500 000	7.40%
Other shareholders	112 992 901	45.17%	112 992 901	45.17%
TOTAL	250 132 454	100%	250 132 454	100%

9. Information on Issuer's FTE employees.

At the end of the reporting period, the Company employed 39 FTE employees.

MANAGEMENT BOARD

Management Board of the Company during the period for which the report is prepared:

Krzysztof Mędrala

President of the Management Board

SUPERVISORY BOARD

During the reporting period, the following persons were member of the Company's Supervisory Board:

Błażej Wasielewski – Chairperson of the Supervisory Board

Bogusław Bodzioch – Member of the Supervisory Board

Wiktoria Guzik – Member of the Supervisory Board

Ewelina Rytter – Member of the Supervisory Board

Grzegorz Wrona – Member of the Supervisory Board

Włodzimierz Kubiak – Member of the Supervisory Board

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We make
the future of medicine.

CRACOW, 12 AUGUST 2021



2021

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