

# Conclusion of an Agreement for the Co-financing of a Project within the Smart Growth Operational Programme MEDAPP S.A. (PLYLWHT00012)

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## **RB\_ASO: Conclusion of an Agreement for the Co-financing of a Project within the Smart Growth Operational Programme**

Management Board of MedApp S.A. \_“the Company” or the “the Issuer”\_ hereby announces that on February 10, 2022 The Company has received the Agreement signed by the National Center for Research and Development \_“Intermediate Institution”\_ on co-financing of the Project within the Smart Growth Operational Programme: An intraoperative navigation system based on mixed reality technology to support the precision, comfort and safety of medical procedures, to which the Company is a party, further referred to as “the Agreement”.

The purpose of the project under the Agreement is to develop the CarnaLife Holo MedNav System \_“the System” or “the Project”\_, i.e., the world’s first tool to actively assist a physician in performing all types of needle biopsies, based on mixed reality \_MR\_ technology and spatial holographic visualization. According to the Company’s preliminary assessment, the aforementioned original solution will allow for: a\_ precise localization of the biopsied lesion and the needle along with tracking their mutual spatial relations in time; b\_ introduction of a proactive approach to medical navigation, in which the system determines the optimal trajectory of insertion of the biopsy tool even before breaking through the intergumentary system; c\_ enhanced precision of biopsy by integration of information about the needle’s position in space with a 3D anatomical model of the patient’s anatomy superimposed on their body, whose adjustment is corrected on an ongoing basis; d\_ increased safety, resulting from minimizing the probability of medical error or collision with critical anatomical structures; e\_ elimination of irradiation by intraoperative ionizing diagnostic imaging systems, using an original concept of combining retrospective tomographic data with intraoperative ultrasound.

The total cost of the Project is PLN 4,909,753.70 \_in words: four million nine hundred nine thousand seven hundred fifty three point seven zero\_.

Under the conditions specified in the Agreement, the Intermediate Body granted the beneficiary a subsidy that did not exceed PLN 3,629,393.07 \_in words: three million six hundred twenty nine thousand three hundred ninety three point zero seven\_, which constitutes 73.92% of the total expenses eligible for support within the framework of the Project, whereby: a\_ maximum co-financing for industrial research is PLN 2,518,860.88, which is 80% of the expenses on industrial research; b\_ maximum co-financing for development work is PLN 949,055.27, which is 60% of expenses on development work; c\_ maximum co-financing under de minimis aid is PLN 161,476.92, which is 90% of the expenses incurred in this area; d\_ maximum co-financing for covering the costs of consultancy services for SMEs is PLN 0.00, which is 0% of expenses on consultancy services.

The cost eligibility period for the Project begins on September 1, 2021 and ends on December 31, 2023.

The beneficiary is obliged to submit applications for payment within the deadlines specified by the Intermediate Body, at least once every 3 months, counting from the day of signing the Agreement. In order to receive the next installment of the advance, the beneficiary must settle at least 70% of all the advances transferred so far by submitting a payment application to the Intermediate Body.

The project is subject to a mandatory external audit. An audit should be initiated after completion of at least 50% of the planned Project expenses, but no later than before completion of 80% of the planned Project expenses.

The Agreement specifies in detail the situations in which the Agreement may be terminated at the notice of one of the Parties or with immediate effect. In such cases, the Company is obliged to return the whole or part of the received subsidy, within 14 days from the date of delivery of the call, together with interest at the rate specified for tax arrears, calculated from the date of transfer of funds to the beneficiary's bank account to the date of their return, and together with bank interest accrued on the subsidy transferred as an advance.

The Company is obliged to provide collateral for the period of Project execution and for the project lifecycle, in the form of a blank bill of exchange with a clause "non-endorsable", with notary's certified signature, or submitted in the presence of a person authorized by the Intermediate Body, along with a bill of exchange declaration. The aforementioned collateral will be returned to the Company upon its written request after the expiry of the Project lifecycle.

In the opinion of the Issuer's Management Board, the Agreement is of the essence for the Company's activity, whose value exceeds 10 % of the Company's share capital.

[Attachment.](#)