

MedApp S.A.

Fair value: PLN 0.87

Update

Rating: n.a.

MedApp (MDA) released its unaudited Q4/21 and full-year 2021 results on March 17. They were above our estimates especially on EBIT and net income level. However, negative is the company's decision to withdraw its prospectus (filed in 2020), which makes the planned capital raise of PLN 29.5m and the change to the main market of the WSE impossible for now. On April 1, MedApp's main shareholders announced that they had commissioned an international investment bank to find new investors for MDA incl. their stakes. Nevertheless, as our previous long-term estimates were based on the assumption that the capital raise will be completed successfully, we have slashed our long-term forecasts, which consequently also lowers our Fair Value from PLN 1.20 to PLN 0.87 per share (46.9% upside). Although during our research we were able to confirm that MDA's products are well regarded by its partners and the market for digital health continues to offer tremendous growth potential, we believe that MDA will only be able to exploit this potential if it manages to find a strong well-regarded international strategic investor. Also, we consider it necessary that MDA files for approval of the c. 84% of its shares outstanding, which still cannot be traded.

Q4/21 results were above our forecasts. Between October and December 2021, MedApp's sales reached PLN 3.6m (EVRe: PLN 3.6m), EBIT PLN 474k (PLN 200k) and net income PLN 477k (PLN 40k). In Jan-Dec 2021, MDA's operating and free cash flow amounted to PLN 510k (2020: PLN -2.1m) and PLN -680k (PLN -2.2m) respectively. As of 31/12/2021, its ROCE equalled 15.3% and net cash PLN -130k (2020: PLN -780k).

We have significantly lowered our forecasts, despite the fact that MedApp now has distribution partners for Poland, France, Luxemburg, Brazil and UK and the global digital health market is expected to grow at a CAGR of 20.1% to USD 881bn by 2027E, according to ResearchandMarkets. The reason is that other than we had previously expected MedApp has not been able to raise the PLN 29.5m, which are in our view necessary to accelerate international growth. Our new sales forecasts for 2022E are PLN 19.2m (previously: PLN 18.5m) and PLN 30.9m (PLN 38.2m) for 2023E. In the future, we expect a sales CAGR=30.1% and EBIT margin=40.1%.

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Net sales	6.02	12.71	19.16	30.93	44.92	66.77
EBITDA	2.93	5.81	6.63	10.93	17.08	26.85
EBIT	2.12	3.86	4.59	8.79	14.83	24.49
Net income	1.92	3.71	3.72	7.12	12.02	19.85
Diluted EPS	0.01	0.02	0.01	0.03	0.05	0.08
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RoE	9.32%	16.57%	14.24%	22.58%	29.23%	34.79%
Net gearing	-3.79%	-0.54%	-27.93%	-32.56%	-46.26%	-59.67%
EV/Sales	23.28x	11.04x	7.32x	4.53x	3.12x	2.10x
EV/EBITDA	47.80x	24.15x	21.14x	12.83x	8.21x	5.22x
P/E	74.00x	39.47x	39.79x	20.79x	12.32x	7.46x

Company profile

MedApp S.A. is a digital health company, which offers scalable software solutions that support the work of medical professionals in various areas. Apart from Poland, its shares can also be traded on the Frankfurt Stock Exchange.

Website	www.medapp.pl
Sector	Mobile Health
Country	Poland
ISIN	PLYLWHT00012
Reuters	MDAP.WA
Bloomberg	MDA PW

Share information

Last price	0.59
Number of shares (m)	250.13
Market cap. (PLNm)	148.08
Market cap. (EURm)	31.93
52-weeks range	PLN 1.51 / PLN 0.37
Average volume	711,719

Performance

4-weeks	39.43%
13-weeks	-40.74%
26-weeks	-36.34%
52-weeks	-41.85%
YTD	-37.02%

Shareholder structure

Amida Capital Sp. z.o.o S.K.A	38.56%
Blue Ring Sp. z.o.o	7.40%
Free float	54.04%

Financial calendar

Annual Report 2021	April 29, 2022
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Recent results

Revenues and Profitability

According to its unaudited Q4/21 and full-year 2021 figures, last year MedApp generated revenues of PLN 12.7m compared to PLN 6m in 2020. Our estimate was PLN 12.67m. We believe that 15% of total sales stemmed from abroad.

While the digital cloud-based platform CarnaLife System is already being used in 25 medical facilities in our view, the mixed-reality Microsoft HoloLens-based solution CarnaLife HoLo has already performed >200 exams in Poland and abroad.

in PLNm	2021	2021E	2020	2021 vs. 2021E	2021 vs. 2020
Net sales	12.71	12.67	6.02	0.3%	110.9%
EBITDA	5.81	5.44	2.93	6.7%	97.9%
<i>EBITDA margin</i>	<i>45.7%</i>	<i>42.9%</i>	<i>48.7%</i>		
EBIT	3.86	3.59	2.12	7.7%	82.7%
<i>EBIT margin</i>	<i>30.4%</i>	<i>28.3%</i>	<i>35.1%</i>		
Net income	3.71	3.28	1.92	13.2%	94.0%
<i>Net margin</i>	<i>29.2%</i>	<i>25.9%</i>	<i>31.8%</i>		

Source: Company information, East Value Research GmbH

Between January and December 2021, EBIT reached PLN 3.9m (+82.7% y-o-y; 30.4% margin) and net income PLN 3.7m (+94%) and were thus higher than our estimates of PLN 3.6m and PLN 3.3m respectively. The largest cost positions were administrative expenses of PLN 5.7m (2020: PLN 2.7m) and CoGS of PLN 2.8m (PLN 558k). Depreciation & amortization went up by 137.4% y-o-y to PLN 1.9m due to investments in own software. The effective tax rate equalled 7.6% (our estimate: 2.1%) due to tax-losses carried forward.

According to management, MedApp currently employs 41 people, up from 34 at the end of 2020. This year, the number of staff is expected to grow by another 20% especially in the area of sales and technology.

Balance sheet and Cash flow

As of 31 December 2021, MedApp had equity of PLN 24.3m, which corresponds to a share of 85.8% in the balance sheet total. Fixed assets were very small (PLN 23k vs. PLN 36k in 2020) as most work is outsourced. Intangibles (software, patents, licenses) equalled PLN 5.3m (2020: PLN 6m) and goodwill PLN 4.4m (PLN 4.7m). As MedApp uses Polish Accounting Standards, the goodwill is amortized at an equal annual rate over 12 years.

At the end of 2021, working capital was worth PLN 13.7m compared to PLN 7.6m in 2020. The prepaid expenses of PLN 5.5m (2020: PLN 4.6m) relate to R&D work on products/solutions, which were still not generating revenues. According to Polish Accounting Standards, they will be moved to intangible assets and amortized after generating first sales.

Between January and December 2021, MedApp generated an operating cash flow of PLN -506k compared to PLN -2.1m in the previous year. Cash flow from investing and financing equaled PLN -172k (2020: PLN -115k) and PLN 30k (PLN 2.9m) respectively. In 2021, the company's cash position declined by PLN 648k to PLN 131k. At the end of December 2021, MedApp had no interest-bearing debt.

Financial forecasts

Revenues and Profitability

For 2021, MedApp reported better results than we had expected and since November has signed new commercial contracts e.g. with Telemed24 (for the use of the CarnaLife System) and Helimed Diagnostic Imaging (for the joint development of a Radiology Information System). Especially, the contract with Helimed is very promising as MedApp will receive PLN 2m from this client for development of the RIS plus recurring fees for its use afterwards. Helimed is a Top 3 diagnostic imaging chain in Poland with 150,000 patients per year, whose data have to be stored for at least 10 years.

In March 2022, MedApp also announced the foundation of a subsidiary in Germany (MedApp Germany GmbH), which will be in charge of sales to the DACH region that is particularly interesting due to developed health systems and, in Germany, the reimbursement of medical applications. MedApp Germany is expected to reach the break-even by the end of 2022E.

However, while the market prospects remain positive, we believe that the withdrawal of the prospectus that was announced on March 17, which makes the change to the main market of the WSE and the planned capital increase worth PLN 29.5m impossible for now, will have a negative impact on the company's growth going forward. However, we are optimistic that this situation could improve soon as MedApp's largest shareholders have commissioned an international investment bank (news from April 1) to find new investors for the company and their stakes.

Regarding financing of further growth, MedApp now wants to do e.g. the planned FDA registration of CarnaLife HoLo from own funds. However, unless the company finds a new well-regarded international investor, we see a risk that the whole process will take longer than expected.

Below are our updated forecasts, which account for MedApp's news flow since November 2021. For 2022E, we now forecast revenues of PLN 19.2m (previously: PLN 18.5m) and EBIT of PLN 4.6m (PLN 1.5m) as foreign expansion will likely be slower than previously expected and related costs lower.

Some facts about MedApp's target markets

Country	Population	Number of physicians	Number of physicians per 1k inhabitants	Number of hospitals
Poland	38,185,913	90,284	2.4	1,276
Germany	79,903,481	357,401	4.2	3,042
Austria	8,884,864	46,337	5.2	264
Switzerland	8,453,550	36,940	4.3	281
UK	66,052,076	188,783	2.8	1,910
USA	334,998,398	851,641	2.6	6,210
South Africa	56,978,635	27,432	0.9	600
Kuwait	3,032,065	3,413	2.6	44
Oman	3,694,755	8,622	2.0	59
United Arab Emirates	9,856,612	23,107	2.5	104
Saudi Arabia	34,783,757	113,000	2.6	470
Bahrain	1,526,929	610	0.9	29
Qatar	2,479,995	8,970	2.5	15

Source: CIA World Fact Book, Worldbank, WHO, OECD Health Data, Web search

Below are our detailed assumptions regarding MedApp's sales:

CarnaLife System: Compared to our last report from November 2021, we have lowered the expected number of clients in 2022E from 60 to 48 and from 1,000 to 477 in 2029E. At the same time, we have increased the target gross margin to 75% from 70% based on information from the Q4/21 report. While the monthly subscription fee for this cloud-based platform remains unchanged, we have slightly increased our assumptions for the PLN-EUR FX rate in 2022E (PLN 4.62 vs. PLN 4.52 before) and 2023E (PLN 4.55 vs. PLN 4.42) due to the current geopolitical situation and inflation in Poland of c. 10%. At the same time, we have increased our target FX rate from PLN 4.35 to 4.50.

CarnaLife Holo: CarnaLife Holo is based on the CarnaLife platform and includes two Microsoft HoloLens glasses. It allows 3D/4D visualizations of anatomical structures and is used by surgeons and diagnostic staff.

Our new estimates are 36 sold devices in 2022E compared to 34 before and 217 in 2029E (374 before). The assumption for the average sale price remains unchanged at EUR 100,000, while the average PLN-EUR rate should decline from 4.62 in 2022E to 4.50 in the long run.

in PLNm	2022E	2023E	2024E	2025E
CarnaLife System	2.53	3.63	6.67	10.52
<i>Share in total sales</i>	13.2%	11.7%	14.8%	15.8%
Gross margin	72.0%	72.8%	73.5%	74.3%
Number of clients	48	70	130	205
Monthly fee (in EUR)	950	950	950	950
PLN-EUR	4.62	4.55	4.50	4.50
CarnaLife HoLo	16.63	27.30	38.25	56.25
<i>Share in total sales</i>	86.8%	88.3%	85.2%	84.2%
Gross margin	72.0%	72.8%	73.5%	74.3%
Number of clients	36	60	85	125
Fixed fee (in EUR)	100,000	100,000	100,000	100,000
PLN-EUR	4.62	4.55	4.50	4.50
Total sales	19.16	30.93	44.92	66.77
change y-o-y	50.8%	61.4%	45.2%	48.6%

Source: East Value Research GmbH

	2022E		2023E		2024E		2025E	
in PLNm	new	old	new	old	new	old	new	old
Net sales	19.16	18.48	30.93	38.17	44.92	58.87	66.77	82.41
EBITDA	6.63	3.54	10.93	10.70	17.08	20.10	26.85	31.22
<i>EBITDA margin</i>	34.6%	19.2%	35.3%	28.0%	38.0%	34.1%	40.2%	37.9%
EBIT	4.59	1.50	8.79	8.47	14.83	17.64	24.49	28.51
<i>EBIT margin</i>	24.0%	8.1%	28.4%	22.2%	33.0%	30.0%	36.7%	34.6%
Net income	3.72	1.39	7.12	8.01	12.02	16.74	19.85	27.36
<i>Net margin</i>	19.4%	7.5%	23.0%	21.0%	26.8%	28.4%	29.7%	33.2%

Source: East Value Research GmbH

in PLNm	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021
Net sales	0.02	0.24	0.95	4.81	6.02	1.94	3.53	3.67	3.57	12.71
<i>y-o-y change</i>	700.0%	5876.3%	1200.1%	53.2%	86.8%	12051.7%	1375.9%	287.0%	-25.9%	110.9%
EBITDA	-0.45	-0.69	0.04	4.03	2.93	0.91	2.26	1.67	0.97	5.81
<i>EBITDA margin</i>	-2837.5%	-287.5%	4.7%	83.6%	48.7%	46.6%	64.2%	45.5%	27.1%	45.7%
EBIT	-0.45	-0.69	0.04	3.22	2.12	0.44	1.78	1.17	0.47	3.86
<i>EBIT margin</i>	-2837.5%	-287.5%	4.7%	66.6%	35.1%	22.7%	50.4%	31.9%	13.3%	30.4%
Net income	-0.26	-0.90	0.05	3.03	1.92	0.38	1.46	1.40	0.47	3.71
<i>Net margin</i>	-1625.0%	-376.5%	4.7%	62.9%	31.8%	19.4%	41.4%	38.1%	13.3%	29.2%

Source: Company information, East Value Research GmbH

CAPEX and Working capital

Due to the failed capital increase we now assume gross CAPEX of PLN 5.6m in 2022E-2024E, which will likely be spent on new software.

For working capital, we have assumed that its share in total revenues will decline from 108.2% in 2021 to <20% in the future. We still believe that in the long run the cash conversion cycle will converge towards 60 days.

Valuation

Due to the company's early-stage character we have decided to value MedApp by using a DCF approach only, whereby we have used a WACC of 15% to account for higher-than-average risk. Due to lower estimates our fair value for the company's stock goes down from PLN 1.20 to PLN 0.87, which is 46.9% above current level.

DCF model

in PLNm	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net sales	19.16	30.93	44.92	66.77	80.60	94.44	108.28	122.12	135.96
(y-o-y change)	50.8%	61.4%	45.2%	48.6%	20.7%	17.2%	14.7%	12.8%	11.3%
EBIT	4.59	8.79	14.83	24.49	30.87	37.10	43.10	49.10	54.47
(operating margin)	24.0%	28.4%	33.0%	36.7%	38.3%	39.3%	39.8%	40.2%	40.1%
NOPLAT	3.72	7.12	12.01	19.84	25.00	30.05	34.91	39.77	44.12
+ Depreciation & amortisation	2.04	2.14	2.25	2.36	2.48	2.60	2.73	2.87	3.01
= Net operating cash flow	5.76	9.26	14.26	22.20	27.48	32.65	37.64	42.64	47.13
- Total investments (Capex and WC)	0.09	-6.36	-4.74	-5.37	0.46	-0.94	-5.52	-5.75	-9.29
Capital expenditure	-1.77	-1.88	-1.98	-2.10	-2.21	-2.34	-2.47	-2.61	-2.75
Working capital	1.86	-4.49	-2.76	-3.27	2.68	1.40	-3.05	-3.15	-6.54
= Free cash flow (FCF)	5.85	2.90	9.52	16.83	27.94	31.72	32.12	36.89	37.84
PV of FCF's	5.27	2.27	6.48	9.96	14.38	14.19	12.49	12.47	11.12
PV of FCFs in explicit period	88.62								
PV of FCFs in terminal period	100.30								
Enterprise value (EV)	188.93								
+ Net cash / - net debt (31 December 2021)	0.13								
+ investments / - minorities	0.00								
Shareholder value	189.06								
							Terminal EBIT margin		
Number of shares outstanding (m)	250.13								
							37.1%	38.1%	39.1%
							40.1%	41.1%	42.1%
							43.1%		
WACC	15.0%								
Cost of equity	15.0%								
Pre-tax cost of debt	4.0%								
Normal tax rate	19.0%								
After-tax cost of debt	3.2%								
Share of equity	100.0%								
Share of debt	0.0%								
Fair value per share in PLN (today)	0.76								
Fair value per share in PLN (in 12 months)	0.87								

Source: East Value Research GmbH

Peer Group

Our peer group comprises two Polish telehealth companies, which already generate significant sales, and seven international ones that are either listed or privately held.

Telehealth/digital health companies, which are listed in Poland and already generate revenues:

- (1) *Medicalgorithmics S.A.*: Medicalgorithmics (MDG), which is based in Warsaw/Poland, is a manufacturer and supplier of innovative technologies in the area of cardio-diagnostics. The company focuses on distant monitoring and analysis of the heart function based on a proprietary technology called PocketECG. Apart from cardiac telemetry, the system is also used in clinical trials on drugs relating to cardiac safety as well as research projects. Medicalgorithmics, which generates most of its revenues in the US, is listed on the Warsaw Stock Exchange and has a market cap of PLN 62.9m. In fiscal-year 2020, it generated sales of PLN 111.7m and an EBIT of PLN -37.5m. Its current EV/Sales 2021E is 0.8x.

- (2) *Telemedycyna Polska S.A.*: Telemedycyna Polska, which is headquartered in Katowice/Poland, is a Polish leader in the area of telesurveillance of cardiology patients. The company owns a Center for Monitoring of the Heart with experienced doctors from the area of non-invasive cardiology diagnostics. Telemedycyna Polska specializes in 24/7 cardiology treatment and ECG exams online and by phone. In 2021, the company, whose largest shareholder is the Polish pharma group Neuca, had revenues of PLN 5.1m and an EBIT margin of 6.3%. Telemedycyna Polska has a market cap of PLN 9m and its EV/Sales 2021 is 1.6x. There are no broker estimates available for this company.

International providers of cloud-based health software:

- (3) *Teladoc Health Inc.*: Teladoc Health, which is headquartered in Purchase/US, delivers, enables, and empowers virtual care services that span every state in a person's health journey - from wellness and prevention to acute care to complex healthcare needs. With >10m completed virtual visits in 2020, it serves health employers, hospitals, health systems, insurances and financial service companies. The company offers its products and services under the Teladoc, Livongo, Advance Medical, Best Doctors, BetterHelp, and HealthiestYou brands. In Q4/20, Teladoc Health acquired the US provider of software platforms for managing chronic conditions Livongo Health for USD 18.5bn, which in our view implied an EV/Sales 2020 of 30x-35x. Teladoc, which currently has a market capitalization of USD 11.9bn, is valued at an EV/Sales 2022E of 4.7x, according to marketscreener.com. In 2021, the company generated revenues of USD 2bn.
- (4) *DexCom Inc.*: DexCom, which is based in San Diego/US, designs, develops, and commercializes continuous glucose monitoring (CGM) systems worldwide that are targeted at people with diabetes and healthcare providers. DexCom, which has a market cap of USD 51.6bn, is currently valued at an EV/Sales 2022E of 17.7x (Source: marketscreener.com). In 2021, the company generated revenues of USD 2.4bn.
- (5) *Novarad Corporation*: Novarad, which is based in American Fork/US, develops radiology software and streamlined workflow solutions for radiologists. It offers NovaPACS, a picture archiving and communication system (PACS) for customizable radiology viewing; and NovaRIS, a radiology information system (RIS) for scheduling, tracking, and reporting of patient exams and workflow efficiency. Other products include for example NovaDose, a radiation dose monitoring solution; Novarad MobileRad, an iPad/mobile device diagnostic viewer for radiologists and specialists; NovaCardio, a cardiology solution; NovaOrtho, an orthopedic image viewing system; and NovaDash, a dashboard that provides executives and radiology managers with visual business intelligence to improve decision making and increase efficiency.

- (6) *MedM*: MedM, which is based in Sunnyvale/US, offers a comprehensive software platform for rapid deployment of Remote Patient Monitoring and mHealth services, which allows to collect data from 400+ Health IoT devices, sensors and wearables. Its offering is complemented by mobile apps and a web portal for personal and family health tracking.
- (7) *Raziel Health Inc.*: Raziel Health, which is headquartered in Winter Park/US, offers a AI/ML-powered software platform that provides fully connected services in the comfort of patients' homes incl. remote patient monitoring, digital intelligent care. The platform can be integrated with all major electronic medical records and supports various third-party devices.
- (8) *FRUCT Oy*: Fruct, which is based in Helsinki/Finland, has developed the FRUCT MD cloud-based platform that enables hospitals and private practices to organize continuous monitoring of patients' health and proactively define dynamics of various health parameters. The platform can be integrated with medical information systems and comes with several mobile applications, which support interactions with medical professionals and, when connected to third-party devices or sensors, personal monitoring of health.

Profit and loss statement

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Revenues	6.02	12.71	19.16	30.93	44.92	66.77
Cost of goods sold	-0.56	-2.82	-5.36	-8.43	-11.90	-17.19
Gross profit	5.47	9.89	13.80	22.50	33.02	49.57
Other operating income	0.00	0.28	0.29	0.29	0.30	0.30
Distribution costs	-0.29	-0.27	-0.41	-0.66	-0.96	-1.43
Administration expenses	-1.89	-3.74	-5.64	-9.11	-13.16	-19.46
Other operating expenses	-0.35	-0.35	-1.39	-2.09	-2.11	-2.13
EBITDA	2.93	5.81	6.63	10.93	17.08	26.85
Depreciation & amortisation	-0.82	-1.94	-2.04	-2.14	-2.25	-2.36
Operating income	2.12	3.86	4.59	8.79	14.83	24.49
Net financial result	-0.24	0.00	0.00	0.01	0.01	0.02
EBT	1.87	3.86	4.59	8.79	14.84	24.51
Income tax	0.04	-0.15	-0.87	-1.67	-2.82	-4.66
Minorities	0.00	0.00	0.00	0.00	0.00	0.00
Net income	1.92	3.71	3.72	7.12	12.02	19.85
Diluted EPS	0.01	0.02	0.01	0.03	0.05	0.08
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Share in total sales						
Revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-9.27 %	-22.17 %	-28.00 %	-27.25 %	-26.50 %	-25.75 %
Gross profit	90.73 %	77.83 %	72.00 %	72.75 %	73.50 %	74.25 %
Other operating income	0.00 %	2.20 %	1.49 %	0.94 %	0.66 %	0.45 %
Distribution costs	-4.78 %	-2.15 %	-2.15 %	-2.15 %	-2.15 %	-2.15 %
Administration expenses	-31.43 %	-29.45 %	-29.45 %	-29.45 %	-29.30 %	-29.15 %
Other operating expenses	-5.82 %	-2.74 %	-7.27 %	-6.76 %	-4.70 %	-3.19 %
EBITDA	48.70 %	45.70 %	34.62 %	35.34 %	38.02 %	40.22 %
Depreciation & amortisation	-13.58 %	-15.29 %	-10.65 %	-6.92 %	-5.01 %	-3.54 %
Operating income	35.12 %	30.41 %	23.98 %	28.42 %	33.01 %	36.68 %
Net financial result	-4.02 %	-0.03 %	0.00 %	0.02 %	0.02 %	0.02 %
EBT	31.10 %	30.38 %	23.98 %	28.43 %	33.03 %	36.70 %
Income tax	0.69 %	-1.15 %	-4.56 %	-5.40 %	-6.28 %	-6.97 %
Minorities	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income	31.79 %	29.23 %	19.42 %	23.03 %	26.76 %	29.73 %

Balance Sheet

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Cash and equivalents	0.78	0.13	7.82	11.43	21.81	39.97
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.09	0.04	0.00	0.00	0.00	0.00
Trade accounts and notes receivables	5.28	11.34	13.65	18.64	22.15	26.52
Other current assets	4.67	5.45	1.20	1.26	1.32	1.39
Current assets, total	10.82	16.96	22.67	31.34	45.28	67.88
Property, plant and equipment	0.04	0.02	0.02	0.03	0.03	0.03
Other intangible assets	6.04	5.30	5.40	5.50	5.60	5.70
Goodwill	4.70	4.39	4.02	3.66	3.29	2.93
Other assets	0.79	0.79	0.00	0.00	0.00	0.00
Deferred tax assets	0.84	0.84	0.00	0.00	0.00	0.00
Non-current assets, total	12.40	11.34	9.45	9.18	8.92	8.65
Total assets	23.22	28.30	32.12	40.52	54.20	76.54
Trade payables	0.51	0.96	1.76	2.31	3.10	4.24
Other short-term liabilities	1.92	2.13	1.20	1.22	1.25	1.27
Short-term financial debt	0.00	0.00	0.00	0.00	0.00	0.00
Pension provisions	0.15	0.18	0.00	0.00	0.00	0.00
Provisions	0.09	0.77	1.16	1.87	2.72	4.04
Current liabilities, total	2.66	4.03	4.12	5.40	7.06	9.55
Long-term financial debt	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Long-term liabilities, total	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities	2.66	4.03	4.12	5.40	7.06	9.55
Shareholders equity, total	20.56	24.27	27.99	35.12	47.14	66.99
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total equity and liabilities	23.22	28.30	32.12	40.52	54.20	76.54

Cash Flow Statement

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Net income	1.92	3.71	3.72	7.12	12.02	19.85
Depreciation & amortisation	0.82	1.94	2.04	2.14	2.25	2.36
Change of working capital	-5.03	-6.88	1.86	-4.49	-2.76	-3.27
Others	0.22	0.71	-1.23	-0.71	-0.85	-1.32
Net operating cash flow	-2.08	-0.51	6.39	4.07	10.66	17.62
Cash flow from investing	-0.11	-0.17	-1.77	-1.88	-1.98	-2.10
Free cash flow	-2.19	-0.68	4.62	2.19	8.68	15.52
Cash flow from financing	2.90	0.03	3.07	1.42	1.69	2.64
Change of cash	0.71	-0.65	7.69	3.61	10.37	18.16
Cash at the beginning of the period	0.07	0.78	0.13	7.82	11.43	21.81
Cash at the end of the period	0.78	0.13	7.82	11.43	21.81	39.97

Financial ratios

Fiscal year	2020	2021	2022E	2023E	2024E	2025E
Profitability and balance sheet quality						
Gross margin	90.73%	77.83%	72.00%	72.75%	73.50%	75.00%
EBITDA margin	48.70%	45.70%	34.62%	35.34%	38.02%	42.04%
EBIT margin	35.12%	30.41%	23.98%	28.42%	33.01%	39.28%
Net margin	31.79%	29.23%	19.42%	23.03%	26.76%	31.84%
Return on equity (ROE)	9.32%	16.57%	14.24%	22.58%	29.23%	28.09%
Return on assets (ROA)	9.29%	13.14%	11.59%	17.57%	22.16%	22.37%
Return on capital employed (ROCE)	10.52%	15.32%	13.29%	20.27%	25.48%	24.62%
Economic Value Added (in PLN)	-1.10	0.08	-0.61	2.47	6.99	15.03
Net debt (in PLNm)	-0.78	-0.13	-7.82	-11.43	-21.81	-101.34
Net gearing	-3.79%	-0.54%	-27.93%	-32.56%	-46.26%	-83.02%
Equity ratio	88.54%	85.75%	87.16%	86.66%	86.97%	90.91%
Current ratio	4.07	4.21	5.50	5.80	6.41	10.33
Quick ratio	2.28	2.84	5.21	5.57	6.22	10.21
Net interest cover	8.74	884.44	-7287.52	-1561.04	-1394.90	-1447.41
Net debt/EBITDA	-0.27	-0.02	-1.18	-1.05	-1.28	-2.55
Tangible BVPS	0.07	0.08	0.10	0.13	0.18	0.48
CAPEX/Sales	n.a	6.97%	9.26%	6.07%	4.42%	2.48%
Working capital/Sales	126.43%	108.19%	62.03%	52.92%	42.58%	19.40%
Cash Conversion Cycle (in days)	49	207	140	120	85	10
Trading multiples						
EV/Sales	23.28	11.04	7.32	4.53	3.12	1.30
EV/EBITDA	47.80	24.15	21.14	12.83	8.21	3.06
EV/EBIT	66.29	36.29	30.53	15.96	9.46	3.25
P/Tangible BVPS	8.94	7.37	6.18	4.71	3.38	1.24
P/E	74.00	39.47	39.79	20.79	12.32	4.24
P/FCF	-67.62	-218.44	32.06	67.58	17.06	4.71

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