

Interim Report Q1 2022.

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THE REPORT SHALL CONTAIN:

Selected financial data

Significant achievements
influencing the quarterly results

Description of the status of
activities and investments

Important achievements in
research and development

Q1

Kraków, 12 May 2022



Cover Letter from the President.

Kraków, 12 May 2022

Dear All, the first quarter of 2022 was another period of MedApp's consistent development, both in terms of the portfolio of innovative technology solutions for medicine, as well as international expansion.

A year has passed since we signed our first foreign distribution contracts and strengthened our penetration of the Polish market, and today we are seeing tangible results of these activities.

In the final months of 2021, we announced that we have begun working with a distributor and representative in Brazil, an extremely promising market in South America. We are now entering the next stage of development in this country. On April 27 we applied for a certificate of conformity with the Brazilian health agency for the CarnaLife Holo application.

In the first quarter of this year, we started a new chapter in our history by establishing a subsidiary company in Germany to develop our business in the German, Austrian and Swiss markets.

In May this year, we signed a distribution agreement for the Czech Republic, Slovakia, Hungary and Finland with one of the leading distributors of medical solutions in Europe - Promedica Praha Group s.a. Our technology solutions have global potential and we consistently strive to leverage this. In doing so, we believe we will provide a higher level of medical care to patients in more and more countries and tangible benefits to physicians and hospitals by leveraging our technology.

With a focus on foreign expansion, we have signed an agreement in the first quarter of 2022 to receive a grant from European funds to prepare the process of entering the Mexican market under the European Regional Development Fund - Intelligent Development Operational Programme, priority axis III "Support for innovation in enterprises", Measure: 3.3. "Support for promotion and internationalization of innovative enterprises", Submeasure 3.3.1 "Polish Technology Bridges".

Our flagship solutions: CarnaLife Holo - holographic visualisation of imaged medical and CarnaLife System - a platform for remote diagnostics and patient monitoring, appreciated by practitioners and chosen by an increasing number of medical institutions. The increasing use of our technology allows us to create more

products. In the first quarter of 2022, we signed an agreement for EU funding for an innovative solution that allows active navigation during biopsies, which we believe will increase the precision of procedures and patient safety. The result will be a globally unique MedApp product - CarnaLife Plolo MedNav.

In January this year, we also started cooperation with the Plelimed Diagnostic imaging network, which will result in the development of management system software for radiology departments - "Radiology Information System" (RIS). The software will be used to store and manage imaged medical data and will eventually be integrated with MedApp's CarnaLife System digital medicine platform.

We are developing a dynamic business based on a solid financial foundation. It is worth noting that in 2021 we recorded PLN 12.7M in revenues, PLN 6.3M in EBITDA and PLN 3.8M in net profit. **In the first quarter of 2022 we generated PLN 0.7M in net profit (+80% y/y) and over PLN 1.1M in EBITDA (+37% y/y) with PLN 3M in sales revenue (+52% y/y).**

Our business expansion may be further accelerated by the acquisition of a new investor, for which we selected a global partner in March this year: Plaitong Bank.

On behalf of the entire MedApp team, I thank our customers, partners and shareholders for their trust. Our goal is to continue to build value within our global development strategy, which assumes the presence of our proprietary MedApp solutions in the largest possible number of medical facilities around the world.

I also thank our technology partners, especially Microsoft, Google, GE Healthcare, Johnson&Johnson and OVHCloud for supporting our growth and inspiring our expansion into global markets.

Our success would not be possible without the people who create it. Thank you to the entire MedApp team for your commitment and dedication with which you pursue our mission, to change the world of medicine for the better. We are creating the future of medicine...

Empowering people for better health #MedApp

Kind regards,

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

Report contains:

Page **07** **1.** Basic information.

Page **08** **2.** Quarterly Condensed Financial Statements.

Page **24** **3.** Information about the principles adopted in preparing the report, including information about changes in the applied accounting principles (policy).

Page **24** **4.** Comments of the Company's Management Board on the fulfilment of financial forecasts.

Page **25** **5.** Company's commentary on circumstances and events significantly affecting the issuer's operations, its financial position and results achieved in a given quarter.



Report contains:



Page **25** **6.** Description of the status of the Company's activities and investments and the schedule for their implementation.

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1. Basic information about the Company.



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BOARD

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

- **Krzysztof Mędrala** - President

SUPERVISORY BOARD

During the period covered by the report, the Company's Supervisory Board consisted of:

- **Błażej Wasielewski** – Chairman 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
- **Bogusław Bodzioch** – Member of the Supervisory Board (representative of minority Shareholders)



Condensed Quarterly Financial Statements

for the period from January 1, 2022 to December 31, 2022

Balance Sheet - Assets

| Specification | 31/03/2022 | 31/03/2021 |
|--|----------------------|----------------------|
| A. FIXED ASSETS | 10,312,558.30 | 12,025,658.52 |
| 1. Intangible assets | 9,206,108.84 | 10,298,115.24 |
| 1. Costs of completed development/R&D works | 4,895,333.93 | 5,677,584.09 |
| 2. Company value | 4,310,774.91 | 4,620,531.15 |
| 3. Other intangible assets | - | - |
| 4. Prepayments on intangible assets | - | - |
| II: Property, plant and equipment | 20,053.80 | 31,721.10 |
| 1. Tangible assets | 20,053.80 | 31,721.10 |
| a) Land (including perpetual usufruct of land) | - | - |
| b) Buildings, premises and civil structures | 17,061.64 | 17,591.68 |
| c) Plant and equipment | - | 8,145.30 |
| d) Hauling equipment | - | - |
| e) Other fixed assets | 2,992.16 | 5,984.12 |
| 2. Capital work in progress | - | - |
| 3. Prepayments on fixed assets under construction | - | - |
| III: Long-term receivables | - | - |
| 1. From related entities | - | - |
| 2. From other parties | - | - |
| IV: Long-term investments | 253,000.00 | 785,587.00 |
| 1. Real estate | - | - |
| 2. Intangible assets | - | - |
| 3. Long-term financial assets | 253,000.00 | 785,587.00 |

Balance Sheet - Assets

| Specification | 31/03/2022 | 31/03/2021 |
|--|----------------------|----------------------|
| a) In related entities | - | - |
| - interests or shares | - | - |
| - other securities | - | - |
| - borrowings granted | - | - |
| - other long-term financial assets | - | - |
| b) In other entities, in which the entity has equity interest | 253,000.00 | 785,587.00 |
| - interests or shares | 253,000.00 | 785,587.00 |
| - other securities | - | - |
| - borrowings granted | - | - |
| - other long-term financial assets | - | - |
| c) In other entities | - | - |
| - interests or shares | - | - |
| - other securities | - | - |
| - borrowings granted | - | - |
| - other long-term financial assets | - | - |
| V. Long-term prepayments and accruals | 833,395.66 | 910,235.18 |
| 1. Deferred income tax assets | 833,395.66 | 910,235.18 |
| 2. Other accruals/prepayments | - | - |
| B. CURRENT ASSETS | 21,181,625.10 | 11,147,597.89 |
| 1. Inventories | 4,321,230.00 | 64,678.00 |
| 1. Materials | - | 59,196.00 |

Balance Sheet - Assets

| Specification | 31/03/2022 | 31/03/2021 |
|---|---------------------|---------------------|
| 2. Semi-finished products and work-in-progress | - | - |
| 3. Finished products | - | - |
| 4. Goods | - | - |
| 5. Advance payments on deliveries | 4,321,230.00 | 5,482.00 |
| II: Short-term receivables | 6,508,826.03 | 5,228,443.45 |
| 1. Receivables from related parties | - | - |
| a) Trade receivables, with maturity: | - | - |
| - up to 12 months | - | - |
| - over 12 months | - | - |
| b) Other | - | - |
| 2. Receivables from other parties in which the company holds capital commitments | - | - |
| a) Trade receivables, with maturity: | - | - |
| - up to 12 months | - | - |
| - over 12 months | - | - |
| 3. Receivables from other parties | 6,508,826.03 | 5,228,443.45 |
| a) Trade receivables, with maturity: | 6,137,849.75 | 5,184,340.47 |
| - up to 12 months | 6,137,849.75 | 5,184,340.47 |
| - over 12 months | - | - |
| b) Receivables from taxes, subsidies, duty, social and health insurance | 299,038.00 | 23,244.18 |
| c) other | 71,938.28 | 20,858.80 |
| d) Claimed in court | - | - |

Balance Sheet - Assets

| Specification | 31/03/2022 | 31/03/2021 |
|--|----------------------|----------------------|
| III: Short-term investments | 1,117,471.67 | 471,342.45 |
| 1. Short-term financial assets | 1,117,471.67 | 471,342.45 |
| a) In related entities | - | - |
| - interests or shares | - | - |
| - other securities | - | - |
| - borrowings granted | - | - |
| - other short-term financial assets | - | - |
| b) In other entities | - | - |
| - interests or shares | - | - |
| - other securities | - | - |
| - borrowings granted | - | - |
| - other short-term financial assets | - | - |
| c) Cash and cash equivalents | 1,117,471.67 | 471,342.45 |
| - cash in hand and cash in bank | 1,117,471.67 | 471,342.45 |
| - other cash | - | - |
| - cash equivalents | - | - |
| 2. Other short-term investments | - | - |
| IV: Short-term prepayments/accruals | 9,234,097.40 | 5,383,133.99 |
| C. Called up share capital not paid | - | - |
| TOTAL ASSETS | 31,494,183.40 | 23,173,256.41 |

Balance Sheet - Liabilities

| Specification | 31/03/2022 | 31/03/2021 |
|---|----------------------|----------------------|
| A. EQUITY (OWN FUNDS) | 25,076,544.60 | 20,933,334.48 |
| 1. Share capital | 25,003,220.40 | 24,716,094.00 |
| IV: Reserve capital (fund) | 1,352,630.61 | 1,179,417.59 |
| including: sales value surplus over nominal value -agio | 20,000.00 | - |
| V. Revaluation reserve (fund) | - | - |
| VI: Other reserve capitals (funds) | 10,025.00 | 287,126.40 |
| VII: Profit (loss) from previous years | -1,966,510.56 | -5,625,857.49 |
| VIII: Net profit (loss) | 677,179.15 | 376,553.98 |
| IX: Write-offs from net profit in the financial year | - | - |
| B. LIABILITIES AND PROVISIONS FOR LIABILITIES | 6,417,638.80 | 2,239,921.93 |
| 1. Provisions for liabilities | 2,480,841.65 | 257,445.38 |
| 1. Deferred tax assets | - | - |
| 2. Provision for retirement and similar benefits | 183,565.00 | 145,445.38 |
| - long-term | 5,700.00 | 145,445.38 |
| - short-term | 177,865.00 | - |
| 3. Other provisions | 2,297,276.65 | 112,000.00 |
| - long-term | - | - |
| - short-term | 2,297,276.65 | 112,000.00 |
| II: Long-term liabilities | - | - |
| 1. Due to related parties | - | - |
| 2. Due to other parties | - | - |

Balance Sheet - Liabilities

| Specification | 31/03/2022 | 31/03/2021 |
|---|---------------------|---------------------|
| a) credits and loans | - | - |
| b) arising from issuance of debt securities | - | - |
| c) other financial liabilities | - | - |
| d) other | - | - |
| III: Short-term liabilities | 1,943,575.75 | 1,790,476.51 |
| 1. Due to related parties | - | - |
| a) trade liabilities, with maturity: | - | - |
| - up to 12 months | - | - |
| - over 12 months | - | - |
| b) Other | - | - |
| 2. Due to other parties in which the company holds capital commitments | - | - |
| a) trade liabilities, with maturity: | - | - |
| - up to 12 months | - | - |
| - over 12 months | - | - |
| Miscellaneous | - | - |
| 3. Due to other parties | 1,943,575.75 | 1,790,476.51 |
| a) credits and loans | - | 405.48 |
| b) arising from issuance of debt securities | - | - |
| c) other financial liabilities | - | - |
| d) creditors, with maturity: | 1,018,822.87 | 182,634.97 |
| - up to 12 months | 1,018,822.87 | 182,634.97 |

Balance Sheet - Liabilities

| Specification | 31/03/2022 | 31/03/2021 |
|--|----------------------|----------------------|
| - over 12 months | - | - |
| e) advances for deliveries received | - | - |
| f) promissory note liabilities | - | - |
| g) taxes, duties, insurance and other benefits | 656,545.31 | 1,190,062.77 |
| h) payroll liabilities | 217,873.15 | 199,060.87 |
| i) other | 50,334.42 | 218,312.42 |
| 4. Special funds | - | - |
| IV: Accruals/prepayments | 1,993,221.40 | 192,000.04 |
| 1. Negative goodwill | - | - |
| 2. Other accruals/prepayments | 1,993,221.40 | 192,000.04 |
| - long-term | - | - |
| - short-term | 1,993,221.40 | 192,000.04 |
| TOTAL LIABILITIES | 31,494,183.40 | 23,173,256.41 |

Profit and Loss Account

| | 01/01-31/03/2022 | 01/01-31/03/2021 |
|---|---------------------|---------------------|
| A. Net revenues from sale of products, goods and materials, including: | 2,964,998.90 | 1,944,268.40 |
| - from related parties | - | - |
| 1. Net profits from sales of products | 2,964,998.90 | 1,944,268.40 |
| II: Net revenues from sale of goods and materials | - | - |
| B. Costs of products, goods and materials sold, including: | 395,846.83 | 14,799.00 |
| - due to related parties | - | - |
| 1. Manufacturing cost of products sold | 395,846.83 | 14,799.00 |
| II: Value of goods and materials sold | - | - |
| C. Profit (loss) on sales (A-B) | 2 569 152.07 | 1 929 469.40 |
| D. Costs of sale | 30,535.83 | 60,672.80 |
| E. General and administrative costs | 1,837,373.05 | 1 350 103.56 |
| F. Profit (loss) on sales (C-D-E) | 701,243.19 | 518,693.04 |
| G. Other operating revenues | 77,439.06 | - |
| 1. Profit on disposal of fixed assets | - | - |
| II: Grants | - | - |
| III: Value adjustment of non-financial assets | - | - |
| IV: Other operating revenues | 77,439.06 | - |
| H. Other operating expenses | 77,439.06 | 77,439.06 |
| 1. Loss on disposal of non-financial fixed assets | - | - |
| II: Value adjustment of non-financial assets | - | - |
| III: Other operating expenses | 77,439.06 | 77,439.06 |

Profit and Loss Account

| | 01/01-31/03/2022 | 01/01-31/03/2021 |
|---|-------------------|-------------------|
| 1. Profit (loss) from operations (F+G-H) | 701,243.19 | 441,253.98 |
| J. Financial revenues | - | - |
| 1. Dividends and profit sharing, of which: | - | - |
| a) from related parties | - | - |
| In which the entity has equity interests | - | - |
| b) From other entities, including: | - | - |
| In which the entity has equity interests | - | - |
| II: Interest, of which: | - | - |
| - from related parties | - | - |
| III: Profit from the disposal of financial assets, including: | - | - |
| - In related entities | - | - |
| IV: Revaluation of financial assets | - | - |
| V. Other | - | - |
| K Financial Expenses | 512.00 | - |
| 1. Interest, of which: | 512.00 | - |
| - from related parties | - | - |
| II: Loss from the disposal of financial assets, including: | - | - |
| - from related parties | - | - |
| III: Revaluation of investments | - | - |
| IV: Miscellaneous | - | - |

Profit and Loss Account

| | 01/01-31/03/2022 | 01/01-31/03/2021 |
|---|-------------------|-------------------|
| L. Gross Profit (Loss) (I+J-K) | 700,731.19 | 441,253.98 |
| M. Income Tax | 23,552.04 | 64,700.00 |
| N. Other obligatory reductions of profit (increases of loss) | - | - |
| O. Net profit (loss) (L-M-N) | 677,179.15 | 376,553.98 |

Cash flow

| Indirect Method | 01/01-31/03/2022 | 01/01-31/03/2021 |
|--|--------------------|--------------------|
| A. Operating cash flows | - | - |
| 1. Net profit (loss) | 677,179.15 | 376,553.98 |
| II: Total adjustments | -885,052.53 | -693,924.54 |
| 1. Depreciation and amortisation | 511,814.67 | 465,196.84 |
| 2. Foreign exchange gains (losses) | - | - |
| 3. Interest and profit sharing (dividends) | - | - |
| 4. Profit (loss) on investing activities | - | - |
| 5. Movements in reserves | 1,779,979.73 | 22,000.00 |
| 6. Change in inventories | -4,284,799.08 | 14,799.00 |
| 7. Movement in receivables | 4,143,634.28 | 73,522.44 |
| 8. Movements in short-term liabilities, except for credits and loans | -355,391.53 | -442,319.76 |
| 9. Movement in prepayments/accruals | -2,680,290.60 | -827,123.06 |
| 10. Other adjustments | - | - |
| III: Net operating cash flows (I+/-II) | -207,873.38 | -317,370.56 |
| B. Cash flow from investing activities | - | - |
| 1. Inflows | - | - |
| 1. Disposal of intangible assets and PP&E | - | - |
| 2. Disposal of investments in real estate and intangible assets | - | - |
| 3. From financial assets, including: | - | - |
| a) In related entities | - | - |
| b) In other entities | - | - |

Cash flow

| Indirect Method | 01/01-31/03/2022 | 01/01-31/03/2021 |
|--|---------------------|-------------------|
| - Disposal of financial assets | - | - |
| Dividends and profit sharing | - | - |
| repayment of granted long-term loans | - | - |
| Interest | - | - |
| Other proceeds from financial assets | - | - |
| 4. Other investment inflows | - | - |
| II: Outflows | 13,149.60 | 25,424.39 |
| 1. Purchase of intangible assets and property, plant and equipment | 13,149.60 | 25,424.39 |
| permanent | - | - |
| 2. Investments in real estate and intangible assets | - | - |
| 3. For financial assets, including: | - | - |
| a) In related entities | - | - |
| b) In other entities | - | - |
| Purchase of financial assets | - | - |
| long-term loans granted | - | - |
| 4. Other capital expenditures | - | - |
| III: Net cash flows from investing activities (I-II) | -13,149.60 | -25,424.39 |
| C. Cash flows from financing activities | - | - |
| 1. Inflows | 1,207,000.00 | 34,742.10 |
| 1. Net proceeds from issuing shares and other capital instruments and additional payments to capital | - | 34,742.10 |
| 2. Credits and loans | - | - |

| Indirect Method | 01/01-31/03/2022 | 01/01-31/03/2021 |
|---|-------------------------|-------------------------|
| 3. Issuance of debt securities | - | - |
| 4. Other financial income | 1,207,000.00 | - |
| II: Outflows | - | - |
| 1. Redemption of own shares | - | - |
| 2. Dividends and other payments to equity holders | - | - |
| 3. Other than payments to owners, expenditure on distribution of profit | - | - |
| 4. Repayments of loans and borrowings | - | - |
| 5. Purchase of debt securities | - | - |
| 6. Due to other financial liabilities | - | - |
| 7. Payment of liabilities under finance lease agreements | - | - |
| 8. Interest | - | - |
| 9. Other financial expenses | - | - |
| III: Net cash flows from financing activities (I-II) | 1,207,000.00 | 34,742.10 |
| D. Total net cash flows (A.III+/-B.III+/-C.III) | 985,977.02 | -308,052.85 |
| E. Balance sheet change in cash, including | 985,977.02 | -308,052.85 |
| Change in cash due to exchange differences | - | - |
| F. Cash at the beginning of period | 131,494.65 | 779,395.30 |
| G. Cash and cash equivalents at end of period (F+/-D), of which: | 1,117,471.67 | 471,342.45 |
| of limited disposability | - | - |

Statement of Changes in Equity

as of 31.03.2022

| | 01/01-31/03/2022 | 01/01-31/12/2021 |
|--|----------------------|----------------------|
| 1. Opening balance of equity (fund) (BO) | 24,339,365.45 | 20,556,780.50 |
| adjustments of fundamental errors | - | - |
| la. Opening balance of equity (fund) (BO), following adjustments | 24,339,365.45 | 20,556,780.50 |
| 1. Share capital at beginning of period | 25,003,220.40 | 24,716,094.00 |
| 1.1 Changes in share capital | - | - |
| a) Increase (due to) | - | - |
| - Issue of shares | - | - |
| b) Decrease (due to) | - | - |
| - Redemption of shares | - | - |
| 1.2. Closing balance of share capital | 25,003,220.40 | 24,716,094.00 |
| 2. Called up share capital at beginning of period | - | - |
| 2.1 Changes in called up share capital | - | - |
| a) Increase (as a result of) | - | - |
| b) Decrease (as a result of) | - | - |
| 2.2 Closing balance of called up share capital | - | - |
| 3. Own shares (stocks) at beginning of period | - | - |
| a) Increase | - | - |
| b) Decrease | - | - |
| 3.1 Closing balance of own shares | - | - |
| 4. Supplementary capital at beginning of period | 1,352,630.61 | 1,179,417.59 |
| 4.1 Changes in supplementary capital | - | - |

Statement of Changes in Equity

as of 31.03.2022

| | 01/01-31/03/2022 | 01/01-31/12/2021 |
|---|----------------------|----------------------|
| a) Increase (due to) | - | - |
| -shares above nominal value | - | - |
| -Distribution of profit (statutory) | - | - |
| -from profit distribution (in excess of the required statutory minimum value) | - | - |
| b) Decrease (due to) | - | - |
| -Loss coverage | - | - |
| 4.2 Closing balance of supplementary capital | 1,352,630.61 | 1,179,417.59 |
| 5. Revaluation reserve at beginning of period | - | - |
| 5.1 Changes in revaluation reserve increase | - | - |
| a) Increase (as a result of) | - | - |
| b) Decrease (as a result of) | - | - |
| -Disposal of fixed assets | - | - |
| 5.2 Closing balance of revaluation reserve | - | - |
| 6. Other reserve capital at beginning of period | 10,025.00 | 287,126.40 |
| 6.1 Changes in other reserve capitals | - | - |
| a) Increase (due to) | - | - |
| b) Decrease (due to) | - | - |
| 6.2 Closing balance of reserve capitals | 10,025.00 | 287,126.40 |
| 7. Profit (loss) brought forward at end of period | -5,779,070.51 | -7,541,020.28 |
| 7.1 Opening balance of previous years profit | - | - |
| -adjustments of fundamental errors | - | - |
| 7.2 Opening balance of previous years profit, after adjustments | - | - |
| a) Increase (due to) | - | - |
| -distribution of profit from previous years | - | - |
| b) Decrease (due to) | - | - |
| -transfer of profit to cover losses from previous years | - | - |
| -transfer due to creation of supplementary capital in accordance with the CCC | - | - |
| 7.3 Closing balance of previous years profit | - | - |
| 7.4 Opening balance of previous years loss | -5,779,070.51 | -7,541,020.28 |
| -adjustments of fundamental errors | - | - |

Statement of Changes in Equity

as of 31.03.2022

| | 01/01-31/03/2022 | 01/01-31/12/2021 | |
|-------------|---|----------------------|----------------------|
| 7.5 | Opening balance of previous years loss, after adjustments | -5,779,070.51 | -7,541,020.28 |
| a) | Increase (as a result of) | - | - |
| b) | Decrease (as a result of) | 3,812,559.95 | 1,915,162.79 |
| 7.6 | Closing balance of previous years loss | -1,966,510.56 | -5,625,857.49 |
| 7.7 | Closing balance of previous years profit (loss) | -1,966,510.56 | -5,625,857.49 |
| 8. | Net profit/loss | 677,179.15 | 376,553.98 |
| a) | Net profit | 677,179.15 | 376,553.98 |
| b) | Net loss | - | - |
| c) | Write-offs from profit | - | - |
| II. | Closing balance of equity (BZ) | 25,076,544.60 | 20,933,334.48 |
| III. | Equity after proposed distribution of profit (loss coverage) | 25,076,544.60 | 20,933,334.48 |

3. Information on the principles adopted in the preparation of the report, including information on changes in the applied accounting principles (policy)



The MedApp S.A. Q1 2022 Quarterly Report was not audited or reviewed by an entity authorised to audit financial statements. The quarterly report was prepared in accordance with the provisions: Appendix No. 3 to the Regulations of the Alternative Trading System "Current and periodic information provided within the alternative trading system on the NewConnect market"; Accounting Act of 29 September 1994 (consolidated text: Journal of Laws No. 152, item 1223 of 2009, as amended) and Appendix No. 1 to that Act "Scope of information reported in the financial statements referred to in Article 45 of the Act for entities other than banks, insurance companies and reinsurance companies".

The Company's fiscal year is the calendar year divided

into reporting periods corresponding to the individual months in the fiscal year. Among the optional methods of valuation of assets and liabilities and determining the financial result, the methods used are those included in the Company's accounting policy. The profit and loss account is prepared with classification of expenses by type. The cash flow statement is prepared using the indirect method. The reporting currency is the Polish zloty (PLN).

The condensed financial statements cover the period from January 1, 2022 to March 31, 2022 and comparative figures for the period from January 1, 2021 to March 31, 2021.

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

The Management Board of MedApp S.A. declares that the Company has not published financial forecasts for 2022.

5. Company's commentary on circumstances and events significantly affecting the Issuer's operations, its financial position and results achieved in a given quarter.

The main factor significantly affecting the financial position and results achieved in the first quarter of 2022 was the increased sales of innovative technologies offered by the Company. This was the result of pro-sales activities undertaken, including entering into distribution agreements to expand markets and sales channels, conducting presentations, training and demonstration treatments, as well as initiating a number of sales discussions. During the reporting period, the Company showed a significant increase in the profits generated, compared to the same period during the previous year. The Company's business activities focused on two main products targeting the medical (medtech) market during the reporting period - CarnaLife Holo and CarnaLife System.

CarnaLife Holo is a certified innovative technology that supports the planning and execution of complex medical procedures. With the help of Microsoft's HoloLens 2 goggles, the physician sees a 3D hologram in real space that reflects the anatomical area being imaged.

The physician is free to interact with the displayed hologram. CarnaLife Holo is currently used in dozens of medical facilities in Poland and around the world, and the number of life-saving medical procedures performed is steadily increasing.

The CarnaLife System solution is an advanced telemedicine platform that allows the physician to assess and monitor patients' health and perform consultations anytime, anywhere. The system is supported by more than 20 remote measuring devices. Survey results are analysed 24/7 using



artificial intelligence (AI) algorithms and Big Data analytics. The system has been implemented in dozens of medical facilities. The Digital Clinic, aimed directly at patients and individual users was, created on the basis of this solution.

6. Description of the status of the Company's activities and investments and the schedule for their implementation

Not applicable.

7. Information on the Company's activities in the area of business development

Major events materially affecting the Company's operations that occurred about the reporting period:



MedApp concluded a contract for the development of "Radiology Information System" with HELIMED Diagnostic Imaging Sp. z o.o. Sp. komandytowa. MedApp will develop a radiology information system (RIS) on behalf of HELIMED Diagnostic Imaging. Under the contract, we will integrate it with other systems used by HELIMED Diagnostic Imaging, performing the implementation within 12 months. The price of just under PLN 1.8M net includes a five-year license fee for the system, after which the license agreement will become indefinite with a five-year notice period. MedApp will also provide RIS maintenance services for at least 36 months, which means a minimum remuneration of more than PLN 1.2M net. All property copyrights to RIS will be held by MedApp, while HELIMED Diagnostic Imaging will become a reference customer of the RIS solution offered by MedApp for a period of three years. Additionally, MedApp will implement the CarnaLife System software in the HELIMED Diagnostic Imaging network. The license agreement for CLS is for a term consistent with the term of the RIS license, with the contract transitioning to an indefinite term with a 12-month notice period after the 60-month period. The total value of the license agreement in the assumed license term will amount to PLN 0.7M. As the license fee is dependent on the number of HELIMED Diagnostic Imaging medical facilities using the CarnaLife System, licensing more facilities than 13 will result in more revenue for MedApp.



1 March
2022

The issuer incorporated the company MedApp Germany GmbH with the registered office in Düsseldorf. All shares of this company were taken up by the issuer, therefore the company is a wholly owned subsidiary of MedApp S.A. The company was founded in Düsseldorf with the support of the Agency for Trade and Investment of North Rhine-Westphalia (NRW). MedApp Germany GmbH will be responsible for business development in the so-called DACH countries (Germany, Austria, Switzerland). Management believes these markets are important due to their sales potential related to healthcare levels and spending. The established company is the first subsidiary of MedApp S.A., which is an event forming the issuer's corporate group.



17 March
2022

We have has filed a request with the Polish Financial Supervision Authority to suspend the prospectus proceedings in view of, among other things, the general condition of the capital market and other opportunities to obtain attractive financing to accelerate business expansion.



31 March
2022

MedApp has entered into an advisory services agreement with Haitong Bank S.A., based in Lisbon. Haitong Bank has become an exclusive advisor and an entity executing transactions of obtaining external financing, among others, in a form of shares issue.

Events materially likely to affect the Company's operations that occurred after the balance sheet date include:



14 April
2022

We have applied to the Management Board of the Warsaw Stock Exchange for the introduction of all previously unlisted shares (209 million shares of series D, E, F and G) to trading on the NewConnect market.



27 April
2022

We have received information that on April 25, 2022, Agencia Nacional de Vigilância Sanitaria (Anvisa), i.e., the Brazilian Health Agency, has registered the receipt of a request from our representative, i.e., CUSTOMIZE PRODUCAO DE DISPOSITIVOS MEDICOS LTDA, for confirmation of the compliance of the product CarnaLife Holo with the regulatory requirements of the Federative Republic of Brazil.



11 May
2022

We have signed a distribution contract with PROMEDICA PRAHA GROUP a.s., based in Prague.

The contract relates to the distribution of CarnaLife Holo (software) and equipment necessary for the use of the software (hardware) in the territories of the Czech Republic, the Slovak Republic, Hungary and Finland. Details are contained in the issuer's Current Report No. 13/2022.

8. Description of the organisation of the corporate group

 GERMANY



On 1 March 2022 the issuer incorporated the company MedApp Germany GmbH with its registered office in Düsseldorf. All shares of this company were acquired by the issuer, thus the company is a wholly owned subsidiary of the issuer. Krzysztof Mędrala, the President of the single-person Management Board of the Issuer, was appointed as the only Member of the Management Board of MedApp Germany

GmbH. Until the above company is registered in the Business Register it has the status of a company in organisation. The company's planned line of business is to provide IT services, creation, modification and testing of software for its own and third parties' needs, in particular in the field of medicine, digital medicine (including telemedicine), image diagnostics, medical consultations, software for remote health monitoring and analysis, as well as developing solutions in the field of biomedical engineering and mobile technologies, including distribution of software products, hardware, peripheral and medical devices with equipment and services for the medical industry. Additional areas of activity will also include conducting scientific research and R&D work related to medical products and devices as well as medical computer software. The company will also provide relevant consulting services, outsource employees, and broker relevant services.

The company's share capital amounts to EUR 25,000.00 (twenty-five thousand) and is divided into 25,000 equal shares with serial numbers from 1 to 25,000 and a nominal value of EUR 1.00 each. Contributions to the share capital from shares are cash contributions. The company has not yet been registered.

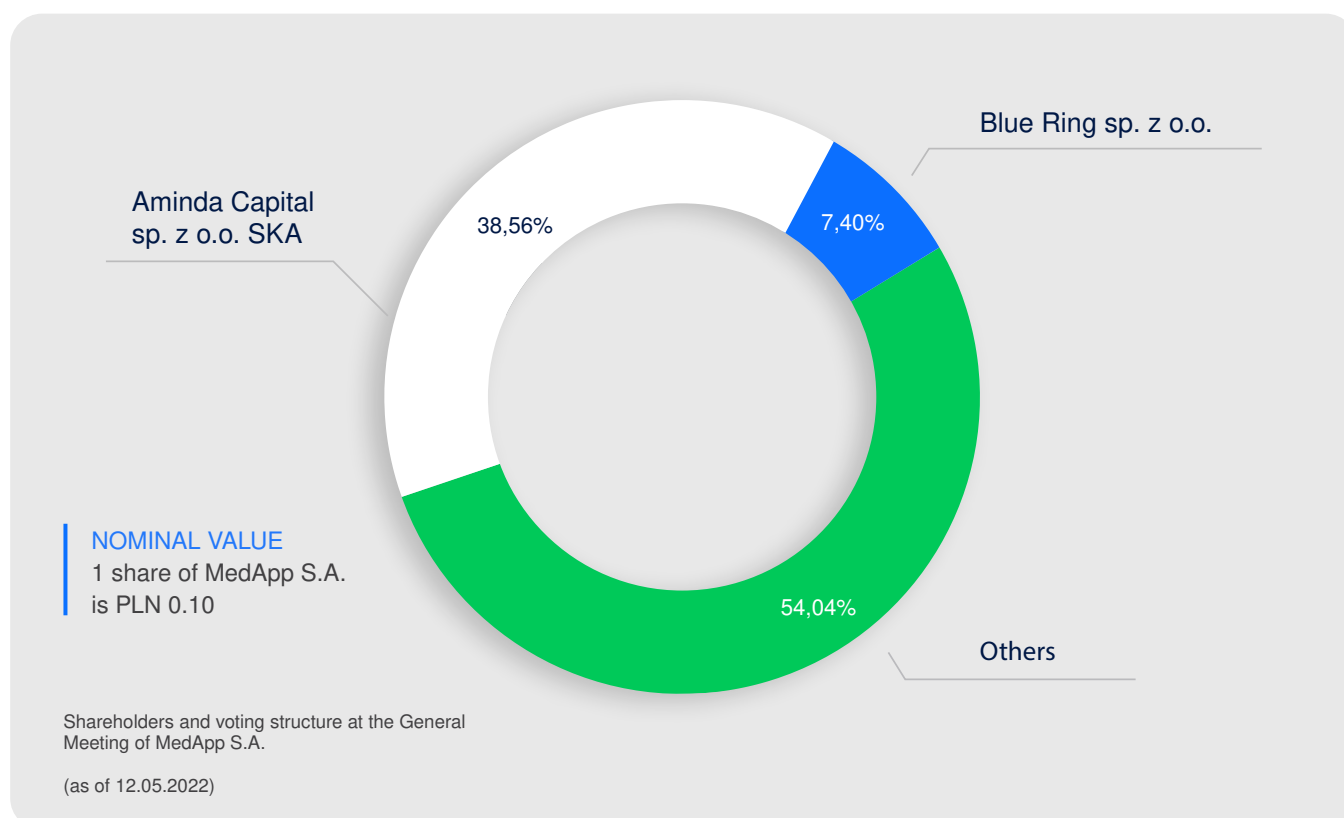


On 1 March 2022 the issuer incorporated the company MedApp Germany GmbH with its registered office in Düsseldorf.



The share capital of the Company amounts to EUR 25,000.00 (twenty five thousand).

9. Information on the shareholding structure of the Company, indicating the shareholders holding at least 5% of the votes at the General Meeting as at the report publication date



| Shareholder | Number of shares held | Nominal Value | Value of shares | Share in the total number of votes |
|--|-----------------------|---------------|---------------------|------------------------------------|
| Amida Capital Spółka z ograniczoną odpowiedzialnością S.K.A. | 96,456,349 | 0.10 | 9,645,634.9 | 38.56% |
| Blue Ring Sp. z o.o. | 18,500,000 | 0.10 | 1,850,000.0 | 7.40% |
| Other shareholders | 135,176,105 | 0.10 | 13,517,610.5 | 54.04% |
| TOTAL | 250,132,454 | | 25,013,245.4 | 100.00% |



Shares admitted to trading
- series A, series B, series C
Total: 41,000,000 shares

Shares not admitted to trading
- series D, series E, series F, series G
Total: 209,132,454 shares

10. Information regarding the number of persons employed by the Company.



The number of persons involved in the Company's operations as of March 31, 2022 was as follows:

- 28 persons employed under a contract of employment,
- 6 persons employed under a commission contract,
- 12 people employed under a civil law (B2B) contract.

A total of 46 people.



Kraków,
12 May 2022



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