



**Quarterly report**

**Urteste S.A.**

**for the period from 1 July 2021 to 30 September 2021**



Gdańsk, 15 November 2021

### Authorised Advisor



Report drawn up in line with the requirements specified in Appendix 3 to the Alternative Trading System Rules "Current and periodic information provided in the alternative trading system on the NewConnect market".

The role of an Authorised Advisor for Urteste S.A. is performed by Navigator Capital S.A. based in Warsaw (00-105), ul. Twarda 18, entered into the Register of Entrepreneurs of the National Court Register under KRS number 0000380467.

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## 1. Information on the principles while preparing the report

This quarterly report of Urteste S.A. with its registered office in Gdańsk ("Company", "Issuer") for the period from 1 July 2021 to 30 September 2021 was drawn up in connection with the provisions of Appendix No. 3 to the Alternative Trading System Rules "Current and periodic information provided in the alternative trading system on the NewConnect market".

The Company maintains its accounting books in accordance with the requirements of the Accounting Act of 29 September 1994 (as amended) applicable to entities continuing as a going concern. The Company prepares its income statement on a comparative basis. The cash flow statement is prepared using the indirect method. The reporting currency is the Polish zloty (PLN). In the financial statements, the Company reports economic events according to their economic content. The Company's financial result for a given financial year includes all revenues earned and attributable to the Company and the related costs in accordance with the principles of accrual, matching of revenues and costs and prudent valuation. Individual assets and liabilities are valued using prices actually incurred to acquire them, while observing the prudence principle.

The Company has not changed its accounting policies in the current reporting period. The condensed separate financial statements of Urteste S.A. for the period from 1 July 2021 to 30 September 2021 has not been audited or reviewed by an entity authorised to audit financial statements. Urteste S.A. does not have any internal organisational units preparing independent financial statements.

## 2. Basic Information about the Company

|  |  |
|--|--|
| <b>Business name:</b>                      | <b>Urteste Spółka Akcyjna</b>  |
| Country of registered office:              | Poland   |
| Registered office and address:             | ul. Starodworska 1, 80-137 Gdańsk  |
| E-mail address:                            | <a href="mailto:urteste@urteste.com">urteste@urteste.com</a>                                     |
| Website:                                   | <a href="https://urteste.eu/">https://urteste.eu/</a>  |
| Registry court:                            | Gdańsk – Północ District Court in Gdańsk, 7th Commercial Division of the National Court Register |
| KRS (National Court Register):             | 0000886944   |
| REGON (National Business Registry Number): | 383394663  |
| NIP (Tax Identification Number):           | 5833355988   |

Urteste S.A. was established as a result of the transformation of a company under the name of Urteste spółka z ograniczoną odpowiedzialnością into a public limited company under a resolution of the Meeting of Shareholders on the transformation of the company dated 16 February 2021.

The duration of the Company is unlimited.

As of 30 September 2021 and as at the date of this quarterly report, the composition of the Company's Management Board was as follows:

- Grzegorz Stefański – President of the Management Board;
- Tomasz Kostuch – Member of the Management Board.

As of 30 September 2021 and as at the date of this quarterly report, the composition of the Company's Supervisory Board was as follows:

- Magdalena Wysocka – Member of the Supervisory Board;
- Sławomir Kościak – Member of the Supervisory Board;
- Małgorzata Stefańska – Member of the Supervisory Board;
- Maciej Kostuch – Member of the Supervisory Board;
- Karol Gruba – Member of the Supervisory Board.

#### **Description of the Issuer's business**

Urteste specialises in developing innovative technology to detect cancer at early stages. The Urteste motto is: Early cancer detection saves lives. The company's ground-breaking technology helps detect cancers by measuring the activity of enzymes in urine. The purpose of the technology is to detect multiple cancers at an early stage, using a single urine sample. The Company is currently developing tests to detect a dozen of the most common cancers: (pancreas, prostate, kidney, colon, liver, biliary tract, stomach, lung, oesophagus, ovary, endometrium, blood, breast and nervous system). The company's team consists of managers with extensive experience in managing companies in the medical industry and scientists specialising in the field of proteolytic enzymes and peptide chemistry.

### **3. Discussion of the adopted accounting policies, including information on changes in the applied accounting policies**

The condensed financial statements forming part of this quarterly report have been prepared in accordance with the accounting principles arising from the provisions of the Accounting Act of 29 September 1994 consolidated text of Journal of Laws of 2021, item 217, as amended, hereinafter referred to as the "Act") and in line with the Company's accounting policy.

The Company's condensed separate financial statements have not been audited or reviewed by a statutory auditor.

The functional and reporting currency is the Polish zloty.

The accounting policies applied by the Company did not change in Q3 2021.

The accounting books on which the condensed financial statements are based were kept by an external entity: KARO KAROLINA ŁUSZCZAK, using the Symfonia Finansowe i Księgowość programme owned by the external entity keeping the accounting books.

**Discussion of the methods adopted for the valuation of assets and liabilities (including amortisation and depreciation):**

**Principles of classifying assets as tangible fixed assets in use and intangible assets and the rules of amortisation/depreciation:**

1. The Company's tangible fixed assets in use include fixed assets and equivalent assets with an expected economic useful life longer than one year, complete and fit for use;
2. Fixed assets with a low value of up to PLN 10,000.00 are written off in the month they are put into use - fixed assets with a value of over PLN 10,000.00 are depreciated using the straight-line method starting from the month following the month they are put into use, taking into account the economic useful life;
3. Intangible assets with a value of up to PLN 10,000.00. are written off once in their full value as costs; intangible assets with a higher value are subject to amortisation according to the rates determined on the basis of their economic useful life;
4. The Company makes monthly depreciation/amortisation charges based on a depreciation/amortisation schedule maintained in the form of a depreciation/amortisation table.

**Principles of valuation of assets and liabilities:**

1. Receivables and liabilities have been valued at amounts payable;
2. Cash in hand and at bank accounts has been recognised at nominal value.
3. Fixed assets and intangible assets have been recognised at acquisition value less depreciation/amortisation charges;
4. Inventories of materials, goods, finished products, semi-finished products and work in progress have been valued at acquisition price or production cost;
5. Shares in other entities or other investments as at the balance sheet date are valued at acquisition price less impairment losses;
6. Share capital shall be stated at the amount set forth in the Articles of Association or Charter and recorded in the National Court Register; contributions declared but not made are recognised as capital contributions receivable.
7. Deferred income tax provision and assets:
  - in respect of temporary differences between the book value of assets or liabilities and their tax value and tax losses to be deducted in the future, an entity shall create a deferred income tax provision and recognise deferred income tax assets, in compliance with the principle of materiality;
  - deferred income tax assets are created in the amount to be deducted from income tax in the future, due to the existence of significant negative temporary differences that will reduce the income tax base and tax loss in the future;

- a deferred income tax provision is created for the amount of income tax payable in the future due to significant positive temporary differences that will increase the income tax base in the future.
8. Assets and liabilities expressed in foreign currencies are valued in the balance sheet on the basis of a uniform rate of exchange, i.e. the average exchange rate of the National Bank of Poland as at the balance sheet date.

Rules for conducting research and development work - constituting the main amount of accruals and prepayments

1. The decision to start a new research and development project is taken by the Management Board in the form of a resolution containing:
  - a. Project name,
  - b. Expected duration,
  - c. Information on which employees will be involved and for how long,
  - d. Information about subcontractors who will participate in the project,
  - e. A preliminary project budget.
2. Following the decision of the Management Board, the accounting department shall separate an account for recording of these costs in band 5 or an identifier in band 4.
3. While research work is being carried out, all costs incurred for a particular project are the costs of the given period.
4. At the end of each quarter, the Management Board reviews the projects in terms of their progress and decides whether the research stage has been completed in individual projects.
5. If the research stage has been completed, the Management Board decides whether the project is definitively closed or moves to the development stage.
6. The decision to commence development work is made based on the following considerations:
  - a. the product or manufacturing technology is firmly established and the development costs relating to it are reliably determined,
  - b. the technical usefulness of the product or technology has been determined and adequately documented and on this basis the entity has made a decision to manufacture the product or use the technology,
  - c. the development costs are expected to be covered by revenues from the sale of these products or the application of technology.
7. Following a decision to proceed to the development phase, capitalisation of costs is initiated under "Accruals and prepayments", sub-account "Development work in progress".
8. The following groups of costs are recorded under development work:
  - a. Laboratory rental,
  - b. Purchase of reagents,
  - c. Depreciation of equipment used in the project,
  - d. Salaries with surcharges,
  - e. Business trips,
  - f. Transport of material for tests,
  - g. Patent and law firm services,
  - h. Research experiments (including costs of CRO),

- i. Medical consultations,
  - j. Other costs related to the project.
9. At the end of each quarter, the Management Board assesses:
- a. In the case of costs of development work in progress - whether the project will actually be continued and whether the assumptions indicated in 6 a-c are valid; if not, the costs are written off in the given quarter,
  - b. In the case of completed development costs - whether the revenue assumption (6c) is met; if not, a write-off is made.

### Revenues and costs

Revenues and profits include probable economic benefits arising during the reporting period, with a reliably determined value, in the form of an increase in the value of assets or decrease in the value of liabilities, leading to an increase in equity or reduction of its deficiency in a manner other than a contribution of funds by shareholders or owners.

Costs and losses include probable decreases in economic benefits during the reporting period, with a reliably determined value, in the form of a decrease in the value of assets or an increase in the value of liabilities or provisions, leading to a decrease in equity or an increase in its shortage in a manner other than a withdrawal of funds by shareholders or owners.

Revenue is recognised when the significant risks and rewards of ownership of the goods or products have passed to the buyer. Revenue comprises amounts receivable or received from sales less VAT.

Operating revenue and expenses also include, respectively, revenue from services sold and costs of their manufacturing realised in the course of business activities. Interest revenue is recognised as it accrues if its receipt is not in doubt and is included in financial revenue.

### Determination of the financial result and preparation of the financial statements

The financial result is determined on the basis of the profit and loss account by applying the principles of accrual, matching and prudence. The financial result is determined using the comparative method. The net financial result consists of:

- profit/loss on the Company's operating activities, including other operating revenue,
- profit/loss on financial operations,
- obligatory charges on the financial result due to corporate income tax and possible equivalent payments, arising from separate regulations.

Operating profit/loss is the difference between net revenue from: products, services, goods and materials, including subsidies, discounts, rebates and other increases or decreases in revenue exclusive of VAT, and other operating revenue, and the value of products, services, goods and materials sold, determined respectively at their manufacturing cost or at acquisition (purchase) prices, as increased by the total of the Management Board's overheads, costs of sales of products, services, goods and materials incurred from the beginning of the financial year and other operating costs.



Profit/loss on financial operations arises from the difference between financial income, in particular from: dividends, interest obtained from the disposal of investments and their revaluation, surplus of positive exchange rate differences over negative ones and financial costs, in particular incurred due to: interest, losses from the disposal of investments and their revaluation and surplus of negative exchange rate differences over positive ones.

Costs are recorded and settled by type on band 4 accounts.

The profit and loss account is prepared in a comparative version.

The cash flow statement is prepared using the indirect method.

#### 4. Quarterly condensed financial statements for Q3 2021.

##### BALANCE SHEET

| ASSETS  | 30.09.2021           | 31.12.2020          | 30.09.2020        |
|---|----------------------|---------------------|-------------------|
| <b>Fixed assets</b>   | <b>94,539.64</b>     | <b>64,836.07</b>    | <b>69,865.73</b>  |
| Intangible assets   | 0.00                 | 0.00                | 0.00              |
| R&D expenses  | 0.00                 | 0.00                | 0.00              |
| Goodwill  | 0.00                 | 0.00                | 0.00              |
| Other intangible assets   | 0.00                 | 0.00                | 0.00              |
| Advances for intangible assets  | 0.00                 | 0.00                | 0.00              |
| <b>Tangible fixed assets</b>  | <b>74,212.23</b>     | <b>64,836.07</b>    | <b>69,865.73</b>  |
| Tangible fixed assets in use  | 49,747.03            | 64,836.07           | 69,865.73         |
| Tangible fixed assets under construction                                  | 24,061.00            | 0.00                | 0.00              |
| Advances for tangible fixed assets under construction                     | 404.20               | 0.00                | 0.00              |
| <b>Long-term receivables</b>  | <b>20,200.00</b>     | <b>0.00</b>         | <b>0.00</b>       |
| From related parties  | 0.00                 | 0.00                | 0.00              |
| From other entities in which the entity holds an equity stake             | 0.00                 | 0.00                | 0.00              |
| From other entities   | 20,200.00            | 0.00                | 0.00              |
| <b>Long-term investments</b>  | <b>0.00</b>          | <b>0.00</b>         | <b>0.00</b>       |
| Real property   | 0.00                 | 0.00                | 0.00              |
| Intangible assets   | 0.00                 | 0.00                | 0.00              |
| Long-term financial assets  | 0.00                 | 0.00                | 0.00              |
| Other long-term investments   | 0.00                 | 0.00                | 0.00              |
| <b>Long-term prepayments</b>  | <b>127.41</b>        | <b>0.00</b>         | <b>0.00</b>       |
| Deferred income tax assets  | 0.00                 | 0.00                | 0.00              |
| Other prepayments   | 127.41               | 0.00                | 0.00              |
| <b>Current assets</b>   | <b>11,912,244.26</b> | <b>1,318,410.74</b> | <b>613,602.36</b> |
| <b>Inventory</b>  | <b>0.00</b>          | <b>0.00</b>         | <b>0.00</b>       |
| Materials   | 0.00                 | 0.00                | 0.00              |
| Semi-finished products and work in progress                               | 0.00                 | 0.00                | 0.00              |
| Finished products   | 0.00                 | 0.00                | 0.00              |
| Goods   | 0.00                 | 0.00                | 0.00              |
| Advances for deliveries and services                                      | 0.00                 | 0.00                | 0.00              |
| <b>Short-term receivables</b>   | <b>397,866.76</b>    | <b>200,275.00</b>   | <b>191,578.15</b> |
| Receivables from related parties  | 0.00                 | 0.00                | 0.00              |
| Receivables from other entities in which the entity holds an equity stake | 0.00                 | 0.00                | 0.00              |
| Receivables from other entities   | 397,866.76           | 200,275.00          | 191,578.15        |
| <b>Short-term investments</b>   | <b>10,022,188.51</b> | <b>427,349.62</b>   | <b>419,029.61</b> |
| Short-term financial assets   | 10,022,188.51        | 427,349.62          | 419,029.61        |
| Other short-term investments  | 0.00                 | 0.00                | 0.00              |
| <b>Short-term prepayments</b>   | <b>1,492,188.99</b>  | <b>690,786.12</b>   | <b>2,994.60</b>   |

|                                |                      |                     |                   |
|--------------------------------|----------------------|---------------------|-------------------|
| <b>Called-up share capital</b> | <b>0.00</b>          | <b>0.00</b>         | <b>0.00</b>       |
| <b>Own shares</b>              | <b>0.00</b>          | <b>0.00</b>         | <b>0.00</b>       |
| <b>TOTAL ASSETS</b>            | <b>12,006,783.90</b> | <b>1,383,246.81</b> | <b>683,468.09</b> |

| <b>LIABILITIES</b>  | <b>30.09.2021</b>    | <b>31.12.2020</b>   | <b>30.09.2020</b> |
|---|----------------------|---------------------|-------------------|
| <b>Equity</b>   | <b>11,958,475.35</b> | <b>1,365,040.26</b> | <b>257,501.19</b> |
| Share capital   | 111,978.80           | 12,000.00           | 12,000.00         |
| Supplementary capital   | 13,311,810.47        | 1,883,063.62        | 1,183,263.62      |
| Revaluation reserve   | 0.00                 | 0.00                | 0.00              |
| Other reserve capitals  | 0.00                 | 200.00              | 0.00              |
| Previous years' profit (loss)   | -288,701.13          | 0.00                | 0.00              |
| Net profit (loss)   | -1,176,612.79        | -530,223.36         | -937,762.43       |
| Write-off on net profit during the financial year (negative value)      | 0.00                 | 0.00                | 0.00              |
| <b>Liabilities and provisions for liabilities</b>                       | <b>48,308.55</b>     | <b>18,206.55</b>    | <b>425,966.90</b> |
| <b>Provisions for liabilities</b>                                       | <b>0.00</b>          | <b>0.00</b>         | <b>0.00</b>       |
| Provision for deferred income tax                                       | 0.00                 | 0.00                | 0.00              |
| Provision for retirement and similar benefits                           | 0.00                 | 0.00                | 0.00              |
| Other provisions  | 0.00                 | 0.00                | 0.00              |
| <b>Long-term liabilities</b>  | <b>0.00</b>          | <b>0.00</b>         | <b>0.00</b>       |
| To related parties  | 0.00                 | 0.00                | 0.00              |
| To other entities in which the entity holds an equity stake             | 0.00                 | 0.00                | 0.00              |
| To other entities   | 0.00                 | 0.00                | 0.00              |
| <b>Short-term liabilities</b>   | <b>48,308.55</b>     | <b>18,206.55</b>    | <b>425,966.90</b> |
| Liabilities to related parties  | 0.00                 | 0.00                | 300,000.00        |
| trade liabilities   | 0.00                 | 0.00                | 0.00              |
| other   | 0.00                 | 0.00                | 300,000.00        |
| Liabilities to other entities in which the entity holds an equity stake | 0.00                 | 0.00                | 0.00              |
| trade liabilities   | 0.00                 | 0.00                | 0.00              |
| other   | 0.00                 | 0.00                | 0.00              |
| Liabilities to other entities   | 48,308.55            | 18,206.55           | 125,966.90        |
| loan and borrowings   | 0.00                 | 0.00                | 0.00              |
| arising from issuance of debt securities                                | 0.00                 | 0.00                | 0.00              |
| other financial liabilities   | 0.00                 | 0.00                | 0.00              |
| trade liabilities   | 33,004.22            | 8,899.81            | 116,212.50        |
| received advances for deliveries and services                           | 0.00                 | 0.00                | 0.00              |
| bill-of-exchange liabilities  | 0.00                 | 0.00                | 0.00              |
| tax, customs, social a health insurance and other public liabilities    | 15,304.33            | 9,306.74            | 9,754.40          |
| payroll liabilities   | 0.00                 | 0.00                | 0.00              |
| other   | 0.00                 | 0.00                | 0.00              |

|                          |                      |                     |                   |
|--------------------------|----------------------|---------------------|-------------------|
| Special funds            | 0.00                 | 0.00                | 0.00              |
| <b>Accruals</b>          | <b>0.00</b>          | <b>0.00</b>         | <b>0.00</b>       |
| Negative goodwill        | 0.00                 | 0.00                | 0.00              |
| Other prepayments        | 0.00                 | 0.00                | 0.00              |
| <b>TOTAL LIABILITIES</b> | <b>12,006,783.90</b> | <b>1,383,246.81</b> | <b>683,468.09</b> |

## PROFIT AND LOSS ACCOUNT

| Profit and loss account (single-step version)  | 01.07.2021<br>30.09.2021 | 01.01.2021<br>30.09.2021 | 01.07.2020<br>30.09.2020 | 01.01.2020<br>30.09.2020 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Net revenues from sales and equivalent, including revenues:</b>                       | <b>258,760.86</b>        | <b>801,530.28</b>        | <b>0.00</b>              | <b>0.00</b>              |
| Net revenues from sales of products  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Change in the balance of products (increase - positive value, decrease - negative value) | 258,760.86               | 801,530.28               | 0.00                     | 0.00                     |
| Manufacturing cost of products for internal purposes                                     | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Net revenues from sales of goods and materials   | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| <b>Operating expenses</b>  | <b>1,061,944.22</b>      | <b>1,977,685.43</b>      | <b>459,891.69</b>        | <b>947,080.37</b>        |
| Amortisation and depreciation  | 5,029.68                 | 15,089.04                | 5,029.68                 | 9,812.10                 |
| Consumption of materials and energy  | 35,358.52                | 55,991.94                | 79,237.83                | 182,544.29               |
| External services  | 771,858.52               | 1,392,368.62             | 233,121.24               | 431,446.50               |
| Taxes and charges  | 721.38                   | 2,754.08                 | 0.00                     | 350.00                   |
| Payroll  | 209,112.37               | 463,491.37               | 133,671.18               | 303,415.86               |
| Social security and other benefits, including:   | 1,043.51                 | 2,190.39                 | 4,331.96                 | 10,382.16                |
| Other costs by type  | 38,820.24                | 45,799.99                | 4,499.80                 | 9,129.46                 |
| Value of goods and materials sold  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| <b>Profit (loss) on sales (A-B)</b>  | <b>-803,183.36</b>       | <b>-1,176,155.15</b>     | <b>-459,891.69</b>       | <b>-947,080.37</b>       |
| <b>Other operating revenues</b>  | <b>0.05</b>              | <b>1.71</b>              | <b>0.55</b>              | <b>8 133.60</b>          |
| Profit on disposal of non-financial fixed assets   | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Subsidies  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Revaluation of non-financial assets  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Other operating revenues   | 0.05                     | 1.71                     | 0.55                     | 8 133.60                 |
| <b>Other operating expenses</b>  | <b>1.15</b>              | <b>16.81</b>             | <b>1.07</b>              | <b>2.04</b>              |
| Loss on disposal of non-financial fixed assets   | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Revaluation of non-financial assets  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Other operating expenses   | 1.15                     | 16.81                    | 1.07                     | 2.04                     |
| <b>Profit (loss) on operating activities (C+D-E)</b>                                     | <b>-803,184.46</b>       | <b>-1,176,170.25</b>     | <b>-459,892.21</b>       | <b>-938,948.81</b>       |
| <b>Financial revenues</b>  | <b>8.21</b>              | <b>8.21</b>              | <b>81.65</b>             | <b>6,647.05</b>          |
| Dividend and profit sharing  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |

|  |                    |                      |                    |                    |
|--|--------------------|----------------------|--------------------|--------------------|
| Interest   | 8.21               | 8.21                 | 81.65              | 6,647.05           |
| Profit on disposal of financial assets                   | 0.00               | 0.00                 | 0.00               | 0.00               |
| Revaluation of financial assets                          | 0.00               | 0.00                 | 0.00               | 0.00               |
| Other  | 0.00               | 0.00                 | 0.00               | 0.00               |
| <b>Financial expenses</b>                                | <b>444.59</b>      | <b>450.75</b>        | <b>2,525.20</b>    | <b>5,460.67</b>    |
| Interest   | 9.00               | 16.00                | 0.00               | 0.00               |
| Loss on disposal of financial assets, including:         | 0.00               | 0.00                 | 0.00               | 0.00               |
| Revaluation of financial assets                          | 0.00               | 0.00                 | 0.00               | 0.00               |
| Other  | 435.59             | 434.75               | 2,525.20           | 5,460.67           |
| <b>Gross profit (loss) (F+G-H)</b>                       | <b>-803,620.84</b> | <b>-1,176,612.79</b> | <b>-462,335.76</b> | <b>-937,762.43</b> |
| Income tax   | 0.00               | 0.00                 | 0.00               | 0.00               |
| Other statutory reductions in profit (increases in loss) | 0.00               | 0.00                 | 0.00               | 0.00               |
| <b>Net profit (loss) (I-J-K)</b>                         | <b>-803,620.84</b> | <b>-1,176,612.79</b> | <b>-462,335.76</b> | <b>-937,762.43</b> |

## CASH FLOW STATEMENT

| Cash flow statement (indirect method)                                | 01.07.2021<br>30.09.2021 | 01.01.2021<br>30.09.2021 | 01.07.2020<br>30.09.2020 | 01.01.2020<br>30.09.2020 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>A. Cash flows from operating activities</b>                       |                          |                          |                          |                          |
| <b>I. Net profit (loss)</b>  | <b>-803,620.84</b>       | <b>-1,176,612.79</b>     | <b>-462,335.76</b>       | <b>-937,762.43</b>       |
| <b>II. Total adjustments:</b>  | <b>-347,885.29</b>       | <b>-974,131.00</b>       | <b>-39,343.06</b>        | <b>-24,254.04</b>        |
| 1. Amortisation and depreciation                                     | 5,029.68                 | 15,089.04                | 5,029.68                 | 9,812.10                 |
| 2. Exchange gains (losses)   | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 3. Interest and profit sharing (dividend)                            | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 4. Profit (loss) on investment activities                            | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 5. Change in provisions  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 6. Change in inventory   | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 7. Change in receivables   | -86,080.14               | -217,791.76              | -32,028.63               | 113,094.15               |
| 8. Change in short-term liabilities excluding credits and loans      | -8,073.97                | 30,102.00                | 65,217.01                | 81,945.03                |
| 9. Change in prepayments and accruals                                | -258,760.86              | -801,530.28              | 1,125.00                 | -2,917.02                |
| 10. Other adjustments  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| <b>III. Net cash flows from operating activities (I +/- II)</b>      | <b>-1,151,506.13</b>     | <b>-2,150,743.79</b>     | <b>-422,992.70</b>       | <b>-962,016.47</b>       |
| <b>B. Cash flows from investing activities:</b>                      |                          |                          |                          |                          |
| <b>I. Inflows</b>  | <b>0.00</b>              | <b>0.00</b>              | <b>0.00</b>              | <b>0.00</b>              |
| 1. Disposal of intangible and tangible fixed assets                  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 2. Disposal of investments in real property and in intangible assets | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 3. From financial assets   | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 4. Other investment inflows  | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| <b>II. Outflows</b>  | <b>24,465.20</b>         | <b>24,465.20</b>         | <b>0.00</b>              | <b>42,215.69</b>         |

|   |                      |                      |                   |                     |
|---|----------------------|----------------------|-------------------|---------------------|
| 1. Purchase of intangible assets and tangible fixed assets  | 24,465.20            | 24,465.20            | 0.00              | 42,215.69           |
| 2. Investments in real property and intangible assets   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 3. For financial assets   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 4. Other outflows from investment activities  | 0.00                 | 0.00                 | 0.00              | 0.00                |
| <b>III. Net cash flows from investment activities (I-II)</b>  | <b>-24,465.20</b>    | <b>-24,465.20</b>    | <b>0.00</b>       | <b>-42,215.69</b>   |
| <b>C. Cash flows from financial activities:</b>   |                      |                      |                   |                     |
| <b>I. Inflows</b>   | <b>9,520,000.00</b>  | <b>11,770,047.88</b> | <b>300,000.00</b> | <b>1,250,000.00</b> |
| 1. Net inflows from issuance of shares and other capital instruments and from capital contributions | 9,520,000.00         | 11,770,047.88        | 300,000.00        | 1,250,000.00        |
| 2. Credits and loans  | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 3. Issuance of debt securities  | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 4. Other financial inflows  | 0.00                 | 0.00                 | 0.00              | 0.00                |
| <b>II. Outflows</b>   | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>       | <b>0.00</b>         |
| 1. Purchase of own shares   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 2. Dividend and other payments to owners  | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 3. Profit distribution liabilities other than profit distribution payments to owners                | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 4. Repayment of credits and loans   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 5. Redemption of debt securities  | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 6. Payment of other financial liabilities   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 7. Payment of liabilities arising from financial leases   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 8. Interest   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| 9. Other outflows from financial activities   | 0.00                 | 0.00                 | 0.00              | 0.00                |
| <b>III. Net cash flows from financial activities (I-II)</b>   | <b>9,520,000.00</b>  | <b>11,770,047.88</b> | <b>300,000.00</b> | <b>1,250,000.00</b> |
| <b>D. Total net cash flows (A.III. +/- B.III +/- C.III)</b>   | <b>8,344,028.67</b>  | <b>9,594,838.89</b>  | <b>122,992.70</b> | <b>245,767.84</b>   |
| <b>E. Balance sheet change in cash, including:</b>  | <b>8,344,028.67</b>  | <b>9,594,838.89</b>  | <b>122,992.70</b> | <b>245,767.84</b>   |
| including change in cash due to exchange differences  | 0.00                 | 0.00                 | 0.00              | 0.00                |
| <b>F. Cash opening balance</b>  | <b>1,678,159.84</b>  | <b>427,349.62</b>    | <b>542,022.31</b> | <b>173,261.77</b>   |
| <b>G. Closing balance of cash (F ± D)</b>   | <b>10,022,188.51</b> | <b>10,022,188.51</b> | <b>419,029.61</b> | <b>419,029.61</b>   |
| including of limited disposability  | 0.00                 | 0.00                 | 0.00              | 0.00                |

## STATEMENT OF CHANGES IN EQUITY

| STATEMENT OF CHANGES IN EQUITY                          | 01.07.2021<br>30.09.2021 | 01.01.2021<br>30.09.2021 | 01.07.2020<br>30.09.2020 | 01.01.2020<br>30.09.2020 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>I. Opening balance of equity</b>                     | <b>3,242,096.19</b>      | <b>1,365,040.26</b>      | <b>3,669,836.95</b>      | <b>1,195,263.62</b>      |
| <b>I.a. Opening balance of equity after adjustments</b> | <b>3,242,096.19</b>      | <b>1,365,040.26</b>      | <b>3,669,836.95</b>      | <b>1,195,263.62</b>      |
| <b>1. Opening balance of share capital</b>              | <b>102,458.80</b>        | <b>12,000.00</b>         | <b>12,000.00</b>         | <b>11,250.00</b>         |
| 1.1. Changes in share capital                           | 9,520.00                 | 99,978.80                | 0.00                     | 750.00                   |

|  |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
| a) increase (due to)   | 9,520.00            | 99,978.80           | 0.00                | 750.00              |
| - entry in the National Court Register of the shares contributed in the previous year to the share capital   | 0.00                | 200.00              | 0.00                | 750.00              |
| - increase of the capital following the transformation of URTESTE SP. Z O.O. in URTESTE S.A.   | 0.00                | 87,800.00           | 0.00                | 0.00                |
| - increase of the share capital due to the issue of series B shares  | 0.00                | 2,458.80            | 0.00                | 0.00                |
| - increase of the share capital due to the issue of series C shares  | 9,520.00            | 9,520.00            | 0.00                | 0.00                |
| b) decrease (due to)   | 0.00                | 0.00                | 0.00                | 0.00                |
| - redemption of shares   | 0.00                | 0.00                | 0.00                | 0.00                |
| 1.2. Closing balance of share capital  | 111,978.80          | 111,978.80          | 12,000.00           | 12,000.00           |
| <b>2. Opening balance of supplementary capital</b>   | <b>3,801,330.47</b> | <b>1,883,063.62</b> | <b>4,132,763.62</b> | <b>1,548,000.00</b> |
| 2.1. Changes in supplementary capital  | 9,510,480.00        | 11,428,746.85       | -2,949,500.00       | -364,736.38         |
| a) increase (due to)   | 9,510,480.00        | 11,758,069.08       | 0.00                | 2,949,500.00        |
| - issue of shares above face value   | 9,510,480.00        | 11,758,069.08       | 0.00                | 2,949,500.00        |
| - from profit distribution (statutory)   | 0.00                | 0.00                | 0.00                | 0.00                |
| - from profit distribution (above the statutory minimum value)   | 0.00                | 0.00                | 0.00                | 0.00                |
| b) decrease (due to)   | 0.00                | 329,322.23          | 2,949,500.00        | 3,314,236.38        |
| - loss coverage  | 0.00                | 241,522.23          | 0.00                | 364,736.38          |
| - coverage of the capital of URTESTE S.A. with the assets of URTESTE SP. Z O.O. under transformation   | 0.00                | 87,800.00           | 0.00                | 0.00                |
| a resolution to amend the Articles of Association has been adopted and the amendment has not been notified to the National Court Register within 6 months of the adoption of the resolution; the resolution is null and void | 0.00                | 0.00                | 2,949,500.00        | 2,949,500.00        |
| 2.2. Closing balance of supplementary capital  | 13,311,810.47       | 13,311,810.47       | 1,183,263.62        | 1,183,263.62        |
| <b>3. Opening balance of revaluation reserve</b>   | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         |
| 3.1. Changes in revaluation reserve  | 0.00                | 0.00                | 0.00                | 0.00                |
| a) increase (due to)   | 0.00                | 0.00                | 0.00                | 0.00                |
| b) decrease (due to)   | 0.00                | 0.00                | 0.00                | 0.00                |
| - sales of tangible fixed assets   | 0.00                | 0.00                | 0.00                | 0.00                |
| 3.2. Closing balance of revaluation reserve  | 0.00                | 0.00                | 0.00                | 0.00                |
| <b>4. Opening balance of other reserve capitals</b>  | <b>0.00</b>         | <b>200.00</b>       | <b>0.00</b>         | <b>750.00</b>       |
| 4.1. Changes in other reserve capitals   | 0.00                | -200.00             | 0.00                | -750.00             |
| a) increase (due to)   | 0.00                | 0.00                | 0.00                | 0.00                |
| - contributions to share capital that had not been registered in the National Court Register by the balance sheet date   | 0.00                | 0.00                | 0.00                | 0.00                |
| b) decrease (due to)   | 0.00                | 200.00              | 0.00                | 750.00              |
| - entry in the National Court Register in the current year of the contributions made to the share capital in the previous year   | 0.00                | 200.00              | 0.00                | 750.00              |
| 4.2. Closing balance of other reserve capitals   | 0.00                | 0.00                | 0.00                | 0.00                |
| <b>5. Opening balance of previous years' profit (loss)</b>   | <b>-288,701.13</b>  | <b>-288,701.13</b>  | <b>0.00</b>         | <b>0.00</b>         |
| 5.1. Opening balance of previous years' profit   | 0.00                | 0.00                | 0.00                | 0.00                |
| - changes in adopted accounting policies   | 0.00                | 0.00                | 0.00                | 0.00                |
| - adjustments of errors  | 0.00                | 0.00                | 0.00                | 0.00                |
| 5.2. Opening balance of previous years' profit, after adjustments  | 0.00                | 0.00                | 0.00                | 0.00                |
| a) increase (due to)   | 0.00                | 0.00                | 0.00                | 0.00                |
| - distribution of previous years' profit   | 0.00                | 0.00                | 0.00                | 0.00                |

|   |                      |                      |                    |                    |
|---|----------------------|----------------------|--------------------|--------------------|
| b) decrease (due to)  | 0.00                 | 0.00                 | 0.00               | 0.00               |
| 5.3. Closing balance of previous years' profit                            | 0.00                 | 0.00                 | 0.00               | 0.00               |
| 5.4. Opening balance of previous years' loss                              | -288,701.13          | -288,701.13          | 0.00               | 0.00               |
| - changes in adopted accounting policies                                  | 0.00                 | 0.00                 | 0.00               | 0.00               |
| - adjustments of errors   | 0.00                 | 0.00                 | 0.00               | 0.00               |
| 5.5. Opening balance of previous years' loss, after adjustments           | -288,701.13          | -288,701.13          | 0.00               | 0.00               |
| a) increase (due to)  | 0.00                 | 0.00                 | 0.00               | 0.00               |
| - previous years' loss brought forward                                    | 0.00                 | 0.00                 | 0.00               | 0.00               |
| b) decrease (due to)  | 0.00                 | 0.00                 | 0.00               | 0.00               |
| - loss coverage from supplementary capital                                | 0.00                 | 0.00                 | 0.00               | 0.00               |
| 5.6. Closing balance of previous years' loss                              | -288,701.13          | -288,701.13          | 0.00               | 0.00               |
| 5.7. Closing balance of previous years' profit (loss)                     | -288,701.13          | -288,701.13          | 0.00               | 0.00               |
| <b>6. Net profit/loss</b>   | <b>-1,176,612.79</b> | <b>-1,176,612.79</b> | <b>-937,762.43</b> | <b>-937,762.43</b> |
| a) net profit   | 0.00                 | 0.00                 | 0.00               | 0.00               |
| b) net loss   | 1,176,612.79         | 1,176,612.79         | 937,762.43         | 937,762.43         |
| - net loss in Q1  | 131,218.22           | 131,218.22           | 237,858.45         | 237,858.45         |
| - net loss in Q2  | 241,773.73           | 241,773.73           | 237,568.22         | 237,568.22         |
| - net loss in Q3  | 803,620.84           | 803,620.84           | 462,335.76         | 462,335.76         |
| c) write-offs on profit   | 0.00                 | 0.00                 | 0.00               | 0.00               |
| <b>II. Closing balance of equity</b>                                      | <b>11,958,475.35</b> | <b>11,958,475.35</b> | <b>257,501.19</b>  | <b>257,501.19</b>  |
| <b>III. Equity including proposed profit distribution (loss coverage)</b> | <b>11,958,475.35</b> | <b>11,958,475.35</b> | <b>257,501.19</b>  | <b>257,501.19</b>  |



## 5. Issuer's comment on circumstances and events significantly affecting the Issuer's operations, its financial position and results achieved in the quarter

### Major events in Q3 2021

#### ISSUE AND REGISTRATION OF SERIES C SHARES

At the turn of Q3 2021, the Issuer conducted a public issue of series C shares. As part of the public offering, investors took up all the offered 95,200 shares at a price of PLN 100 per share. 20,000 shares were subscribed for in the small investor tranche. The average reduction rate in this tranche was 37.9%. 75,200 shares were subscribed for in the large investor tranche. On 7 July 2021 allocation of series C shares took place. The increase of the initial capital by C series shares was registered in the National Court Register on 15 September 2021. The funds in the amount of PLN 9.52 million raised from the issue will be used mainly for research and development work in the pancreatic cancer (Panuri project) and prostate cancer (Easy-Test project) projects and the development of another dozen diagnostic targets. In addition, funds will be spent on patent protection of tests, overheads, public relations costs and costs of adapting and equipping the new laboratory.

#### WORK ON THE LABORATORY

On 27 July 2021, Urteste signed a contract to lease 243 sqm of space in Pruszcz Gdański to be adapted for a laboratory. So far, the technological design and discipline-specific design have been prepared and adaptation works have started.

Ultimately, the Urteste laboratory will house:

- a chemical synthesis laboratory,
- a diagnostic laboratory,
- a bank of biological material,
- office space.

#### OTHER EVENTS

In Q3 2021, work continued on building the Quality Management System (QMS). The Company also started searching for a supplier of a target hardware platform for cancer diagnostics using Urteste tests.

### Major events in the period between the end of Q3 2021 and the date of publication of this report.

#### LABORATORY EQUIPMENT

In October 2021, the finishing and adaptation works of the laboratory continued. In addition, the company began the process of purchasing laboratory equipment and supplies. It is expected to be completed in Q1 2022.

#### CONCLUSION OF A CONTRACT WITH IQVIA FOR THE SEARCH OF AN INDUSTRY PARTNER

In October 2021, the company entered into a contract with IQVIA, an international company, to search for an industry partner - a potential purchaser of the technology being developed by Urteste. Urteste's Management Board emphasises that the search for a potential partner is a long-term process and therefore has decided to conclude the contract with IQVIA well in advance. The Board believes that

this will have a positive impact on the process of selecting a partner in the future, at the further stages of the development of the technological platform for the diagnosis of several of the most common cancers.

#### **DEBUT ON THE NEWCONNECT MARKET**

On 27 October 2021, Urteste made its debut on the NewConnect market. 475,412 series A shares, 24,588 series B shares and 95,200 series C shares were traded on NewConnect.

#### **REACHING A MILESTONE - DEVELOPING A PROTOTYPE DIAGNOSTIC TEST FOR LIVER CANCER AND FILING A PATENT APPLICATION**

In ESPI report no. 2/2021 dated 3 November 2021, the Issuer announced that it had reached the milestone of developing a prototype diagnostic test for liver cancer. Considering the above, on 3 November 2021, an application was submitted to the Patent Office of the Republic of Poland for a patent for the invention. The Company's patent strategy is to file a patent application under the international PCT procedure within the next 12 months. The diagnostic test for liver cancer is part of the FINDER project. The filing of a patent application for a liver diagnostic marker is the result of the development of the Company's technology platform for designing tests for the diagnosis of a dozen of the most common cancers.

#### **Information on the Issuer's financial results for Q3 2021.**

In Q3 2021, the Company generated a net loss of PLN 804 thousand. The net loss was directly related to incurring significant operating expenses with no revenues from operations.

In Q3 2021, the largest expense item was third-party services, which totalled PLN 772 thousand and accounted for 73% of operating expenses for the period. More than half of these costs were the costs of issuing series C shares.

As at 30 September 2021, the Company's total assets amounted to PLN 12.0 million and increased by PLN 11.3 million compared to 30 September 2020, as a result of the issue of series B (PLN 2.25 million) and series C shares (PLN 9.52 million).

At the end of Q3 2021, the Company's equity amounted to PLN 11.9 m and accounted for 99.0% of the balance sheet total. Accruals and prepayments, which amounted to PLN 1.5 million, consisted mainly of development work on the PANURI and EASY-TEST projects.

## **6. Forecasted financial results**

Not applicable. The Company did not publish any forecasted financial results.

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

Urteste focuses its activities on the development of the following projects related to the use of its know-how in the area of cancer diagnostics:

- a) PANURI - the Issuer's project that aims to develop an in vitro diagnostic device to be used in the diagnosis of pancreatic cancer
- b) EASY-TEST – the Issuer's project that aims to develop an in vitro diagnostic medical device to be used in the diagnosis of prostate cancer;
- c) FINDER - a project that aims to find new diagnostic targets based on the Issuer's know-how. As part of the project, R&D work is being carried out to design future in vitro diagnostic medical devices for the diagnosis of various types of cancer.

### PANURI PROJECT

The goal of the project is to develop a medical device for in vitro use. The product developed under the project will have applications in the diagnosis of pancreatic cancer.

The following stages of development work have already been completed to date:

1. Development of a product business concept,
2. An initial assessment of the fulfilment of the design assumptions of the device through basic laboratory tests. Development of an initial registration concept ("go to market"; European Union, United States, other markets),
3. Development of a preliminary concept for clinical development,
4. Design work, including:
  - a. identifying a group of compounds that could be used in a future medical device,
  - b. identifying compounds with significant development potential, using a series of laboratory tests,
  - c. cross-testing, using urine samples from patients with cancers other than pancreatic cancer.
5. Submission of patent applications to protect the solution

At the moment, Urteste in the PANURI project is pursuing the following processes:

1. Multicentre patient studies,
2. Setting up an ISO system in accordance with standard 13485,
3. Building a product regulatory strategy covering the entire product life cycle.
4. Preparing a new research laboratory for the company, meeting quality requirements related to the design of a medical device and ensuring the highest quality and repeatability of results obtained.

In Q3 2021, the company continued, as part of the PANURI project, the study - a multicentre, open research experiment. The purpose of the research experiment is to evaluate the analytical and clinical performance

of the future medical device by Urteste using urine samples obtained from diagnosed patients from three study groups, i.e. pancreatic cancer patients, pancreatitis patients and healthy volunteers. 330 people take part in the research experiment. The experiment involves taking urine samples. The samples are blinded and sent to an independent laboratory for analysis, using the Issuer's test. The

study will evaluate the sensitivity and specificity of the test as well as the correlation between the results obtained using the Company's test and CA19-9 values (analytical and clinical efficacy). On this basis, the sensitivity and specificity of both diagnostic methods will be compared. In July 2021, the company signed contracts with 8 new clinical centres, so that the PANURI project may be completed within the scheduled time limit. The company expects the patient study to be completed in Q1 2022

### **EASY-TEST DESIGN**

The goal of the project is to develop a medical device for in vitro use. The product developed under the project will have applications in the diagnosis of prostate cancer.

The following stages of development work have already been completed to date:

1. Development of a product business concept,
2. An initial assessment of the fulfilment of the design assumptions of the medical device through basic laboratory tests. Development of a preliminary registration concept ("go to market": European Union, United States, other markets),
3. Development of a preliminary concept for clinical development,
4. Design work, including:
  - a. identification of a group of compounds that could be used in the future medical device,
  - b. identifying compounds with significant development potential, using a series of laboratory tests,
  - c. cross-testing, using urine samples from patients with cancers other than prostate cancer.
5. Submission of patent applications to protect the solution.

At the moment, Urteste in the EASY-TEST project is pursuing the following processes:

1. Multicentre patient studies,
2. Setting up an ISO system in accordance with standard 13485,
3. Building a product regulatory strategy covering the entire product life cycle.
4. Preparing a new research laboratory that meets quality requirements related to the design of the medical device and ensures the highest quality and repeatability of the results obtained.

In Q3 2021, the company continued, as part of the EASY-TEST project, the study - a multicentre, open research experiment. The purpose of the research experiment is to evaluate the analytical and clinical performance

of the Issuer's future medical device using urine samples obtained from diagnosed patients in three study groups, i.e. patients with prostate cancer, patients with non-cancer diseases (prostatitis, benign prostatic hyperplasia) and healthy volunteers. 165 people take part in the research experiment. The experiment involves taking urine samples. The samples are blinded and sent to an independent laboratory for analysis, using the Issuer's test. The study will evaluate the sensitivity and specificity of the test as well as the correlation between results obtained using the Company's test and PSA values (analytical and clinical efficacy). On this basis, the sensitivity and specificity of both diagnostic methods will be compared. The company expects the patient study to be completed in 2021.

### **FINDER PROJECT**

The project aims to develop tests and future medical devices for in vitro use. The tests developed under the project will have potential applications in cancer diagnostics. The project includes research and development for several types of cancer (kidney, colorectal, lung, biliary, liver, ovarian, endometrial, stomach, oesophageal, breast, leukaemia, lymphoma, glioma).

The following stages of development work have already been completed to date:

1. Development of a project business concept,
2. Concept of prototypes of future medical devices,
3. Start of the research experiment:
  - a) drawing up the experiment record,
  - b) obtaining the approval of the Bioethics Committee,
  - c) signing contracts with a clinical centre,
  - d) recruiting the first scheduled group of study participants.
4. Preparation of initial test candidates for the following types of cancer:
  - a) intestine cancer,
  - b) kidney cancer,
  - c) lung cancer,
  - d) biliary tract cancer.
5. Development of a prototype diagnostic test for liver cancer.

In Q3 2021, based on samples previously collected, the Urteste team drew analytical conclusions that will inform the selection of further prototypes for diagnostic testing. As a result of the work carried out in the Finder project, a prototype liver cancer test was developed, as announced by the Issuer in current report ESPI no. 2/2021 of 3 November 2021.

Urteste's goal for the coming months in the FINDER project is to develop prototype diagnostic tests for lung, kidney, colorectal and biliary cancers.

## 8. Initiatives taken by the Company in the period covered by the report aimed at introducing innovative solutions

The Issuer is active in the field of medical devices for in vitro use, with a particular focus on cancer diagnostics. The Company specialises in developing innovative technology to detect cancer at early stages. The Company's business is highly R&D driven and focused on the innovative development of its services, and the early stage cancer diagnostics industry is characterised by continuous growth. The Issuer bases its strategy on a technology that uses an enzymatic method to develop tests that detect different types of cancer based on a urine sample. This represents an innovative technology that, to the best of the Issuer's knowledge, is not currently used in medical devices available on the market. Detailed information on the progress of the work, including initiatives undertaken by the Issuer during the reporting period, can be found in sections 5 and 7 of this Quarterly Report.

## 9. Description of the organisation of the capital group, indicating the entities to be consolidated

Not applicable. In Q3 2021 and as at the date of this quarterly report, the Company has not formed a capital group as understood in the accounting regulations applicable to the Company, and has not held any interests in any subsidiaries.

## 10. Shareholder structure of the Issuer

### Shareholder structure as at the date of the report

| No.          | Shareholder           | Number of shares | % of shares    | Number of votes  | % of votes     |
|--------------|-----------------------|------------------|----------------|------------------|----------------|
| 1.           | Adam Lesner           | 241,808          | 21.59%         | 241,808          | 21.59%         |
| 2.           | Natalia Gruba         | 209,018          | 18.67%         | 209,018          | 18.67%         |
| 3.           | Twiti Investments Ltd | 204,918          | 18.30%         | 204,918          | 18.30%         |
| 4.           | Grzegorz Stefański    | 184,422          | 16.47%         | 184,422          | 16.47%         |
| 5.           | Tomasz Kostuch        | 184,422          | 16.47%         | 184,422          | 16.47%         |
| 6.           | Other Shareholders    | 95,200           | 8.50%          | 95,200           | 8.50%          |
| <b>TOTAL</b> |                       | <b>1,119,788</b> | <b>100.00%</b> | <b>1,119,788</b> | <b>100.00%</b> |

Source: Issuer.

## **11. Information on the number of persons employed by the Company in full-time equivalents**

As of 30 September 2021, the number of persons employed by the Company, in full-time equivalents as understood in the Labour Code, was 1,125 people.

At the same time, the Issuer permanently cooperates with 7 persons who provide services to the Company

under civil law contracts:

- a) Cooperating under a contract of mandate - 2 persons
- b) Cooperating under a contract for the provision of services (B2B) - 5 persons.