Medicalgorithmics

The ECG business is gaining momentum

In this report, we update our forecasts and valuation of Medicalgorithmics. We increase our Fair Value to PLN 41.0/share. Since the new FV implies 28% upside potential relative to the current share price, we reiterate our BUY recommendation. Medicalgorithmics is finishing a top priority integration with a US client and should take over almost all orders in December, thereby returning to profitability. Another factor supporting growth in 2026 should be a rather unexpected large contract in Canada and the gradual implementation of integrations with new clients. Large contracts should provide the company with references, and we are waiting for more significant customers on the US market. At the same time, the rather slow integration process remains a challenge, and improving it should be one of the main priorities for the Management Board in the coming months.

Another milestone with a major US client. Medicalgorithmics announced that, as of 1 December, its main US client has once again increased the order, and revenues in December alone will amount to USD 0.45-0.5m. This means that the integration and pilot phases are proceeding smoothly and that from now on, MDG will handle all or almost all of the client's tests. The monthly revenue is close to the upper limit of the previously declared values (PLN 1.1-1.7m per month in the first year and PLN 1.5-2.1m in the second year). We assume that revenues in 4Q25 from the largest customer will amount to USD 0.85m, which should translate into the first month with positive profitability, but on a quarterly basis, profitability will not be achieved until 1Q26. Our valuation of the ECG business is PLN 197m, or PLN 19.7 per share.

The integration of new customers is a new priority. The nearly year-long process of integrating a key customer in the US was a priority for 2025. This process consumed a significant portion of resources, creating a queue of partners with signed contracts waiting for integration. Since the beginning of 2025, MDG has signed 19 new contracts and integrated only 8 of them. We see room for process optimization on the part of the company, which risks losing customers due to the prolonged integration process.

Extension of agreement with Canadian client. Medicalgorithmics has recently signed an extension to its agreement with a major Canadian customer. The new agreement is valid until March 2028 and has a minimum value of USD 5.9m (an average of USD 210k per month), with part of the revenue coming from the supply of 2,000 Kardiobeat.ai kits. The extension results from the consolidation of diagnostic service providers in the Canadian market. Thanks to the fact that the customer uses MDG equipment, no integration is necessary, and the increase in revenue should be visible relatively quickly.

Figure 1. Medicalgorithmics financial forecasts summary

PLN m	2022	2023	2024	2025E	2026E	2027E
Revenues	62.7	43.1	24.0	31.2	56.6	63.0
EBITDA	21.4	2.8	-12.9	-6.0	13.4	16.6
Adj. EBITDA	16.4	3.0	-12.7	-6.0	13.4	16.6
EBIT	17.2	0.4	-16.5	-10.6	7.0	8.3
Net profit	-11.9	-0.6	-16.1	-10.3	2.3	3.8
EPS (PLN)	-1.59	-0.06	-1.62	-1.04	0.23	0.38
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00
uFCF yield (%)	-8.4%	-5.1%	-5.4%	-3.1%	-2.2%	0.4%
EV/EBITDA (x)	4.9	101.6	n.m.	n.m.	27.6	22.4
P/E (x)	n.m.	n.m.	n.m.	n.m.	150.0	90.3

Source: Company, IPOPEMA Research

Healthcare

Medicalgorithmics

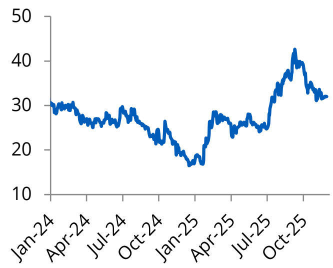
BUY

FV PLN 41.0 from PLN 40.5

28% upside

Price as of 1 December 2025 PLN 32.0

Maintained



Share data

Number of shares (m)	10.0
Market cap (EUR m)	75.3
12M avg daily volume (k)	32.9
12M avg daily turnover (EUR m)	0.2
12M high/low (PLN)	42.80/15.57
WIG weight (%)	0.03
Reuters	MDG.WA
Bloomberg	MDG PW

Total performance

1M	-3.0%
3M	-10.5%
12M	64.9%

Shareholders (% of equity)

Biofund	34.9%

Analyst
Łukasz Kosiarski
lukasz.kosiarski@ipopema.pl
+ 48 882 108 382

MEDICALGORITHMICS

BUY FV PLN 41.0

Mkt Cap EUR 75m Upside: +28%

Valuation multiples	2023	2024	2025E	2026E	2027E
P/E (x)	n.m.	n.m.	n.m.	139.1	83.8
EV/EBITDA (x)	101.6	n.m.	n.m.	25.7	20.9
EV/Sales (x)	6.6	7.1	10.7	6.1	5.5
P/BV (x)	3.3	2.2	4.8	4.6	4.4
uFCF yield (%)	-5.1%	-5.4%	-3.4%	-2.4%	0.4%
DY (%)	0.0%	0.0%	0.0%	0.0%	0.0%

Per share	2023	2024	2025E	2026E	2027E
No. of shares (m units)	10.0	10.0	10.0	10.0	10.0
EPS (PLN)	-0.1	-1.6	-1.0	0.2	0.4
BVPS (PLN)	9.3	7.8	6.7	6.9	7.3
uFCFPS (PLN)	-1.6	-0.9	-1.1	-0.8	0.1
DPS (PLN)	0.0	0.0	0.0	0.0	0.0

Change YoY (%)	2023	2024	2025E	2026E	2027E
Revenues	-31.3%	-44.3%	30.0%	81.4%	11.3%
Gross profit	-81.8%	n.m.	n.m.	n.m.	23.6%
EBITDA	-86.9%	n.m.	n.m.	n.m.	23.6%
EBIT	-97.5%	n.m.	-35.8%	n.m.	n.m.
Net profit	-95.1%	2683.9%	-35.9%	n.m.	n.m.

Leverage and return	2023	2024	2025E	2026E	2027E
EBITDA margin (%)	6.5%	-53.8%	-19.3%	23.7%	26.3%
EBIT margin (%)	1.0%	-68.9%	-34.0%	12.3%	13.2%
Net margin (%)	-1.3%	-67.0%	-33.1%	4.0%	6.0%
Net debt / EBITDA (x)	-7.1	-0.2	-2.5	2.0	1.8
Net debt / Equity (x)	-0.2	0.0	0.2	0.4	0.4
Net debt / Assets (x)	-0.2	0.0	0.1	0.2	0.2
ROE (%)	-0.6%	-19.0%	-14.3%	3.4%	5.3%
ROA (%)	-0.5%	-14.1%	-9.4%	1.8%	2.7%

Forecasts (PLNm)	2023	2024	2025E	2026E	2027E
Revenues, o/w:	**43.1**	**24.0**	**31.2**	**56.6**	**63.0**
Services	35.3	21.6	29.0	53.6	59.8
Devices	7.8	2.4	2.2	3.0	3.2
Services (USDm), o/w:	**8.4**	**5.9**	**7.7**	**14.4**	**15.8**
React	3.7	0.0	0.0	0.0	0.0
New IDTF	0.0	1.0	1.8	2.0	2.1
Out of US	4.6	4.4	4.7	5.0	5.5
Costs, o/w:	**-42.1**	**-42.1**	**-42.5**	**-49.6**	**-54.7**
Materials and energy	-7.2	-3.6	-3.4	-2.5	-2.7
Employee costs	-18.1	-18.2	-16.5	-17.4	-18.5
D&A	-2.4	-3.6	-4.6	-6.5	-8.3
Third party services	-13.4	-15.7	-17.3	-22.4	-24.4
Other	-1.1	-1.0	-0.7	-0.7	-0.8

P&L (PLNm)	2022	2023	2024	2025E	2026E	2027E
Revenues	**62.7**	**43.1**	**24.0**	**31.2**	**56.6**	**63.0**
Opex	46.3	42.1	42.1	42.5	49.6	54.7
Other operating income (cost) net	0.8	-0.5	1.6	0.6	0.0	0.0
Adj. EBITDA	**16.4**	**3.0**	**-12.7**	**-6.0**	**13.4**	**16.6**
EBITDA	**21.4**	**2.8**	**-12.9**	**-6.0**	**13.4**	**16.6**
EBIT	**17.2**	**0.4**	**-16.5**	**-10.6**	**7.0**	**8.3**
Financial income (cost) net	8.0	-0.7	0.8	-2.1	-4.1	-3.6
Pre-tax profit	**25.3**	**-0.2**	**-15.8**	**-12.7**	**2.8**	**4.7**
Income tax	0.2	-0.3	-0.3	2.4	-0.5	-0.9
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued	-37.3	0.0	0.0	0.0	0.0	0.0
Net profit	**-11.9**	**-0.6**	**-16.1**	**-10.3**	**2.3**	**3.8**

BALANCE SHEET (PLNm)	2022	2023	2024	2025E	2026E	2027E
Non-current assets	**65.9**	**78.4**	**83.4**	**89.1**	**93.9**	**98.1**
PP&E	0.9	0.8	0.5	0.4	0.4	0.3
Right-of -use assets	1.1	1.5	1.8	2.3	2.7	3.1
Goodwill	19.0	19.0	19.0	19.0	19.0	19.0
Intangibles	44.9	53.7	59.5	64.8	69.3	73.1
Other non-current assets	0.0	3.4	2.6	2.6	2.6	2.6
Current assets	**56.1**	**43.2**	**22.4**	**24.9**	**43.7**	**44.2**
Inventories	8.8	9.3	9.4	9.9	17.0	18.6
Trade receivables	21.1	8.4	7.5	7.9	11.4	12.7
Cash and equivalents	26.2	25.5	5.5	7.1	15.3	13.0
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**122.0**	**121.6**	**105.8**	**113.9**	**137.7**	**142.4**
Equity	**94.7**	**92.6**	**77.2**	**66.9**	**69.2**	**73.0**
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**17.1**	**16.8**	**19.7**	**34.2**	**54.2**	**54.2**
Loans and borrowings	4.2	2.5	5.5	20.0	40.0	40.0
Other non-current liabilities	12.8	14.3	14.2	14.2	14.2	14.2
Current liabilities	**10.3**	**12.3**	**9.0**	**12.9**	**14.3**	**15.3**
Trade payables	4.5	4.4	3.4	7.4	8.8	9.7
Loans and borrowings	5.0	3.2	2.2	2.2	2.2	2.2
Other current liabilities	0.8	4.6	3.3	3.3	3.3	3.3
Equity & liabilities	**122.0**	**121.6**	**105.8**	**113.9**	**137.7**	**142.4**
Cash conversion cycle (days)	55.0	85.3	73.8	53.2	22.7	12.9
Gross debt (PLN m)	9.3	5.7	7.7	22.2	42.2	42.2
Net debt (PLN m)	**-16.9**	**-19.8**	**2.2**	**15.1**	**26.9**	**29.3**

CASH FLOW (PLNm)	2022	2023	2024	2025E	2026E	2027E
Operating cash flow	**6.3**	**0.2**	**-13.1**	**-0.5**	**3.7**	**13.8**
Net income	-11.9	-0.6	-16.1	-10.3	2.3	3.8
D&A	4.2	2.4	3.6	4.6	6.5	8.3
Change in WC	-26.5	-3.7	0.1	3.1	-9.2	-1.9
Other	40.5	2.1	-0.7	2.1	4.1	3.6
Investment cash flow	**-1.8**	**2.0**	**-7.4**	**-8.7**	**-9.8**	**-10.9**
Change in PP&E	-12.4	-11.3	-10.0	-8.7	-9.8	-10.9
Other	10.6	13.3	2.6	0.0	0.0	0.0
Financial cash flow	**10.0**	**-2.8**	**0.4**	**10.9**	**14.3**	**-5.2**
Change in equity	13.9	0.0	0.0	0.0	0.0	0.0
Change in debt	-3.0	-3.6	2.0	14.5	20.0	0.0
Dividend	0.0	0.0	0.0	0.0	0.0	0.0
RoU increase	0.0	0.0	-0.4	-1.5	-1.6	-1.6
Interest	0.0	0.0	0.8	-2.1	-4.1	-3.6
Other	-0.9	0.8	-2.0	0.0	0.0	0.0
Change in cash	**14.5**	**-0.7**	**-20.0**	**1.6**	**8.2**	**-2.3**
Cash as of eop	**26.2**	**25.5**	**5.5**	**7.1**	**15.3**	**13.0**

Source: Company data, IPOPEMA Research

Valuation

We value Medicalgorithmics using a sum-of-the-parts valuation. We value the Kardiolytics using the rNPV method (risk-adjusted net present value) probability weighing its subsequent phases. We value the ECG business using a DCF model. Based on our forecasts, we arrive at fair value of PLN 41.0 per share, i.e. 28% above the current market price, which implies a BUY recommendation.

Figure 2. Medicalgorithmics: SOTP valuation (PLNm)

	PLNm	PLN/share
ECG business - DCF valuation (Enterprise value)	196.5	19.7
Kardiolytics - rNPV valuation (Enterprise value)	228.6	23.0
Enterprise value	**425.1**	**42.7**
Net cash (3Q25)	-16.8	-1.7
Fair value	**408.3**	**41.0**

Source: Company, IPOPEMA Research

rNPV valuation – Kardiolytics

Figure 3. Kardiolytics: Valuation assumptions

Phase	Year	Probability of success	Cumulative probability of success
Development	2025	100%	100%
Clinical trial	2026	75%	75%
FDA registration	2027	75%	56%
Commercial sale	2028	100%	56%
Average annual sales (USDm)	38.5		
Peak sales (USDm)	56.9		
rNPV (PLNm)	228.6		
rNPV (PLN/share)	**23.0**		

Source: Company, IPOPEMA Research

Figure 4. Medicalgorithmics: Kardiolytics assumptions

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	Terminal
Phase	Development	Clinical trial	Approval	Market	Market	Market	Market	Market	Market	Market	Market
Price (USD)	250	250	250	250	250	250	250	250	250	250	250
No. of trials (m)	10	10	10	10	10	10	10	10	10	10	10
TAM	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Market share	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Peak sales	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5
Sales curve	0%	0%	0%	5%	19%	36%	51%	65%	75%	84%	91%
Revenues (USDm)	0.0	0.0	0.0	3.1	11.9	22.5	31.9	40.6	46.9	52.5	56.9
Costs	-3.4	-3.8	-4.1	-4.5	-4.6	-4.7	-4.8	-4.9	-5.0	-5.1	-5.2
Revenues less COGS and tax (USDm)	0.0	0.0	0.0	2.2	8.2	15.5	21.9	28.0	32.3	36.1	39.2
Success rate	100%	75%	75%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative probability of success	100%	100%	75%	56%	56%	56%	56%	56%	56%	56%	56%
Risk adj net FCF (USDm)	-3.4	-3.8	-3.1	-1.3	2.0	6.1	9.6	13.0	15.3	17.5	19.1
Discount	99%	88%	77%	69%	61%	54%	48%	42%	37%	33%	29%
USDPLN	3.71	3.72	3.79	3.79	3.79	3.79	3.79	3.79	3.79	3.79	3.79
Net present CF (PLNm)	-12.5	-12.2	-9.1	-3.5	4.6	12.3	17.4	20.7	21.6	21.8	21.1
rNPV (PLNm)	**228.6**										

Source: Company, IPOPEMA Research

DCF valuation – ECG business

To value Medicalgorithmics' ECG business, we use a DCF model based on our free cash flows forecasts on consolidated numbers for the 2025E-2034E period. We applied a 5.5% equity risk premium, 5.0% risk free rate and 1.0% debt risk premium to reflect effective average costs of long-term financing. We assume standard unlevered beta at 1.0x and 2.0% growth rate in terminal year.

Figure 5. Medicalgorithmics ECG business DCF 2025E-2034E valuation

PLN m	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	Terminal
NOPAT	**-8.6**	**5.6**	**6.7**	**8.5**	**10.0**	**12.4**	**15.6**	**20.3**	**24.3**	**29.8**	**29.8**
+ Depreciation	4.6	6.5	8.3	10.4	12.5	15.1	15.7	16.2	16.5	16.8	16.8
+ Change in operating WC	3.2	-9.5	-2.8	-2.6	-2.1	-3.0	-2.6	-3.5	-2.9	-3.8	-3.8
+ Capital expenditure	-3.9	-4.3	-4.7	-4.2	-4.4	-4.6	-4.8	-4.9	-5.1	-5.3	-16.8
Free cash flow	**-4.7**	**-1.8**	**7.5**	**12.1**	**16.0**	**19.9**	**24.0**	**28.0**	**32.8**	**37.5**	**26.0**
WACC	10.5%	10.4%	10.4%	10.4%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
PV FCF 2025E-2034E	80.6										
Terminal growth	2.0%										
PV TV	115.8										
Enterprise Value	**196.5**										

Source: Company, IPOPEMA Research

Figure 6. Medicalgorithmics ECG business WACC calculation

PLN m	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Risk free rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Equity risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Unlevered beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	11.0%	11.9%	12.0%	12.2%	11.1%	10.5%	10.7%	10.5%	10.5%	10.5%
Risk free rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Debt risk premium	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
After tax cost of debt	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
Weight of debt	10.7%	23.8%	25.4%	27.1%	12.6%	0.0%	3.6%	0.0%	0.0%	0.0%
Weight of equity	89.3%	76.2%	74.6%	72.9%	87.4%	100.0%	96.4%	100.0%	100.0%	100.0%
WACC	10.5%	10.4%	10.4%	10.4%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

Source: Company, IPOPEMA Research

Figure 7. Medicalgorithmics ECG business DCF sensitivity (PLNm)

		g (%)				
		1.0%	1.5%	2.0%	2.5%	3.0%
	11.5%	164.7	169.4	174.6	180.4	186.8
	11.0%	173.4	178.8	184.8	191.6	199.1
WACC	10.5%	183.2	189.5	**196.5**	204.4	213.3
	10.0%	194.4	201.7	209.9	219.2	229.8
	9.5%	207.0	215.6	225.3	236.4	249.2

Source: Company, IPOPEMA Research

Financial forecasts

Figure 8. Medicalgorithmics 2021-2028E financials

P&L (PLN m)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Revenues	**85.3**	**62.7**	**43.1**	**24.0**	**31.2**	**56.6**	**63.0**	**70.2**
COGS	94.3	46.3	42.1	42.1	42.5	49.6	54.7	59.7
Other operating income, net	-16.1	0.8	-0.5	1.6	0.6	0.0	0.0	0.0
Adj. EBITDA	**7.1**	**16.4**	**3.0**	**-12.7**	**-6.0**	**13.4**	**16.6**	**20.9**
EBITDA	**-14.7**	**21.4**	**2.8**	**-12.9**	**-6.0**	**13.4**	**16.6**	**20.9**
Operating profit	-25.1	17.2	0.4	-16.5	-10.6	7.0	8.3	10.5
Finance costs	2.8	8.0	-0.7	0.8	-2.1	-4.1	-3.6	-2.3
Pretax profit	-22.3	25.3	-0.2	-15.8	-12.7	2.8	4.7	8.2
Income tax	3.4	0.2	-0.3	-0.3	2.4	-0.5	-0.9	-1.6
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued	-161.8	-37.3	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**-180.6**	**-11.9**	**-0.6**	**-16.1**	**-10.3**	**2.3**	**3.8**	**6.6**
EPS (PLN)	-38.83	-1.59	-0.06	-1.62	-1.04	0.23	0.38	0.67
EBITDA margin	-17.2%	34.2%	6.5%	-53.8%	-19.3%	23.7%	26.3%	29.8%
EBIT margin	-29.4%	27.4%	1.0%	-68.9%	-34.0%	12.3%	13.2%	15.0%
Net margin	-211.8%	-18.9%	-1.3%	-67.0%	-33.1%	4.0%	6.0%	9.4%
ROE	-141.8%	-16.7%	-0.6%	-19.0%	-14.3%	3.4%	5.3%	8.7%
Balance Sheet (PLN m)	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**	**2028E**
Current assets	**106.7**	**56.1**	**43.2**	**22.4**	**24.9**	**43.7**	**44.2**	**49.3**
Cash and equivalents	2.3	26.2	25.5	5.5	7.1	15.3	13.0	14.9
Trade and other receivables	6.9	21.1	8.4	7.5	7.9	11.4	12.7	14.1
Inventories	7.1	8.8	9.3	9.4	9.9	17.0	18.6	20.3
Other	90.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current assets	**7.7**	**65.9**	**78.4**	**83.4**	**89.1**	**93.9**	**98.1**	**100.6**
PPE	-6.4	0.9	0.8	0.5	0.4	0.4	0.3	0.3
Right-of-use assets	9.5	1.1	1.5	1.8	2.3	2.7	3.1	3.6
Intangibles	3.7	44.9	53.7	59.5	64.8	69.3	73.1	75.1
Goodwill	0.8	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Other	0.1	0.0	3.4	2.6	2.6	2.6	2.6	2.6
Total assets	**114.4**	**122.0**	**121.6**	**105.8**	**113.9**	**137.7**	**142.4**	**149.9**
Equity	**47.4**	**94.7**	**92.6**	**77.2**	**66.9**	**69.2**	**73.0**	**79.6**
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities	**14.7**	**17.1**	**16.8**	**19.7**	**34.2**	**54.2**	**54.2**	**54.2**
Long-term debt	7.0	4.2	2.5	5.5	20.0	40.0	40.0	40.0
Other long-term liabilities	7.7	12.8	14.3	14.2	14.2	14.2	14.2	14.2
Short-term liabilities	**52.3**	**10.3**	**12.3**	**9.0**	**12.9**	**14.3**	**15.3**	**16.1**
Short-term debt	5.2	5.0	3.2	2.2	2.2	2.2	2.2	2.2
Trade and other payables	4.7	4.5	4.4	3.4	7.4	8.8	9.7	10.6
Other short-term liabilities	42.4	0.8	4.6	3.3	3.3	3.3	3.3	3.3
Total equity & liabilities	**114.4**	**122.0**	**121.6**	**105.8**	**113.9**	**137.7**	**142.4**	**149.9**
Net debt	10.0	-16.9	-19.8	2.2	15.1	26.9	29.3	27.4
Net debt/EBITDA (x)	-0.7	-0.8	-7.1	-0.2	-2.5	2.0	1.8	1.3
Cash flow (PLN m)	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**	**2028E**
CF from operations	**-6.5**	**6.3**	**0.2**	**-13.1**	**-0.5**	**3.7**	**13.8**	**17.1**
Net profit	-180.6	-11.9	-0.6	-16.1	-10.3	2.3	3.8	6.6
D&A	10.4	4.2	2.4	3.6	4.6	6.5	8.3	10.4
Chg. In WC	7.8	-26.5	-3.7	0.1	3.1	-9.2	-1.9	-2.3
Other	155.9	40.5	2.1	-0.7	2.1	4.1	3.6	2.3
CF from investment	**-15.8**	**-1.8**	**2.0**	**-7.4**	**-8.7**	**-9.8**	**-10.9**	**-11.1**
CF from financing	**17.7**	**10.0**	**-2.8**	**0.4**	**10.9**	**14.3**	**-5.2**	**-4.1**
Beginning cash	16.2	11.7	26.2	25.5	5.5	7.1	15.3	13.0
Ending cash	**11.7**	**26.2**	**25.5**	**5.5**	**7.1**	**15.3**	**13.0**	**14.9**
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company, IPOPEMA Research

Disclaimer

This document has been prepared by IPOPEMA Securities S.A. with its registered seat in Warsaw, Próżna 9, 00-107 Warsaw, Poland, entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court for the City of Warsaw, XII Commercial Division of the National Court Register under entry number KRS 0000230737, the initial capital and paid capital in the amount of PLN 2.993.783,60, NIP 5272468122, www.ipopema.pl. IPOPEMA Securities S.A. is supervised by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), Piękna 20, 00-549 Warsaw, Poland.

This document was prepared by IPOPEMA Securities S.A. for information purposes only. This document is addressed to IPOPEMA Securities S.A. clients entitled to receive it on the basis of contracts for the provision of services. This document, using mass media distribution channels, may also reach other investors. It has been produced independently of the company mentioned in this document and any forecasts, opinions and expectations are entirely those of IPOPEMA Securities S.A. Unless otherwise specified, the estimates and opinions contained in the document constitute an independent assessment of IPOPEMA Securities S.A. analysts preparing the document as of the date of issuing the document.

IPOPEMA Securities S.A. prepared this document with the preservation of all adequate diligence, thoroughness and reliability on the basis of publicly available information which IPOPEMA Securities S.A. believes to be reliable. The sources of data are primarily: Bloomberg, Reuters, EPFR, Polska Agencja Prasowa, WSE, Główny Urząd Statystyczny, Narodowy Bank Polski, financial press, online financial and economic services. While due diligence has been taken by IPOPEMA Securities S.A. to ensure that the facts stated herein are accurate and that any forecasts, opinions and expectations contained herein are fair and reasonable, IPOPEMA Securities S.A. has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. The opinions expressed in the document can change without notice and IPOPEMA Securities S.A. is under no obligation to keep these opinion current. None of the IPOPEMA Securities S.A. or any other person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith provided that IPOPEMA Securities S.A. has been exercised due diligence and integrity during its preparation. This document may be sent to the mass media, however its copying or publishing in whole or in part as well as dissemination of information enclosed to it is allowed only with prior permission of IPOPEMA Securities S.A. This document nor any copy hereof is not to be distributed directly or indirectly in the United States, Australia, Canada, Serbia or Japan, subject to the following section.

Important disclosures for U.S. Persons: Auerbach Grayson & Company Inc. may distribute this document in the U.S. This document is provided for distribution to Major U.S. Institutional Investors in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended and may not be furnished to any other person in the U.S. Each Major U.S. Institutional Investor that receives this document shall not distribute or provide it to any other person. Under no circumstances should any U.S. recipient of this document effect any transaction to buy or sell securities or related financial instruments through IPOPEMA Securities S.A. Any U.S. recipient of this document wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this document should do so only through Auerbach Grayson & Company Inc. 25 West 45th Street, Floor 16, New York, NY 10036 U.S. which is a registered broker dealer in the U.S. IPOPEMA Securities S.A. is not a registered broker-dealer in the U.S. and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. IPOPEMA Securities S.A. and its research analysts are not associated persons of Auerbach Grayson & Company, nor are they affiliated with Auerbach Grayson & Company. The author of this document whose name appears in this document is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"), is not subject to the SEC rules on research analysts and is not subject FINRA's rules on debt research analysts and debt research reports, equity research analysts and equity research reports. U.S. recipients should take into account that information on non-U.S. securities or related financial instruments discussed in this document may be limited. The financial instruments of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the U.S.

This document does not constitute any offer to sell or induce any offer to buy or sell any financial instruments, cannot be relied on in connection with any contract or liability and does not constitute advertising or promotion of a financial instrument or the company. Investment decisions should only be made on the basis of a prospectus or other publicly available information and materials.

The document was prepared without taking into account the needs and situation of the recipients of the document. When preparing the document, IPOPEMA Securities S.A. does not examine the recipient's investment objectives, risk tolerance level, time horizon and financial standing of the investors. The company or the financial instruments discussed in the document may not be suitable for the users of the document, i.e. it may not be suitable for the specific objectives and time horizon or the financial situation. Information included in the document cannot be regarded as a substitute for obtaining investment advice service. The value of financial instruments may fluctuate, including declines. Changes in FX rates may have an adverse effect on the value of investments. The investment in financial instruments is linked to investment risks including loss of entire or part of the invested capital. Past performance is not necessarily indicative of future results. IPOPEMA Securities S.A. points out that the price of financial instruments is affected by many different factors that are or may be independent of the company and the results of its operations. These include, among others changing economic, legal, political and tax conditions. IPOPEMA Securities S.A. may have issued in the past or may issue other documents in the future, presenting other conclusions, not consistent with those presented herein document. Such documents reflect different assumptions, points of view and analytical methods adopted by the analysts preparing them.

Investors should be aware that IPOPEMA Securities S.A. or its related entities may have a conflict of interest that could affect this document's objectivity. The investor should assume that IPOPEMA Securities S.A. or its related entities may provide services in favour of the company and obtain remuneration on this account. They may also have another financial interest with respect to the company. IPOPEMA Securities S.A. or its related entities may seek to do business with the company or other entities mentioned in this document. IPOPEMA Securities S.A. has an organizational structure and internal regulations in place to ensure that the client's interests are not compromised in the event of a conflict of interests, in relation to preparing this document. Conflict of interest management policy is available on the website at https://www.ipopemasecurities.pl/analizy-i-rekomendacje,p162. This document was prepared irrespective and independently of the interests of IPOPEMA Securities S.A., the company that is the subject of this document and holder of financial instrument issued by aforementioned company. IPOPEMA Securities S.A., its shareholders, employees and associates may hold long or short positions in the company's financial instruments or other financial instruments related to the company's financial instruments.

Information on the conflict of interest arising in connection with the preparation of the document (if any) is provided below.

On the order of the Warsaw Stock Exchange S.A. ("WSE"), IPOPEMA Securities S.A. creates analytical materials for the following companies: ASBISc Enterprises PLC, Izostal S.A., Medicalgorithmics S.A., P.A. NOVA S.A., Scope Fluidics S.A., VIGO Photonics S.A. The WSE has proprietary copyrights to these materials. For the preparation of IPOPEMA Securities S.A. receives remuneration from the WSE. Information on the program is available on the website https://www.gpw.pl/gpwpa.

IPOPEMA Securities S.A. uses a number of valuation methodologies including discounted cash flows models (DCF), discounted dividends models (DDM), peers relative comparison, risk-adjusted net present value method (rNPV), net asset value (NAV), sum of the parts (SotP) methods, or variations of those methods, or other methods if are deemed as suitable. Within all those methods a specific opinions of the report's author or authors are applied, including financial forecasts for the company/companies. The subjective opinions of the report's author or authors, formed by their knowledge and experience, play a significant role in the valuation. Also included are assumptions on numerous economic variables, particularly interest rates, inflation and exchange rates and varying these assumptions could results in significantly different opinions.
DCF models encapsulate the forecasted cash streams for a company, and are widely used in the investment industry. DCF models relay on multiple discretionary assumptions regarding the company's operations, future profits and its market environment. DCF model usually present only one variant of the future, hence to analyze the different scenarios a sensitivity analysis is needed (for either/both operational items or valuation parameters). The weak points of DCF method include the susceptibility to a change of a specific forecasts assumptions in the model, and the fact that it present only one discretionary future scenario.
DDM models relay on expected shareholders' distribution levels within dividends. They enable to value the effective cash proceeds stream from the perspective of shareholders (only in case of dividends, while it may not fully include buybacks). The weak points of DDM models include: sensitivity of underlying operating and valuation assumptions, not grasping a full shareholders distribution if company proceeds with a buyback on top of a dividend payments, and putting less focus on company's specific financial situation.
Peer relative comparison bases on a comparison of valuation multipliers for companies from a given sector. The leading multiples for compared company based on the future earnings, book values, operating profit or cash flows include an analyst's estimate of those values. The peer comparisons methods are less dependent on the analyst's judgment as to the individual parameters, however the valuation is highly depended on the composition of a peers' group. The weak points of peer relative valuation include: the quality and comparability of peers (with various business models, operating environments, growth phases, etc.), the selection of peers, the quality of available consensuses for peers, and a practice of comparing the multiples to median/average instead of historical premiums/discounts.
rNPV method accounts the probabilities factors assigned to future cash flows, which enables to assess specific risk factors. rNPV is commonly used to value either innovative companies or companies in case of which certain milestones need to be reached before cash flow is generated on regular basis. The weak points include subjective assumptions towards risk factor discount rates on top of the susceptibility to a change of a specific forecasts.
NAV and SotP methods are often used in cases of valuing the separate parts of company's businesses with purpose to arrive at the consolidated valuation. NAV and SotP may include various valuation methods for selected assets, including DCF, DDM models, target multiple valuation, market value valuation , or other various methods, and are often expanded by addition of discretionary discounts (such as holding discount). The weak points of NAV/SotP valuations include all specific weaknesses of used methods, as well as the sensitivity to applied discretionary factors such as holding discount.

This document was not transferred to the company prior to its publication. This document was prepared according to the author's own view, assumptions and knowledge.

Recommendations issued by IPOPEMA Securities S.A. they are valid for a period of 12 months from the date of issue, unless they are updated during this period. IPOPEMA Securities S.A. updates the issued recommendations depending on the market situation and subjective analysts' assessment. In the last 12 months IPOPEMA Securities S.A. has not prepared any recommendation concerning the company.

This document is an investment research within the meaning of Art. 36 par. 1 of the Commission Delegated Regulation (EU) 2017/565.

List of all recommendations regarding any financial instrument or issuer that have been disseminated within the last 12 months by IPOPEMA Securities S.A. is available on the website at https://www.ipopemasecurities.pl/analizy-i-rekomendacje,p162.

The definitions of terms used in the document include:
AGM/EGM – annual/extraordinary general meeting of shareholders.
BVPS – book value per share - the book value of the company's shareholders equity divided by the number of shares outstanding without treasury shares at the end of period.
CAGR – compound annual growth rate.
CFO – net cash flow from operations.
Cost/Income – operating expenses divided by total banking revenue.
D&A – depreciation and amortization.
DCF – discounted cash flow model – a valuation method based on the sum of discounted future cashflows with appropriate adjustments (such as net debt, etc., if applicable).
DDM – dividend discount model – a valuation method of based on the sum of discounted future dividends.
DPS – dividend per share – dividend of a given year divided by the number of shares outstanding without treasury shares at the moment of distribution.
DY – dividend yield – total DPS of a given financial year divided by share price.
EBIT – earnings before interests and tax.
EBITDA – earnings before interests, tax, depreciation and amortization.
EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding without treasury shares at the end of period.
EV – enterprise value – market cap adjusted by treasury shares, plus gross debt, less cash and equivalents, less associates, plus minorities.
EV/EBITDA – EV divided by EBITDA.
EV/S, or EV/revenues – EV divided by revenues (sales).
FCFE – free cash flow to the equity.
FCFF – free cash flow to the firm.
FV – fair value – fair value price of the company calculated based on valuation methods outlined in the document.
LLP – loan loss provisions – an expense set aside as an allowance for bad loans.
ND – net debt – gross debt and leases (depending on accounting standard) less cash and equivalents.
Net F&C – net fee and commission income – fee and commission income minus fee and commission expense.
NII – net interest income – interest income minus interest expense.
NPL – non-performing loan – loans that are in default or close to be in default.
P/BV – price to book value - price divided by the BVPS.
P/E – price to earnings ratio – price divided by earnings per share.
PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.
ROA – return on assets – net income (or adjusted net income) divided by the average assets.
ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.
ROIC – return on invested capital – EBIT * (1 – tax rate) divided by average invested capital.
uFCF – underlying free cash flow – IPOPEMA's measure reflecting the amount of potential cash flow generation available for distribution before outflow on discretionary purposes (such as shareholders' distribution, unannounced M&A, financial assets, etc.), calculated as follows: net cash from operations less net CAPEX on PP&E, intangibles and subsidiaries (related to announced deals), less net interest paid on debt, leases and granted loans, less lease payment, less dividends paid to minorities, plus received dividends, plus other items if necessary depending on company's specifics/presentation.
uFCFps – uFCF per share.
WACC – weighted average cost of capital.

The author of this document has no conflict of interest with the company that is the subject of this document. The point of view expressed in the document reflects the personal opinion of the author of the document on the analyzed company and its financial instruments. Investors should be aware that flexible part of the author's compensation may depend on general financial performance of IPOPEMA Securities S.A.

IPOPEMA Securities S.A. shall act with due diligence, honestly, fairly, professionally and in accordance with the provisions of the applicable law.

IPOPEMA Securities S.A. does not guarantee achieving the investor's investment objective, the performance of company or prospective prices referred to herein.

When applying ratings for companies following criteria are used with regards to the difference between IPOPEMA's FV and company's price at the date of recommendation:
BUY – the difference between FV and price at recommendation exceeds 10%.
HOLD – the difference between FV and price at recommendation is between (and including) -10% and 10%.
SELL - the difference between FV and price at recommendation is below -10%.

The price used throughout the recommendation to calculate adequate ratios is the "last" price stated on the front page of this document. The date and the time stated on the front page is the date and the time of the preparation of this document. This document has been distributed on 5 December 2025 at 8:30 CET/CEST.

IPOPEMA Research - Distribution by rating category (1 July – 30 September 2025)

	Number	%
Buy	22	65%
Hold	8	24%
Sell	4	12%
Total	34	100%

Rating History – Medicalgorithmics

Date	Recommendation	Fair Value	Price at recommendation	Author
06.09.2023	BUY	PLN 45.2	PLN 36.0	Łukasz Kosiarski
16.11.2023	BUY	PLN 41.2	PLN 27.4	Łukasz Kosiarski
30.06.2024	BUY	PLN 42.6	PLN 28.8	Łukasz Kosiarski
28.11.2024	BUY	PLN 40.1	PLN 19.2	Łukasz Kosiarski
16.05.2025	BUY	PLN 40.7	PLN 27.5	Łukasz Kosiarski
21.10.2025	BUY	PLN 40.5	PLN 34.5	Łukasz Kosiarski
05.12.2025	BUY	PLN 41.0	PLN 32.0	Łukasz Kosiarski