

GENOMTEC SPÓŁKA AKCYJNA

Interim condensed financial statements for the 6-month period ended 30 June 2024 (in PLN thousand)

GENOMTEC SPÓŁKA AKCYJNA

INTERIM CONDENSED FINANCIAL STATEMENTS

for the 6-month period ended June 30, 2024

**prepared in accordance with International Financial Reporting Standards
ratified by the European Union**

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Interim condensed financial statements for the 6-month period ended 30 June 2024 (in PLN thousand)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION			
ASSETS	Note	2024-06-30	2023-12-31
NON-CURRENT ASSETS		8,996	9,327
Property, plant and equipment	10	2,241	1,746
Intangible assets	12	6,724	7,550
Trade receivables and other receivables	16	31	31
CURRENT ASSETS		15,869	6,645
Inventories	15	-	-
Trade receivables and other receivables	16	1,279	1,974
Cash and cash equivalents	17	14,062	4,169
Other assets	18	528	502
TOTAL ASSETS		24,865	15,972
EQUITY AND LIABILITIES			
EQUITY		12,768	8,302
Share capital	20	1,332	1,226
Share premium		43,370	32,970
Other reserves	20.1	14,204	14,204
Retained earnings, including:		(46,138)	(40,098)
- <i>current period profit/loss</i>		(6,040)	(9,013)
LONG-TERM LIABILITIES		4,388	4,526
Deferred income tax liability	22	37	38
Lease liabilities	25	1,392	1,110
Long-term provisions	23	114	82
Deferred income in respect of grants	27	2,845	3,296
SHORT-TERM LIABILITIES		7,709	3,144
Trade and other liabilities	26	1,318	1,273
Lease liabilities	25	759	487
Other short term financial liabilities	24	403	391
Short-term provisions	23	131	85
Deferred income in respect of grants	27	5,098	908
TOTAL EQUITY AND LIABILITIES		24,865	15,972

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	Note	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
CONTINUED OPERATIONS			
Revenue from sales	31	1	-
Cost of sales	32, 33	-	-
Revenue from grants	31	801	68
Research and development expenses	32, 33	1 583	91
Gross profit (loss)		(781)	(23)
General and administrative expenses	32, 33, 48	5,275	3,916
Other operating income	34	113	156
Other operating costs	35	18	33
Operating profit (loss)		(5,961)	(3,816)
Financial revenues	36	11	-
Financial expenses	37	90	203
Profit/ loss before tax		(6,040)	(4,019)
Income tax	39	-	37
Net profit (loss) on continued operations		(6,040)	(4,056)
Net profit (loss) on discontinued operations		-	-
Net profit (loss) for the period		(6,040)	(4,056)
Other comprehensive income		-	-
Income tax relating to other comprehensive income		-	-
Other comprehensive income, net		-	-
Total net income for the period		(6,040)	(4,056)
Net earnings (loss) per share (in PLN)	21		
Ordinary		(0.45)	(0.34)
Diluted		(0.44)	(0.32)

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Interim condensed financial statements for the 6-month period ended 30 June 2024 (in PLN thousand)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Other reserves	Retained earnings	Total equity
As at January 1, 2024	1,226	32,970	14,204	(40,098)	8,302
Profit/loss for the period	-	-	-	(6,040)	(6,040)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(6,040)	(6,040)
Issue of shares	106	10,400	-	-	10,506
Distribution of profit/loss	-	-	-	-	-
Share-based payment transactions	-	-	-	-	-
Value of rights to convert loans into shares	-	-	-	-	-
As at June 30, 2024	1,332	43,370	14,204	(46,138)	12,768
As at January 1, 2023	936	16,861	18,176	(31,085)	4,888
Profit/loss for the period	-	-	-	(4,056)	(4,056)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(4,056)	(4,056)
Issue of shares	244	16,114	(3,972)	-	12,386
Distribution of profit/loss	-	-	-	-	-
Share-based payment transactions	-	-	-	-	-
Value of rights to convert loans into shares	-	-	-	-	-
As at June 30, 2023	1,180	32,975	14,204	(35,141)	13,218

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INTERIM CONDENSED STATEMENT OF CASH FLOWS

INTERIM CONDENSED STATEMENT OF CASH FLOWS	01.01.2024 30.06.2024	01.01.2023 30.06.2023
OPERATING ACTIVITIES		
Profit (loss) after tax	(6,040)	(4,056)
Income tax	-	37
Profit/ loss before tax	(6,040)	(4,019)
Adjustments:	5,718	371
Depreciation/amortization	1,141	297
Interest	34	57
(Profits) exchange rate losses	-	11
(Profits) losses from investing activities	-	-
Management option program	-	-
Change in the balance of receivables	695	(1,611)
Change in the balance of inventories	-	31
Change in the balance of other assets	(14)	(23)
Change in the balance of liabilities	45	93
Change in the balance of provisions	78	(85)
Change in the balance of grants to be settled	3,739	1,601
(Paid) refunded income tax	-	-
Other adjustments	-	-
Net cash flow from operating activities	-322	(3,648)
INVESTMENT ACTIVITIES		
I. Inflows	-	-
Proceeds from loans granted	-	-
Interest received	-	-
II. Outflows	5	2,541
Expenditures on property, plant and equipment and intangible assets	5	2,541
Loans granted	-	-
Net cash flow from investing activities	-5	(2,541)
FINANCIAL ACTIVITIES		
I. Inflows	10,506	12,886
Issue of shares	10,506	12,386
Borrowings	-	500
II. Outflows	286	811
Repayment of loans	-	500
Payments of lease liabilities	252	260
Interest paid	34	51
Net cash flow from financing activities	10,220	12,075
Total cash flow	9,893	5,886
Changes in cash and cash equivalents	9,893	5,874
Change in cash due to FX differences	-	(10)
Cash and cash equivalents at the beginning of the period	4,169	4,127
Cash and cash equivalents at the end of the period	14,062	10,013

Explanations to the statement of cash flows are presented in note 49.

BASIC INFORMATION

NOTE 1. GENERAL INFORMATION ABOUT THE COMPANY

GENOMTEC Spółka Akcyjna ("Company", "Entity", "Issuer") with its registered office in Wrocław, address: ul. Bierutowska 57-59, 51-317 Wrocław, registered in the register of entrepreneurs of the National Court Register under number 0000662554, NIP: 8992809452, REGON: 365935587.

The duration of the Company is unlimited.

The core business of the Company is:

- Research and experimental development on biotechnology

The Company's flagship project is Genomtec ID, a diagnostic platform which, thanks to its mobility, speed and effectiveness, allows the detection of pathogens, i.e. viruses, bacteria or fungi, as well as genetic mutations through the analysis of biological material: swab, urine, saliva. Currently, the Genomtec ID platform is at the stage of industrialization in cooperation with an external partner: Contract Development and Manufacturing Organization (CDMO).

Another area of the Company's activity is the development and commercialization of tests used in the detection of viral infectious diseases, among other application areas.

The Entity does not include internal organizational units that would draw up independent financial statements.

GENOMTEC S.A. has the status of a public company whose shares have been listed since February 16, 2023 on the regulated (parallel) market operated by the Warsaw Stock Exchange S.A.

NOTE 2. IDENTIFICATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Entity does not have any subsidiaries and does not prepare consolidated financial statements.

NOTE 3. INFORMATION REGARDING THE COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD AND SUPERVISORY BOARD

As at June 30, 2024, the Company's Management Board consisted of:

President of the Management Board – Miron Tokarski

Member of the Management Board – Michał Wachowski

Member of the Management Board – Charudutt Shah

As at the date of preparation of the interim condensed financial statements, the Company's Management Board consisted of:

President of the Management Board – Miron Tokarski

Member of the Management Board – Michał Wachowski

On July 24, 2024, the Supervisory Board of Genomtec S.A. adopted a resolution removing Mr. Charudutt Shah from the position of Member of the Company's Management Board.

As at June 30, 2023 and as at the date of preparation of the interim condensed financial statements, the Company's Supervisory Board consisted of:

Chairman of the Supervisory Board – Beata Turlejska

Member of the Supervisory Board – Paweł Duszek

Member of the Supervisory Board – Andrzej Taudul

Member of the Supervisory Board – Trevor Hawkins

Member of the Supervisory Board – Gualtiero Garlasco

On March 12, 2024, the Extraordinary General Meeting of Genomtec S.A. made changes to the composition of the Company's Supervisory Board by appointing Ms. Beata Turlejska and Mr. Gualtiero Garlasco, while removing Mr. Jarosław Oleszczuk and Mr.

Karol Hop. On April 22, 2024, Mr. Michal Jank resigned as a member of the Supervisory Board. At the same time, on April 22, 2024 the Extraordinary General Meeting appointed Mr. Trevor Hawkins to serve as a member of the Company's Supervisory Board.

As at June 30, 2023 and as at the date of preparation of the interim condensed financial statements, the Company's Audit Committee consisted of:

Chairman of the Audit Committee – Paweł Duszek

Member of the Audit Committee – Beata Turlejska

Member of the Audit Committee – Trevor Hawkins

NOTE 4. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved for publication by the Company's Management Board on September 26, 2024.

NOTE 5. CYCLICALITY AND SEASONALITY OF OPERATIONS

The Company is not subject to cyclicalities or seasonality of production.

NOTE 6. FORMAT OF AND GENERAL RULES FOR PREPARING INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 6. 1. BASIS FOR PREPARING THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements ("financial statements") have been prepared in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission, hereinafter referred to as "IAS / IFRS", "IFRS", endorsed by the European Union ("EU"), including in particular International Accounting Standard No. 34 "Interim Financial Reporting".

IFRS include the standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The interim condensed financial statements of the Entity were prepared with the assumption that it will continue as a going concern in the foreseeable future, i.e. for a period of at least 12 months from the balance sheet date, and that it does not intend or have to discontinue its operations or significantly reduce its scope. The Company currently conducts research and development activities, which are financed from its own funds from shareholder contributions and proceeds from grants received from the National Center for Research and Development. The Management Board of the Entity assumes a similar structure of financing the Company's operations in H2 2024. The current stage of the Company's operations and market development is characterized by achieving negative financial results and incurring negative net flows from operating and investing activities. In the opinion of the Management Board of the Entity, the financial resources obtained from the issue of shares in 2024, from concluded grant agreements, from potential new grants for which the Company applied and from equity will enable the Company to continue its operations in the foreseeable future, i.e. for a period of at least 12 months from the balance sheet date. On March 26, 2024, the Company concluded an investment agreement with ten shareholders of the Company, including the President of the Management Board of the Company - Miron Tokarski and the founders of the Company, under which the investors agreed to provide financing to the Company by taking up a total of 1,066,684 new ordinary shares issued by the Company to bearer for a unit issue price of PLN 10.00. The proposed issue price of the shares was agreed between the parties to the investment agreement based on the market conditions prevailing on the date of the agreement, including taking into account the average price of the Company's shares in the period of 3 months preceding the date of conclusion of the investment agreement. On April 22, 2024, the Extraordinary General Meeting of the Company took place, which adopted a resolution to increase the Company's capital by issuing series O shares. Based on the investment agreement concluded on March 26, 2024 and the resolution adopted on April 22, 2024 the Company will raise financial resources totaling PLN 10.67 million. Moreover, on December 22, 2023, the Company concluded an agreement with the Polish Agency for Enterprise Development (PARP) to co-finance the project "Development of technology and an automatic system for detecting mutations in the area of clinical oncology based on the lab-on-chip solution and isothermal amplification techniques of nucleic acids". Under the agreement, the Company obtained approximately PLN 21.6 million towards the project. On March 5, 2024, the Company received the first advance payment of PLN 4.5 under the new grant. The Entity constantly analyzes the opportunities offered by the market and will strive for commercialization that would maximize the value for shareholders and ensure the continued development of the Company. The Company's Management Board does not

rule out the need to carry out further share issues in the future aimed at financing the commercialization process of the solutions developed by the Entity. After commercializing the developed technologies, the Company intends to break even.

NOTE 6. 2. FORMAT OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were prepared in accordance with the historical cost principle.

These interim condensed financial statements are presented in Polish zlotys ("PLN") and all figures, unless otherwise stated, are given in thousands of Polish zlotys ("PLN thousand").

NOTE 6. 3. PERIOD COVERED BY THE INTERIM CONDENSED FINANCIAL STATEMENTS AND COMPARATIVE DATA

These interim condensed financial statements present the financial position and assets of the Company as at June 30, 2024, the results of its operations, cash flows, and changes in equity for the period ended June 30, 2024. Comparative data for the interim condensed statement of financial position were prepared as at December 31, 2023. In the case of the interim condensed statement of comprehensive income, the interim condensed statement of cash flows, and the interim condensed statement of changes in equity, comparative data are presented for the period ended June 30, 2023. The Company's Management Board ensured full comparability of the presented financial data for individual periods.

NOTE 7. ADOPTED ACCOUNTING POLICY AND CALCULATION METHODS

These interim condensed financial statements were prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS).

In these interim condensed financial statements, the significant accounting policies applied by the Company and significant values based on judgments and estimates were the same as those described in the annual financial statements for 2023.

NOTE 7. 1. STANDARD APPROVAL STATUS IN THE EU

As at the date of approval of these interim condensed financial statements for publication, taking into account the ongoing IFRS implementation process in the EU, as regards the Company's operations there is no difference between the already implemented IFRS and the IFRS ratified by the EU.

NOTE 7. 2. NEW AND CHANGED IFRSs

Presented below are new or amended provisions of IFRSs / IASs and IFRIC interpretations that were adopted in the EU and applied by the Company since January 1, 2024:

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier finance arrangements (published on May 25, 2023) – effective for reporting periods beginning on or after January 1, 2024.*
- *Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback transaction (published on September 22, 2022) – effective for reporting periods beginning on or after January 1, 2024,*
- *Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current (published on January 23, 2020) - Classification of liabilities as current or non-current - deferral, effective date (issued on July 15, 2020) and - Non-current liabilities with covenants (issued on October 31, 2022),*

effective for reporting periods beginning on or after January 1, 2024.

The following standards and interpretations have been issued by the International Accounting Standards Board, but have not been approved by the EU yet:

- *IFRS 18 Presentation and Disclosure in Financial Statements (issued on April 9, 2024) – effective for reporting periods beginning on or after January 1, 2027;*
- *Amendments to IAS 21 Effects of changes in foreign exchange rates: Lack of exchangeability (published on August 15, 2023) - effective for reporting periods beginning on or after January 1, 2025.*
- *IFRS 19 – Subsidiaries without Public Accountability: Disclosures (published on May 9, 2024) – effective for reporting periods beginning on or after January 1, 2027.*
- *Annual Improvements – Volume 11 (published on July 18, 2024) – effective for reporting periods beginning on or after January 1, 2026 (EFRAG has not yet received an application for an endorsement opinion from the European Commission);*
- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (published on May 30, 2024) - effective for reporting periods beginning on or after January 1, 2026.*

In addition:

- *IFRS 14 — Regulatory Deferral Accounts – the European Commission has decided not to start the endorsement process of the draft standard (published on January 30, 2014) before the final standard is published.*

The effective dates are the dates arising from the standards published by the International Financial Reporting Board. The effective dates of the standards in the European Union may differ from the effective dates arising from the standards and are announced upon the adoption of the standards by the European Union.

In the case of new and changed standards and interpretations, the Company's Management Board is in the process of assessing the impact of their application on the principles (accounting policy) applied by the Company in relation to the Company's operations and financial results. The Company does not plan to apply these standards earlier.

NOTE 7.3. UNIFORM DESCRIPTION OF SIGNIFICANT ACCOUNTING PRINCIPLES

NOTE 7.3. INTANGIBLE ASSETS

Intangible assets are recognized if:

- the intangible asset is identifiable
- the intangible asset is controllable
- it is possible to identify the way of achieving future economic benefits generated by the intangible asset

The identification criteria is met if:

- the asset is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An entity controls an asset if the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

The future economic benefits flowing from an intangible include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.

Intangible assets are valued at purchase price or production cost less amortization charges and impairment allowances.

Each time, the Company assesses whether a given intangible asset has a limited or indefinite useful life.

Intangible assets are amortized on a straight-line basis over the anticipated period of their economic life.

Intangible assets existing in the Company and their economic useful lives:

- Licenses for computer programs 2 years
- Completed development During the period of using the development results

The Company has no intangible assets with an indefinite useful life.

Research and development costs

Research costs are taken to profit or loss as they are incurred. Expenditures incurred on development work carried out as part of a given project are carried over to the next period if it can be assumed that they will be recovered in the future. After the initial recognition of development expenditure, the historical cost model is used, requiring that assets are recognized at acquisition prices/manufacturing costs less accumulated depreciation and accumulated impairment allowances. Any expenditure transferred to the next period is amortized over the expected period of obtaining benefits from a given project.

Development costs are assessed for possible impairment annually - if the asset has not yet been put into use, or more often - when there is an indication of impairment during the reporting period indicating that their carrying amount may not be recoverable .

In order to correctly identify development works, the Company distinguishes them from research works. According to IAS 38 'Intangible Assets', research work is an innovative and planned search for solutions undertaken with the intention of acquiring and assimilating new scientific and technical knowledge. Examples of research work in accordance with IAS 38 'Intangible Assets' include:

- activities aimed at acquiring new knowledge;

- b. searching, final evaluation and selection of the method of using the results of research work or other types of knowledge;
- c. searching for alternative materials, devices, products, processes, systems or services
- d. the formulation, design, evaluation and final selection of new or improved materials, devices, products, processes, systems or services.

When producing intangible assets on its own, the Company allocates expenditures to research or development works. If the Company is unable to separate the research stage from the development stage, it treats all incurred costs as costs of the research stage. This results in a charge to profit or loss of the period in which these costs were incurred. Expenditures incurred during development work are recognized as costs when they are incurred or are recognized as intangible assets, depending on whether the criteria for their activation are met.

It is possible to recognize expenditure and classify it as development provided that:

- a. it is possible to technically complete a given intangible asset so that it is suitable for use or can be intended for sale,
- b. there is a real possibility of generating probable future economic benefits by a given intangible asset,
- c. it is possible to use or sell the intangible asset;
- d. there is availability of technical, financial and other means used and the possibility of reliably determining expenditures,
- e. there is a method of implementation and possibilities of application, taking into account the existence of a market for a given product.

When the expenditure on development works meets the above conditions, the incurred expenditure is activated and disclosed in the statement of financial position.

In accordance with IAS 38 'Intangible Assets', the cost of production includes all expenses that are directly attributable to the activities of creating, producing and adapting an asset for use in the manner intended by management. These expenses include:

- a. expenditure on materials and services used or consumed in the production of an intangible asset,
- b. costs of employee benefits resulting directly from the creation of an intangible asset,
- c. legal title registration fees,
- d. amortization of patents and licenses that are used in the production of an intangible asset.

The in-process development expenditure is an item of intangible assets that is not yet available for use. According to paragraph 97 of IAS 38, development expenditure is not amortized as amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

In-process development

The decision to start development determines the moment from which expenses in a given project are treated as in-process development and are capitalized in the assets of the statement of financial position, under intangible assets, analytically under the heading "in-process development expenditure". The decision to start development results from the positive assessment by the Company's Management Board of meeting all the conditions for capitalizing development expenditure. This item is not subject to amortization, but is subject to impairment testing.

Completed development

The development project is closed if the following criteria are met:

- the scope of work resulting from the project charter and the grant agreement was completed,
- the work is abandoned, the expenditure is then written off as other operating costs.

At each balance sheet date, the Management Board of the Entity assesses whether there are any indications that any of its development assets may be impaired. If such indications are found, an appropriate test is carried out. If the carrying value of the tested assets exceeds their recoverable value, an appropriate impairment allowance/loss is created.

When assessing the existence of indications of the possibility of impairment of intangible assets, the Company analyzes indications from external and internal sources of information required by IAS 36 "Impairment of Assets".

In the opinion of the Entity's Management Board, development work is capitalized after meeting the capitalization criteria specified in § 57 of IAS 38 "Intangible Assets".

NOTE 7. 3. TANGIBLE ASSETS

Tangible assets are measured at purchase cost increased by all costs directly related to the purchase and adaptation of the asset for use or at generation cost less any depreciation and impairment allowances. In the case of perpetual usufruct of land, the purchase price is understood as the price of acquiring the right from a third party.

Costs incurred after the tangible assets had been put in use, such as repair and maintenance costs and running costs are reflected in profit or loss of the reporting period in which they were incurred. However, if it is possible to demonstrate that the expenditure caused an increase in the expected future economic benefits from ownership of the asset above the originally expected benefits, then the expenditure increases the initial value of such asset (improvement).

An item of property, plant and equipment may be removed from the statement of financial position after its disposal or when no future economic benefits are expected from its continued use or sale. At the time of liquidation or sale of tangible assets, any ensuing gains or losses are recognized in the statement of financial position as a difference between net proceeds from disposal (if any) and the carrying amount of this item.

In the case of tangible assets financed with grants, the amount corresponding to the initial value of such assets in the part financed with the grant is recognized in deferred income and settled over time as a grant together with depreciation of such assets.

Tangible assets, except land, are depreciated on a straight-line basis starting from the month in which they are available for use for a period corresponding to the estimated period of their economic usefulness. The depreciation rates for tangible assets are as follows:

- Other tangible assets – 10% - 25%

Estimates regarding the economic useful life and the depreciation method are reviewed at the end of each financial year to verify if the depreciation methods and period correspond to the anticipated time distribution of the economic benefits conveyed by the tangible asset.

NOTE 7. 3. TANGIBLE ASSETS UNDER CONSTRUCTION

Tangible assets under construction are measured at the overall cost directly related to their acquisition or generation, including financial costs (except exchange differences which do not represent an adjustment to interest paid), less impairment allowances. Tangible assets under construction are not depreciated until they are completed and put in use.

NOTE 7. 3. INVENTORIES

Materials and goods are measured at the lower of the purchase price or production cost and the net selling price. Finished products are measured at production cost not higher than the net selling price as at the balance sheet date.

The cost of producing a product includes costs directly related to a given product and a reasonable part of costs indirectly related to the production of this product. Direct costs include the value of direct materials used, acquisition and processing costs directly related to production and other costs incurred in bringing the product to the form and location in which it is located on the valuation date.

The net selling price is the selling price obtainable at the balance sheet date, net of value added tax and excise duty, less discounts, rebates and the like, and costs associated with preparing the item for sale and making that sale.

Inventory outflows are valued using the FIFO method.

Impairment allowances are made at least as at the balance sheet date. The basis for recognizing impairment allowances is the period of inventory retention.

NOTE 7. 3. SHORT-TERM AND LONG-TERM RECEIVABLES

Trade receivables are recognized and carried at fair value, i.e. at the amounts originally invoiced. After initial recognition, short-term receivables are measured at the amount due in accordance with the prudence principle. Nominal receivables are increased by interest due at the balance sheet date only if the Company is certain that they will be paid by the debtor.

The value of receivables is updated by recognizing impairment allowances, taking into account the degree of probability of the debt payment. Impairment allowances on receivables are included in other operating costs or financial costs, respectively - depending on the type of receivable to which the write-off relates.

Write-offs, past due or uncollectible receivables reduce previously recognized impairment allowances. Receivables written off, past due or uncollectible, for which no allowances have been made or partial allowances have been made, are included in other operating costs or financial costs, respectively.

NOTE 7.3. CASH AND CASH EQUIVALENTS

Cash, i.e. funds accumulated in bank accounts and at hand.

Cash is measured at nominal value, and the nominal value also includes interest added to the balance of funds in the bank account.

NOTE 7.3. FINANCIAL INSTRUMENTS

On the acquisition date, the Company measures financial assets at fair value, i.e. most often at the fair value of the consideration paid. The Company includes transaction costs in the initial valuation of all financial assets, except for the category of assets valued at fair value through profit or loss. The exception to this rule are trade receivables, which the Company measures at their transaction price within the meaning of IFRS 15, but this does not apply to those trade receivables whose payment terms are longer than one year and which contain a significant component financing as defined in IFRS 15.

For the purposes of valuation after initial recognition, the Company classifies financial assets other than hedging derivatives into:

- financial assets at amortized cost
- financial assets measured at fair value through other comprehensive income,
- financial assets measured at fair value through profit or loss and
- equity instruments measured at fair value through other comprehensive income.

These categories are established by measurement principles as at the reporting date and recognition of profits or losses from measurement in the profit or loss or other comprehensive income. The Company classifies financial assets into categories based on the business model operating in the Company in the field of financial asset management and contractual cash flows specific to the financial asset. A financial asset is measured at amortized cost if both of the following conditions are met (and not designated at the time of initial recognition for measurement at fair value through profit or loss):

- the financial asset component is maintained in accordance with the business model, the purpose of which is to maintain financial assets for obtaining cash flows arising from a contract,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely repayments of principal and interest on the outstanding nominal value.

The Company's financial assets measured at amortized cost include:

- loans
- trade and other receivables (excluding those to which the principles of IFRS 9 do not apply).
- debt securities.

The above-mentioned classes of financial assets are presented in the statement of financial position broken down into non-current and current assets. Current receivables are measured at the amount due to insignificant discount effects.

Financial assets included in the categories measured at amortized cost and measured at fair value through other comprehensive income due to the business model and the nature of the flows related to them are assessed at each balance sheet date in order to recognize expected credit losses, regardless of whether there are indications of loss. values.

The method of making this assessment and estimating allowances for expected credit losses differs for individual classes of financial assets:

- for trade receivables, the Company uses a simplified approach assuming the calculation of allowances for expected credit losses for the entire life of the instrument.
- with respect to other asset classes, in the case of instruments for which the increase in credit risk from the first recognition was not significant or the risk is low, the Company assumes that losses from default will be recognized first for the next 12 months. If the increase in credit risk since its initial recognition has been significant, losses are recognized over the entire life of the instrument.

Financial assets measured at fair value through profit or loss are financial instruments which do not meet the criteria for measurement at amortized cost or fair value through other comprehensive income. The Company classifies loans convertible into shares as assets measured at fair value through profit or loss.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there are objective indications of impairment of a financial asset or group of financial assets.

If there are objective indications that an impairment loss has been incurred on loans granted and receivables measured at amortized cost, the amount of the impairment allowance is equal to the difference between the carrying amount of the financial asset and the present value of estimated future cash flows (from excluding future losses due to default on receivables that have not yet been incurred), discounted using the original (i.e. determined at initial recognition) effective interest rate. The carrying value of an asset is reduced directly or through an impairment allowance. The amount of the loss is recognized in profit or loss.

The Company first assesses whether there are objective indicators of impairment of individual financial assets that are individually significant, as well as indicators of impairment of financial assets that are individually insignificant. If the analysis conducted shows that there are no objective indications of impairment of an individually assessed financial asset, regardless of whether it is significant or not, the Company includes this asset in a group of financial assets with similar credit risk characteristics and jointly assesses in terms of impairment. Assets that are individually assessed for impairment and for which an impairment loss was recognized or it was decided that the current impairment allowance will not change are not taken into account when jointly assessing a group of assets for impairment.

If in the next period the impairment allowance decreased and this decrease can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Subsequent reversal of an impairment allowance is recognized in profit or loss to the extent that at the date of reversal, the carrying amount of the asset does not exceed its amortized cost.

NOTE 7. 3. LEASES

The Company classifies contracts as leases if the contract conveys the right to control use of an identified asset (the underlying asset) for a period of time in exchange for consideration. All other leases are treated as operating leases. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.

The Company is not a party to any contracts under which it would be a lessor.

The Company is a party to contracts which transfer substantially all risks and rewards incidental to ownership of the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets on the lease commencement date. Right-of-use assets are valued at cost, less total depreciation and impairment allowances, adjusted for any revaluation of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and any lease payments paid on or before the commencement date, less any lease incentives received.

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. Financial expenses are recognized directly in the statement of comprehensive income.

Tangible assets used on the basis of lease contracts are depreciated over the anticipated period of their useful life. Unless the Company is reasonably certain that it will obtain title to the leased asset at the end of the lease term, the recognised right-of-use assets are amortized on a straight-line basis over the shorter of the estimated useful life or the lease term.

Lease liabilities

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the lessee's incremental borrowing rate.

Lease payments include:

- fixed payments (including substantially fixed lease payments) less any applicable leasing incentives,
- variable payments that depend on the index or rate and the amounts expected to be paid as part of the guaranteed residual value
- the strike price of the call option, if its exercise by the Company can be assumed with reasonable certainty
- payment of lease termination penalties if the lease terms provide for the Company to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as expenses in the period in which the event or condition giving rise to the payment occurs.

When calculating the present value of lease payments, the Company uses the lessee's incremental borrowing rate at the lease inception date if the lease interest rate cannot be readily determined. After the start date, the lease liability amount is increased to reflect interest and reduced by lease payments made. In addition, the carrying amount of lease liabilities is remeasured if the lease term changes, there is a change in substantially fixed lease payments or a change in judgment regarding the purchase of the underlying assets.

A lease in which the right to control the assets is not transferred is an operating lease. Lease payments made under operating leases (adjusted for any special promotional offers received from the lessor (financing party)) are charged to expenses on a straight-line basis over the lease term.

Short-term lease

The Company applies a practical expedient in relation to short-term lease contracts which are characterized by the maximum possible lease duration, including renewal options, of up to 12 months.

Simplifications related to these contracts consist in the accounting for lease payments as costs:

- on a straight-line basis, for the duration of the lease term; or
- another systematic basis, if that basis is more representative of the pattern of the lessee's benefit.

Lease of low-value assets

The Company does not apply the general principles for recognition, measurement and presentation contained in IFRS 16 to low-value lease contracts.

Low-value assets are those that, when new, have a value of no more than PLN 20,000 converted at the exchange rate on the date of first application (which corresponds to USD 5,000) or the equivalent in another currency at the average closing rate of the central bank of a given country at the time of initial recognition of the contract.

Simplifications related to these contracts consist in the accounting for lease payments as costs:

- on a straight-line basis, for the duration of the lease term; or
- another systematic basis, if that basis is more representative of the pattern of the lessee's benefit.

The subject of the lease cannot be classified as a low value asset if the nature of the asset is such that, when new (unused), the asset is typically not of low value.

An underlying asset can be of low value only if:

- the lessee can benefit from use of the underlying asset on its own or together with other resources that are readily available to the lessee; and
- the underlying asset is not highly dependent on, or highly interrelated with, other assets.

The subject of leasing contracts recognized as short-term leasing or low-value leasing is usually small office equipment such as printers.

NOTE 7.3. FOREIGN CURRENCY TRANSACTIONS

The items included in the financial statements are presented in the Polish zloty, which is the functional currency of the Company.

Transactions expressed in foreign currencies are translated at initial recognition into the functional currency as follows:

- at the exchange rate actually used, i.e. at the buy or sell rate applied by the bank at which the transaction takes place, in the case of currency sale or purchase transactions and payment of receivables or liabilities, or at the rate arising from contracts signed with the entity's bank or the rate agreed through negotiations;
- at the average exchange rate set for the particular currency by the National Bank of Poland as at the transaction date for other transactions. The exchange rate applicable at the transaction date is the average exchange rate of the National Banking of Poland announced on the last business day before the transaction.

At the end of each reporting period:

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– any cash items expressed in foreign currency are converted using the closing rate applicable on that day, i.e. the average exchange rate set for the particular currency by the National Bank of Poland;

– any non-cash items measured at historical cost in a foreign currency are converted using the exchange rate (i.e. the average exchange rate set for the particular currency by the National Bank of Poland) applicable on the transaction date, and

– any non-cash items measured at fair value in a foreign currency are converted using the exchange rate (i.e. the average exchange rate set for the particular currency by the National Bank of Poland) applicable on the date of determination of the fair value.

Foreign exchange gains and losses arising from the balance sheet valuation of monetary assets and liabilities other than derivatives denominated in foreign currencies are recognized as financial revenues or expenses.

Average exchange rates of the Polish zloty in the periods covered by the financial statements in relation to the euro determined by the National Bank of Poland, in particular:

- EUR exchange rate current on the last day of each period:

30.06.2024	31.12.2023	30.06.2023
4.3130	4.3480	4.4503

- average rate in each period, calculated as the arithmetic mean of the rates applicable on the last day of each month in the period:

01.01.2024 - 30.06.2024	01.01.2023 - 31.12.2023	01.01.2023 - 30.06.2023
4.3109	4.5284	4.6130

NOTE 7. 3. PREPAYMENTS AND ACCRUALS

The entity recognizes prepayments and accruals to comply with the accrual principle and the matching principle. This applies to the revenues and expenses which relate to future periods and meet the recognition criteria as items of assets or liabilities, in accordance with the conceptual framework of IFRSs.

Prepayments are measured at cost at the time of initial measurement, while on the balance sheet date the cost is adjusted by the portion of the written off cost or income attributable to the previous period.

Unearned revenues are measured at nominal value.

NOTE 7. 3. EQUITY

The Company's equity is divided into:

- Registered (share) capital – recognized at the value stated in the Company's Articles of Association and entered in the National Court Register (KRS);
- Share premium, created from the surplus of the issue price of shares above their nominal value less the costs of this issue;
- Capital reserve created in connection with the valuation of the incentive program at the Company,
- Retained earnings include profits/losses from previous years that were not distributed/covered and profit/loss of the current reporting period.

NOTE 7. 3. NET EARNINGS (LOSS) PER SHARE

Net earnings per share for each period are calculated by dividing the net profit/loss for a given period by the weighted average number of shares at the end of the reporting period.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Entity by the probable number of shares taking into account future issues.

NOTE 7. 3. PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation towards third parties as a result of past events and when it is certain or highly likely than an outflow of resources (tantamount to economic losses) will be required to settle the obligation, and when the amount of the obligation can be reliably estimated.

NOTE 7. 3. BANK LOANS AND OTHER LOANS RECEIVED

At initial recognition, bank loans are recognized at cost, which is the value of cash received and which includes the cost of obtaining the loan. Then all bank and other loans are measured at adjusted purchase price (amortized cost), using the effective interest rate.

NOTE 7. 3. TRADE AND OTHER LIABILITIES

Trade liabilities and other liabilities constituting financial liabilities are measured at fair value. After initial recognition, these liabilities are measured at amortized cost or in the amount of the required payment, provided that there are insignificant discount effects.

Other non-financial liabilities are recognized at the amount due.

Other financial liabilities are measured at amortized cost using the effective interest rate method.

The Company excludes a financial liability from the statement of financial position when the liability has expired - that is, when the obligation specified in the contract has been fulfilled, canceled or has expired. The replacement of the existing debt instrument by an instrument with substantially different terms and conditions made between the same entities is recognized by the Company as the expiry of the original financial liability and the recognition of a new financial liability. Similarly, significant modifications to the terms of the agreement relating to an existing financial liability are recognized by the Company as the expiry of the original financial liability and the recognition of a new financial liability. Differences in carrying amounts resulting from the exchange are recognized in profit or loss.

NOTE 7. 3. BORROWING COSTS

Borrowing costs are recognized in profit or loss in the period to which they relate.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset affect its initial value as part of the purchase price or production cost. The costs are capitalized when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably.

Borrowing costs which were incurred without any specific purpose and used to finance the acquisition or production of a qualifying asset affect the initial value of this asset in the amount determined by applying the capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Exchange differences on borrowings drawn in a foreign currency (both specific and general) affect the initial value of the qualifying asset to the extent in which it represents an adjustment of interest costs. The value of exchange rate differences adjusting the interest costs is the difference between the interest costs on similar borrowings that the Company would incur in its functional currency and the cost incurred for the foreign currency borrowings.

NOTE 7. 3. CURRENT AND DEFERRED TAX

Income tax recognized in profit or loss includes current and deferred tax.

Current tax

Current tax is calculated in accordance with current tax law and is recognized as a liability in the amount unpaid or a receivable if the amount paid so far in respect of current income tax exceeds the amount to be paid.

Deferred tax

Deferred tax is determined using tax rates (and laws) that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax liability is recognized for all taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred tax liability is recognized in its full amount. The liability is not discounted.

A deferred tax asset is recognized for all deductible temporary differences between the carrying amount and tax base of assets and liabilities, as well as unused tax credits and unused tax losses carried forward to subsequent years. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference or tax loss can be utilized.

The carrying amount of a deferred tax asset is verified at each balance sheet date and is reduced accordingly to the extent that it is no longer probable that sufficient taxable income will be achieved to enable the deferred tax asset to be partially or fully realized.

Deferred tax is recognized in profit or loss for a given period, unless the deferred tax:

- concerns transactions or events that are recognized in other comprehensive income - then the deferred tax is also recognized in other comprehensive income, or
- results from a business combination - then the deferred tax affects the value of the company or the profit from a bargain takeover.

Deferred tax assets and deferred tax liabilities are offset if the Group entities have a legally enforceable right to set off current tax assets and current tax liabilities, and if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxpayer.

NOTE 7. 3. REVENUE RECOGNITION

Sales

Under IFRS 15, revenue is recognized when the goods or services are transferred to the customer (Purchaser) in an amount reflecting the value of the consideration the entity expects to receive in exchange for the goods or services, i.e., when the performance obligations are met.

The Company recognizes a contract with a customer only when all of the following criteria are met:

1. The parties have concluded a contract and are bound to perform their respective obligations;
2. It is possible to identify performance obligations,
3. It is possible to establish a transaction price, i.e. the company is capable of identifying the terms of payment for the goods or services to be transferred;
4. The contract has commercial substance (i.e. the risk, timing or amount of the company's future cash flows is expected to change as a result of the contract); and
5. It is likely that the company will receive remuneration it will be entitled to in exchange for goods or services that will be transferred to the customer. When assessing whether it is probable that the amount of remuneration will be received, only the client's ability and intention to pay the amount of remuneration in a timely manner is taken into account.

The Company recognizes revenue when the performance obligation is fulfilled by transferring the promised goods or services to the customer. The transfer of an asset occurs when the customer obtains control of the asset.

The company transfers control of the good or service over time and thereby satisfies the performance obligation and recognizes revenue over time if one of the following conditions is met:

- the customer simultaneously receives and enjoys the benefits of the entity's services as it performs the obligation,
- as a result of the fulfillment of an obligation by the entity, an asset is created or improved, and control over this asset, as it is created or improved, is exercised by the customer.

Interest

Interest income is recognized pro-rata to the passage of time, using an effective interest rate. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and gradually unwinds the discount in correspondence with interest income. Interest income on loans which have become impaired is recognized at the original effective interest rate.

NOTE 7. 3. GRANTS

Grants are disclosed in the financial statements if there is sufficient certainty that the enterprise meets the conditions for granting them and the grants will be received.

Grants are presented in the statement of comprehensive income under "Revenue from grants".

Grants not settled, including advance payments received under concluded grant agreements, are presented in the statement of financial position under "Deferred income in respect of grants" divided into: grants to assets and grants to income (presented as advances for research and development).

Grants are public aid that takes the form of transferring funds to an economic entity in exchange for it meeting, in the past or in the future, certain conditions related to its activities.

Grants, the essential condition of which is the acquisition or production of tangible assets by the Company, are recognized in the statement of financial position as deferred income in respect of grants, i.e. at the amount received until the tangible assets and intangible assets financed by the grant are put into use. Grants are systematically and rationally recognized as grant revenues in periods in which their matching with depreciation costs is ensured.

Grants to income are grants other than asset grants and are accounted for in the period in which the related costs are incurred. Grants are systematically recognized in revenues in the period necessary to compensate for the costs that these grants were intended to compensate. Grants related to income are presented as revenue, separately from the related costs which the grants are intended to compensate. The grants are recognized as revenue regardless of whether they were received in the form of cash or as a decrease of liabilities.

Inflows and expenses related to received grants are presented in the statement of cash flows (under cash flows from operating activities).

The Company distinguishes the following types of risk attached to the return of grants:

Risks related to projects:

- The Company refuses to submit to or obstructs an inspection, or fails to comply with the post-inspection recommendations within the stated deadline;
- During an inspection carried out by authorized institutions, errors or deficiencies were found in the submitted documentation and they were not remedied within the prescribed period;
- The Company fails to submit a payment application on time;
- The Company fails to correct the payment application within the prescribed period or submits an application containing significant deficiencies or errors;
- The Company fails to submit information or explanations about the project;
- The Company uses the funding contrary to its intended purpose; will obtain any undue or excessive amount of the grant;
- The Company uses the funding in breach of applicable procedures;
- Continued implementation of the project by the Company is impossible or unreasonable;
- The Company discontinues the project or implements it in a manner incompatible with the contract or law;
- No progress is observed in project implementation in relation to the deadlines specified in the grant application, which might give rise to a reasonable expectation that the project will not be implemented in full or its goal will not be achieved.

The Company has the above risks under control. The Company ensures implementation of projects in accordance with the applicable guidelines and grant agreements. The Company monitors progress of projects on an ongoing basis. Where a project cannot be continued, the Company reports this to relevant institutions as soon as possible after becoming aware of this fact. The Company declares that it will not breach any conditions under the control of the Management Board.

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The table below presents the subsidies received by the Entity.

Agreement /grant number	Intermediate Body	Subject of the grant	Contractual grant amount	Total amount of funds received at		Funds received during the period	
				30.06.2024	01.01.2024 – 30.06.2024	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
POIR.01.01.01-00-0669/20-00	National Centre for Research and Development	Development of mobile diagnostic equipment based on a lab-on-chip solution for detecting COVID-19 disease (SARS-CoV-2 virus)	PLN 6,677 thousand	PLN 6,230 thousand	-	PLN 799 thousand	PLN 1,397 thousand
POIR.01.01.01-00-0563/18-00	National Centre for Research and Development	Development of technology and mobile diagnostic equipment based on a lab-on-chip solution for detecting infectious diseases	PLN 8,908 thousand	PLN 8,908 thousand	PLN 881 thousand	PLN 112 thousand	PLN 1,251 thousand
POR.02.04.01-02-PPP-53/18-00	Polish Agency for Enterprise Development	Genomtec ID	PLN 36 thousand	PLN 36 thousand	-	-	-
Grant Agreement 885874	Horizon 2020 European Commission	Genomtec Tumor (MicroRNA-based tool for non-invasive early-stage cancer diagnosis)	EUR 71 thousand	EUR 71 thousand	-	-	-
	DARR/ EU/ 1.2 C Regional Operational Program	Lower Silesian Innovation Voucher	PLN 82 thousand	PLN 82 thousand	-	-	-
	KIC Climate Acceleration Program 2018	Genomtec Fresh - Mobile system for microbiological tests using genetic analysis	EUR 20,000	EUR 20,000	-	-	-
	InnoStars Awards	Eit Health	EUR 8,000	EUR 8,000	-	-	-
POIR 2.3.4 (patents)	Polish Agency for Enterprise Development	Obtaining international patent protection for an invention concerning an innovative method of detecting genetic material in a biological sample and a mobile diagnostic device for its implementation	PLN 396 thousand	PLN 396 thousand	PLN 40 thousand	PLN 14 thousand	PLN 165 thousand
	IPA4SME	Service 2: Partial reimbursement of EPO fees; Service 3: Partial reimbursement of IP attorney fees/ the Intellectual	Up to EUR 15 thousand	-	-	-	-

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		Property Audit for SMEs initiative (IPA4SME) open call co-funded by the COSME programme of the European Union.					
FENG.01.01-IP.02-1864/23	Polish Agency for Enterprise Development	Development of technology and an automatic mutation detection system in the area of clinical oncology based on a lab-on-chip solution and isothermal amplification techniques of nucleic acids	PLN 21,617 thousand	PLN 4,500 thousand	PLN 4,500 thousand	-	-
POIR.02.03.06-02-0067/22-00	Polish Agency for Enterprise Development	Support for the preparation of a Eurogrant request under the EIC Accelerator program	PLN 64 thousand	-	-	-	-

Based on agreements and project implementation to date, the Company estimates that by the end of 2024 it will receive approximately PLN 447 thousand under project POIR.01.01.01-00-0669 20-00.

NOTE 7.3. CONTINGENT LIABILITIES AND ASSETS

A contingent liability is defined as:

- a) a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognized in financial statements because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

The Company discloses information about contingent assets at the end of the reporting period if the impact of economic benefits is probable. If practicable, the Company estimates the financial effects of contingent assets by valuing them in accordance with the principles applicable to the valuation of provisions.

NOTE 7.3. MANAGEMENT BOARD'S ESTIMATES

The preparation of consolidated financial statements requires the management board of the Parent Company to make estimates and assumptions that affect the amounts reported in these financial statements. The estimates and related assumptions are based on analyzes and the knowledge and experience of the Management Board. Actual results may be different from estimates.

Useful lives of tangible and intangible assets

Each year, the Company's Management Board verifies the residual value, depreciation method and useful lives of the fixed and intangible assets which are subject to amortization. As at June 30, 2024, the Management Board is of the opinion that the useful lives of assets applied by the Company for purposes of depreciation/ amortization reflect the expected period of future economic benefits from these assets.

Impairment of inventory

The Company determines the amount of write-downs on inventories based on estimates of their obtainable net value, taking into account the most current sales prices at the time of making the estimates.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates which according to the available projections will be apply at the time when the asset is realized or the liability is settled based on tax laws that were in force or were substantively in force at the end of the reporting period.

The Company recognizes a deferred tax asset based on the assumption that a tax profit will be achieved in the future allowing its use. A deterioration of the tax results obtained in the future could make this assumption unjustified.

Provisions

Creating provisions requires estimating the probability of the outflow of resources embodying economic benefits and determining the amount that constitutes the most reliable estimate of the expenditure necessary to fulfill the obligation present at the end of the reporting period.

Impairment test for tangible and intangible assets

At each balance sheet date, the Company assesses whether there are any indications that any of its may be impaired. If this is the case, the Company estimates the recoverable amount of the asset.

In accordance with the requirements of IAS 36, the Company monitors its assets in terms of impairment on an ongoing basis. At the time of a decision to start a new development project, the Company assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset, both on the income and cost side, including by estimating availability of the means needed to complete, use and generate benefits from the asset. Where there is no certainty as to the possibility of obtaining future economic benefits, technical capability or an intention to complete the development or availability of funds to complete the development or a possibility of a reliable estimate of the expenditure incurred, then development costs are recognized in the statement of comprehensive income in the period in which they were incurred (under costs of ordinary activities). At the end of each reporting period, the Company tests all previous assumptions regarding in-process development. Where there are any indications of impairment, the Company will assess the recoverable amount of the assets affected and will post relevant impairment allowances. Impairment tests are carried out to ensure that assets are carried at a value not exceeding their recoverable amount. The recoverable amount is the higher of:

- fair value, less costs to sell, if the fair value can be determined;

- value in use determined on the basis of the present value (i.e. after discounting) of the future cash flows related to the assets to be tested.

The indicators of impairment of assets at the Company are as follows:

- an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- significant changes of technological, market, economic or legal nature, with an adverse effect on the entity have taken place or are expected to take place;
- evidence is available of obsolescence or physical damage of an asset;
- significant changes to the use of an asset, with an adverse effect on the entity, have taken place or are expected to take place;
- the economic performance of an asset is or will be worse than expected.

The financial results currently achieved by the Company are closely related to the current stage of development of its business. When assessing the existence of indications of possible impairment of its tangible assets, the Company analyzes the occurrence of indications coming from both external and internal sources of information. Tangible assets owned by the Company are mainly specialized equipment used in research and development works based on concluded leasing agreements. Incurring losses and negative cash flows from operating activities is part of the current stage of the Company's operations. The research and development carried out is intended to generate additional results and cash flows in future reporting periods. When analyzing the indications for impairment of assets, the Company also takes into account the stage of research and development carried out and verifies the ability to successfully complete it.

Whether or not there are any indications of impairment, each year the Company performs annual impairment tests for its intangible assets with an indefinite useful life or an intangible asset which is not yet available for use, by comparing its carrying amount with its recoverable amount. This test may be carried out at any time during the year, provided that each year it takes place at the same date. Different intangible assets may be tested for impairment at various dates. If an intangible asset was initially recognized during the current year, the asset is tested for impairment before the year-end.

At the end of the reporting periods presented, in the opinion of the Company's Management Board there were no indications of impairment of tangible or intangible assets, including intangible assets in progress.

NOTE 8. INCENTIVE PROGRAM

By resolution No. 06/08/2020 of the Extraordinary General Meeting of the Company of August 31, 2020, an incentive program based on GENOMTEC S.A. shares was established in the Company. The primary goal of the incentive program is to create a mechanism aimed at implementing the Company's strategy in order to ensure a constant increase in its market value and, as a result, in the value of shares held by all its shareholders. An additional goal of the program is to create an additional remuneration system and mechanisms motivating participants of the incentive program to increase their commitment and effectiveness of work for the Company, which should ensure maintaining a high level of professional management of the Company.

The incentive program was based on series H shares (a total of 830,000 shares) and no more than 659,854 series A subscription warrants, issued on the basis of resolution No. 05/08/2020 of the Extraordinary General Meeting of Shareholders of August 31, 2020, entitling the participants acquire more than 659,854 series I shares.

The incentive program will be implemented in the Company in the years 2020-2024. As part of the incentive program, series H shares and subscription warrants may be offered for purchase to program participants, i.e. members of the Company's Management Board, key managers, key employees and key collaborators of the Entity.

Eligible persons will be able to acquire the right to take up shares for an issue price equal to their nominal value, i.e. PLN 0.10. The number of shares in the Company that will be offered to a given eligible person under the incentive program depends on the decision of the Management Board and the Supervisory Board of the Entity.

Resolution No. 02/12/2022 of the Supervisory Board of Genomtec S.A. of December 23, 2022 granted the rights to subscribe for Series A Subscription Warrants. The warrants were issued in June/ July 2023. On August 10, based on the statement of the National Depository for Securities S.A. an agreement was concluded for the registration of series I ordinary bearer shares in the securities depository, regarding registration on the basis of settlement orders referred to in § 6 of the Detailed Operating Rules of the National Depository for Securities, in connection with the deregistration of subscription warrants marked with the code PLGNMTC00058, from which the right to subscribe for the shares was exercised. On August 23, 2023, a total of 462,346 series I shares were recorded on the securities accounts of persons who acquired the Company's shares in connection with the implementation of the Company's incentive program. Therefore, on October 6, 2023, the Company's share capital was increased by PLN 46,234.60, i.e. to PLN 1,225,788.60.

The valuation of employee share programs is based on IFRS 2 "Share-based Payments". IFRS 2 requires that the Company should recognize the related costs and equity increase for such transactions when the employee benefits are received. On the date when the individual tranches under the scheme vest in the eligible persons, the Company will estimate the remuneration costs based

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on the fair value of the awarded options. The cost determined in this way will be recognized in the statement of comprehensive income for a given period in correspondence with the equity position presented in the statement of financial position throughout the vesting period.

The instruments granted in the period covered by the financial statements under the incentive program applicable in the Company are presented in note 48.

NOTE 9. BUSINESS COMBINATIONS

Until June 30, 2024, no business combination took place.

NOTES TO THE INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT	30.06.2024	31.12.2023
Tangible assets, including:	2,241	1,746
buildings	1,397	1,454
equipment	844	292
Total	2,241	1,746

In the above reporting periods, the Company did not use its assets as collateral.

As at June 30, 2024, the Company did not have any agreements that would oblige it to purchase any tangible assets.

PROPERTY, PLANT AND EQUIPMENT (OWNERSHIP STRUCTURE)	30.06.2024	31.12.2023
Own	178	179
Used based on any rental, lease or a similar contract, including:	2,063	1,567
Total	2,241	1,746

NOTE 10. 1. CHANGES IN TANGIBLE ASSETS BY TYPE

CHANGES IN TANGIBLE ASSETS BY TYPE GROUPS 01.01.2024 - 30.06.2024	buildings	equipment	total tangible assets
Gross value of at the beginning of the period	2,145	1,936	4,081
Increases due to acquisition	143	669	812
- including leasing	-	664	664
- including recognition of lease agreements in accordance with IFRS 16	143	-	143
Decreases	-	5	5
Gross value of at the end of the period	2,288	2,600	4,888
Accumulated depreciation at the beginning of the period	691	1,644	2,335
Increases due to depreciation	200	119	319
- including leasing	200	80	280
Decreases	-	7	7
Accumulated depreciation at the end of the period	891	1,756	2,647
Impairment allowances at the beginning of the period	-	-	-
Increases	-	-	-
Decreases	-	-	-
Impairment allowances at the end of the period	-	-	-
Net value of tangible assets at the end of the period	1,397	844	2,241

CHANGES IN TANGIBLE ASSETS BY TYPE GROUPS 01.01.2023 - 31.12.2023	buildings	equipment	total tangible assets
Gross value of at the beginning of the period	1,934	1,911	3,845
Increases due to acquisition	211	110	321
- including leasing	-	-	-
- including recognition of lease agreements in accordance with IFRS 16	211	-	211
Decreases	-	85	85
Gross value of at the end of the period	2,145	1,936	4,081
Accumulated depreciation at the beginning of the period	324	1,335	1,659
Increases due to depreciation	367	445	812
- including leasing	367	213	580
Decreases	-	136	136
Accumulated depreciation at the end of the period	691	1,644	2,335
Impairment allowances at the beginning of the period	-	-	-
Increases	-	-	-
Decreases	-	-	-
Impairment allowances at the end of the period	-	-	-

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Net value of tangible assets at the end of the period	1,454	292	1,746
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TANGIBLE ASSETS LEASED	30.06.2024			31.12.2023		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Buildings	2,288	891	1,397	2,146	692	1,454
Equipment	1,688	992	696	1,025	912	113
Total	3,976	1,883	2,093	3,171	1,604	1,567

NOTE 11. GOODWILL

The Company did not disclose any goodwill in the period covered by the interim condensed financial statements.

NOTE 12. INTANGIBLE ASSETS

INTANGIBLE ASSETS	30.06.2024	31.12.2023
In-process development expenditure	-	-
Completed development	6,714	7,520
Other intangible assets	10	30
Total	6,724	7,550

Other intangible assets disclosed include the website genomtec.com acquired by the Company in 2022 and MDK-PRO FLEX FL DL flex acquired in 2023.

All intangible assets are the property of the Company; none of these assets are used based on any rental, lease or a similar contract.

The intangible assets are not used as collateral.

As at June 30, 2024, the Company did not have any agreements whereby it would be required to purchase any intangible assets.

In the period from January 1, 2024 to June 30, 2024 (or throughout 2023), the Company did not make any impairment allowances on intangible assets.

August 2023 saw successful completion of development of Genomtec ID technology and mobile diagnostic equipment based on a lab-on-chip solution for detecting infectious diseases. Genomtec ID is the Company's diagnostic system consisting of a testing device and a reaction card for detecting pathogens using SNAAT® technology (improved nucleic acid multiplication technology and, at the same time, a method of amplification of genetic material). The deadline for completing the development coincided with the validity period of the grant agreements concluded with the National Center for Research and Development.

The work generated an intangible asset: completed development with an initial value of PLN 8,057 thousand.

Completed development work is amortized in accordance with the adopted 5-year amortization period.

Costs of completed development, including	
Depreciation/amortization	549
Materials	2,105
Employee benefits	2,969
External services	2377
Other	57
Impairment allowances for capitalized expenditure	-
Total	8,057

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NOTE 12. 1. CHANGE IN INTANGIBLE ASSETS BY TYPE

CHANGES IN INTANGIBLE ASSETS 01.01.2024 - 30.06.2024	Completed development	In-process development expenditure	Other intangible assets	Total intangible assets
Gross value of intangible assets at the beginning of the period	8,057	-	205	8,262
Increases	-	-	-	-
Decreases	-	-	-	-
Gross value of intangible assets at the end of the period	8,057	-	205	8,262
Accumulated amortization at the beginning of the period	537	-	175	712
Increases due to amortization	806	-	20	826
Decreases	-	-	-	-
Accumulated amortization at the end of the period	1,343	-	195	1,538
Impairment allowances at the beginning of the period	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
Impairment allowances at the end of the period	-	-	-	-
Net value of intangible assets at the end of the period	6,714	-	10	6,724

CHANGES IN INTANGIBLE ASSETS 01.01.2023 - 31.12.2023	Completed development	Other intangible assets	Total intangible assets
Gross value of intangible assets at the beginning of the period	-	170	170
Increases	8,057	35	8,092
Decreases	-	-	-
Gross value of intangible assets at the end of the period	8,057	205	8,262
Accumulated amortization at the beginning of the period	-	132	132
Increases due to amortization	537	43	580
Decreases	-	-	-
Accumulated amortization at the end of the period	537	175	712
Impairment allowances at the beginning of the period	-	-	-
Increases	-	-	-
Decreases	-	-	-
Impairment allowances at the end of the period	-	-	-
Net value of intangible assets at the end of the period	7,520	30	7,550

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NOTE 13. CHANGE IN THE CONDITION OF INVESTMENT PROPERTY

The Company did not own any investment properties in the period covered by the interim condensed financial statements.

NOTE 14. DEFERRED TAX ASSETS CAUSED BY NEGATIVE TEMPORARY DIFFERENCES

DEFERRED TAX ASSETS CAUSED BY NEGATIVE TEMPORARY DIFFERENCES	Interim condensed statement of financial position as at		Impact on the interim condensed statement of comprehensive income
	30.06.2024	31.12.2023	01.01.2024 30.06.2024
Due to differences between the carrying amount and the tax value:			
Lease liability	-	-	-
Provisions for employee benefits	36	32	4
Provision for the cost external services	18	29	(11)
Impairment allowance for receivables	15	15	-
Total deferred tax assets	69	76	(7)
Set-off with a deferred tax liability	(69)	(76)	7
Net deferred tax assets	-	-	-

NOTE 14. 1. NEGATIVE TEMPORARY DIFFERENCES AND TAX LOSSES FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

NEGATIVE TEMPORARY DIFFERENCES AND TAX LOSSES FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	Basis for creating the asset at the end of the period		Date of expiry of negative temporary differences, tax losses
	30.06.2024	31.12.2023	
In respect of:			
Tax losses	27,709	22,691	2024-2029
Total:	27,709	22,691	

No deferred tax asset was created under the above heading due to uncertainty as to the possibility of using this asset in future periods.

NOTE 15. INVENTORIES

In the period covered by the interim condensed financial statements, the Company did not have any inventories.

NOTE 15. 1. LONG-TERM CONTRACTS

The Company was not a party to a long-term contract in the period covered by the interim condensed financial statements.

NOTE 16. TRADE RECEIVABLES AND OTHER RECEIVABLES

TRADE RECEIVABLES	30.06.2024	31.12.2023
Net trade receivables	8	2
- from related parties	-	-
- from other entities	8	2
		29

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Impairment allowances on receivables	162	165
Gross trade receivables, incl.	170	167
- long-term	-	-
- short-term	170	167

There are no overdue receivables not covered by impairment allowances that would be considered uncollectible. In the opinion of the Entity's Management Board, there is no credit risk – beyond the level determined by the impairment allowances – applicable to the Company's trade receivables.

TRADE RECEIVABLES	Total	Up-to-date	Overdue in days				
			<30 days	31-90 days	91-180 days	181-365 days	>366 days
30.06.2024							
- from related parties	-	-	-	-	-	-	-
- from other entities	170	5	-	1	1	1	162
Total gross trade receivables	170	5	-	1	1	1	162
31.12.2023							
- from related parties	-	-	-	-	-	-	-
- from other entities	167	-	1	1	-	-	165
Total gross trade receivables	167	-	1	1	-	-	165

OTHER RECEIVABLES	30.06.2024	31.12.2023
Other receivables, net	1,302	2,003
Receivables from the state budget	596	369
Grant receivables	447	1,328
Prepayments	216	263
Security deposits	33	33
Other	10	10
Impairment allowances on receivables	-	-
Other gross receivables, incl.	1,302	2,003
- long-term	31	31
- short-term	1,271	1,972

NOTE 16. 1. FINANCE LEASE RECEIVABLES

In the period covered by the interim condensed financial statements, the Company did not have any finance lease receivables.

NOTE 17. CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	30.06.2024	31.12.2023
Cash in hand	-	-
Cash at bank	14,062	4,169
Total	14,062	4,169

In the period covered by the interim condensed financial statements, the Company did not have any restricted cash.

NOTE 18. OTHER ASSETS

OTHER ASSETS	30.06.2024	31.12.2023
Prepayments:	64	50
- insurance policies	4	9
- other prepayments (subscriptions, domains)	60	41
Other financial assets - loans granted	464	452
Total other assets	528	502

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In the period covered by the interim condensed financial statements, the Company did not recognize any impairment allowances on the value of loans granted.

NOTE 18. 1. LOANS GRANTED

LOANS GRANTED	30.06.2024	31.12.2023
Loans granted	464	452
Total including:	464	452
– long-term	-	-
– short-term	464	452

LOANS GRANTED	30.06.2024	31.12.2023
Nominal value	450	450
Interest accrued	14	2
Total	464	452

LOAN REPAYMENT STRUCTURE	30.06.2024	31.12.2023
Short-term loans	464	452
Long-term loans	-	-
- received over 1 year to 3 years	-	-
- received over 3 to 5 years	-	-
- received over 5 years	-	-
Total loans	464	452

On November 23, 2023, the Company concluded a loan agreement with a legal entity, under which the Borrower received a loan of PLN 200,000.00. The borrower is not an entity related to the Company within the meaning of IAS 24. The borrower agreed to repay the entire loan amount along with interest at the rate of 5% per annum by December 31, 2024. The borrower has the right to pre-pay the loan in full or in any parts. As at the balance sheet date, June 30, 2024, the loan with interest has not been repaid.

On November 23, 2023, the Company concluded a loan agreement with a legal entity, under which the Borrower received a loan in the amount of PLN 250,000.00. The borrower is not an entity related to the Company within the meaning of IAS 24. The borrower agreed to repay the entire loan amount along with interest at the rate of 5% per annum by December 31, 2024. The borrower has the right to pre-pay the loan in full or in any parts. As at the balance sheet date, June 30, 2024, the loan with interest has not been repaid.

NOTE 19. ASSETS HELD FOR SALE

In the period covered by the interim condensed financial statements, the Company did not recognize assets held for sale or related to discontinued operations.

NOTE 20. SHARE CAPITAL

As at June 30, 2024, the Company's share capital, in accordance with the entry in the National Court Register, amounted to PLN 1,332,457.00 and was divided into 13,324,570 shares with a nominal value of PLN 0.10 each.

SHARE CAPITAL	30.06.2024	31.12.2023
Number of shares	13,324,570	12,257,886
Nominal value of shares (in PLN)	0.10	0.10
Share capital	1,332	1,226

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SHARE CAPITAL STRUCTURE as at June 30, 2024				
Share series	Number of shares in the series (shares)	Nominal value per share (in PLN)	Preference feature	Number of votes (shares)
A	1,000,000	0.1	no	1,000,000
B	142,860	0.1	no	142,860
C	4,000,000	0.1	no	4,000,000
D	583,670	0.1	no	583,670
E	85,900	0.1	no	85,900
F	76,000	0.1	no	76,000
G	710,110	0.1	no	710,110
H	830,000	0.1	no	830,000
J	730,000	0.1	no	730,000
K	1,205,639	0.1	no	1,205,639
L	794,361	0.1	no	794,361
M	1,237,000	0.1	no	1,237,000
N	400,000	0.1	no	400,000
I	462,346	0.1	no	462,346
O	1,066,684	0.1	no	1,066,684
Total	13,324,570			13,324,570

SHARE CAPITAL STRUCTURE as at December 31, 2023				
Share series	Number of shares in the series (shares)	Nominal value per share (in PLN)	Preference feature	Number of votes
A	1,000,000	0.10	no	1,000,000
B	142,860	0.10	no	142,860
C	4,000,000	0.10	no	4,000,000
D	583,670	0.10	no	583,670
E	85,900	0.10	no	85,900
F	76,000	0.10	no	76,000
G	710,110	0.10	no	710,110
H	830,000	0.10	no	830,000
J	730,000	0.10	no	730,000
K	1,205,639	0.10	no	1,205,639
L	794,361	0.10	no	794,361
M	1,237,000	0.10	no	1,237,000
N	400,000	0.10	no	400,000
I	462,346	0.10	no	462,346
Total	12,257,886			12,257,886

By Resolution No. 1/05/2022 of May 31, 2022 on increasing the Company's share capital within the authorized capital, fully disapplying the pre-emptive rights of existing shareholders and amending the Articles of Association (Rep. A No. 3060/2022), the Management Board, based on the authorization granted in §10A of the Company's Articles of Association and the resolution of the Company's Supervisory Board of May 30, 2022, increased the Company's share capital from PLN 815,854.00 to an amount not lower than PLN 920,494.70 and not higher than PLN 967,161.40, i.e. by an amount not lower than PLN 104,640.70 and not higher than PLN 151,307.40, by issuing not less than 1,046,407 and not more than 1,513,074 series K ordinary bearer shares, with a nominal value of PLN 0.10 each. The issue price of one series K share was set at PLN 6.00. In the interest of the Company, the Management Board disappplied existing shareholders' pre-emptive rights to series K shares, which was done pursuant to §10A section 7 of the Articles of Association and with prior consent expressed in a resolution of the Supervisory Board. The disapplication

was motivated by the need to quickly obtain capital, which would not be possible as part of an offer addressed to existing shareholders while retaining the pre-emptive right. The issue of series K shares was carried out through a private placement, which began on May 31 and ended on June 22, 2022, by submitting offers to acquire all series K shares to three investors indicated by the Management Board, who do not meet the definition of a related party within the meaning of IAS 24, and by accepting offers by their addressees. On June 23, 2022, the Management Board adopted a resolution on determining the share capital, which shows that, as a result of the subscription of series K shares, 1,205,639 series K shares of the Company with a nominal value of PLN 0.10 each were covered and covered by cash contributions. and the total nominal value of PLN 120,563.90. Accordingly, the value by which the Company's share capital was increased is PLN 120,563.90, and the Company's share capital determined by the Management Board is PLN 936,417.90 and is divided into 9,364,179 shares with a nominal value of PLN 0.10. The increase in share capital related to the issue of series K shares was registered in the National Court Register.

By Resolution No. 1/12/2022 of December 27, 2022 on increasing the Company's share capital within the authorized capital, fully disapplying the pre-emptive rights of existing shareholders and amending the Articles of Association (Rep. A no. 7122/2022), the Management Board, based on the authorization granted in §10A of the Company's Articles of Association and the resolution of the Company's Supervisory Board of May 31, 2022, increased the Company's share capital from PLN 936,417.90 to PLN 1,015,854.00, i.e. by PLN 79,436.10, through the issue of 794,361 series L ordinary bearer shares, with a nominal value of PLN 0.10 each. The issue price of one series L share was set at PLN 5.00. In the interest of the Company, the Management Board disappplied existing shareholders' pre-emptive rights to series L shares, which was done pursuant to §10A section 7 of the Articles of Association and with prior consent expressed in a resolution of the Supervisory Board. The disapplication was motivated by the need to quickly obtain capital, which would not be possible as part of an offer addressed to existing shareholders while retaining the pre-emptive right. The issue of series L shares was carried out through a private placement, which began on December 27, 2022 and ended on December 28, 2022, by submitting offers for all series L shares to 8 (eight) investors indicated by the Management Board, who do not meet the definition of a related entity within the meaning of IAS 24, and through the acceptance of offers by the investors in relation to all 794,361 L series shares offered. The registration of the increase in share capital related to the issue of K series shares in the National Court Register took place on January 20, 2023, therefore, as at December 31, 2022, the acquired capital was presented as part of other reserves.

By Resolution No. 03/03/2023 of March 27, 2023 on increasing the Company's share capital through the issue of series M ordinary bearer shares fully disapplying pre-emptive rights of existing shareholders, amending the Company's Articles of Association and applying for admission and introduction of these shares to trading on the regulated market, the Extraordinary General Meeting decided to increase the Company's share capital from PLN 1,015,854.00 to an amount not greater than PLN 1,139,554.00, i.e. by PLN 123,700.00, by issuing 1,237,000 series M ordinary shares bearer with a nominal value of PLN 0.10 each. By resolution No. 01/04/2023, the Management Board, acting pursuant to Art. 368 § 1 in conjunction with 371 § 1 of the Act of September 15, 2000, Commercial Companies Code, and on the basis and in pursuance of the authorization resulting from the Resolution of the Extraordinary General Meeting, decided to set the final number of Series M Shares to be offered as part of the public offer at 1,237,000 shares and to set the issue price per one series M share at PLN 8.00. In the interest of the Company, the Extraordinary General Meeting, after considering the written opinion of the Management Board, disappplied the existing shareholders' pre-emptive right to series M shares. The issue of series M shares was carried out through a private placement, which started on April 18, 2023 and ended on April 26, 2023, by submitting offers to acquire all series M shares to investors indicated by the Management Board, who do not meet the definition of a related entity within the meaning of IAS 24, and by accepting the offers by the investors in relation to all 1,237,000 series M shares offered. Series M shares were taken up by a total of 17 investors. The increase in share capital related to the issue of series M shares was registered in the National Court Register.

By Resolution No. 1/06/2023 of June 1, 2023 on increasing the Company's share capital within the authorized capital through the issue of series N ordinary bearer shares, fully disapplying the existing shareholders' pre-emptive rights, amending the Company's Articles of Association and applying for admission of these shares to trading on a regulated market, the Management Board, based on the authorization granted in §10A of the Company's Articles of Association and the resolution of the Company's Supervisory Board of May 31, 2023, increased the Company's share capital from PLN 1,139,554.00 to PLN 1,179,554.00, i.e. by PLN 40

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thousand, through the issue of 400 thousand series N ordinary bearer shares with a nominal value of PLN 0.10 each. The issue price of one series N share was set at PLN 8.00. In the interest of the Company, the Management Board disapplied existing shareholders' pre-emptive rights to series N shares, which was done pursuant to §10A section 6 of the Articles of Association and with prior consent expressed in a resolution of the Supervisory Board. The issue of series N shares was carried out through a private placement, based on the share subscription agreement of June 1, 2023, by submitting subscription offers only to the current shareholder of the Company, i.e. Leonarto Fund SCSp, and through the acceptance of the offers in relation to all 400,000 N series shares offered. The increase in the share capital related to the issue of N series shares was registered in the National Court Register.

By Resolution No. 02/12/2022 of the Supervisory Board of December 23, 2022 on granting the right to acquire Series A Subscription Warrants, acting in pursuance of Resolution No. 05/08/2020 of the Extraordinary General Meeting of the Company of August 31, 2020 on the issue of subscription warrants series A, disappling the existing shareholders' pre-emptive rights, and Resolution No. 06/08/2020 of the Extraordinary General Meeting of the Company of August 31, 2020 on the establishment of an incentive program in the Company based on the Incentive Program Rules adopted by Resolution No. 01/12/2020 of the Supervisory Board of on December 28, 2020 regarding the adoption of the Incentive Program Rules, amended by resolution No. 01/09/2022 of September 12, 2022 on amending the Company's Incentive Program Rules, it was decided to grant the right to acquire Series A Subscription Warrants to the persons indicated in the resolution for the financial year 2022. The implementation of the resolution, i.e. the submission of offers to acquire Series A Subscription Warrants and the acceptance of these offers may take place after close periods within the meaning of the MAR. On August 23, 2023, a total of 462,346 series I shares were recorded on the securities accounts of persons who acquired the Company's shares in connection with the implementation of the Company's incentive program. Therefore, the Company's share capital was increased by PLN 46,234.60, i.e. to PLN 1,225,788.60. The increase in share capital related to the issue of series I shares was registered in the National Court Register.

By Resolution No. 03/04/2024 of April 22, 2024 on increasing the Company's share capital through the issue of series O ordinary bearer shares fully disappling pre-emptive rights of existing shareholders, amending the Company's Articles of Association and applying for admission and introduction of these shares to trading on the regulated market, the Extraordinary General Meeting decided to increase the Company's share capital from PLN 1,225,788.60 to an amount not greater than PLN 1,332,457.00, i.e. by PLN 106,668.40, by issuing 1,066,684 series O ordinary shares bearer with a nominal value of PLN 0.10 each. By resolution No. 03/04/2024, the Management Board, acting pursuant to Article 433 § 2 in conjunction with Article 430 § 2 of the Act of September 15, 2000, Commercial Companies Code, and on the basis and in pursuance of the authorization resulting from the Resolution of the Extraordinary General Meeting, decided to set the final number of Series O Shares to be offered as part of the public offer at 1,066,684 shares and to set the issue price per one series O share at PLN 10.00. In the interest of the Company, the Extraordinary General Meeting, after considering the written opinion of the Management Board, disapplied the existing shareholders' pre-emptive right to series O shares. The issue of series O shares was carried out through a private placement, which started on April 26, 2024 by submitting offers to acquire all series O shares to investors indicated by the Management Board, who do not meet the definition of a related entity within the meaning of IAS 24, and by accepting the offers by the investors in relation to all 1,066,684 series O shares offered. Series O shares were acquired by a total of 10 investors. The increase in share capital related to the issue of series O shares was registered in the National Court Register.

The Company recognized a total of PLN 715 thousand as issue costs in 2023 and PLN 160 thousand in H1 2024, which reduced the Entity's share premium account.

The Company's shareholding structure as at the balance sheet date and as at the date of preparation of the interim condensed financial statements:

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SHARE CAPITAL OWNERSHIP STRUCTURE as at December 31, 2023

No.	Shareholder	Total number of shares	Total number of votes	Share in share capital	Share in the total number of votes at the General Meeting
1.	Leonarto Funds SCSp	1,650,620	1,650,620	13.47%	13.47%
2.	Tokarski Miron	1,355,118	1,355,118	11.06%	11.06%
3.	Others	9,252,148	9,252,148	75.48%	75.48%
Total		12,257,886	12,257,886	100.00%	100.00%

SHARE CAPITAL OWNERSHIP STRUCTURE as at June 30, 2024 and as at the date of preparation of the interim condensed financial statements

No.	Shareholder	Total number of shares	Total number of votes	Share in share capital	Share in the total number of votes at the General Meeting
1.	Leonarto Funds SCSp	1,650,620	1,650,620	12.39%	12.39%
2.	Tokarski Miron	1,355,118	1,355,118	10.17%	10.17%
3.	Others	10,318,832	10,318,832	77.44%	77.44%
Total		13,324,570	13,324,570	100.00%	100.00%

NOTE 20. 1. OTHER RESERVES

OTHER RESERVES	30.06.2024	31.12.2023
Incentive program valuation	14,088	14,088
Issue of shares	-	-
Value of rights to convert loans into shares	116	116
Total	14,204	14,204

Other reserves presented as at June 30, 2024 at PLN 14,204 thousand include the valuation of the incentive program in force at the Company and the value of rights to convert loans into shares. The description of the incentive program is presented in note 48.

NOTE 21. NET EARNINGS (LOSS) PER SHARE

EARNINGS (LOSS) PER SHARE	01.01.2024	01.01.2023
	30.06.2024	31.12.2023
Net profit (loss) attributable to ordinary shareholders of the Entity	(6,040)	(9,013)
Number of shares as at the balance sheet date used to calculate earnings per share	13,324,570	12,257,886
Number of shares as at the balance sheet date used to calculate diluted earnings per share	13,637,756	12,571,072
Earnings (loss) per share	(0.45)	(0.74)
Diluted earnings (loss) per share	(0.44)	(0.72)

The number of shares used in 2023 and H1 2024 to calculate diluted earnings (loss) per share differs from the number of shares used to calculate earnings per share by the number of remaining series A subscription warrants issued under the incentive program in force in the Company, established in accordance with resolution 06/08 /2020 of the Extraordinary General Meeting of August 31, 2020. The subscription warrants will be convertible into series I shares, which were conditionally issued on the basis of resolution 04/06/2020 of the Extraordinary General Meeting of August 31, 2020 – 115,678 shares that the lender will be able to acquire in the event of exercising the right to convert the Company's debt into shares

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NOTE 22. DEFERRED TAX LIABILITY CAUSED BY POSITIVE TEMPORARY DIFFERENCES

DEFERRED TAX LIABILITY CAUSED BY POSITIVE TEMPORARY DIFFERENCES	Interim condensed statement of financial position as at		Impact on the interim condensed statement of comprehensive income for the period
	30.06.2024	31.12.2023	01.01.2024 30.06.2024
In respect of:			
Leased tangible assets	105	112	7
Tangible assets financed by grants	-	2	2
Interest due	1	-	(1)
Total deferred tax liability	106	114	8
Set-off with deferred tax assets	(69)	(76)	(7)
Net deferred tax liability	37	38	1

The Company does not have any deferred tax liabilities resulting from positive temporary differences (none recognized).

NOTE 23. PROVISIONS

PROVISIONS FOR LIABILITIES	30.06.2024	31.12.2023
Provision for remuneration	-	-
Provision for unused leaves	131	85
Retirement and disability benefit provisions	114	82
Total other provisions	245	167
– long-term	114	82
– short term	131	85

CHANGE IN THE BALANCE OF PROVISIONS	Provision for remuneration	Provision for unused leaves	Retirement and disability benefit provisions	Total
As at January 1, 2024	-	85	82	167
Provision recognized	-	46	32	78
Costs of benefits paid (utilization)	-	-	-	-
Provision released	-	-	-	-
As at June 30, 2024	-	131	114	245
As at January 1, 2023	119	58	31	208
Provision recognized	-	27	51	78
Costs of benefits paid (utilization)	119	-	-	119
Provision released	-	-	-	-
As at December 31, 2023	-	85	82	167

NOTE 24. OBLIGATIONS IN RESPECT OF BORROWINGS

BANK AND OTHER LOANS	30.06.2024	31.12.2023
Loans received	403	391
Total including:	403	391
– long-term	-	-
– short term	403	391
LOANS RECEIVED	30.06.2024	31.12.2023
Nominal value	480	480

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Interest accrued	39	27
Value of conversion rights	(116)	(116)
Total including:	403	391

On December 13, 2022, the Company entered into a loan agreement with a legal person, whereby the Lender granted the Company a loan of PLN 479,855.00. The Lender is not an entity related to the Company within the meaning of IAS 24. The Company agreed to repay the entire loan amount along with interest at the rate of 5% per annum by December 31, 2023. The Company has the right to pre-pay the loan in full or in any parts. As at the balance sheet date, December 31, 2023, the loan was outstanding. The Company's Management Board entered into an annex to the loan agreement, whereby the loan repayment date was changed to December 31, 2024, with the other contractual terms unchanged. The loan agreement provided the Lender's right to acquire shares in the share capital. In accordance with International Accounting Standard 32 Financial Instruments: Presentation, a valuation of the complex financial instrument was made as at the date of receipt of the loan proceeds. At the initial recognition, the value of the complex financial instrument was assigned to equity and to liabilities.

Upon initial recognition, the fair value of the liability component is the present value of the future contractual cash flows, discounted at the interest rate used by the market at that time for instruments with similar credit characteristics, cash flows and the same terms, but without the conversion option. The value of this option was estimated at PLN 116 thousand and it reduces the liability under this loan.

MATURITY STRUCTURE OF BORROWINGS	30.06.2024	31.12.2023
Short-term bank and other loans	403	391
Long-term bank and other loans	-	-
- payable over 1 year to 3 years	-	-
- payable over 3 to 5 years	-	-
- payable over 5 years	-	-
Total bank and other loans	403	391

NOTE 25. LEASE LIABILITIES

LEASE LIABILITIES	Minimum lease payments		Current value of minimum lease payments	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Lease obligations, payable:				
- up to 1 month	79	49	67	42
- from 1 month to 3 months	159	97	136	83
- from 3 months to 6 months	252	128	221	108
- from 6 months to a year	386	287	335	254
- from one year to five years inclusive	1,482	1,193	1,392	1,110
- over 5 years	-	-	-	-
Total	2,358	1,754	2,151	1,597
Less: costs to be incurred in subsequent periods	207	157	-	-
Current value of minimum lease payments	2,151	1,597	2,151	1,597
- Long term lease liabilities (payable over more than 12 months)	-	-	1,392	1,110
- Short-term lease liabilities (payable within 12 months)	-	-	759	487

In the period covered by the interim condensed financial statements, the Company did not incur any costs related to variable leasing fees.

NOTE 26. TRADE AND OTHER LIABILITIES

TRADE LIABILITIES	30.06.2024	31.12.2023
- to related parties	-	63
- to other entities	895	876
Total	895	939

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TRADE LIABILITIES	Total	Up-to-date	Overdue in days					
			<30 days	31-90 days	91-180 days	181-365 days	>366 days	
30.06.2024								
- from related parties	-	-	-	-	-	-	-	-
- from other entities	895	577	189	47	17	-	-	65
Total gross trade liabilities	895	577	189	47	17	-	-	65
31.12.2023								
- from related parties	63	63	-	-	-	-	-	-
- from other entities	876	577	133	73	-	-	-	93
Total gross trade liabilities	939	640	133	73	-	-	-	93

OTHER LIABILITIES	30.06.2024	31.12.2023
Liabilities due to taxes, customs duties, social security and others	176	116
Employee benefit liabilities	238	211
Amounts due to shareholders	-	-
Other	9	7
Total	423	334

NOTE 27. DEFERRED INCOME IN RESPECT OF GRANTS

DEFERRED INCOME IN RESPECT OF GRANTS	30.06.2024	31.12.2023
Long term, incl.	2,845	3,296
– grants to assets	2,845	3,296
– advance payments on R&D	-	-
Short term, incl.	5,098	908
– grants to assets	908	908
– advance payments on R&D	4,190	-
Total	7,943	4,204

NOTE 28. LIABILITIES DIRECTLY RELATED TO ASSETS CLASSIFIED AS HELD FOR SALE

In the period covered by the interim condensed financial statements, the Company did not recognize liabilities connected with assets held for sale or related to discontinued operations.

NOTE 29. CONTINGENT LIABILITIES

Contingent liabilities granted by the Company were in the form of promissory notes together with promissory note declarations to secure the contracts for co-financing projects and loan agreements. Promissory notes backing up grant agreements were issued in connection with the requirements of the regulations for projects co-financed from public funds. The security will be in force until the end of the durability period of the implemented projects. The total value of contingent liabilities in connection with the blank promissory notes issued constitutes the value of grants received and not settled.

As at the date of preparation of these interim condensed financial statements, the Company had contingent liabilities concerning:

- grant agreement for the project POIR.01.01.01-00-0563/18-00 - the Company submitted a blank promissory note as security for the proper performance of its obligations during the life of the project;
- grant agreement for the project POIR.02.03.04-02-0004/17 - the Company submitted a blank promissory note as security for the proper performance of its obligations for a period of 3 years from the date of project completion;
- grant agreement POIR.02.04.01-02.PPP-53/18-00 - the Company submitted a blank promissory note as security for proper performance of its obligations;

-
- grant agreement for the project POIR.01.01.01-00-0669/20-00 - the Company submitted a blank promissory note as security for the proper performance of its obligations during the life of the project;
 - grant agreement for the project FENG.01.01-IP.02-1864/23 - the Company submitted a blank promissory note as security for the proper performance of its obligations during the life of the project;
 - grant agreement for the project POIR.02.03.06-02-0067/22-00 - the Company submitted a blank promissory note as security for the proper performance of its obligations during the life of the project;

At the June 30, 2024 and until the date of approval of the interim condensed financial statements for publication, no events occurred that could result in materialization of the above contingent liabilities.

NOTE 30. TAX SETTLEMENTS

Tax payment and other regulated areas of business (including customs or currency-related activities) may be subject to inspection by administrative bodies, which have the right to impose high fines and sanctions. In the absence of well-established legislation, Polish regulations tend to be unclear and inconsistent. There are frequent differences in interpretation of tax regulations both within State administration bodies and between such bodies and corporations, which gives rise to uncertainties and conflicts. As a result, the tax risk in Poland is substantially higher than in the countries with a more mature tax system.

Tax payments may be inspected for five years after the year when the tax was paid. As a result of inspections, additional tax may be assessed for the Company in addition to the tax paid before. According to the Company, in the period covered by the interim condensed financial statements there were no indications of the need to create a provision for tax risk.

NOTES TO THE INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

NOTE 31. SALES REVENUE AND TOTAL REVENUE

SALES REVENUE AND TOTAL REVENUE	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Revenues from the sale of services and products	1	-
Revenues from the sale of copyrights	-	-
Total sales revenues	1	-
Revenue from grants	801	68
Other operating income	113	156
Financial revenues	11	-
Total revenues	926	224

SALES REVENUE (GEOGRAPHICAL STRUCTURE)	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Country	1	-
Abroad	-	-
Total sales revenues	1	-

NOTE 32. OPERATING EXPENSES

OPERATING EXPENSES	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Depreciation/amortization	1,141	456
– depreciation of tangible assets	318	431
– amortization of intangible assets	823	25
Use of materials and energy	226	1,012
External services	2,745	3,177
Taxes and charges	13	49
Cost of employee benefits	2,372	1,708
Other costs by type	361	231
Total costs by type, including:	6,858	6,633
Items included in cost of sales	-	-
Items reported as research and development costs	1,583	91
– including the costs of the incentive program	-	-
Items reported as general and administrative expenses	5,275	3,916
– including the costs of the incentive program	-	-
Change in finished goods	-	-
Cost of producing services for internal needs of the entity	-	2,626

The costs of external services include costs related to classifying leases as short-term leases and applying the simplifications described in note 7.3.8. The total value of costs related to short-term leases recognized in H1 2024 amounted to PLN 25 thousand vs. PLN 31 thousand in H1 2023.

In the periods presented, the Company did not identify any contracts to which the simplification regarding low-value leases would apply.

Research and development costs include costs related to innovative and planned search for solutions undertaken with the intention of acquiring and assimilating new scientific and technical knowledge as part of research and development activities.

General and administrative expenses include expenses related to the management of the Entity's overall operations.

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DEPRECIATION/AMORTIZATION COSTS AND IMPAIRMENT ALLOWANCES TAKEN TO PROFIT OR LOSS	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Items reported as research and development costs	807	-
Depreciation of tangible assets	-	-
Amortization of intangible assets	807	-
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Items reported as general and administrative expenses	335	297
Depreciation of tangible assets	318	275
Amortization of intangible assets	17	22
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
The sum of depreciation/amortization costs and impairment allowances	1,141	297

NOTE 33. EMPLOYEE BENEFITS COSTS

EMPLOYEE BENEFITS COSTS	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Salaries	1,865	1,324
Social security contributions	416	348
Costs of pension and vacation benefits	78	33
Other costs of employee benefits	13	3
Costs of the incentive program	-	-
Total costs of employee benefits, including:	2,372	1,708
Items included in cost of sales	-	-
Items reported as research and development costs	-	3
– including the costs of the incentive program	-	-
Items reported as general and administrative expenses	2,372	913
– including the costs of the incentive program	-	-
Change in finished goods	-	-
Cost of producing services for internal needs of the entity	-	792

EMPLOYMENT STRUCTURE	30.06.2024	30.06.2023
Office workers	17	14
Manual workers	-	-
Total	17	14

NOTE 34. OTHER OPERATING INCOME

OTHER OPERATING INCOME	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Rewards received	-	-
Profit from the sale of fixed assets	6	-
Reversal of impairment allowances on assets	3	3
Revenues from sublease services	0	151
Other	104	2
Total other operating income	113	156

NOTE 35. OTHER OPERATING COSTS

OTHER OPERATING COSTS	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Loss on disposal of fixed assets	-	-
Impairment allowances on receivables	-	-
Other	18	33
Total other operating costs	18	33

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NOTE 36. FINANCIAL REVENUES

FINANCIAL REVENUES	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Interest income	11	-
Other	-	-
Total financial income	11	-

NOTE 37. FINANCIAL COSTS

FINANCIAL COSTS	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Interest costs on bank loans and non-bank loans received	13	18
Expenses in respect of leases	33	39
Surplus of FX losses	44	86
Fees and charges	-	60
Total financial expenses	90	203

NOTE 38. OPERATING SEGMENTS

In the period covered by these interim condensed financial statements, the Company has not identified operating segments in accordance with IFRS 8. The entire activity of the Company is focused on research and development in the area of biotechnology and medical devices. There are no other significant business activities that would be the basis for separating segments that meet the criteria resulting from the indicated standard.

NOTE 39. INCOME TAX

TAX CHARGE TO PROFIT OR LOSS	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Current income tax	-	-
Deferred income tax	-	37
Total tax charge carried in profit or loss, including:	-	37
attributable to continued operations	-	37
attributable to discontinued operations	-	-

NOTE 39. 1. RECONCILIATION OF THE EFFECTIVE TAX RATE

EFFECTIVE TAX RATE	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Gross profit/(loss) before tax on continued operations	(6,040)	(4,019)
Profit/(loss) before tax on discontinued operations	-	-
Profit/(loss) before tax	(6,040)	(4,019)
Tax at the Polish statutory rate of 9%	(544)	(362)
Unrecognized deferred tax assets in respect of tax loss	537	297
Non-tax deductible costs	87	72
Increase in tax costs	-	-
Non-taxable revenues	(80)	(7)
Tax at the effective tax rate	-	-
Income tax (charge) recognized in the statement of comprehensive income	-	-
Income tax attributable to discontinued operations	-	-

ADDITIONAL NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**NOTE 40. CORRECTION OF ERRORS**

No errors from previous periods were corrected in these interim condensed financial statements.

NOTE 41. DIVIDEND PAYMENT WYPŁATA

The Company did not pay any dividend in the period covered by the interim condensed financial statements. No advance dividend payments were made either.

NOTE 42. DISCONTINUED OPERATIONS

There were no discontinued operations in the period covered by the interim condensed financial statements.

NOTE 43. OBJECTIVES AND RULES OF FINANCIAL RISK MANAGEMENT

The Company is exposed to risk in each area of its operations. With understanding of the threats that originate through the Company's exposure to risk and the rules for managing these threats the Company can run its operations more effectively.

The main financial risks to which the Company is exposed include:

- currency risk
- interest rates risk
- liquidity risk
- credit risk.

Financial risk management includes the processes of identification, assessment, measurement and management of this risk. The risk management process is supported by appropriate policies, organizational structure and procedures.

NOTE 43. 1. CURRENCY RISK

The Company is exposed to currency risk in respect of the transactions it concludes. Such risk arises when the entity makes purchases in currencies other than the valuation currency, mainly in USD and EUR, and may lead to increased business costs in the Polish zloty depreciates. As a result of the valuation of receivables and liabilities expressed in foreign currencies as at the balance sheet date, as well as a result of ongoing settlements in foreign currencies, positive and negative exchange rate differences arise. Their values fluctuate throughout the year due to changes in exchange rates. The Company collects and analyzes current market information on its current exposure to currency risks. The main goal of currency risk management is to secure negative exchange rate differences against their increase as a result of the weakening of the domestic currency. Possibilities of hedging currency risk are analyzed and assessed by the Company depending on current needs. During the reporting period, the Company did not use FX risk hedges. In order to limit the currency risk, the Company is considering using currency risk management instruments available on the banking market. The Company decided not to disclose quantitative information on exposure exposed to currency risk, including analysis of sensitivity to changes in exchange rates, taking into account the immaterial balances of assets and liabilities reported as at the balance sheet date in foreign currencies.

NOTE 43. 2. INTEREST RATE RISK

The risk of changes in interest rates refers to the negative impact of these changes on the Company's financial position and applies to loans granted and incurred, leases and cash. The Company uses external funding to a small extent, financing its operations primarily with equity and grants, hence the risk resulting from changes in interest rates affecting the cost of loans or leasing has an insignificant impact on the Company's financial position. The Company concludes loan agreements based on fixed interest rates. The possibilities of hedging the interest rate risk are analyzed and assessed by the Company depending on current needs. The Company did not enter into any interest rate risk hedges. In the period covered by these interim condensed financial statements, the Company was not a party to any hedging transactions, and did not purchase any derivative instruments to hedge interest rate risk. The Company presents leases in accordance with IFRS 16.

NOTE 43. 3. LIQUIDITY RISK

In the presented reporting periods, the Company did not generate significant sales revenues, which is due to the early stage of its development. Sales revenues are expected to be generated as the technology being developed is commercialized.

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There is a risk that the funds available to the Company will not be sufficient to fully carry out activities aimed at preparing products for sales and commencing their commercialization. This will entail the need to issue shares to obtain funding. A lack of funding for business growth may lead to delays in development and thus impair future financial results.

The Company seeks to maintain a balance between continuity and flexibility of financing by using different sources of financing. The Company uses financing mainly in the form of share issue proceeds and grants.

The table below shows the Company's financial obligations as at December 31, 2023 and comparative data as at June 30, 2024 by maturities based on contractual non-discounted payments.

30.06.2024	On demand	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Interest bearing borrowings	-	-	519	-	-	519
Lease liabilities	-	238	638	1,482	-	2,358
Trade and other liabilities	1,000	236	17	65	-	1,318
Total	1,000	474	1,174	1,547	-	4,195

31.12.2023	On demand	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Interest bearing borrowings	-	513	-	-	-	513
Lease liabilities	-	146	415	1,193	-	1,754
Trade and other liabilities	974	206	-	93	-	1,273
Total	974	865	415	1,286	-	3,540

NOTE 43. 4. CREDIT RISK

Credit risk is related to the inability of contractors or borrowers to meet their obligations to the Company. In order to minimize this risk, the Company enters into transactions only with reputable companies with good creditworthiness. As of June 30, 2024, the company had a total of PLN 165 thousand in receivables for which the payment deadline has already expired. As at the balance sheet date, the company reports impairment allowances of PLN 162 thousand regarding the above-mentioned receivables. In the comparative periods, the Company did not have significantly overdue receivables that would not be covered by an impairment allowance. There were no loans granted in the reporting period. As the Company does not conduct commercial activities at the current stage of its development, credit risk is considered low. During 2023, the Company granted two loans for a total amount of PLN 450 thousand. The concluded loan agreements are described in detail in note 18.1. of these financial statements. In order to mitigate the credit risk related to cash and cash equivalents deposited in banks, loans granted or deposits paid in respect of rental contracts:

- cooperates with banks and financial institutions with a known financial position and established reputation
- analyzes the financial position of its counterparties based on publicly available data as well as through business intelligence agencies.

Financial assets are impaired if there is objective evidence of impairment resulting from one or more events that occurred after the initial recognition of the asset and that affect expected future cash flows that can be reliably estimated. The Company's objective impairment triggers include:

- significant difficulties of the debtor
- default on or arrears with the repayment of interest or the principal of the loan
- high probability of bankruptcy or other financial reorganization of the borrower.

As the Company does not conduct commercial activities at the current stage of its development, credit risk is considered low.

NOTE 44. FINANCIAL ASSETS AND LIABILITIES

NOTE 44. 1. FAIR VALUE OF THE INDIVIDUAL CLASSES FINANCIAL ASSETS AND LIABILITIES

The table below presents a comparison of the carrying amounts and fair values of all the Company's financial instruments, broken down into individual classes and categories of assets and liabilities.

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FAIR VALUE OF THE INDIVIDUAL CLASSES FINANCIAL ASSETS AND LIABILITIES As at 30.06.2024	Category as per IFRS 9	Carrying amount	Fair value
Financial assets			
Loans granted	AFWZK	464	464
Trade receivables	AFWZK	8	8
Other receivables	AFWZK	1,302	1,302
Cash and cash equivalents	AFWZK	14,062	14,062
Total		15,836	15,836
Financial liabilities			
Loans convertible into shares	WwWGpWF	403	403
Lease liabilities	according to IFRS 16	2,151	2,152
Trade liabilities	ZFWZK	895	895
Other liabilities	ZFWZK	423	423
Total		3,872	3,873

FAIR VALUE OF THE INDIVIDUAL CLASSES FINANCIAL ASSETS AND LIABILITIES as of December 31, 2023	Category as per IFRS 9	Carrying amount	Fair value
Financial assets			
Loans granted	AFWZK	452	452
Trade receivables	AFWZK	2	2
Other receivables	AFWZK	2,003	2,003
Cash and cash equivalents	AFWZK	4,169	4,169
Total		6,626	6,626
Financial liabilities			
Loans convertible into shares	WwWGpWF	391	391
Lease liabilities	according to IFRS 16	1,597	1,597
Trade liabilities	ZFWZK	939	939
Other liabilities	ZFWZK	334	334
Total		3,261	3,261

Abbreviations used:

AFWZK – Financial assets measured at amortized cost

ZFWZK – Financial liabilities measured at amortized cost

WwWGpWF – Financial assets/ liabilities measured at fair value through profit or loss

In the reporting periods, no transfers took place between individual fair value hierarchy levels in respect of financial instruments.

Fair value of financial instruments that the Company held as at the balance sheet dates was not materially different from the values presented in the financial statements. This is because:

- with regard to short-term instruments, the potential effect of the discount is not material;
- the instruments relate to the transactions concluded on market terms.

Liabilities on account of loans convertible to shares were measured at fair value due to the fact that they represent complex financial instruments (the debt to equity conversion option). At the initial recognition, the value of the complex financial instrument was assigned to equity and to liabilities.

NOTE 45. HEDGE ACCOUNTING

The Company did not use hedge accounting in the period covered by the interim condensed financial statements or as at the date of its preparation.

NOTE 46. CAPITAL MANAGEMENT

The key goal of the Company's capital management is to maintain good credit rating and safe capital ratios to facilitate the Group's operations and increase its value. For this purpose, the Company monitors its debt-to-equity ratio. The ratio is calculated total debt to total equity.

When managing the capital structure, the Company reviews it once a year, analyzing the cost of capital and the types of risk associated with it.

CAPITAL MANAGEMENT	30.06.2024	31.12.2023
Total liabilities	12,097	7,670
Equity	12,768	8,302
Debt to equity ratio	95%	92%

NOTE 47. CAPITAL EXPENDITURES INCURRED AND PLANNED

The table below shows capital expenditures incurred, including on non-financial fixed assets and completed and planned investments into environmental protection.

CAPITAL EXPENDITURES INCURRED	01.01.2024	01.01.2023
	30.06.2024	31.12.2023
<i>– including on environmental protection</i>	-	-
In-process development expenditure	-	3,542
Tangible assets purchased	257	639
Intangible assets purchased	-	35
Investments in properties	-	-
Total investments in non-financial fixed assets	257	4,216

The item "Tangible assets purchased" also presents lease liabilities incurred in a given period and planned for the next period.

Planned capital expenditure (according to the budget)	01.07.2024 -
	30.06.2025
<i>– including on environmental protection</i>	-
Expenditures on tangible assets under construction	-
Tangible assets purchased	759
Intangible assets purchased	-
Investments in properties	-
Total investments in non-financial fixed assets	759

NOTE 48. SHARE-BASED INCENTIVE PROGRAM

From August 31, 2020, i.e. from the date of creation of the incentive program in the Company, until December 31, 2020, all series H shares were granted to eligible persons under the incentive program (a total of 830,000 shares). The Company recognized the cost of the incentive program in the statement of comprehensive income for 2020. The date of recognition of costs was the moment when the persons covered by the scheme were offered the purchase of the shares. The cost of the scheme (fair value of the shares issued) was estimated at PLN 9,047 thousand and was fully taken to the profit or loss of 2020. Due to the fact that GENOMTEC shares have been listed since March 17, 2021, the fair value of the shares issued was the issue price of series J shares (PLN 11.00) less the nominal price of these shares (PLN 0.10). The issue of series J shares took place on August 31, 2020, while the allocation of series H shares to those eligible under the incentive program took place on September 9, 2020.

By resolution of the Supervisory Board of the Entities of October 22, 2021, the eligible persons were granted the right to acquire series A subscription warrants under the Company's incentive program. The granted instruments were valued by an external

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actuary in accordance with the International Financial Reporting Standard No. 2 "Share-based payments", and valuation effect equal to PLN 211 thousand was included in the financial data for 2021.

By resolution of the Supervisory Board of the Entity of December 23, 2022, the eligible persons were granted the right to acquire series A subscription warrants under the Company's incentive program. The granted instruments were valued by an external actuary in accordance with the International Financial Reporting Standard No. 2 "Share-based payments", and valuation effect equal to PLN 4,830 thousand was included in the financial data for 2022.

Recognition of the program costs has no impact on the Company's assets or financial position, or its ability to service its obligations. The scheme's costs are a non-cash in nature, and reflect the value of shares transferred (net of their purchase price paid by scheme participants).

In the period from January 1 to June 30, 2024, no rights were granted to eligible persons under the incentive program applicable in the Company.

NOTE 49. NOTES TO THE STATEMENT OF CASH FLOWS

Presented below are explanations to selected items of the statement of cash flows.

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	30.06.2024	30.06.2023
Cash in the statement of financial position	14,062	10,013
Cash in the statement of cash flows	14,062	10,013

The difference between the value of cash as at June 30, 2024 and as at June 30, 2023, disclosed in the interim condensed statement of financial position and the value disclosed in the interim condensed cash flow statement, results from exchange rate differences arising from the balance sheet valuation of cash expressed in a foreign currency.

SPECIFICATION	30.06.2024	30.06.2023
Amortization/ depreciation	1,141	297
Amortization of intangible assets	823	25
Depreciation of property, plant and equipment	318	272
Gains (losses) from exchange rate differences	-	11
Accrued FX differences	-	11
(Profits) losses from investing activities	-	-
Sale and liquidation of non-financial fixed assets	-	-
Value of sold and liquidated non-financial fixed assets	-	-
Interest	34	57
Interest received on loans granted	(11)	-
Interest accrued on loans received	12	-
Interest paid on leasing	33	57
Change in the balance of provisions	78	(85)
Balance sheet change in provisions for trade liabilities	-	-
Balance sheet change in provisions for employee benefits	78	(85)
Change in inventory	-	31
Balance sheet change in inventory	-	31
Change in the balance of receivables	695	(1,611)
Change in short-term receivables resulting from the balance sheet	695	(1,611)
Change in long-term receivables resulting from the balance sheet	-	-
Change in liabilities	45	93
Change in the balance of short-term liabilities resulting from the balance sheet	45	93
Change in the balance of grants to be settled	3,739	1,601
Short-term part	4,190	(65)
Long-term part	(451)	1,666
Change in other assets	(14)	(23)
Change in the balance of other assets resulting from the balance sheet	(478)	(23)
Adjusted by loans granted	464	-

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Other adjustments include:	-	-
Writing off capitalized expenditure	-	-

NOTE 50. RELATED-PARTY TRANSACTIONS

In the period covered by the interim condensed financial statements, excluding remuneration of management staff, the Company concluded the following transactions with entities identified as related:

- purchase of services from Modern Diagnostics SAS in the amount of PLN 313 thousand in 2024. The Company does not report any liabilities as at June 30, 2024.

Services on behalf of Modern Diagnostics SAS are provided by Mr. Charudutt Shah - member of the Management Board since August 1, 2021 and the only member of the Management Board of Modern Diagnostics SAS.

NOTE 51. REMUNERATION OF THE COMPANY'S KEY MANAGEMENT

GROSS SALARIES	30.06.2024		31.12.2023	
	paid	due	paid	due
Management Board				
- value of shares granted under the incentive program	-	-	-	-
- due to appointment	675	299	570	591
- under employment contracts and civil law contracts	157	471	894	969
Total	832	770	1,464	1,560

Members of the Supervisory Board are paid remuneration in the amount of PLN 1,000 gross per month, starting from the month in which the Management Board of the WSE adopted a resolution on the admission of the Company's shares to trading on the regulated market operated by the WSE.

GROSS SALARIES	30.06.2024		31.12.2023	
	paid	due	paid	due
Supervisory Board of the Company				
- value of shares granted under the incentive program	-	-	-	-
- due to appointment	22	25	40	45
- under employment contracts and civil law contracts	-	-	-	-
Total	22	25	40	45

NOTE 52. LIABILITIES SECURED ON THE COMPANY'S ASSETS

In the period covered by the interim condensed financial statements, the Company did not have any collateral established on its assets.

NOTE 53. SIGNIFICANT DISPUTES

In the period covered by the interim condensed financial statements and as at the date of their preparation, there were no significant disputes pending against the Company that could have or have had in the past a significant impact on the financial position and operating results of the Entity.

NOTE 54. REMUNERATION OF THE AUDIT COMPANY

The remuneration of the audit firm for performing an review these interim condensed financial statements of the Company, prepared in accordance with IFRS for the period from January 1, 2024 to June 30, 2024, is PLN 17 thousand.

NOTE 55. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE PERIOD FROM JANUARY 1, 2024 TO JUNE 30, 2024

The following are significant events and transactions taking place in the period from January 1 to June 30, 2024:

– On January 29, 2024, the Company received information from the National Center for Research and Development [NCBR] that NCBR recognized the project implemented by the Company under the name "Development of technology and mobile diagnostic equipment based on a lab-on-chip solution for detecting infectious diseases", as completed in terms of substance and financial aspects;

- on February 12, 2024, the Company was informed of a positive decision of the Canadian Patent Office granting the Company patent protection for the invention called "A method of detecting genetic material in a biological sample and a device for its implementation". The granting of a patent is conditional on the Issuer's payment of the required official fees, to which the Management Board of Genomtec S.A. agreed.

- on February 28, 2024, the Issuer was informed of a positive decision of the Polish Patent Office granting the Company patent protection for the invention called "A set of primers for amplifying the nucleotide sequence of the Mycoplasma pneumoniae dnaE gene, a method for detecting Mycoplasma pneumoniae bacteria, a method for detecting Mycoplasma pneumoniae infection, and a kit for detecting Mycoplasma pneumoniae infection". The granting of a patent is conditional on the Issuer's payment of the required official fees, to which the Management Board of Genomtec S.A. agreed.

- during H1 2024, the Company issued series O shares, raising a total amount of PLN 10,666,840. As at the balance sheet date (June 30, 2024), the increase in share capital was registered in the National Court Register.

NOTE 56. IMPACT OF ARMED CONFLICT IN UKRAINE

On February 24, 2022, the Russian Federation launched a military invasion of Ukraine without declaring war. The Management Board emphasizes that the Company's operational activities are not dependent on the situation in Ukraine, Belarus or Russia. At the same time, due to the lack of resolution of the hostilities, it is currently not possible to assess the impact of the conflict in question at the strategic level in the long term. The ongoing war has an impact on the Company's environment, which may impede its functioning. The outbreak of armed conflict increases risk aversion among investors, limiting the financing of innovative projects, including those in the biotechnology sector. At the same time, warfare indirectly leads to higher interest rates and potentially increases financing costs. The increased volatility of exchange rates observed in connection with the conflict may affect the value of the Company's settlements, which have a significant share in the structure of the Company's revenues and costs. Moreover, military operations reduce the supply of raw materials and increase their prices, which may translate into the prices of components and materials used in production. In the opinion of the Management Board, taking into account the course of the conflict so far, the indicated areas do not have a significant impact on the Company's current operations and the adopted assumptions regarding the continuation of the business. The Management Board constantly monitors the political and economic situation in Ukraine and its potential impact on the Entity's operations and financial results in the perspective of subsequent reporting periods.

NOTE 57. INFORMATION ON THE TYPE AND AMOUNT OF ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET PROFIT OR CASH FLOWS THAT ARE ATYPICAL DUE TO THEIR TYPE, AMOUNT OR FREQUENCY

There were no discontinued operations in the period covered by the interim condensed financial statements.

NOTE 58. INFORMATION ABOUT THE NATURE AND AMOUNT OF CHANGES IN ESTIMATES OF AMOUNTS THAT WERE PRESENTED IN PREVIOUS INTERIM PERIODS OF THE CURRENT FINANCIAL YEAR OR CHANGES IN ESTIMATES OF AMOUNTS THAT WERE PRESENTED IN PREVIOUS FINANCIAL YEARS.

In the reporting period no changes in estimates were made.

NOTE 59. EVENTS AFTER THE BALANCE SHEET DATE

From the balance sheet date to the date of preparation of these interim condensed financial statements, no significant events occurred except those described below.

— On July 24, 2024, the Supervisory Board of the Company adopted a resolution removing Mr. Charudutt Shah from the position of Member of the Management Board of the Issuer as of the same date. The decision to remove the Member of the Issuer's Management Board was made after analyzing the demand in connection with the current development plan of the Company focused on the M&A process.

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SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD

Miron Tokarski
Management Board President

Michał Wachowski
Management Board Member

Person responsible for maintaining books of account

Edward Czuchajewski

Wroclaw, September 26, 2024