MANAGEMENT REPORT OF GENOMTEC S.A. ON THE ACTIVITIES IN H1 2024

Wroclaw, September 27, 2024

1 Information about the report and a glossary of terms and abbreviations

Genomtec Spółka Akcyjna with its registered office in Wrocław, address: ul. Bierutowska 57-59, 51-317 Wrocław, recorded in the register of entrepreneurs of the National Court Register under number 0000662554, District Court for Wroclaw Fabryczna in Wroclaw 6th Commercial Division of the National Court Register ("**GENOMTEC**", "**GENOMTEC S.A.**", "**Company**", "**Issuer**"), NIP: 8992809452, REGON: 365935587.

As at June 30, 2024 ("**Balance Sheet Date**"), the share capital of GENOMTEC S.A was PLN 1,225,788.60 and consisted of 12,257,886 shares with a nominal value of PLN 0.10 each ("**Shares**").

This document ("**Report**") contains information prepared in accordance with the Regulation on current and financial reports.

The half-yearly financial statements contained in the Report mean the financial statements of Genomtec S.A for the period from January 1 to June 30, 2024 ("**Reporting Period**"), prepared in accordance with the International Financial Reporting Standards approved for application in the EU. The financial statements are contained in a separate document.

Unless indicated otherwise, the source of data in the Report is GENOMTEC S.A. The Report publication date ("**Report Date**") is September 27, 2024.

"**WSE**" – Warsaw Stock Exchange: Giełda Papierów Wartościowych w Warszawie S.A.

"**CCC**" – the Act of September 15, 2000 – Commercial Companies Code.

"**Regulation on current and financial reports**" – the Finance Minister's Regulation of 29 March 2018 on current and periodic reports released by the issuers of securities and the conditions for equivalent treatment of the information required by the laws of non-member states.

"**Articles of Association**" – the articles of association of GENOMTEC S.A available to the public at https://genomtec.com.

"**Public Offering Act**" – the Act of July 29, 2005 on public offering, conditions governing the introduction of financial instruments to organized trading and public companies.

"**Accounting Act**" – the Accounting Act of September 29, 1994.

Unless stated otherwise, the financial data are presented in thousands.

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2 Letter from the Management Board

Ladies and Gentlemen, Dear Shareholders and Investors,

We are pleased to share with you the annual report of Genomtec S.A., which summarizes the events that occurred H1 2024.

In April and May 2024, we successfully completed a capital increase transaction, which brought us proceeds of PLN 10 million. This gives us the possibility to continue our operations at a stage when the Company is not generating significant revenues, which is in line with our business model focusing on innovation, research and development.

The funding is particularly important to us as it allows us to go ahead with our latest oncology project OncoSNAAT. The grant of PLN 21 million from FENG, for which we signed an agreement in December 2023, required co-financing from our equity, so it was absolutely critical for us to secure the funds on time. It should be noted that the share issue was carried out without a significant discount to the market price. Owing to our growing presence in international scientific and industry forums, we have attracted a greater interest from investors outside of Poland compared to previous years, and during the spring issue, foreign investors joined our stockholders for the first time – also for the first time under an investment agreement.

Our presence at international scientific conferences has been gaining significant momentum over the past year. During this period we participated in numerous industry and investor conferences: BIO International Convention (San Diego, USA), ECCMID (Barcelona, Spain), European Economic Congress (Katowice, Poland), German Spring Conference (Frankfurt, Germany), ASCO (Chicago, USA), and at the ADLM2024 Clinical Lab Expo (Annual Conference of the Association for Diagnostics & Laboratory Medicine) held in July/August in Chicago, USA, where we showcased our scientific achievements, forged industry and business relationships and engaged in those related to the M&A process led by Clairfield Partners.

At the same time, our Supervisory Board has gained an international profile, strengthened by Gualtiero Garlasco and Dr. Trevor Hawkins, who have contributed their industry experience. In March and April of this year, our Supervisory Board was joined by: Gualtiero Garlasco, Beata Turlejska and Dr. Trevor Hawkins. Gualtiero Garlasco is a MedTech industry veteran with extensive experience in business development, while Dr. Trevor Hawkins is an experienced leader in research and commercial operations at global medical companies. Ms. Beata Turlejska brings experience to the Supervisory Board in developing companies and growing businesses in various industries.

A comparative study of the Genomtec ID platform conducted in France and Poland is designed to extend the clinical validation of RP5-plex in the context of the new IVDR regulations. Please note that diagnostic parameters and clinical validation of RP5-plex have already been established during the IVDD certification in May 2022. This registration was based on the analysis of 120 throat swab samples, which found the absence of false positives and false negatives as well as the high resistance of the product to interfering substances such as medicines, hygiene products or food that may be present in the biological sample. Recruitment in France and Poland is taking longer than expected due to the lower incidence of respiratory infections, especially in the area of atypical bacteria. Following a vote by the European Parliament in April this year, the European Commission extended the deadline for mandatory registration of Group B in vitro diagnostic medical devices under the IVDR regime from May 2025 to the end of 2029. Accordingly, we will be covered by the current registration for the next 5 years. This means that rapid completion of the clinical trial is no longer a priority, and we will continue to collect samples through classic patient recruitment during the upcoming respiratory season.

In R&D activities, in addition to the new area related to oncology, we are conducting tests and work related to further improvement of the Genomtec ID platform. Our team's laboratory efforts have already led to a significant reduction in amplification time, among others. For example, a result for influenza virus type A/B was obtained in less than 10 minutes. The matrix concentration is only 50 copies of virus per reaction in multiple replicates. These are unprecedented times in existing PCR assays, and we consider this our great success, which, once validated, will give us a pivotal competitive advantage.

We also organized a webinar with the participation of respected scientists on the outlook for oncological diagnostics in the context of the technology developed by Genomtec. You can view the meeting at https://www.youtube.com/watch?v=RHbedGaSde4&t=11s

Finally, we would like to mention the recent re-audit conducted by TÜV Rheinland, which confirmed that Genomtec's quality management system remains compliant with ISO 13485. Since 2021, Genomtec has been ISO 13485 certified for the design and development of IVD devices for the detection of predefined biological pathogens, which is a testament to the highest level of quality management systems for medical devices developed by the Company.

At this point, we would like to thank everyone who has contributed to the development of Genomtec, and at the same time thank our current shareholders, and the investors who joined our ownership structure in the spring of 2024 for the confidence they have put in us.

Kind regards,

Management Board of Genomtec S.A.

3 Financial highlights

PLN thousand	01.01.2024 - 30.06.2024 [PLN]	01.01.2023 - 30.06.2023 [PLN]	01.01.2024 - 30.06.2024 [EUR]	01.01.2023 - 30.06.2023 [EUR]
Revenue from sales	1	-	0	0
Cost of sales	-	-	0	0
Revenue from grants	801	68	186	15
Research and development expenses	1,583	91	367	20
General and administrative expenses	5,275	3,916	1,224	849
Operating profit/ loss	-5,961	-3,816	-1,383	-827
Net profit	-6,040	-4,056	-1,401	-879
Equity	12,768	8,302	2,960	1,865
Cash and cash equivalents	14,062	4,169	3,260	937
Total assets	24,865	15,972	5,765	3,589
Long-term liabilities	4,388	4,526	1,017	1,017
Short-term liabilities	7,709	3,144	1,787	706

In order to convert the items shown in the "Selected financial data" table into EUR, the items of the statement of financial position were converted using the average NBP exchange rate applicable on the last day of the reporting period.

The items of the statement of cash flows and the income statement were translated in accordance with the arithmetic mean of the average exchange rates announced by the National Bank of Poland on the last day of each completed month of the period, at the euro exchange rate of 4.3109 for the data for the period ending on June 30, 2024, and at the euro exchange rate of 4.6130 for the data for the period ending on June 30, 2023.

Asset and liability items and cash at the end of the period were translated in accordance with the average exchange rate applicable on the balance sheet date at the euro exchange rate of 4.3130 for the data for the first half of the year ended on June 30, 2024 and at the euro exchange rate of 4.4503 as at June 30, 2023.

4 Key Company data

Business name: GENOMTEC S.A.
Registered office: Wrocław
Address: ul. Bierutowska 57-59, 51-317 Wrocław
KRS: 0000662554
NIP: 8992809452
REGON: 365935587
Registry court: District Court for Wrocław-Fabryczna, VI Commercial Division of the National Court Register
Share capital: PLN 1,332,457.00
Phone number: +48 793 440 931
Website: http://www.genomtec.com/
Email: office@genomtec.com

The Company has the status of a public company whose shares have been listed on the main market of the Warsaw Stock Exchange since February 16, 2023.
As regards financial reporting, the Company uses IASs/ IFRSs.

The Company's financial year is from January 1 to December 31.
During the Reporting Period and until the date of publication of the Report, the Company did not form any corporate group, and no changes occurred in the organization of the Company.
The Company has no subsidiaries.
The Company has no branches.
During the Reporting Period there were no changes in the basic principles of managing the Company's business.

5 Governing bodies

5.1.1 Management Board

The Company's executive body is the Management Board.
The Management Board consists of a maximum of 5 (five) members, appointed by the Supervisory Board, including the President and Vice-President or Vice-Presidents if the Management Board consists of more than one person.
The joint term of office of the Management Board Members is 3 years. Each Member of the Management Board may be elected for the next term of office. A member of the Management Board may be removed or suspended for important reasons by the Supervisory Board.
The mandates of members of the Management Board expire at the latest on the date of the General Meeting approving the financial statements for the last full financial year of serving as members of the Management Board.
The membership of the Issuer's Management Board as at the Balance Sheet Date was as follows:

- Miron Tokarski – President of the Management Board
- Michał Wachowski – Member of the Management Board
- Charudutt Shah – Member of the Management Board

On July 24, 2024, the Company's Supervisory Board adopted a resolution removing Charudutt Shah from the position of Member of the Issuer's Management Board effective from 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 Company's current development plan focused on the M&A process.
The membership of the Issuer's Management Board as at the Report Date was as follows:

- Miron Tokarski – President of the Management Board
- Michał Wachowski – Member of the Management Board

dr Miron Tokarski

Chief Executive Officer (CEO)

Miron is the co-founder and CEO of Genomtec S.A. He is also a laboratory diagnostician. He graduated from the Faculty of Pharmacy, Department of Medical Analytics of the Medical University of Wrocław. He obtained his PhD in medical sciences in the field of molecular biology in December 2021 from the Medical University of Wrocław. Author of publications and co-author of Genomtec patents. An ambitious young scientist. His master's thesis was awarded by the Hasco-Lek foundation. Research project manager of the National Science Center.

At Genomtec, Miron actively participates in R&D in molecular biology in the area of infectious diseases.

Michał Wachowski

Management Board Member, Chief Financial Officer (CFO)

Michał Wachowski has over 14 years of experience in corporate financing, investment management and business consulting.
Before joining the team, he served as an investment director in Venture Capital fund. Previously, he was the CEO of a medium-sized company from the energy sector and CFO of a startup from the chemical sector. He advised on a number of transactions relating to investments, mergers and acquisitions as well as restructuring processes. Previously, he held operational positions at ARP, TFS, Deloitte, Polimex Mostostal and Central Europe Trust. Completed Master's studies at the Warsaw School of Economics, majoring in Finance and Banking, and postgraduate studies in Transfer of IT Technologies to Enterprises.
At Genomtec, he is responsible for the Company's finances.

5.1.2 Supervisory Board

The Supervisory Board exercises constant supervision over the Company's activities in all areas of its activity. Pursuant to the Company's Articles of Association, the Supervisory Board consists of 5 (five) to 7 (seven) members, including the Chairman. Members of the Supervisory Board are appointed and dismissed by the General Meeting for a joint 3-year term of office. Each member of the Supervisory Board may be reappointed. Each member of the Supervisory Board may be removed at any time. If the General Meeting did not elect the Chairman of the Board, he/she is elected at the first meeting in a given term by the Supervisory Board from among its members. The mandate of a member of the Supervisory Board expires no later than on the date of the General Meeting which approves the financial statements for the last full financial year during which the Supervisory Board member held their role.

Membership of the Issuer's Supervisory Board as at the Balance Sheet Date and the Report Date:

- Beata Turlejska – Supervisory Board Chair
- Andrzej Taudul – Member of the Supervisory Board
- Trevor Hawkins – Member of the Supervisory Board
- Paweł Duszek – Member of the Supervisory Board
- Gualtiero Garlasco – Member of the Supervisory Board

The Supervisory Board may appoint commissions or committees, both permanent and ad hoc, to consider specific matters, as opinion-giving and advisory bodies, consisting of individual members of the Supervisory Board, advisors and experts.

5.1.3 Audit Committee

The Audit Committee was appointed from among the members of the Supervisory Board pursuant to Resolution No. 01/10/2021 of the Supervisory Board of October 22, 2021.

The Audit Committee operates on the basis of the Terms of Reference of the Audit Committee adopted by the Company's Supervisory Board, which specifies detailed scope of tasks and powers of the Committee.

As at the Report Date, the Audit Committee consisted of:

- Paweł Duszek – Chairman of the Audit Committee
- Trevor Hawkins – Member of the Audit Committee
- Beata Turlejska – Member of the Audit Committee

In 2024, until the date of publication of this Report, the Company's Audit Committee met twice.

5.2 Background and business

Based in Wrocław, Genomtec S.A. (Company, Issuer, Genomtec) was founded in 2016 by a group of scientists and engineers with experience, skills and know-how in the domain of molecular biology, microsystems and photonics.

The Company's core business is scientific research and development in the field of biotechnology.

The Company's flagship project, Genomtec ID, is a diagnostic system that has the potential to become a new standard in diagnostics. Owing to its mobility, speed and effectiveness, the device enables the

detection of pathogens such as viruses, bacteria and fungi and of genetic mutations through the analysis of biological material: swab, urine, saliva.

With a cuboid shape and measuring approx. 10cm x 10cm x 15cm, Genomtec ID is a handy diagnostic system marked by mobility and speed of testing while maintaining the highest standards of sensitivity and specificity. Genomtec ID will be able to test up to five pathogens at the same time on one reaction card, which, in the view of the Management Board, represents the optimal information value for the person analyzing the results

In 2023, the Company began work on the development of a new diagnostic platform based on nucleic acid isothermal amplification techniques. The project seeks to develop a technology and automatic system for detecting mutations in the area of clinical oncology using on a lab-on-chip solution and nucleic acid isothermal amplification techniques, designed, among others, to choose a targeted oncological therapy

As at the date of publication of this report, the Company does not form a corporate group and has no subsidiaries. The company has no branches.

During the Reporting Period there were no changes in the basic principles of managing the Company's business.

On February 16, 2023, the Company debuted on the WSE Main Market.

Objects of the Company

Genomtec S.A. conducts research and development work in the use of isothermal methods in molecular diagnostics.

Another area of the Company’s business is the development and commercialization of genetic tests used, among others, in the detection of viral infectious diseases, including COVID-19, caused by the SARS-CoV-2 virus. However, the Management Board treats the testing activity as a non-core business – the Company’s key projects are Genomtec ID and the OncoSNAAT oncology project.

The experience gained in the scientific and business projects we have completed has allowed us to develop a technology free of the disadvantages of the currently dominant approach to genetic diagnostics, with particular emphasis on Point of Care Testing (POCT): the device size, its energy consumption, time to obtain a result, cost of producing the analyzer and reaction cards.

Given the above, the Issuer decided to develop its devices based on the rapidly developing isothermal method of amplifying genetic material using the LAMP technique. The company uses its own automated version of this method called SNAAT® (Streamlined Nucleic Acid Amplification Technology).

It is estimated that the annual growth rate of the market value of isothermal nucleic acid amplification is significantly higher than the current market standard – the Polymerase Chain Reaction (PCR).

5.3 Strategy and goals

The Company focuses on research and development. Its strategic objective is to develop key technological and scientific competences in order to maximize the effect of tasks carried out as part of the current projects. Currently, the Company does not have the capacity or production resources to mass-produce devices or reaction cards, and its development strategy does not assume that such production capacities will be implemented by the Company on its own. The Company's development strategy envisions the development of innovative technologies by the in-house scientific team, securing intellectual value via patents and patent applications, and commercializing projects in conjunction with external partners.

The strategic goal of the Company is therefore to achieve the ability to commercialize and market the results of work carried out by the Company's specialists. This currently applies primarily to our flagship project, the Genomtec ID diagnostic system, and the oncology project

As the Company's strategic projects are Genomtec ID and the development of its oncology project, Genomtec is currently investing extensive time and resources in the development of these projects. The development strategy for these products assumed their certification by an authorizing entity in Europe and the achievement of external production capabilities on a small scale, which, for Genomtec ID, took place in the second half of 2022. The market sale of the results of the Company's work may, as a rule, take place in line with one of two basic formulas: strategic partnership and licensing or sale of technology – these possibilities are analyzed by the Company on an ongoing basis and, in order to implement them, Genomtec is seeking a partner or business investor. Work in this area intensified at the end of 2022 after launching a relationship with Clairfield Partners LLC. The subject of the agreement Clairfield Partners LLC is advisory in the process of establishing a strategic partnership, selling licenses and/or selling all or part of the intellectual property and related technology. Pursuant to the concluded agreement, Clairfield Partners LLC is responsible, among others, for identifying and selecting potential buyers and partners. These efforts include, among others: preparing the required materials and establishing contacts, including with global companies from the in-vitro diagnostic medical device sector.

Since the commencement of research and development work, the Company has been undertaking activities to facilitate effective market commercialisation, such as:

- collaboration with international CDMO partners in the area of reaction cards and the analyzer, which lends credence to production capabilities in the eyes of international entities;
- development of a team of specialists with international experience in the commercialization of medical devices;
- ensuring the protection of intellectual property through patents and patent applications, which allows us to build the value of the technology.

At the same time, using the international contacts with people working or collaborating with the Company, including a UK team, the Company conducts talks with potential business partners, presenting its technology and commercial opportunities.

Genomtec also attends trade fairs and conferences.

As at the date of publication of this Report, the Management Board has not made a decision to choose a single path to the market sale of the results of the Company's work. The main criterion that the

Management Board will consider when choosing the appropriate path is the maximization of the Company's value for shareholders and the effectiveness of the Company's development.
As at the date of publication of this report, a review of strategic options is under way, of which the Company informed the public, among others, in its current reports 27/2022 and 4/2023

5.4 Company development projects

5.4.1 Genomtec ID

Genomtec ID is the Company's flagship technological solution that offers rapid genetic diagnostics using the SNAAT® technology. The Genomtec ID system allows the diagnostic process to be carried out at the point of care testing (such as primary care clinics, pharmacies, doctor's offices, emergency departments (EDs)) without the need for complicated and time-consuming laboratory procedures performed by qualified personnel. Currently, the Genomtec ID platform is at the stage of industrialization in collaboration with an external partner – a CDMO (Contract Development and Manufacturing Organization). Currently, the Genomtec ID platform is at the stage of industrialization in cooperation with an external partner. Contract Development and Manufacturing Organization (CDMO).

In the second quarter of 2022, the Issuer achieved the significant milestone of obtaining the CE-IVD mark for its flagship solution – a diagnostic panel for detecting pathogens causing respiratory diseases, the Genomtec®ID 5-Plex Respiratory Panel (RP5-PLEX) – required for all in-vitro diagnostics devices (IVD devices) to be launched on the market in the European Economic Area countries and in Iceland, Norway and Liechtenstein. GENOMTEC registered a new IVD device with the Office for Registration of Medicinal Products, Medical Devices and Biocidal Products, and after the statutory deadline for notification expired, it obtained the right to launch the Genomtec ID 5-Plex Respiratory Panel in the EU market (ESPI current report 12/2022 of June 8, 2022).

5.4.2 Oncology project

The oncoSNAAT oncology project is a method developed by Genomtec that uses the SNAAT® technology for cancer diagnosis in distributed diagnostics. The project involves the development of a technology and automatic system for the detection of genetic variants in the area of clinical oncology using a lab-on-chip solution and isothermal nucleic acid amplification techniques. As part of the R&D work, laboratory work will be carried out to develop a technology of detecting genetic variants in oncological diagnostics using microfluidic cards in order to enable diagnosis and the use of molecularly targeted therapy. The technology will be further developed using a dedicated analyzer and a clinical trial will be conducted

Moreover, in addition to the diagnostics of upper respiratory tract diseases and oncology, which are one of the most lucrative segments of the diagnostics market, the technology under development can be used, among others, in areas related to drug dosing, epidemiology, veterinary diagnostics and food safety. The project implementation started in January 2024 and will last until 2027

5.5 Intellectual property

Patent protection of a technology or of the processes comprising a technology is a key area of building and protecting the intellectual value developed in the Company.

As at the date of publication of this report, the Company holds patents in Europe, the US, Canada, Brazil and Japan. In addition, the Company has over 30 patent applications pending for global markets.

List of the Issuer's patents:

Ref.	Patent number	Valid in	Name	Expires by
1	Patent 235210	Poland	Method of detecting genetic material in a biological sample and device for its implementation	Dec 21, 2036
2	US 10781479	USA	A method of detecting genetic material in a biological sample and a device for its implementation	Dec 21, 2037
3.	237232	Poland	Set of primers for amplification of Borrelia burgdorferi's nucleotide sequence, method for detecting Borrelia burgdorferi, method for diagnosing Lyme disease and kit for diagnosing Lyme disease	Oct 20, 2037
4.	6961700	Japan	Method for detection of genetic material in a biological specimen, the device for the execution of this method	20.12.2037
5	Patent 239727	Poland	Set for non-contact temperature control, method of generating electromagnetic wave fronts and use of the set	03.01.2038

Ref.	Patent number	Valid in	Name	Expires by
			for generating temperature field profiles	
6	Patent 240016	Poland	Set of primers for detecting human papilloma virus type 16 (HPV16), method of detecting HPV16 infection, use of the set of primers for detecting HPV infection	Sep 9, 2039
7	338891	Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Montenegro, Czech Republic, Denmark, Estonia, Finland, France, Greece, Spain, Netherlands, Ireland, Iceland, Liechtenstein, Lithuania, Luxembourg, Latvia, Macedonia, Malta, Monaco, Germany, Norway, Portugal, Romania, San Marino, Serbia, Slovakia, Switzerland, Sweden, Turkey, Hungary, UK and Italy	A method of detecting genetic material in a biological sample and a device for its implementation	20.12.2037
8	63179	Serbia	Method of detecting genetic material in a biological sample and a device for its implementation.	20.12.2037
9	BR 112019012501-9	Brazil	Method of detecting genetic material in a biological sample and a device for its	20.12.2037

Ref.	Patent number	Valid in	Name	Expires by
			implementation (UM MÉTODO PARA DETECTAR MATERIAL GENÉTICO EM UMA AMOSTRA BIOLÓGICA E UM DISPOSITIVO PARA SUA IMPLEMENTAÇÃO)	
10	11608521	USA	Method of detecting genetic material in a biological sample and a device for its implementation (continuation)	23.10.2037
11	PAT.88667-1	Canada	A method of detecting genetic material in a biological sample and a device for its implementation	20.12.2037
12		Poland	A set of primers for amplification of the nucleotide sequence of the Mycoplasma pneumoniae dnaE gene, a method for detecting the Mycoplasma pneumoniae bacterium, a method for detecting infection with the Mycoplasma pneumoniae bacterium and a kit for detecting infection with the Mycoplasma pneumoniae bacterium	

5.6 Sources of financing

In order to obtain additional financing for the development of the Company's activities, in particular the oncology project "OncoSNAAT", on April 22, 2024, the Extraordinary General Meeting of the Company adopted a resolution on the issue of up to 1,066,684 new ordinary bearer shares (series O) with a nominal value of PLN 0.10. The issue price of series O shares was PLN 10.00. The issue of series O shares brought the Company proceeds of PLN 10,666,840. Series O shares increased the Company's share capital on May 16, 2024.

5.7 Description of the Issuer's significant achievements or failures in the Reporting Period, together with a list of key events

5.7.1 National Center for Research and Development (NCBR) recognizes the Company's project as completed

On January 29, 2024, the Company received information from the National Center for Research and Development 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. The project was co-financed by NCBR, and in accordance with the co-financing agreement with NCBR, the Company is obliged to ensure the durability of the Project for a period of 3 years. The total cost of the project was approximately PLN 12.2 million, and the funding granted by NCBR was approximately PLN 8.9 million (ESPI Current Report No. 2/2024).

5.7.2 Patent granted in Canada

On February 12, 2024, the Company received information about the 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" (ESPI Current Report no. 3/2024).

5.7.3 Receiving a patent protection decision from the Polish Patent Office

On February 28, 2024, the Company received information about the positive decision of the Polish Patent Office granting the Company patent protection for an invention called "A set of primers for amplification of the nucleotide sequence of the Mycoplasma pneumoniae dnaE gene, method for detecting the Mycoplasma pneumoniae bacterium, method for detecting infection with the Mycoplasma pneumoniae bacterium and kit for detecting infection with the Mycoplasma pneumoniae bacterium" (ESPI Current Report 5/2024).

Changes in the Supervisory Board of Genomtec S.A.

On March 12, 2024, there were changes in the composition of the Company's Supervisory Board: Mr. Jarosław Oleszczuk submitted his resignation from the position of Member of the Issuer's Supervisory Board with effect from the moment of submission, and Mr. Karol Hop submitted a declaration of resignation from sitting on the Supervisory Board of the Company upon the opening of the Extraordinary General Meeting of the Company convened on March 12, 2024. On the same day, the Extraordinary General Meeting of the Company decided to appoint new Members of the Supervisory Board to the Issuer's Supervisory Board: Ms. Beata Turlejska and Mr. Gualtiero Garlasco (ESPI Current Report no. 6/2024).

Conclusion of an investment agreement regarding the increase of the Company's share capital

On March 26, 2024, the Company concluded an investment agreement with ten shareholders of the Company, including the 5HT Fundacja Rodzinna, President of the Management Board of the Company - Miron Tokarski and the founders of the Company, under which the shareholders agreed to provide financing to the Company by taking up a total of 1,066,684 new ordinary bearer shares issued by the Company for a unit issue price of PLN 10.00. On April 22, 2024, the Extraordinary General Meeting of the Company adopted a resolution on increasing the Company's share capital (ESPI Current Report No. 11/2024 and 13/2024).

Resolution on the issue of shares and changes in the Supervisory Board

On April 22, 2024, the Extraordinary General Meeting adopted a resolution on increasing the Company's share capital by issuing no more than 1,066,684 new ordinary series O bearer shares, diapplying preemption rights of the existing shareholders, amending the Articles of Association and

applying for admission the series 0 shares to trading on the regulated market (ESPI Current Report No. 13/2024).

Additionally, on the same day, the Company received the resignation tendered by Mr. Michał Jank from the position of Member of the Supervisory Board of the Company with effect from the opening of the Extraordinary General Meeting. During the EGM, Mr. Trevor Hawkins was appointed as Member of the Supervisory Board of the Company effective from that day (ESPI Current Report No. 14/2024).

Registration of the share capital increase

On May 16, 2024, the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, registered changes to the Company's Articles of Association resulting from the above-mentioned EGM resolution of April 22, 2024 on increasing the Company's share capital by issuing series 0 new ordinary bearer shares.

5.8 Events occurring after the Balance Sheet Date

Except as specified in this Report, no significant events concerning the Company's activities occurred after the balance sheet date.

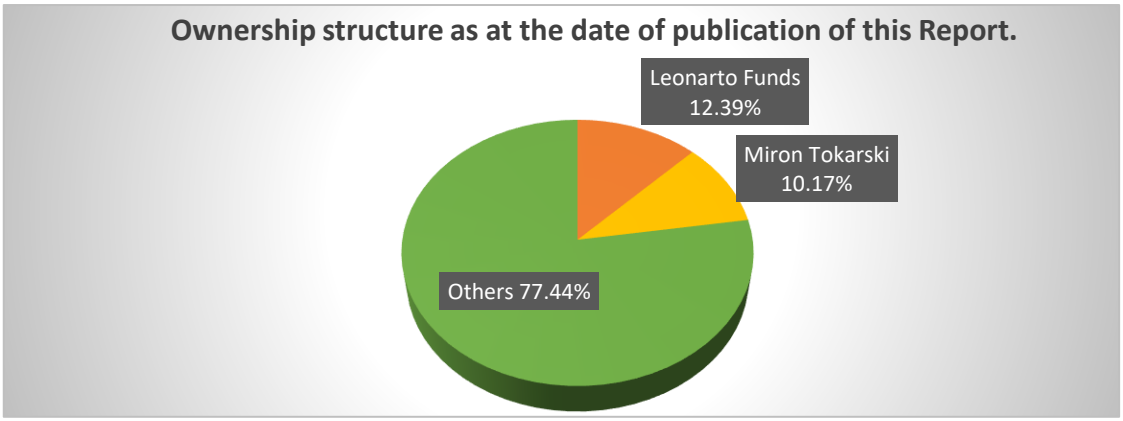
6 Shareholders and shares of the Company

The Company’s registered capital as at the Report Date is PLN 1,332,457 and is divided into 13,324,570 ordinary bearer shares with a nominal value of PLN 0.10 (ten groszy) each.
The Company's share capital is divided into:
a) 1,000,000 series A ordinary bearer shares;
b) 142,860 series B ordinary bearer shares;
c) 4,000,000 series C ordinary bearer shares;
d) 583,670 series D ordinary bearer shares;
e) 85,900 series E ordinary bearer shares;
f) 76,000 series F ordinary bearer shares;
g) 710,110 series G ordinary bearer shares;
h) 830,000 series H ordinary bearer shares;
i) 730,000 series J ordinary bearer shares;
j) 1,205,639 series K ordinary bearer shares;
k) 794,361 series L ordinary bearer shares;
l) 1,237,000 series M ordinary bearer shares;
m) 400,000 series N ordinary bearer shares;
n) 462,346 series I ordinary bearer shares;
o) 1,066,684 series O ordinary bearer shares.

The Company does not have any treasury shares.

The Issuer's ownership structure as at the date of this report is as follows:

Shareholder	Number of shares	Number of votes	Share in registered capital	Share in the number of votes at the AGM
Leonarto Funds SCA	1,650,620	1,650,620	12.39%	12.39%
Miron Tokarski	1,365,618	1,365,618	10.25%	10.25%
Others	10,318,832	10,318,832	77.44%	77.44%
TOTAL	**13,324,570**	**13,324,570**	**100.00%**	**100.00%**



Since the date of publication of the previous financial report, i.e. the financial report for the first quarter of 2024, i.e. since May 29, 2024, there have been no changes in the ownership structure of significant shareholdings of the Issuer.

As at the Report Date, the shareholdings by executive and non-executive directors of the Company is as follows:

Shareholder	Number of shares/votes held	Nominal value of a share (PLN)	Share in registered capital	Share in the number of votes at the AGM
Miron Tokarski – President of the Management Board	1,365,618	136,561.80	10.25%	10.25%
Michał Wachowski – Member of the Management Board	45,006	4,500.60	0.37%	0.37%
Beata Turlejska – Supervisory Board Chair	833	83.3	0.01%	0.01%
Trevor Hawkins – Member of the Supervisory Board	0	0	0.00%	0.00%
Paweł Duszek – Member of the Supervisory Board	0	0	0.00%	0.00%

Shareholder	Number of shares/votes held	Nominal value of a share (PLN)	Share in registered capital	Share in the number of votes at the AGM
Andrzej Taudul – Member of the Supervisory Board	3,441	344	0.03%	0.03%
Gualtiero Garlasco – Member of the Supervisory Board	0	0	0.00%	0.00%

As at the date of publication of the Report, none of the executive or non-executive directors of the Company has any rights to the Company's shares (outside of the incentive programme) or holds any shares or interests in related parties.
Since the date of the previous financial report, i.e. the financial report for the first quarter of 2024, i.e. since May 29, 2024, there have been no other changes in the ownership of the Issuer's shares by the Issuer's executive or non-executive directors.

6.1 Factors and events, including those of an unusual nature, affecting the Company's operations and financial results

Apart from the information included in this Report, the Company does not identify any factors or unusual events affecting the operating result for the financial year.

6.2 Factors which, in the Issuer's opinion, will have an impact on its results at least in the perspective of the next quarter

The Company does not generate any significant revenues from the sale of its products, and the sales revenues it reports result from one-off orders from customers. The Company's current ready-for-sale products are: GENOMTEC genetic tests – Genomtec® SARS-CoV-2 EvaGreen® RT-LAMP CE-IVD Duo Kit. In the Company's opinion, Genomtec tests have a number of advantages over the currently used genetic tests using the RTPCR method, including lower cost, the ability to collect a sample from saliva (simpler, less bothersome for the patient) and a lower level of detection. However, the Company notes that in Poland RT-LAMP genetic tests are not refunded by the state (National Healthcare Fund, NFZ), and the patient needs to pay their full price. Until RT-LAMP tests are recognized as diagnostically equivalent to RT-PCR tests and refunded, sales of the Company's tests must focus on cooperation with private institutions, which limits the sales market. The lack of refunds is the main reason for non-generation of significant revenues from the sale of genetic tests in Poland. In European markets, RT-LAMP tests are refunded in some countries, such as the Netherlands, Germany, Spain, Great Britain, Austria, and Belgium. The Company's flagship project, the Genomtec ID platform, which is at the development stage is currently not available for sale. The Company has obtained IVDD certification and achieved small-scale external production capacity in the second half of 2022. Large-scale production and sales (achieving full commercialization capacity) are expected to take place in the following years. Further financing of the development of Genomtec ID and thus the potential achievement of significant income from the commercialization of this technology will be possible subject to the proper accounting of and receipt of

subsequent tranches of grants and subsidies, which are of key importance (apart from investor contributions) as external sources of financing for the Company's operations. On November 30, 2022, the Company concluded an agreement with Clairfield Partners LLC based in New York, relating to advisory in the process of establishing a strategic partnership, selling licenses and/or selling all or part of its intellectual property and related technology. Clairfield is responsible for, among other things, the identification and selection of potential buyers and partners. These efforts include, among others: preparing the required materials and establishing contacts, including with global companies from the in-vitro diagnostic medical device sector. Additionally, Clairfield will support the Company in organizing the due diligence process, shaping the negotiation strategy and coordinating the final negotiations related to the potential transaction.

6.3 Description of key threats and risks

The Company identifies the following as the most significant risk factors, taking into account their likelihood and consequences:

- Risk related to the early stage of the Company's development and failure to generate sales revenues;
- Risks related to the implementation of the development strategy;
- Risks related to external financing
- Risks related to intellectual and industrial property rights
- Risk related to the inability to continue operations if external financing is not obtained.

Risk factors directly related to the Company's operations

Risk related to the early stage of the Company's development and failure to generate sales revenues;

The Company's activities involve research and development in the area of technology applicable in mobile genetic diagnostics, including the development of diagnostic panels. The company is in the development phase preceding the commercialization of its flagship genetic diagnostics platform Genomtec ID.

The Company reports negative financial results, which is related to the stage of the Company's business with R&D costs and no significant sales revenues. The Company finances its operations from external investors and grants.

Using its know-how in molecular biology, the Company has also developed two-gene genetic tests for detecting SARS-CoV-2. The Company treats the development of these tests as the use of the Company's knowledge and experience, but they are not a key business line for the Company. As of the date of the report, the tests are not subject to regular sales.

The R&D carried out by the Company is inherently subject to uncertainty as to the market results of product commercialization. Research conducted by the Company demonstrates the effectiveness of its technology, which, together with the Company's identification of market demand for its products and analysis of competitors' offers, allows the Company to expect that the products will attract interest.

The early phase of product development and the specific nature of the Company's business with presence in a very innovative medical diagnostics segment, also result in the possibility of failure to meet

commercialization deadlines. Development of technology and putting it on the market is a multi-stage process, which means that unforeseen circumstances may arise that affect the adopted work schedule.

Due to the early stage of development of the Company and its products, there is a risk of continued absence of sales revenues. The prospects for achieving profits are also unknown, which may very likely result in losses in subsequent periods. For the further development of the Company, it may be necessary to obtain additional financial resources from external sources, which the Company plans to obtain from the issue of shares, a new grant or in the form of loans. The Company is constantly looking into the opportunities offered by the market in this area. In particular, in the event of difficulties in raising financing from the issue of shares or grants, the Company's Management Board will consider alternative forms of financing its operations in the form of further loans.

In the Company's opinion, the risk, if materialized, would have a severe impact, but the probability of its materialization is medium.

Risks related to the implementation of the development strategy;

The Company's development strategy provides for the implementation of R&D on a number of projects culminating in commercial sales. The Company plans to achieve this goal in cooperation with external partners or by selling technology to a third party. To achieve commercialization, the Company's strategy provides for the implementation of a number of stages related to validation, industrialization and commercialization of the device. Due to the innovative nature of the work, there is a risk of failure to achieve the Company's objectives in whole or in part.

Work on projects may be prolonged, for example due to technological problems, which may cause problems with financing subsequent stages. Additionally, there is a risk, assessed by the Company as low, that during work on Genomtec ID, another competitive product with properties significantly better than the Company's product will appear on the market.

At the same time, the Company continuously monitors the diagnostic devices market and analyzes the potential interest of large foreign enterprises that could become the Company's commercialization partners or acquire the developed technology.

In the Company's opinion, the risk, if materialized, would have a medium impact. The likelihood of the risk is medium.

Risks related to external financing

Since its inception, the Company's key funding sources have been contributions from the founders and external investors as well as funds obtained from support programs (subsidies and grants).

It cannot be definitively expected that the funds raised in the issue of shares and grants available to the Company will be sufficient to generate sales revenues. In the event of a shortage of funds, the Company will be forced to consider using new, external sources of financing. The possible need and scale of the Company's use of external financing will depend primarily on the effects of completed research and development and commercialization of the Company's products.

In the Company's opinion, the risk, if materialized, would have a high impact. The likelihood of the risk is medium.

Risks related to subsidies and grants

The Company uses subsidies and grants.

In order to receive grants from public funds, the Company must meet certain eligibility conditions, and the use of grants means that the Company obtains financing mainly in the form of advance payments, which are next accounted for in accordance with the grant application and agreement. For this reason, there is a risk that the costs incurred by the Company for the implementation of R&D projects will be questioned and the final grant amount will be reduced. In addition, the Company is also exposed to the risk of having to return of grants received, but that procedure may be initiated only when the grants are used contrary to the grant agreement. In turn, the possibly longer time it takes for government agencies to process the reconciliation of advances and payment applications may result in the need to spend large amounts from equity before they are refunded. If the above risk materializes, it would have an adverse impact on the implementation of the development strategy adopted by the Company and its financial liquidity. The Company attaches particular importance to the proper fulfillment of the terms of grant agreements and, according to its knowledge, there is no risk that the above negative conditions will occur.

In the Company's opinion, the risk, if materialized, would have a severe impact, but the probability of its materialization is low.

Risk related to the inability to continue operations if external financing is not obtained

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. As 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, the possibility to continue business depends on the ability to obtain further funding. The Company is constantly looking into the opportunities offered by the market in this area. In particular, in the event of difficulties in raising financing from the issue of shares or grants, the Company's Management Board will consider alternative forms of financing its operations in the form of further loans.

In the Company's opinion, the risk, if materialized, would have a severe impact, and the probability of its materialization is medium.

Risk of losing key employees

Human capital is one of the pillars for the Company’s daily business and its development strategy. The Company's development requires the engagement, loyalty and retention of key employees. Due to the specific nature of the Company's operations, its employees must have high, specialized qualifications and experience. Should those key staff members be lost, it might be seriously difficult to find their successors with appropriate skills. The loss of key personnel would significantly disrupt the Company's development and call into question the viability of its strategy.

In the Company's opinion, the risk, if materialized, would have a severe impact, but the probability of its materialization is medium.

Supplier and buyer risk

The Company buys materials and components for conducting its business from a small group of several suppliers who meet the Company’s stringent criteria. The Company reaches out to suppliers with

specific orders and maintains daily working relationship with them to source key components from both electronics and molecular biology areas. Cooperation with a narrow group of proven suppliers ensures high quality of purchased materials, but may make the Company more sensitive to changes in prices offered by suppliers and to limiting or discontinuing the supply of necessary materials or components.

When selecting partners, the Company was primarily guided by the experience and skills of the entities and their employees as well as the quality of production and the stability of the counterparty's financial position.

In the Company's opinion, the risk, if materialized, would have a medium impact. The likelihood of the risk is medium.

Risks related to intellectual and industrial property rights

The Company's key assets are the knowledge of its employees, scientific and research achievements, the technological processes used and the resulting patents (including proceedings pending before patent offices in this area). To effectively guard itself against infringements of these rights, the Company obtained patents for inventions in Poland, the USA, Japan, Canada, Brazil and the European Patent Office, and filed further patent submissions in selected jurisdictions. The Company has registered trademarks in the European Union and the USA.

Disclosure of the Company's intellectual and industrial property would pose a risk of the Company's proprietary, unique solutions being duplicated by competitors. This might have serious impact on the Company's operations and assets, including its financial results.

The Company's business activities also involve the risk of infringement of the intellectual and industrial property rights of third parties. The Company is particularly careful in this respect, and each time the process of obtaining a patent requires an assessment by patent attorneys and patent offices in terms of the innovative character of the invention and the lack of infringement of the intellectual property of another patent. The risk related to possible infringement of another entity's intellectual property rights occurs mainly in distant markets, outside the European Union and the USA, where the aspect of intellectual property monitoring is not so advanced and systematized. Due to the wide scope of patent protection specified in the Company's patent applications, the risk of infringing the intellectual property rights of third parties cannot be categorically excluded, although such a situation is unlikely due to the analysis performed by patent offices before a patent decision is issued to see whether the patent is innovative and whether it affects any third party rights. However, if a third party brings infringement action, the Company could be exposed to the costs of such proceedings and their unfavorable outcome, which would negatively affect its situation.

The inventive process at the Company involves conducting research, often lasting many years, and developing various technologies, including the involvement of various entities, in particular employees and collaborators. Any imprecise or missing clauses in contracts entered by the Company, including those regarding acquisition of intellectual property rights, there is a risk that the effectiveness of those acquisitions might be questions, which gives rise to a potential risk of employees or associates raising claims in this respect against the Company.

In the Company's opinion, the risk, if materialized, would have a severe impact, but the probability of its materialization is low.

Risks related to registration studies

The area in which the Company operates requires that before being marketed, products must be validated in order to obtain their registration. Validation generally takes place at external, independent units. These tests are intended to check whether the product meets the criteria required for registration and marketing. Standard registration procedures require diagnostic validation of product parameters, which can be performed internally, but is usually done externally, with the participation of an independent third party (e.g. diagnostic laboratory, clinical hospital) carrying out the tests. There is a risk that quality deficiencies or incorrect diagnostic parameters will be detected during the examination, affecting the speed of the registration procedure and causing additional costs related to the removal of identified shortcomings. In extreme cases, the Company's products may not be registered. The Company operates in an area subject to stringent technological, operational and legal requirements, therefore the presented risk factor is a natural element of the process of introducing products to the market.

In the Company's opinion, the risk, if materialized, would have a severe impact, and the probability of its materialization is medium.

Product failure risk

The risk of failure of the Company's products is related to the components and materials used in the production of diagnostic test kits (chemical and biochemical raw materials), microfluidic reaction cards (polymers and other substances used to produce microstructures) and the control device (mechanical, electronic components and housing materials). The Company partially uses materials and other chemical/ biochemical components from third party producers, while specialist subcontractors are responsible for obtaining materials and components used for the production of the microfluidic card and the analyzer itself (control device). Therefore, it cannot be ruled out that in the future the quality of production of the test mixture will be reduced, which may negatively affect the diagnostic parameters of the genetic test being performed or a failure of the entire Genomtec ID diagnostic platform. Additionally, products might have hidden defects due to failure to comply with quality management principles at the stage of production of reaction cards and analyzer components, as well as its final assembly in the production technology process. The above may also be caused by inadequate training of process line employees, as well as inadequate maintenance of automated equipment used in the production process. It cannot be ruled out that the production security system at subcontractors or/and the Company itself may be disturbed by failures (electrical or mechanical failures of the technological line) and unplanned downtime, natural disasters, terrorist attacks and other similar events that may have a negative impact on the overall product quality. The failure rate of the Genomtec ID product might increase in inappropriate conditions of use, e.g. very high or very low external temperatures, high dust or humidity, factors that are beyond the Company’s direct control. However, the Company will clearly define the environmental framework for the use of the product in the diagnostic device’s user manual. Failures may also occur as a result of excessive shocks to which the analyzer was subjected during operation or transport. There is also a risk of failure of the analyzer software due to incorrect coding of

the operating system and its commands or due to electrical damage (micro-surge), which may negatively affect the quality of the product and its use for diagnostic purposes.

In the Company's opinion, the risk, if materialized, would have a medium impact, and the probability of its materialization is low.

Risk related to the commercialization model of the Company's products

The Company plans to commercialize its products, including the Genomtec ID platform and genetic tests, on a global scale. In the case of the Genomtec ID project, a large foreign company may become a potential strategic partner or technology buyer as in the case of global commercialization plans, knowledge of trends in global markets, especially the market for POC (Point of Care) diagnostic devices is of significant important. There are several risks associated with the currently used model of distribution of diagnostic tests, the most important ones being: (i) the inability to determine or wrong determination of the market potential of the prospective distributor; (ii) incorrectly entered commercial contracts, which may result in claims and legal or administrative proceedings; (iii) failure to meet the established sales objectives by the distributor and the need to enforce them; (iv) defining a consistent warranty and complaints policy and its implementation and maintenance for all distributors; (v) dependence on one key distributor in a given market or globally; (vi) the difficulty of controlling many aspects in hermetic markets such as China, including the production of counterfeit products and the quality of services provided; (vii) the risk of an authorized distributor going out of business and the need to replace it in a given market, and (viii) the risk of loss of credibility (image) of the Company due to inconsistent marketing policy or prohibited activities undertaken by the distributor(s).

In the Company's opinion, the risk, if materialized, would have a low impact. The likelihood of the risk is low.

Risk related to the dominant market share of PCR technology

The Polymerase Chain Reaction (PCR) technology alongside its various variants has the largest share in the molecular diagnostics market (41.1% in 2021 according to Molecular Diagnostics Market by Product & Service, Test Type, Technology, Application, End User – Global Forecast to 2027). This is due to the fact that this technology is well established in the market, as it has been used since the 1980s, becoming the basic diagnostic standard. There is a risk of “distrust” of diagnostic laboratories towards isothermal techniques, including the LAMP technique used by Genomtec ID, due to the fact that they are younger and so far less popular that the PCR. The position of the PCR technique is also strengthened by the producers of diagnostic kits and PCR technology devices themselves, who, by investing heavily in the protection of intellectual property and the development of their PCR technology products, are interested in maintaining the market status of this technology. Despite those risks, the LAMP technique, as well as other isothermal methods, are gaining in importance.

In the Company's opinion, the risk, if materialized, would have a low impact. The likelihood of the risk is low.

Risk factors related to the Company’s business environment

Risk related to the legal environment

The Company's operations are subject to specific legal framework for medical devices and diagnostics, in particular the Medical Devices Act, Regulation (EU) 2017/746 of the European Parliament and of the

Council of 5 April 2017 on in vitro diagnostic medical devices and repealing Directive 98/79/EC and Commission Decision 2010/227/EU, and Commission Decision 2010/227/EU and Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on medical devices, amending Directive 2001/83/EC, Regulation (EC) 178/2002 and Regulation (EC) 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC.

The legal and regulatory environment for medical devices and diagnostics remains volatile, and the regulations are not applied uniformly by courts and public authorities, in particular in Poland.

Changes to the legislation may have a serious impact on the Company's legal environment, while the entry into force of the new regulation may result in such issues as interpretation problems, inconsistent court decisions and unfavorable interpretations adopted by public administration bodies.

Regulatory changes in the area of in-vitro medical diagnostics related to the commencement of application of the IVDR Regulation in the European Union, planned for May 2022, imposing new certification obligations on research and development companies, are important for the Company's business. However, it should be noted that already at the date of the report, research and development as well as the procedure for the industrialization and clinical validation for the Company's products are carried out by the Company under more restrictive requirements.

In the Company's opinion, the risk, if materialized, would have a low impact. The likelihood of the risk is low.

Competition risk

The Company operates as a research and development company. Its competitors include companies with a similar business profile, operating in particular scientific disciplines and medical diagnostic segments, as well as branches of foreign enterprises established in Poland.

The leaders in the segment of molecular testing of infectious diseases are such global companies as Roche Diagnostics, BioMérieux, Abbott Laboratories and Bio-Rad Laboratories. However, these companies are currently focusing on the production of very expensive, stationary laboratory diagnostic devices. Direct competitors of the Company's solution are smaller, innovative companies that work on rapid tests and portable diagnostic devices in the field of molecular diagnostics of infectious diseases (and possibly other segments). Currently available point-of-care diagnostic solutions in this category include Abbot ID Now and Roche Cobas LIAT.

The emergence of new entities with a business profile similar to the Company's cannot be ruled out. Strong competition, including diversified forms of conducting business by competitive entities, connections of competitive entities with foreign enterprises and an increase in the number of entities conducting consulting activities may result in a reduction in the number of projects implemented by the Company and their unit value.

However, taking into account the intellectual property protection model adopted by the Company and the entry barriers for such projects, as well as the technological advantages identified by the Management Board that are subject to patent protection, the likelihood of materialization of this risk is relatively low.

In the Company's opinion, the risk, if materialized, would have a low impact. The likelihood of the risk is low.

Risk related to the potential impact of the armed conflict in Ukraine on the Company's operations

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.

In the Company's opinion, the risk, if materialized, would have a medium impact. The likelihood of the risk is low.

Currency risk

Settlements in foreign currencies play a significant role in the Company's cost and revenue structure. However, due to the nature of its operations, the Company does not generate any significant revenues. The majority of the Company's currency costs and revenues are settled in EUR and USD. In the future, the Company plans to sell its products abroad, which will involve settling them in foreign currencies, primarily USD and EUR, which will also mean a greater exposure to changes in foreign exchange rates. As the Company's reporting currency is the Polish zloty, exchange rate volatility may lead to increased operating costs if the Polish zloty depreciates or to lower sales revenues if the Polish zloty appreciates. The risk factor applies due to the international nature of the Company's operations, the employment of foreign employees and collaborators living outside Poland and the purchase of materials and services abroad. The Company has not decided to hedge currency risk using financial instruments, particularly due to the high costs of such hedging. In the Company's opinion, the risk, if materialized, would have a low impact. The likelihood of the risk is low.

6.4 Changes in the Issuer’s Group organization

The Issuer does not form any corporate group.

6.5 Related party transactions

No non-arms length transactions were made with related parties during the reporting period.

6.6 Results forecasts

The Company did not publish financial forecasts.

6.7 Significant litigations

In the period covered by the Report, the Company was not a party to any significant judicial, arbitration or administrative proceedings in relation to the Issuer's liabilities or receivables.

6.8 Guarantees

During the Reporting Period, the Issuer did not provide any guarantees.

6.9 Other information

In the opinion of the Company's Management Board, except for the information contained in this Report, there is no other information that would be important for the assessment of its personnel, property and financial position, financial results and their changes, as well as information that is important for assessing the Company's ability to meet its obligations

6.10 Principles for the preparation of the semi-annual condensed financial statements

The (financial statements of GENOMTEC S.A. cover the period of six months ended June 30, 2024, and the comparative data for the period of six months ended June 30, 2023. They were prepared using the historical cost convention. The financial statements have been prepared on the assumption that the Company will continue in operation for at least a year from the date of their preparation. These 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"). The functional currency and reporting currency of the financial statements is the Polish zloty (PLN), and the data contained in the financial statements are presented in thousands of Polish zlotys.
The H1 2024 Management Report of GENOMTEC S.A was prepared on the basis of § 68(1)(3) of the Finance Minister's Regulation of 29 March 2018 on current and financial reports released by the issuers of securities and the conditions for equivalent treatment of the information required by the laws of non-member states (Journal of Laws of 2018, item 757, as amended).

6.11 Statement of the Management Board regarding the information contained in the Report

The GENOMTEC S.A hereby confirms that to the best of its knowledge the selected financial information presented in the Report for H1 2024 and the comparative data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear picture of the affairs of the Issuer and its financial performance and that the Management Board's report on the Issuer's activities gives a true picture of the its development, achievements and standing, including description of the key risks and threats.

6.12 Approval for publication

This half-yearly report for H1 2024 ended June 30, 2024 was approved for publication by the Issuer's Management Board on September 27, 2024.

Signatures of all Management Board members

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Miron Tokarski – President of the Management Board

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Michał Wachowski – Member of the Management Board