



Synektik

**ANNUAL REPORT ON THE ACTIVITIES OF
SYNEKTIK SA AND SYNEKTIK GROUP
for the financial year 2022**

running from 1 October 2022 to 30 September 2023,
prepared in accordance with International Financial Reporting
Standards

18 January 2024



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Dear Shareholders,

On behalf of the Management Board, I present to you Synektik Group's Report, presenting the financial results and key information on the Group's and the Company's activities in the financial year ended 30 September 2023.

We are very glad to summarise a year that was as intensive as it was successful in business and financial terms. Over the course of the year, we grew revenue by 168%, to PLN 447 million, tripling the Group's recurring EBITDA to over PLN 97 million. We finished the 2022 financial year with a net result five times higher, exceeding PLN 52 million.

The dynamic growth in the Group's results was driven by business successes in both of our operating segments. The driving force behind the results continues to be the high-tech medical supplies and services segment, where revenue tripled in the past year, with concurrent growth in profitability. The radiopharmaceuticals segment increased external sales by more than a quarter and the segment's EBITDA, as a consequence of months of work on the foundations of the business, grew by more than half.

The key driver for revenue growth in the equipment supply and services segment, which came to more than PLN 410 million last year, was the dynamic rise in sales from the fulfilment of orders for medical equipment. Revenue from this title increased by 274%, to nearly PLN 300 million. Consistent implementation of the Group's development strategy, emphasising expansion in the area of sales of innovative medical technologies, is already delivering more than satisfactory results for another consecutive year. In the past financial year we completed the delivery of 21 da Vinci robotic systems for customers in Poland, the Czech Republic and Slovakia, as well as deployed a ZAP-X stereotactic radiosurgery system for the first customer in Poland (and one of the first in Europe). Importantly, the quality revolution in healthcare in the countries where we are present is not slowing down. Since the beginning of the financial year, we delivered or signed a contract for the delivery of more than a dozen da Vinci systems, and we also concluded another ZAP-X sales agreement. Da Vinci and ZAP-X are only a small part of our equipment portfolio. In parallel to the robotic contracts, we completed dozens of smaller orders in the past year, including the supply of MRIs, CT scanners and angiographs. We strive not to become a single-product company by investing in the development of our offering and the popularisation of the medical technologies offered by Synektik Group.

One of the pillars of Synektik Group's development strategy, crucial especially in the medium and long-term horizon, is to build recurring revenue streams, including from the performance of long-term contracts for the supply of consumable instruments and accessories for the medical equipment sold by the Group.

In the completed year, recurring revenue grew by 89% to PLN 112.9 million. This was significantly influenced by the development of robotic surgery in Poland, the Czech Republic and Slovakia, translating into more intensive utilisation of authorised da Vinci robots under Synektik Group's service. In the 12 months ended 30 September 2023, 5 900 procedures assisted by the da Vinci system were performed in Poland (100% y/y increase). In the Czech Republic and Slovakia, 6.9 thousand robot-assisted procedures were performed in this period, 27% more than a year earlier. On the Polish market, the increase in the number of procedures using the da Vinci system was highly driven by the introduction of dedicated reimbursements. Robotic-assisted prostatectomy procedures have it from 1 April 2022, and on 1 August 2023 it was introduced for two further areas - surgical procedures of endometrial cancer and colorectal cancer. The health ministry's decisions on this matter have massively increased the availability of robot-assisted therapy for Polish patients. The benefits associated with the development of robotic surgery are indisputable, both in the area of the effectiveness of the therapy itself and the minimisation of the risk of complications, as well as the overall cost of patient treatment and recovery. We are certain that modern, innovative technologies will be increasingly used in the fight against the cancer epidemic, and Synektik Group has the ambition to further engage in this process. The past financial year brought the expected positive changes in the Group's radiopharmaceutical business. The multi-level process of improving the segment's profitability, periodically shaken by inflationary cost increases, translated into an increase in sales and profitability. Segment sales to third parties increased by 26% y/y, to PLN 36.5 million, and EBITDA grew from PLN 7.3 million to PLN 11.2 million. Revenue from the sale of basic radiopharmaceuticals increased by nearly a third in the period, and the Group's position as the technological leader on the Polish market, an exclusive supplier of a wide range of speciality radiopharmaceuticals, was solidified.

We are consistently focusing on the development of innovative radiopharmaceuticals, the commercialisation of which will, in our firm opinion, be one of the pillars of this business in the years to come. The past several months brought the expected progress in the development of the Group's strategic product, the cardiac tracer. The third phase of clinical trials for the tracer is progressing according to plan. Consistently conducted clinical trials in cooperation with Polish medical centres confirm the high value of the cardiac tracer, paving the way for us to start on the next phase in the United States. The start of research in the world's largest medical market is possible thanks to a green light from the US Food and Drug Administration (FDA), where consultations under the Pre-IND meeting procedure were completed in mid-2023. Our product is attracting growing interest in the industry, as we experienced, for example, during the presentation of the cardiac tracer to a select group of scientists at this year's American Society of Nuclear Cardiology Congress.

The Group's very good financial standing allows us to conduct this project in an optimal way from the perspective of Synektik's shareholders. The independent implementation of at least some of the necessary studies of the cardiac tracer on the US market, in our opinion, will significantly strengthen the Group's negotiating position in potential talks with partners in the commercialisation of this innovative product in the future. Our primary goal is to unlock the potential of the cardiac tracer as effectively as possible to increase the value of Synektik for our shareholders. We are certain that we are on the right path to the top in this business area as well.

The success of Synektik Group would not be possible without our team, which is our most important asset. A stable group of qualified specialists, strengthened by both internal development and well-considered hires, a pool of qualified, committed specialists allows us to grow so dynamically in the demanding market for medical products. I would like to take this opportunity, also as a shareholder of Synektik SA, to thank the team for their enormous contribution to the success of our company.

We entered the 2023 financial year with strong business foundations, our best financial position in years and exciting prospects for the months ahead. We have the potential to continue our dynamic growth in parallel, to invest in the development of key projects and to share our earnings with Shareholders. We thank you for the confidence you have placed in us. We believe that the new financial year will provide you with a number of reasons for satisfaction from your investment in Synektik SA.

I invite you to read our reports.

Sincerely,

Cezary Kozanecki

President of the Management Board, Synektik SA

1. GENERAL INFORMATION

1.1. Information on the parent company

SYNEKTIK Spółka Akcyjna ("SYNEKTIK SA", "Parent", "Company", "Issuer"), which is the parent company of SYNEKTIK Group ("Group", "SYNEKTIK Group"), was established by a notarial deed of 4 October 2001 as a company with limited liability. On 4 February 2011, the Company was converted into a public limited company. The Company has its registered office at ul. Józefa Piusa Dziekońskiego 3, 00-728 Warsaw, Poland.

The Company is entered in the Register of Companies of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0000377574. The Company has been assigned statistical number REGON 015164655 and NIP number 521-31-97-880.

The duration of the Company is indefinite.

As of the date of preparation of the financial statements, the Parent's share capital amounts to PLN 4 264 564.50 and is divided into 8 529 129 shares of series A, B, BB, BBB, C, D and E, with a nominal value of PLN 0.50 each.

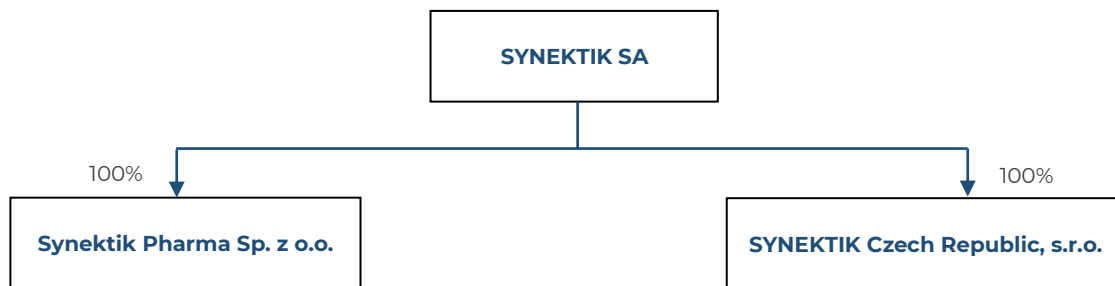
Since 14 October 2014, SYNEKTIK SA's shares are listed on the Warsaw Stock Exchange (share symbol SYNEKTIK, SNT).

The company has no branches (plants).

1.2. Information on the Group

At the balance sheet date, SYNEKTIK Group ("Group") comprised the following entities:

- > SYNEKTIK SA - parent company,
- > Synektik Pharma Sp. z o.o. - a wholly owned subsidiary of SYNEKTIK SA,
- > SYNEKTIK Czech Republic, s.r.o. - a wholly owned subsidiary of SYNEKTIK SA,



Moreover, SYNEKTIK SA holds a 49% stake in 'Lom Scan' Sp. z o.o. (formerly: Cyklosfera Sp. z o.o.).

Name of entity	Valuation method	Registered office	% shareholding	Gross value (PLN)	Value of impairment (PLN)	Net carrying amount (PLN)	Form of control
Synektik Pharma Sp. z o.o.	Purchase price	Warsaw	100%	599 179.13	-	599 179.13	Full control - shares eliminated at consolidation level
SYNEKTIK Czech Republic s.r.o.	Purchase price	Prague	100%	18 980.00	-	18 980.00	Full control - shares eliminated at consolidation level
„Lom Scan” Sp. z o.o.	Purchase price	Białystok	49%	2 872 000.00	1 352 500.00	1 519 500.00	Significant influence
Total:				3 490 159.13	1 352 500.00	2 137 659.13	

Table 1: List of entities in which SYNEKTIK SA holds a stake as at 30 September 2023

1.3. Information on subsidiaries and subordinated entities

The Group operates primarily in Poland, the Czech Republic and Slovakia.

The financial statements of all entities were prepared for the same reporting period.

Synektik Pharma Sp. z o.o.

SYNEKTIK SA acquired 100% of shares in Monrol Poland Ltd Sp. z o.o. on 29 March 2018. On 10 May 2018, the name of the entity was changed to Synektik Pharma Sp. z o.o. The company's registered office is located at ul. Józefa Piusa Dziekońskiego 3, 00-728 Warsaw, Poland. The company is registered in the National Court Register under the KRS number 0000395740. The company commenced its activity on 9 September 2011 and its duration is indefinite. SYNEKTIK SA holds 100% of the company's shares. The company's activities during the period covered by these financial statements included the production and sale of radiopharmaceuticals.

SYNEKTIK Czech Republic, s.r.o.

SYNEKTIK Czech Republic, s.r.o. was established on 29 November 2021 and its duration is indefinite. The registered office of the company is located in Prague, Czech Republic, Plzeňská 3350/18, Smíchov, 150 00 Praha 5. The company is registered in the commercial register kept by the Municipal Court of Prague under reference C 358899. SYNEKTIK SA holds 100% of the company's shares. On 21 December 2021, SYNEKTIK SA concluded an annex to the distribution agreement of 5 July 2018 with Intuitive Surgical Sàrl, based in Aubonne, Switzerland, which extended its scope to the Czech Republic and Slovakia as of 1 February 2022. At the same time, SYNEKTIK Czech Republic s.r.o. entered into a binding agreement with Intuitive Surgical Sàrl and Intuitive Surgical s.r.o. (based in Prague) for the sale of two organised parts of the companies. On 1 February 2022, the legal conditions of the aforementioned agreements were fulfilled and, as a result, SYNEKTIK Czech Republic, s.r.o. acquired the organised parts of the companies from Intuitive Surgical Sàrl and Intuitive Surgical s.r.o., and thus started operational activities including sales, maintenance and training services in the area of advanced medical equipment (da Vinci robotic systems) in the Czech Republic and Slovakia.

1.3.1 Entities accounted for using the equity method

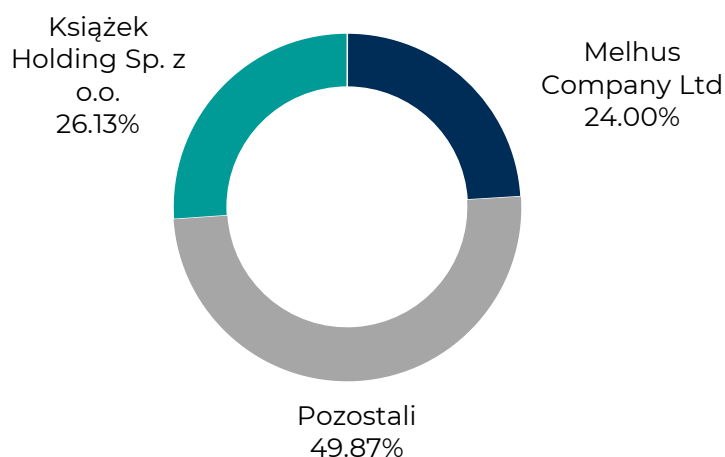
„Lom Scan” Sp. z o.o. (formerly: Cyklosfera Sp. z o.o.).

Moreover, SYNEKTIK SA holds a 49% stake in 'Lom Scan' Sp. z o.o. The company's registered office is located at ul. Żurawia 71A, 15-540 Białystok. The company is registered in the National Court Register under the KRS number 0000481802 and its duration is indefinite. The company is consolidated using the equity method starting from the financial statements for the third quarter of 2014. The company's activities during the period covered by these financial statements included the provision of diagnostic services. The financial statements of all entities were prepared for the same reporting period.

1.4. Company's shareholders

As at 30 September 2023, the share capital of SYNEKTIK SA amounted to PLN 4 264 564.50 and was divided into 8 529 129 ordinary bearer shares of series A, B, BB, BBB, C, D and E, with a nominal value of PLN 0.50 each. The total number of votes at the General Meeting of SYNEKTIK SA was 8 529 129.

To the best of the Management Board's knowledge, the Company's Shareholders holding significant stakes in the Issuer as at the date of this report are:



Shareholder	Number of shares	Stake in share capital	Number of GM votes	Stake in GM votes
Książek Holding Sp. z o.o.	2 229 056	26.13%	2 229 056	26.13%
Melhus Company Ltd	2 047 380	24.00%	2 047 380	24.00%

Table 2: Significant shareholders of the Company at the date of the report

From the date of the previous periodic report for the fourth quarter of financial year 2022 to the date of the preparation and publication of the annual report on the Company's and the Group's activities for the 2022 financial year, there were no changes in the ownership of significant shareholdings.

The Company and its subsidiaries do not hold any treasury shares, and these entities did not acquire treasury shares in the Company during the period under review.

The Company and its Group companies are not aware of any agreements that may result in future changes in the proportions of shares held by shareholders and bondholders.

1.5. Company authorities

Management Board

As at 30 September 2023 and at the date of the Report on the activities of the Company and Group, the Parent Company's management board comprised the following persons:

- > Cezary Kozanecki President of the Management Board
- > Dariusz Korecki Vice-President of the Management Board

Supervisory Board

As at 30 September 2023 and at the date of the Report on the activities of the Company and Group, the Parent Company's supervisory board comprised the following persons:

- > Mariusz Książek Chairperson of the Supervisory Board
- > Wiesław Łatała Deputy Chairperson of the Supervisory Board

- > Sawa Zarębińska Secretary of the Supervisory Board
- > Piotr Chudzik Member of the Supervisory Board
- > Dariusz Daniluk Member of the Supervisory Board

The composition of the Management Board and Supervisory Board did not change since the publication of the last quarterly consolidated financial statements.

2. COMPANY AND GROUP BUSINESS PROFILE

The Group's core business is the provision of state-of-the-art technology through the sale of specialised medical equipment, supporting software and related maintenance and measurement services, as well as the production of radiopharmaceuticals. Moreover, the Group conducts research and development work on new radiopharmaceuticals within its own Research and Development Centre and Clinical Research Centre.

The Group's core products and services are divided into the following business segments:

- 1) Sales of medical equipment and IT solutions together with service activities, including:**
 - a) Sale of medical equipment used in radiology and therapy and in nuclear medicine**

The Group's commercial activities include the sale of therapy equipment (Intuitive Surgical, Carl Zeiss, Eckert & Ziegler, Insightec, Loccioni), medical equipment for imaging radiology (made by Philips, among others), contrast injectors together with including consumables (Medtron) and equipment and supplies used in nuclear medicine (mainly manufactured by Comecer). As part of this activity, the Group carries out a comprehensive supply of equipment, combined with the preparation of the necessary premises, installation of the equipment, servicing and training of personnel.

- b) IT solutions**

The Group has proprietary IT solutions for archiving, distributing, presenting and processing of radiological images and administrative data. The ArPACS family of products allows for the computerisation of healthcare entities in the areas of archiving, distribution (PACS), presentation and processing of radiological images (ArView) and administrative data (RIS), for which licences are offered to public and private medical facilities and IT companies implementing HIS (Hospital Information System) medical facility management systems.

The proprietary Zbadani.pl platform is a multi-modular application with a radiology profile. It provides a fully digital and integrated flow of examinations in diagnostic quality using HL7, CDA and DICOM standards. It is developed in the SaaS (Software as a Service) model and can be used from anywhere with internet access via a browser. As part of the Zbadani.pl platform, the Group provides digital applications: SynDose (www.syndose.pl) for automatic monitoring, reporting and analysis of ionising radiation doses, and Publishing Results Online, which allows facilities to issue radioimaging results in the form of a secure link shared with the patient online. SynDose was developed in response to changing regulations regarding the detailed scope of clinical audits and the newly applicable audit report templates.

The Zbadani.pl platform also offers a unique tool - the ability to create a portfolio of tests for patients and their relatives. The patient is able to store all examinations in one place, including radioimaging studies. Importantly, the patient can access their examinations from anywhere in the world and consult with any specialist by sharing the examination via a simple encrypted link.

Maintenance and measurement services for medical equipment

The Group's portfolio includes maintenance services for selected products from the medical equipment offered. Acceptance and specialised tests are performed in the testing laboratory for imaging diagnostic equipment run by the Parent Company, which is accredited by the Polish Centre for Accreditation.

2) Manufacture and sale of radiopharmaceuticals

Production of radiopharmaceuticals used in oncology, cardiology and neurology diagnostics is carried out at SYNEKTIK Group's production facilities located in Kielce, Warsaw and Mszczonów. The Group holds ownership or manufacturing rights for nine radiopharmaceutical products: Glunektik, Fludeoxyglucose, Fluorocholine, Metaflu, DOPA, Axumin, FET, FLT and FES. The Group also conducts research and development work on new radiopharmaceuticals at the Research and Development Centre and the Clinical Research Centre.

3) Research and Development Centre (RDC)

Within its own centres - the Research and Development Centre and the Clinical Research Centre - the Group conducts research and development work on new radiopharmaceuticals. The RDC also carries out projects to streamline production processes and improve the quality of existing products used in PET diagnostics. The centre cooperates with universities, research institutes and businesses operating in the radiopharmaceutical industry in Poland and abroad.



**WE SPECIALISE IN
PROVIDING ADVANCED
PRODUCTS AND SERVICES
FOR THE HEALTHCARE
SECTOR**

3. COMPANY AND GROUP DEVELOPMENT STRATEGY

On 31 January 2017, the Company's Management Board adopted and published the Group Development Strategy (the "Strategy") for 2017-2021 (available at: <https://www.synektik.com.pl/pl/centrum-inwestora/strategia-2017-2021>).

Among other things, the strategy was to focus the business on segments related to the three key medical fields with the greatest commercial potential: oncology, cardiology and neurology, as well as maintaining a strong position in the market for radiology solutions. One of the operational objectives of the strategy was to expand the scope of business from diagnostics to the medical therapy area, where the largest healthcare expenditure is concentrated. An important element of the strategy is the development of the cardiac tracer project, an innovative radiopharmaceutical with global potential for the diagnosis of heart disease, and its consistent commercialisation.

The Strategy's key operational objectives are as follows:

1. strengthening Synektik Group's position as a leader on the Polish market for the distribution of diagnostic equipment and the production of radiopharmaceuticals
2. significantly expanding the geographic reach of its activities in all fields - from national (distribution of diagnostic and therapy devices), to regional (production of radiopharmaceuticals) and Europe-wide (IT systems and services), to global (innovative cardiac tracer)
3. launching entirely new revenue streams, the most noteworthy of which are:
 - o cooperation with new audiences such as oncology, cardiology and neurology departments in national medical units
 - o commercialisation of an innovative cardiac tracer

The Management Board of SYNEKTIK SA has decided to continue implementing the strategy beyond the original timeframe, while maintaining the main business priorities contained therein. In the past period, the Group continued, among other things:

- o work on a strategic cardiac tracer project, initiating the next phase of clinical trials of the radiopharmaceutical,
- o expansion in the area of medical therapies
- o activities to strengthen the Group's position as the leader in the Polish radiopharmaceuticals market.

In financial terms, in 2022 financial year, the Group achieved a 168% increase in consolidated sales, a 202% increase in recurring EBITDA with an increase in EBITDA profitability by 2.5 percentage points.

4. HIGHLIGHTS OF THE 2022 FINANCIAL YEAR AND UP TO THE DATE OF THE REPORT

October 2022

- › 13 October - conclusion of an agreement by subsidiary SYNEKTIK Czech Republic, s.r.o. with Motol University Hospital, Prague, for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 39/2022)
- › 17 October - conclusion of a contract with the Jan Mikulicz-Radecki University Clinical Hospital in Wrocław for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 40/2022)

November 2022

- › 14 November - conclusion of an agreement with the Military Medical Institute in Warsaw for the supply, deployment and servicing of a da Vinci surgical system, as well as the supply of surgical instruments for a further two years
(details: current report ESPI no. 43/2022)
- › 21 November - conclusion of a contract with the L. Rydygier Provincial Hospital in Toruń for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 44/2022)
- › 23 November - conclusion of agreements by the subsidiary SYNEKTIK Czech Republic, s.r.o. with the Central Military Hospital - Military University Hospital in Prague for the supply, deployment and warranty service of the da Vinci Surgical System, the supply of instruments and accessories for a period of four years, as well as post-warranty maintenance for a period of seven years
(details: current report ESPI no. 45/2022)

December 2022

- › 5 December - obtaining a patent for the cardiac tracer in the European Union and other countries belonging to the European Patent Organisation
(details: current report ESPI no. 46/2022)
- › 7 December - conclusion of agreements by subsidiary SYNEKTIK Czech Republic, s.r.o. with the Pardubice Hospital (Nemocnice Pardubického kraje, a.s.) in the Czech Republic for the supply, deployment and warranty service of the da Vinci Surgical System, as well as post-warranty maintenance for eight years
(details: current report ESPI no. 47/2022)
- › 23 December - conclusion of a contract with the Prof. F. Łukaszczyk Oncology Centre in Bydgoszcz for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 49/2022)

January 2023

- › 19 January - adoption of a resolution by the Management Board on the distribution of the Company's net profit for financial year 2021, pursuant to which the Management Board recommends to the Annual General Meeting of the Company that part of the profit be allocated to the payment of dividends
(details: current report ESPI no. 2/2023)

February 2023

- › 8 February - conclusion of a contract with the J. Struś Multi-specialist Municipal Hospital in Poznań for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 5/2023)
- › 21 February - adoption of dividend payment and other resolutions by the Company's Annual General Meeting
(details: current report ESPI no. 6/2023 and 7/2023)

March 2023

- › 2 March - conclusion of an agreement with the Specialist Health Care Centre for Mother and Child in Poznań for the supply, deployment and servicing of a da Vinci surgical system

(details: current report ESPI no. 9/2023)

- › 6 March - Subsidiary Synektik Pharma Sp. z o.o. obtains marketing authorisation for the radiopharmaceutical FLT (18F)
(details: current report ESPI no. 10/2023)
- › 7 March - conclusion of an agreement by subsidiary SYNEKTIK Czech Republic, s.r.o. with Svet zdravia, a.s., based in Bratislava, for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 11/2023)
- › 22 March - conclusion of an agreement by subsidiary SYNEKTIK Czech Republic, s.r.o. with Thomayer University Hospital (Fakultní Thomayerova nemocnice) in Prague for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 12/2023)
- › 27 March - conclusion of an agreement with the Grodzisk Mazowiecki District for the construction of an additional operating theatre with supplementary equipment at the St. John Paul II Western Hospital in Grodzisk Mazowiecki
(details: current report ESPI no. 13/2023)
- › 27 March - conclusion of an agreement by subsidiary Synektik Pharma Sp. z o.o. with the National Institute of Oncology - National Research Institute, Gliwice Branch, for the successive supply of germanium-gallium generators
(details: current report ESPI no. 14/2023)

April 2023

- › 3 April - conclusion of agreements by subsidiary SYNEKTIK Czech Republic, s.r.o. with AGEL Nový Jičín Hospital, Nový Jičín, Czech Republic, for the supply, deployment and servicing of the da Vinci Surgical System, as well as post-warranty maintenance for a period of eight years
(details: current report ESPI no. 15/2023)
- › 4 April - conclusion of an agreement with the National Medical Institute of the Ministry of Internal Affairs and Administration (MSWiA) in Warsaw for the delivery of a 1.5T magnetic resonance system together with with adaptive construction and installation works
(details: current report ESPI no. 16/2023)
- › 11 April - conclusion of an agreement with the Provincial Hospital in Poznań for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 17/2023)
- › 11 April - resolution of the Supervisory Board on the appointment of the auditor: CSWP Audyt Prosta Spółka Akcyjna
(details: current report ESPI no. 19/2023)

May 2023

- › 16 May - conclusion of agreements by subsidiary SYNEKTIK Czech Republic, s.r.o. with Krajská nemocnice T. Bati Provincial Hospital, Zlín in the Czech Republic for the supply, deployment and warranty service of a da Vinci surgical system, as well as post-warranty maintenance for a period of six years
(details: current report ESPI no. 20/2023)
- ›

June 2023

- › 12 June - conclusion of an agreement with the Clinical Hospital No. 2 PUM in Szczecin (SPSK-2) for the supply of consumables for a da Vinci surgical system
(details: current report ESPI no. 21/2023)
- › 12 June - conclusion of agreements by subsidiary SYNEKTIK Czech Republic, s.r.o. with the Nemocnice AGEL Nový Jičín Hospital in the Czech Republic for the supply, deployment and warranty service of a da Vinci surgical system, as well as post-warranty maintenance for a period of eight years
(details: current report ESPI no. 22/2023)
- › 19 June - conclusion of an agreement with the Świętokrzyskie Oncology Centre in Kielce for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 23/2023)
- › 26 June - conclusion of agreements by subsidiary SYNEKTIK Czech Republic, s.r.o. with the University Hospital in Prague (Všeobecná fakultní nemocnice) for the supply, deployment and warranty service of a da Vinci surgical system, as well as post-warranty maintenance for four years
(details: current report ESPI no. 24/2023)

July 2023

- › 4 July - completion of FDA consultation on cardiac tracer design as part of Pre-IND meeting procedure
(details: current report ESPI no. 25/2023)
- › 6 July - conclusion of an agreement with the St John Paul II Mazovian Regional Hospital in Siedlce as consortium leader, and the Międzyleski Specialist Hospital in Warsaw as a partner in the Consortium, for the organisation of training courses using the da Vinci robotic surgery system for medical staff, together with the necessary equipment
(details: current report ESPI no. 26/2023)
- › 12 July - conclusion of an agreement with the Specialist Hospital in Kościerzyna for the supply and installation of an angiograph together with associated equipment, as well as construction and installation work
(details: current report ESPI no. 28/2023)
- › 25 July - conclusion of an agreement with the Professor Franciszek Łukaszczyk Oncology Centre in Bydgoszcz for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 30/2023)
- › 27 July - conclusion of an agreement with the Dr Jan Jonston Regional Hospital in Leszno for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 31/2023)

August 2023

- › 7 August - conclusion of agreements by subsidiary SYNEKTIK Czech Republic, s.r.o. with the University Hospital Hradec Kralove in the Czech Republic for the supply, deployment and warranty service of a da Vinci surgical system, as well as post-warranty maintenance for a minimum of three years
(details: current report ESPI no. 32/2023)

September 2023

- › 4 September - notification of transactions by a person discharging managerial responsibilities (President of the Management Board Cezary Kozanecki) and change of shareholding in the company's shares
(details: current report ESPI no. 33/2023, 34/2023, 35/2023 and 36/2023)
- › 13 September - conclusion of an agreement with the Professor Franciszek Łukaszczyk Oncology Centre in Bydgoszcz for supply of consumables for the da Vinci surgical system
(details: current report ESPI no. 37/2023)
- › 20 September and 26 September - notification of transactions by a person discharging managerial responsibilities (Vice-President of the Management Board Dariusz Korecki)
(details: current report ESPI no. 38/2023 and 39/2023)
- › 29 September notification of transactions by a person closely related to a person discharging managerial responsibilities (with member of the Supervisory Board Sawa Zarębińska)
(details: current report ESPI no. 40/2023)
- ›

October 2023

- › 5 October - conclusion of an agreement with the M. Kopernik Regional Multispecialist Oncology and Traumatology Centre in Łódź for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 41/2023)
- › 5 October - conclusion of an agreement by subsidiary SYNEKTIK Czech Republic, s.r.o. with Thomayer University Hospital (Fakultní Thomayerova nemocnice) in Prague for the supply of consumables for the da Vinci Surgical System
(details: current report ESPI no. 42/2023)
- › 9 October - conclusion of an agreement with the Katowice Oncology Centre in Katowice for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 44/2023)
- › 10 October - notification of transactions by a person discharging managerial responsibilities (Vice-President of the Management Board Dariusz Korecki)
(details: current report ESPI no. 45/2023)
- › 11 October - conclusion of an agreement with the Janusz Korczak Regional Specialist Hospital in Słupsk for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 46/2023)

November 2023

- › 8 November - conclusion of an agreement by subsidiary SYNEKTIK Czech Republic, s.r.o. with the Královské Vinohrady University Hospital (Fakultní nemocnice Královské Vinohrady) in Prague for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 49/2023)
- › 13 November - conclusion of an agreement for the sale of a medical system
(details: current report ESPI no. 50/2023)
- › 22 November - conclusion of an agreement with the Karol Marcinkowski University Hospital in Zielona Góra for the supply, deployment and servicing of a da Vinci surgical system

(details: current report ESPI no. 51/2023)

- › 23 November - conclusion of an agreement for sale of a medical system
(details: current report ESPI no. 52/2023)
- › 24 November - conclusion of an agreement with the Maria Skłodowska-Curie Białystok Oncology Centre for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 53/2023)
- › 27 November - conclusion of an agreement with the Voivodship Hospital in Szczecin for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 54/2023)
- › 27 November - conclusion of an agreement with the Provincial Specialist Hospital in Wrocław for the supply, deployment and servicing of a da Vinci surgical system
(details: current report ESPI no. 55/2023)
- › 29 November - conclusion of an agreement with the Professor Adam Gruca Clinical Hospital in Otwock for the supply, deployment and servicing of a magnetic resonance system
(details: current report ESPI no. 56/2023)

December 2023

- › 8 December - conclusion of an agreement with Copernicus Healthcare Centre in Gdansk for the supply and deployment of a system for brain, head and neck radiosurgery (ZAP-X) together with the necessary infrastructure and construction work
(details: current report ESPI no. 57/2023)
- › 11 December - conclusion of an agreement with the Dr A. Jurasz University Hospital in Bydgoszcz for the supply, deployment and servicing of a da Vinci surgical system, as well as the supply of consumables
(details: current report ESPI no. 58/2023)
- › 15 December - conclusion of agreements by subsidiary SYNEKTIK Czech Republic, s.r.o. with St. Anne's University Hospital (Fakultní nemocnice u sv. Anny) in Brno for the supply, deployment and servicing of the da Vinci surgical system, 4-year post-warranty maintenance and delivery of instruments
(details: current report ESPI no. 59/2023)
- › 21 December - conclusion of an agreement by subsidiary SYNEKTIK Czech Republic, s.r.o. with Krajská nemocnice T. Bati Provincial Hospital in Zlín for the supply of consumables for the da Vinci surgical system
(details: current report ESPI no. 60/2023)

January 2024

- › 10 January - update on the cardiac tracer project
(details: current report ESPI no. 2/2024)

5. MEDICAL EQUIPMENT AND IT SOLUTIONS SUPPLY SEGMENT

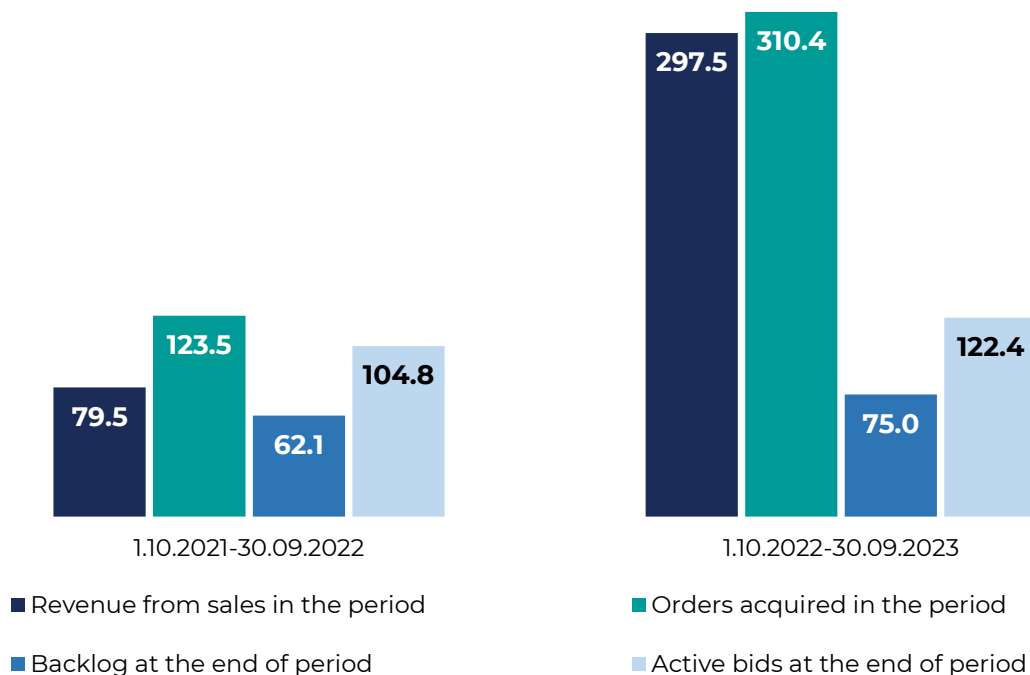
5.1. Segment performance and highlights of the 2022 financial year

In financial year 2022, the Group continued to pursue its strategy of developing the medical equipment supply, IT solutions and maintenance and measurement services segments, especially focusing on expansion in the medical therapy equipment segment.

The Group's revenue from the sale of medical equipment and IT solutions as well as the provision of maintenance and measurement services in the period under review increased by 197%, to PLN 410.4 million (excluding intragroup transactions). The higher sales, and their structure, translated into an increase in segment EBITDA, from PLN 29.7 million in 2021 fin. to PLN 98.9 million (a 233% change) in financial year 2022. At the same time, the segment's profitability rose from 21.3% in financial year 2021 to 24.1% in the past financial year.

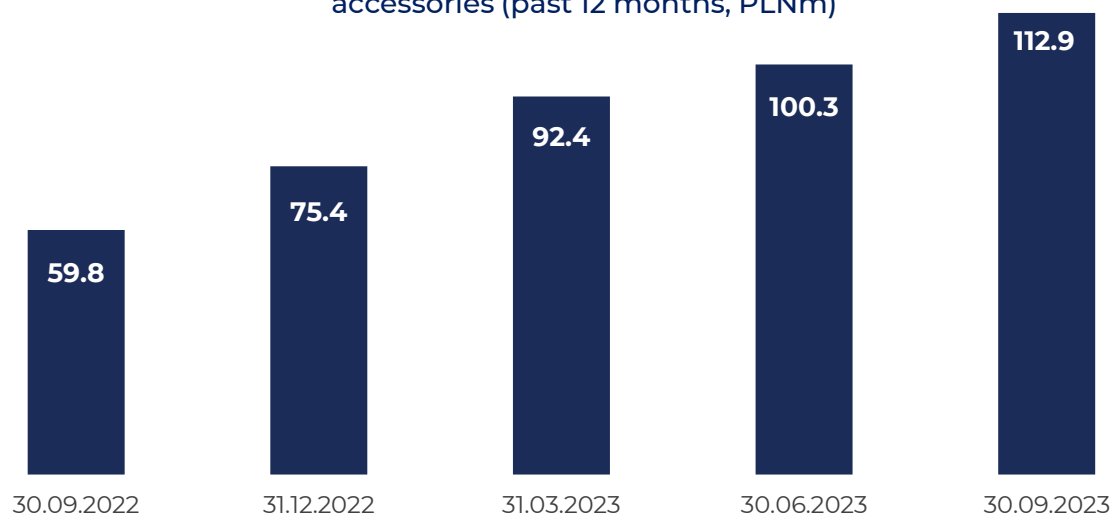
Revenue from the sale of medical equipment in financial year 2022 reached PLN 297.5 million, compared with PLN 79.5 million in 2021 (growth by 274%). In the period under review, the Group completed, among other things, the delivery of 21 da Vinci robotic systems to customers in Poland, the Czech Republic and Slovakia, as well as finalising the project to build and equip the Centre for Brain, Head and Neck Radiosurgery in Olsztyn, a key component of which is the ZAP-X stereotactic radiosurgery system.

Sale of medical equipment, unfulfilled orders and active offers
(PLNm)



Orders acquired - the value of agreements and contracts concluded during the period, for execution during or after the period (the sum of the period's sales revenue and backlog at the end of the period less the backlog at the beginning of the period).
Active bids - bids submitted, subject to tender, negotiation or technology dialogue with a potential buyer.

Revenue from sale of services and supply of instruments and
accessories (past 12 months, PLNm)



The segment's results in financial year 2022 were also significantly impacted by an increase in revenue from the sale of services (maintenance, warranty, IT) and the supply of consumable instruments and accessories, which have a recurring nature (recurring revenue). Revenue from sales of instruments and accessories and service activities increased by 89% to PLN 112.9 million in financial year 2022.

In the past financial year, the Group secured orders for the supply of medical equipment with a record value of PLN 310.4 million (PLN 123.5 million in 2021 financial year). The value of sales projects (with varying degrees of progress) at the end of September 2023 was PLN 122.4 million, vs. PLN 104.8 million a year earlier. The total value of the backlog and active offers at the end of September 2023 was PLN 197.4 million, 18% more than a year earlier. As of the date of this report, the vast majority of sales projects open at the end of September had ended with a positive tender outcome for the Group.

The development of the surgical robotics market in Poland had a major impact on the Group's results in the period under review. In the 12 months ended 30 September 2023, 5 900 procedures assisted by the da Vinci system were performed in Poland (100% y/y increase). The dynamic development of robotic surgery in Poland is aided by the introduction of dedicated reimbursements for surgical procedures assisted by robotic systems. Robotic-assisted prostatectomy procedures have had dedicated reimbursement since 1 April 2022, and on 1 August 2023 dedicated reimbursement was introduced for two further areas - surgical procedure of endometrial cancer and colorectal cancer.

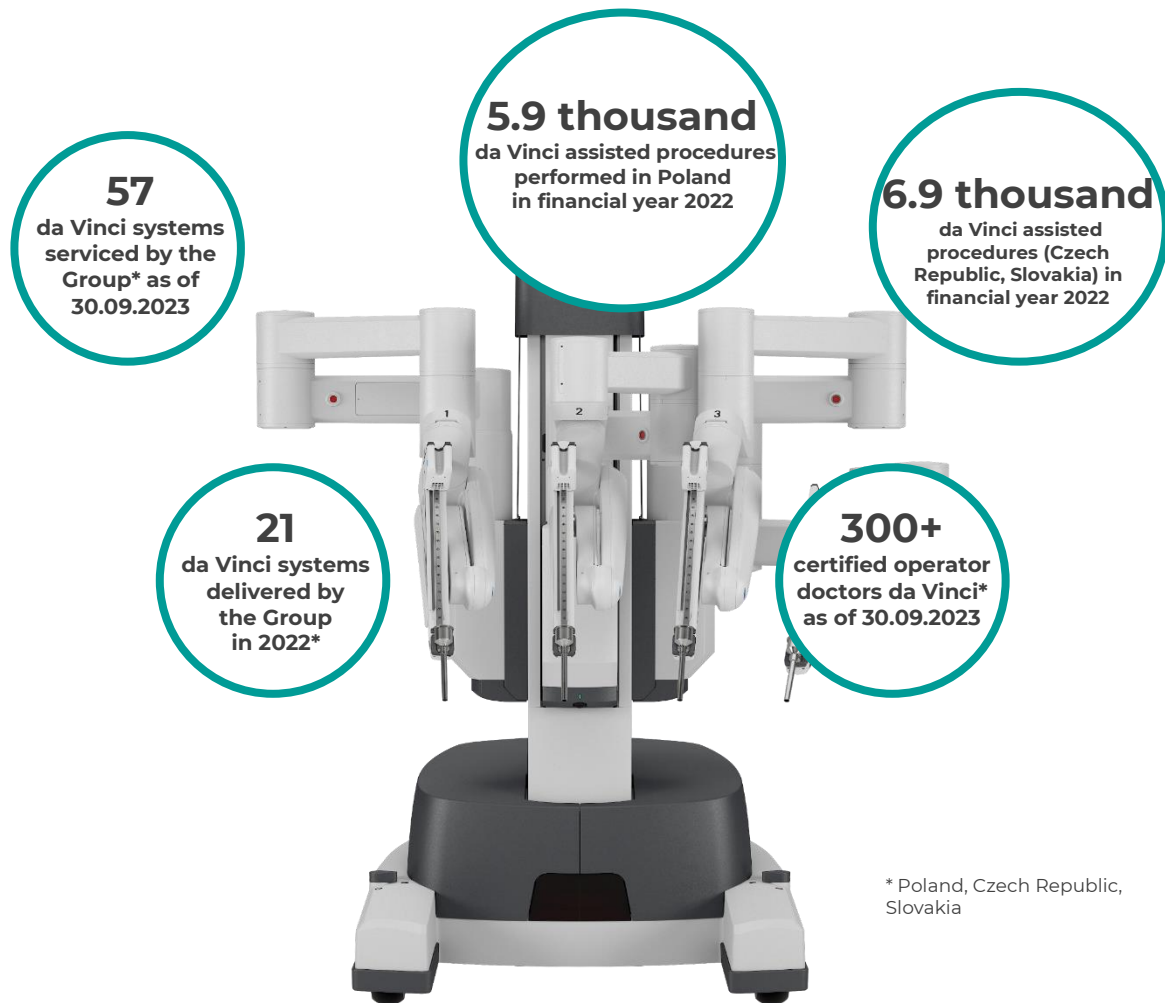
In financial year 2022, the Group delivered 11 da Vinci systems to customers in Poland. During and after the reporting period, the Group additionally provided da Vinci systems on a lease basis in Poland. As at 30 September 2023, the Group had 4 da Vinci systems leased. At the end of September 2023, there were 33 authorised da Vinci robotic systems in use in Poland, covered by the Group's maintenance service. Furthermore, by the date of the report, 8 contracts for the supply of da Vinci systems had been concluded with customers in Poland, with a completion date in the 2023 financial year:

- > with the M. Kopernik Voivodship Multispecialist Oncology and Traumatology Centre in Łódź, worth PLN 12.7 million,
- > with the Katowice Oncology Centre, worth PLN 12.9 million,
- > with the Janusz Korczak Voivodship Specialist Hospital in Słupsk, worth PLN 12.0 million,
- > with the Karol Marcinkowski University Hospital in Zielona Góra, worth PLN 13.4 million,
- > with the Maria Skłodowska-Curie Białystok Oncology Centre in Białystok, worth PLN 13.3 million,
- > with the Independent Public Regional Hospital in Szczecin, worth PLN 13.9 million,
- > with the Voivodeship Specialist Hospital in Wrocław, worth PLN 11.7 million,

- › with the Dr. A. Jurasz University Hospital No. 1 in Bydgoszcz, worth PLN 21.7 million.

From financial year 2021 under an agreement signed with Intuitive, the Group is developing its activities in the area of surgical robotics in the Czech and Slovak markets. The past financial year was marked by the continuation of the dynamic development of robotic surgery in the aforementioned countries. During the 12 months ended 30 September 2023, 6 900 procedures were performed in the Czech Republic and Slovakia assisted by the da Vinci system, 27% more than the previous year.

Commercialisation of da Vinci systems



In financial year 2022, the Group delivered 10 da Vinci systems to customers in the Czech Republic and Slovakia. At the end of September 2023, 24 authorised da Vinci robotic systems were in use by Czech and Slovak medical facilities, covered by the Group's service. Moreover, by the date of the report, 4 contracts for the supply of da Vinci systems had been concluded with customers from the Czech Republic and Slovakia, with a completion date in the 2023 financial year:

- › with a hospital in Pardubice (Czech Republic), worth CZK 85.9 million,
- › with the Military University Hospital in Prague, worth CZK 85.1 million,
- › with the Královské Vinohrady University Hospital in Prague, worth CZK 64.8 million,
- › with St Anne's University Hospital in Brno, worth CZK 89.4 million.

In total, in financial year 2022 the Group delivered and billed sales of 21 da Vinci systems to centres in Poland, the Czech Republic and Slovakia, and installations of 12 systems will be completed in the following quarters. As at 30 September 2023, the following were under the Group's service care:

33 authorised systems installed in Poland, 20 systems in the Czech Republic and four systems in Slovakia.

In the period under review, the Group also concluded contracts for, among other things:

- › supply of a magnetic resonance imaging scanner with room adaptation for a hospital in Gdańsk (contract value: PLN 5.8 million),
- › construction and furnishing of an operating theatre at the SPS St John Paul II Western Hospital in Grodzisk Mazowiecki (order value: PLN 5.7 million),
- › supply of a 1.5T MRI scanner with room adaptation for the MSWiA hospital in Warsaw in Warsaw (order value: PLN 8.3 million),
- › supply and deployment of an angiograph together with the expansion of the operating theatre for the Specialist Hospital in Kościerzyna (order value: PLN 10.0 million),
- › delivery of a CT scanner (the value of the order, carried out in a consortium, is PLN 4.0 million),

and, after the end of the reporting period, inter alia, signed a significant agreement in terms of value with a public entity for the supply of medical equipment for diagnostic imaging, and concluded a with COPERNICUS Podmiot Leczniczy Sp. z o.o. for the supply, assembly and installation of the ZAP-X system (value: PLN 22.0 million).

In financial year 2022, and thereafter until the date of the report, the Group has been developing the project of its proprietary teleradiology platform Zbadani.pl, which includes modules for sharing medical records, issuing online results and medical questionnaires, and the SynDose application (www.syndose.pl) for monitoring and reporting radiation doses used in diagnostic imaging.

6. RADIOPHARMACEUTICAL SEGMENT

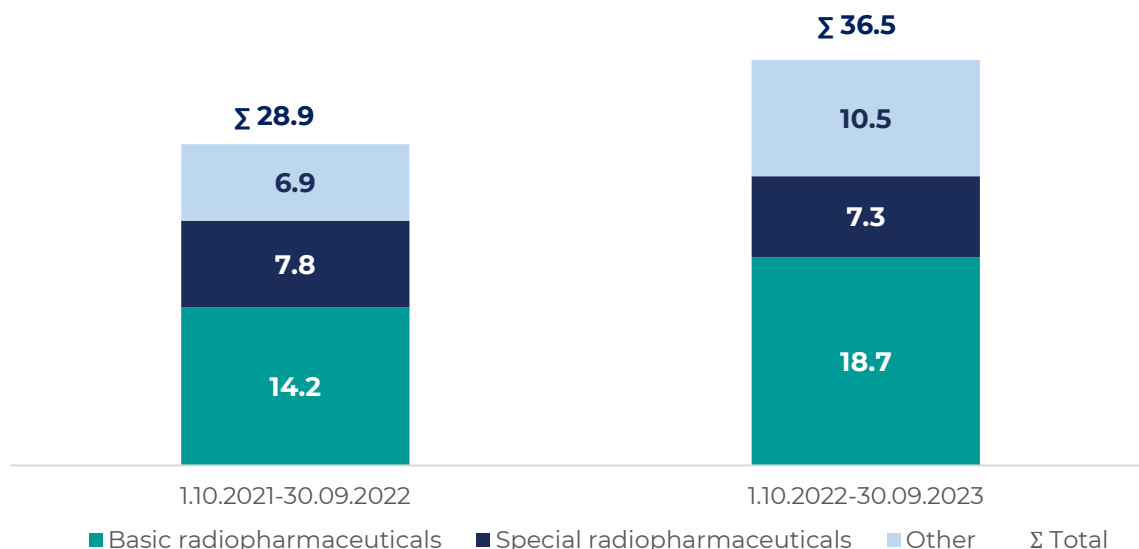
6.1. Segment performance and highlights of the 2022 financial year

In the 2022 financial year, the Group continued to pursue its development strategy for the radiopharmaceuticals segment, placing particular emphasis on sales growth and profitability, systematically strengthening its product portfolio and building a market for the advanced products offered by the Group.

In financial year 2022, the Group's radiopharmaceuticals segment revenue was PLN 36.5 million (after adjusting for intra-group transactions), compared with PLN 28.9 million in 2021 (a 26% increase). In the period under review, revenues from sales of basic radiopharmaceuticals increased by nearly 32% to a record PLN 18.7 million. Sales of speciality radiopharmaceuticals in financial year 2022 declined by 6%, to PLN 7.3 million. Sales of the complementary range amounted to PLN 10.5 million, compared with PLN 6.9 million in financial year 2021.

The segment's EBITDA in the past year increased by 54%, to PLN 11.2 million. The increase in EBITDA and segment profitability was achieved thanks to, inter alia, higher revenue and measures aimed at increasing the profitability of Group product sales.

Revenue from sale of radiopharmaceuticals (PLNm)



During the period under review, the Group continued to further develop its own radiopharmaceutical products for use in oncology and cardiology diagnostics (more in section 7).

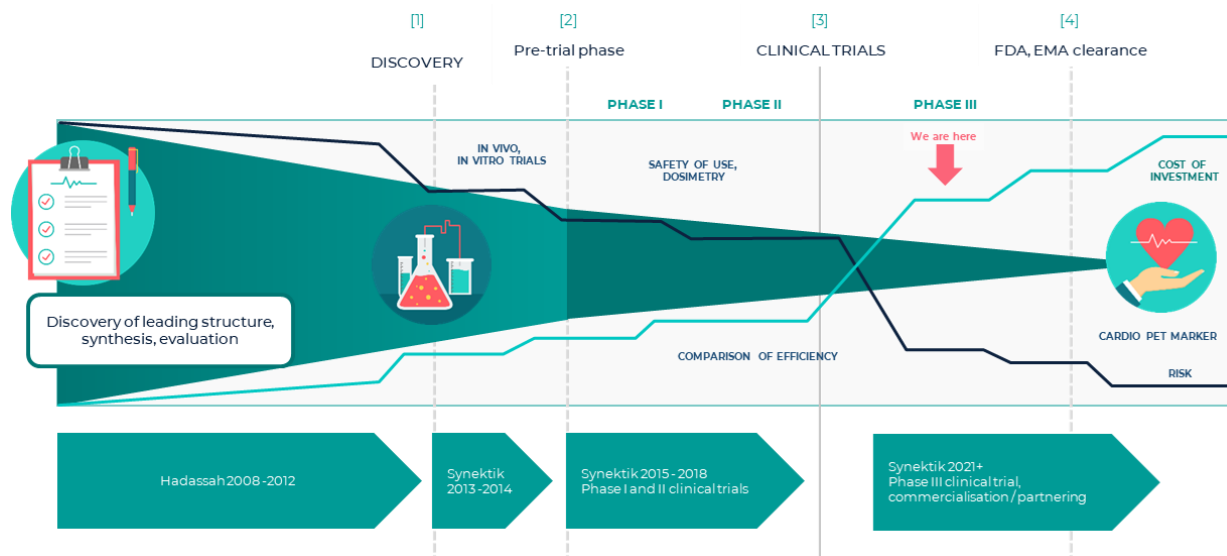
7. RESEARCH AND DEVELOPMENT ACTIVITIES

As part of its activities in the area of radiopharmaceutical production, SYNEKTIK SA has its own Research and Development Centre (RDC). The Centre's tasks include carrying out work and research on new products that will increase the effectiveness of prevention of heart disease, cancer and neurological diseases. The RDC also carries out projects to streamline production processes and improve the quality of existing products used in PET diagnostics. During the period covered by the consolidated financial statements, the Group continued to develop medical products used in the areas of cardiac, cancer and neurological diagnostics.

The most significant element of the research work was the implementation of the agreement of 14 November 2013 between SYNEKTIK SA and Hadasit Medical Research Services & Development Ltd. It concerned the acquisition of a licence and the conduct of joint work on an innovative tracer used for diagnostic tests of heart disease in the field of myocardial perfusion. Under the agreement, SYNEKTIK SA was granted exclusive rights to manufacture and sell the innovative tracer for assessing myocardial perfusion worldwide. The introduction of this cardiac tracer into diagnostic imaging will contribute to the rapid and precise diagnosis of coronary artery disease. On 9 January 2024, the Company received the termination agreement signed by Hadasit Medical Research Services & Development Ltd. and at the same time announced that further development of the cardiac tracer project, within the framework of Phase III clinical trials, will be carried out based on the active fluorine-labelled molecule, for which the exclusive intellectual rights and patent protection belong to the Company (ESPI report 2/2024).

During the period under review, the research phase conducted in collaboration with Polish medical centres was completed. In July 2023, the Group completed, with a positive outcome, consultations with the US Food and Drug Administration (FDA) under the Pre-IND meeting procedure. The consultation was aimed at obtaining confirmation of the proposed strategy for the development of the molecule by accepting the main principles of the Phase III clinical trial protocol in the US. Additionally, a presentation of the cardiac tracer to a select group of scientists at the American Society of Nuclear Cardiology congress was held in September 2023. The Company is currently in the process of transferring the technology to manufacture the cardiac tracer, which is necessary to initiate production for a multi-centre Phase III clinical trial in the United States.

Timetable for implementation of the cardiac tracer project



In parallel, in financial year 2022 the Group significantly strengthened copyright protection for the project. In December 2022, the Company became aware that the European Patent Office had granted a patent for the compound, covering the territory of the countries of the European Union and a number of other European countries belonging to the European Patent Organisation. The standard term of the patent is 20 years. The cardiac tracer is already under patent protection in the US, valid until the end of 2031, and in Poland, until 2038.

In addition, the Group is developing its own radiopharmaceutical products used in oncology diagnostics. In the past financial year, it obtained marketing authorisation for the radiopharmaceutical FLT.

The total expenditure on projects carried out by the Research and Development Centre in 2022 financial year amounted to PLN 14.8 million.

8. INVESTMENTS AND FINANCING SOURCES

In the period covered by the financial statements, SYNEKTIK Group continued to implement investment projects initiated in previous years, mainly in the area of production and research into radiopharmaceuticals and the development of IT systems.

In the 2022 financial year, the Group carried out the following investment tasks using subsidies received and financial surpluses generated:

1. Expenditure on development as part of the project to develop a cardiac marker for PET cardiac examination and new proprietary radiopharmaceuticals: value of expenditure incurred PLN 14.8 million in the current year;
2. Development work on IT systems: value of expenditure incurred PLN 1.8 million in the current year.

Use of grants

On 27 October 2015, the company signed an agreement with the National Centre for Research and Development for the co-financing of the project 'Development of a new cardiac marker, labelled with ¹⁸F, for the assessment of myocardial perfusion and diagnosis of coronary artery disease in PET (Positron Emission Tomography) examination' under Measure 1.1 'R&D projects of enterprises', sub-measure 1.1.1 'Industrial research and development works performed by enterprises' of the Operational

Programme Intelligent Development 2014-2020, co-financed by the European Regional Development Fund. The total cost of the project was PLN 10 410 754.56, while the amount of funding specified in the contract was PLN 5 540 438.28. The project's completion date was 31 December 2023. Under the agreement, the Company financed development work on the cardiac marker, and the value of the subsidy received by the balance sheet date amounted to PLN 4 377 326.90 (of which PLN 1 262 673.20 in the period covered by the financial statements).

On 14 February 2019, subsidiary Synektik Pharma Sp. z o.o. signed an agreement with the National Centre for Research and Development for funding of development and pre-implementation work as part of the project entitled 'Launch of a new radiopharmaceutical 18F-fluorothymidine (FLT) for targeted oncology diagnosis and evaluation of therapy progress'. The project was co-financed by the European Union from the European Regional Development Fund and was carried out under the Intelligent Development Operational Programme 2014-2020, Measure 1.1 R&D projects of enterprises, Sub-measure 1.1.1 Industrial research and development works carried out by enterprises. The total value of the project was PLN 1 437 726.25. The value of the grant received was PLN 780 956.11 (of which PLN 40 850.01 in the current year). The project ended in March 2023 and was fully settled in June 2023.

On 29 September 2020, the Company signed an agreement with the Mazovian Unit for Implementation of EU Programmes for co-financing of works related to the Evolution platform (trade name: Zbadani.pl) as part of the project entitled 'Data lake in radiology - development of repositories for research purposes'. The project is co-financed by the European Union with funds from the European Regional Development Fund and the state budget as part of the Regional Operational Programme of the Mazowieckie Voivodeship for 2014-2020 under Action 1.2 'Research and development activity of enterprises'. The total value of the project was PLN 2 506 723.55. The amount of co-financing was PLN 961 067.86. The funding received was earmarked for research work in the development of innovative methods in the field of cloud solutions (IT in radiology) for future clinical research, statistical studies, as well as for the development of artificial intelligence algorithms and analytical data models. The results of the R&D work will be implemented in the Zbadani.pl platform. The value of the grant received to the balance sheet date was PLN 961 067 86 (PLN 447 460.68 in the current year). The project was completed in December 2022, and the final settlement took place in March 2023.

Use of investment loans

On 31 May 2022, subsidiary Synektik Pharma Sp. z o.o. (Borrower) entered into an investment loan refinancing agreement in the amount of PLN 5 200 000 with Bank Handlowy w Warszawie SA, based in Warsaw at ul. Senatorska 16. Repayment of capital and interest instalments is in accordance with the agreement schedule, and the value of the loan as at 30 September 2023 is PLN 1 300 000.00.

In the following years, SYNEKTIK Group intends to finance capital expenditures related to the continuation of work on its own radiopharmaceuticals and work on a cardiac tracer, subsidies received with surpluses generated from operating activities and potential proceeds from the partnership agreement. In the opinion of the Parent's Management Board, there are currently no major risks that could negatively affect the fulfilment of investment intentions.

9. COMPANY AND GROUP FINANCIAL SITUATION IN FINANCIAL YEAR 2022

9.1. Group financial situation

Selected consolidated financial data

in PLNk	2022 (from 1.10.2022 to 30.09.2023)	2021 (from 1.10.2021 to 30.09.2022)
Net revenue from sales	446 871.57	166 860.94
Profit (loss) on operating activities (EBIT)	67 862.32	17 617.90
Recurring EBITDA*	97 316.42	32 209.96
Total comprehensive income	52 432.63	10 335.15

*EBITDA adjusted for one-off items and development costs recognised in period results

Table 3: Selected consolidated financial data

in PLNk	30.09.2023	30.09.2022
Non-current assets, including:	131 291.00	126 727.13
Property, plant and equipment	37 662.69	35 126.70
Intangible assets	50 345.34	56 632.46
Current assets, including:	168 624.36	109 753.06
Inventories	21 273.21	48 280.44
Current trade receivables	79 658.54	47 370.34
Cash	62 663.19	9 678.54
Equity	134 201.01	87 846.09
Non-current liabilities, including:	47 481.02	43 726.52
Non-current bank credit and loans	-	1 300.00
Current liabilities, including:	118 233.33	104 907.58
Current bank credit and loans	1 300.00	20 570.04
Current trade and other payables	90 819.39	71 592.90

Table 4: Selected consolidated balance sheet data

Selected consolidated financial ratios

in PLNk	30.09.2023	30.09.2022
Profitability		
ROE net profit to equity at the end of the period	39%	12%
ROA net profit to total assets at the end of the period	17%	4%
Operating margin operating profit to net sales revenue	15%	11%
Recurring EBITDA margin recurring operating profit plus depreciation and amortisation (EBITDA) to net sales revenue	22%	19%
Net profitability Net profit to net sales revenue	12%	6%
Liquidity		
Current ratio current assets to current liabilities	1.43	1.05
Quick ratio current assets less inventories to current liabilities	1.25	0.59
Inventory		
Inventory turnover cycle value of inventories at the end of the period to operating income (during the reporting period, expressed in days)	17.4	105.6
Receivables turnover cycle value of receivables at the end of the period to operating income (during the reporting period, expressed in days)	65.1	103.8
Operational cycle sum of inventories and receivables at the end of the period to operating income (during the reporting period, expressed in days)	82.5	209.4
Liability turnover cycle value of trade payables at the end of the period to operating income (in the reporting period, expressed in days)	83.6	182.4
Cash conversion cycle value of inventories and receivables at the end of the period less trade payables at the end of the period to income (during the reporting period, expressed in days)	-1.1	27.0
Debt		
Net debt (PLNm) interest-bearing liabilities (including accrued interest) at the balance sheet date less cash value	-43.9	27.2
Equity to assets ratio Equity to total assets	0.45	0.37
Debt to equity ratio total liabilities to equity	1.23	1.69
Debt ratio total liabilities to total assets	0.55	0.63

Table 5: Selected consolidated financial ratios

Discussion of the Group's financial results

SYNEKTIK Group achieved PLN 446.9 million in consolidated revenues in 2022 financial year, 168% more than in 2021 financial year, generating PLN 97.3 million recurring EBITDA from operations (cleared of the impact of non-recurring events and R&D-related costs), compared to PLN 32.2 million recurring EBITDA in 2021 financial year (up 202%). The record revenue and EBITDA were achieved due to the growth of both business segments, in particular the strong sales growth of the medical equipment supply, IT solutions and services segments. Sales revenue and EBITDA of the medical equipment, IT solutions and services segment amounted to PLN 410.4 million (excluding intragroup transactions) and PLN 98.9 million, respectively, compared with PLN 138.0 million and PLN 29.7 million EBITDA a year earlier (up 197% and 233%, respectively).

The Group's total income in the 2022 financial year amounted to PLN 52.4 million, against PLN 10.3 million a year earlier (a 407% increase). The higher growth rate of total income was due to, among other things, lower financial expenses (PLN -2.2 million balance of income, expenses and result of associates, against PLN -5.3 million a year earlier).

The Group ended 2022 with an increase in operating profitability and recurring EBITDA profitability by 4 and 3 percentage points, respectively, to 15% and 22%. The Group's net profitability doubled during the period under review, to 12%.

SYNEKTIK Group's balance sheet total at 30 September 2023 was almost PLN 300 million, compared with PLN 236.5 million at 30 September 2022 (a 27% increase). In the asset category, inventories decreased by PLN 27 million over the year, to PLN 21.3 million at the end of September 2023. Due to the dynamic increase in sales and the realisation of contracts of significant value in the last quarter of the financial year, trade receivables increased by PLN 33.3 million and the Company reported a PLN 53 million higher cash balance at the end of the year (PLN 62.7 million at the end of September last year). The Group's liabilities from credit, loans and other debt instruments decreased by PLN 20.6 million (to PLN 1.3 million), and trade liabilities increased by PLN 19.3 million, to PLN 90.8 million. The Group ended the financial year with a surplus of cash over financial liabilities of PLN 43.9 million.

In the Management Board's view, the Group's financial and liquidity position is very good, as evidenced by the positive development of key indicators.

9.2. SYNEKTIK SA's financial situation

Selected separate financial data

in PLNk	2022 (from 1.10.2022 to 30.09.2023)	2021 (from 1.10.2021 to 30.09.2022)
Net revenue from sales	254 285.46	112 892.80
Profit (loss) on operating activities (EBIT)	31 513.31	3 944.05
Recurring EBITDA*	52 393.96	17 843.40
Total comprehensive income	25 906.85	1 485.67

Table 6: Selected separate financial data

*EBITDA adjusted for one-off items and development costs recognised in period results

in PLNk	30.09.2023	30.09.2022
Non-current assets, including:	72 900.58	66 277.07

Annual report on the activities of SYNEKTIK SA
and SYNEKTIK Group

in PLNk	30.09.2023	30.09.2022
Property, plant and equipment	15 513.26	17 227.21
Intangible assets	19 307.17	18 909.45
Current assets, including:	109 001.93	79 544.59
Inventories	15 922.95	31 780.38
Current trade receivables	50 103.89	36 590.01
Cash	39 769.81	7 673.87
Equity	75 703.40	54 914.03
Non-current liabilities	25 439.03	19 490.25
Current liabilities, including:	80 760.06	71 367.38
Current trade and other payables	67 828.56	52 674.06

Table 7: Selected separate balance sheet data

Selected separate financial ratios

in PLNk	30.09.2023	30.09.2022
Profitability		
ROE net profit to equity at the end of the period	34%	3%
ROA net profit to total assets at the end of the period	14%	1%
Operating margin operating profit to net revenue from sales	12%	3%
Recurring EBITDA margin recurring operating profit plus depreciation and amortisation (EBITDA) to net sales revenue	21%	16%
Net profitability net profit to net revenue from sales	10%	1%
Liquidity		
Current ratio current assets to current liabilities	1.35	1.11
Quick ratio current assets less inventories to current liabilities	1.15	0.67
Inventory		
Inventory turnover cycle value of inventories at the end of the period to operating income (during the reporting period, expressed in days)	22.9	102.8
Receivables turnover cycle value of receivables at the end of the period to operating income (during the reporting period, expressed in days)	71.9	118.3
Operational cycle sum of inventories and receivables at the end of the period to operating income (during the reporting period, expressed in days)	94.8	221.1

in PLNk	30.09.2023	30.09.2022
Liability turnover cycle value of trade payables at the end of the period to operating income (in the reporting period, expressed in days)	97.4	170.8
Cash conversion cycle values of inventories and receivables at the end of the period less trade payables at the end of the period to income (during the reporting period, expressed in days)	-2.6	50.3
Debt		
Net debt (PLNm) interest-bearing liabilities (including accrued interest) at the balance sheet date less cash value	26.94	14.05
Equity to assets ratio Equity to total assets	0.42	0.38
Debt to equity ratio total liabilities to equity	1.40	1.65
Debt ratio total liabilities to total assets	0.58	0.62

Table 8: Selected separate effectiveness ratios

10. DESCRIPTION OF THE MARKETS WHERE THE COMPANY AND GROUP OPERATE

10.1. Medical product market

SYNEKTIK Group, working with world-leading manufacturers within the medical device market, offers state-of-the-art equipment used for diagnostics and therapy.

According to data made available by the All-Poland Chamber of Commerce of Medical Devices POLMED, the size of the medical devices market in Poland in 2020, as measured by the revenues of the entities operating therein, was PLN 17.5 billion. During this period, demand for medical devices in the country came primarily from public and private healthcare providers, which generated 63.7% of the total domestic demand, i.e. PLN 7.8 billion. In summary, spending on medical devices in 2020 was 7.4% of total health spending, while accounting for 7.2% of public and private healthcare systems' spending.¹ The market growth can be driven by an expected increase in public spending on medical care and the use of available EU funding for medical purchases.

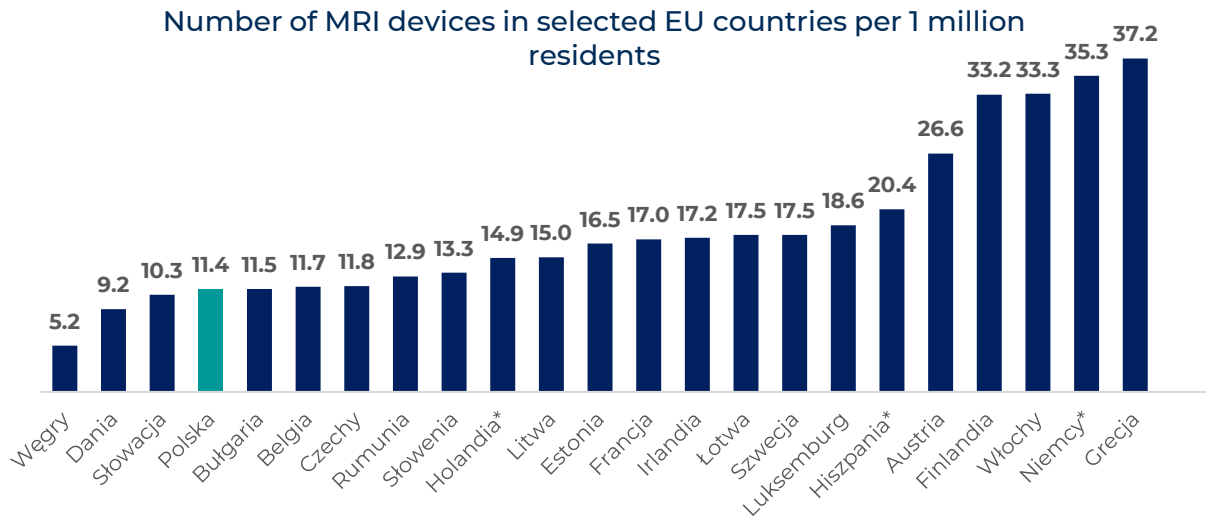
Medical devices used for diagnosis

The Group currently offers CT scanners, MRI scanners, angiography machines, mammography machines, PET-CT machines, bedside X-ray machines, fluoroscopy machines, ultrasound machines, C-arm X-ray machines or radiography machines, as well as contrast injectors.

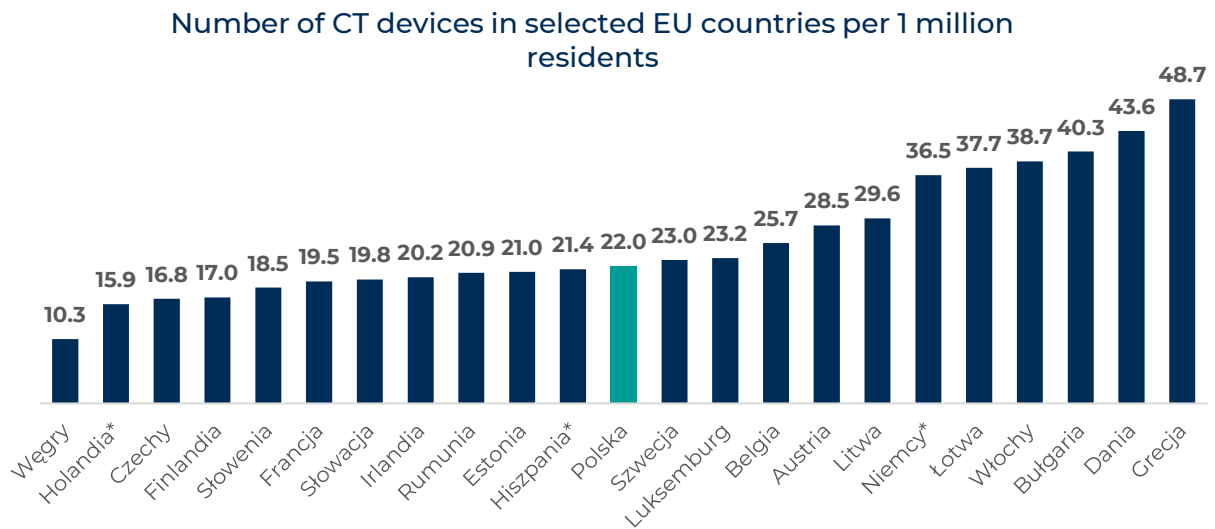
The current state and potential of the Polish imaging diagnostics market can be illustrated by statistics on the number of diagnostic devices in the country's medical facilities. A common indicator is the OECD's health statistics on, for example, the number of computed tomography (CT) or magnetic resonance imaging (MRI) machines per one million inhabitants.

¹ Report "Medical device sector in Poland Size, impact, significance", https://polmed.org.pl/wp-content/uploads/2022/06/Raport_online_FINAL_1.07.22.pdf (10.12.2023).

Comparing the Polish market to other countries, Poland is still in the lower half of market saturation for diagnostic imaging equipment.



Source: OECD, <https://data.oecd.org/healthqt/magnetic-resonance-imaging-mri-units.htm> (13.12.2023), data for 2022 or earlier (explanatory notes: * - projected or provisional data)



Source: OECD, <https://data.oecd.org/healthqt/computed-tomography-ct-scanners.htm#indicator-chart> (13.12.2023); data for 2022 or earlier (explanatory notes: * - projected or provisional data)

OECD data shows that, among other countries, Poland is in the middle of the market saturation for diagnostic imaging equipment. In Poland, there were 22.04 CT scanners per million population in 2021 (20.1 in 2020 and 18.2 in 2019) and 11.44 MRIs (10.5 in 2020 and 9.3 in 2019), and this is lower for many countries in the region. However, the numbers of devices are gradually growing. For comparison, in Poland there were 13.45 CT scanners and 4.78 MRIs per million inhabitants in 2011.

In most EU countries, CT scans are still the most commonly used diagnostic technology. This is especially the case in countries such as Belgium, Luxembourg, Greece and Portugal, where the use of CT is still more than twice that of MRI.² In Poland, the situation is reversed: according to the National

²Source: OECD, <https://www.oecd-ilibrary.org/sites/4389811d-en/index.html?itemId=/content/component/4389811d-en> (14.12.2023).

Health Fund, in 2022 the number of CT examinations will be 1.5 million and MRI 1.9 million (compared to 1.4 million and 1.6 million examinations respectively in 2021).

Products used in therapy

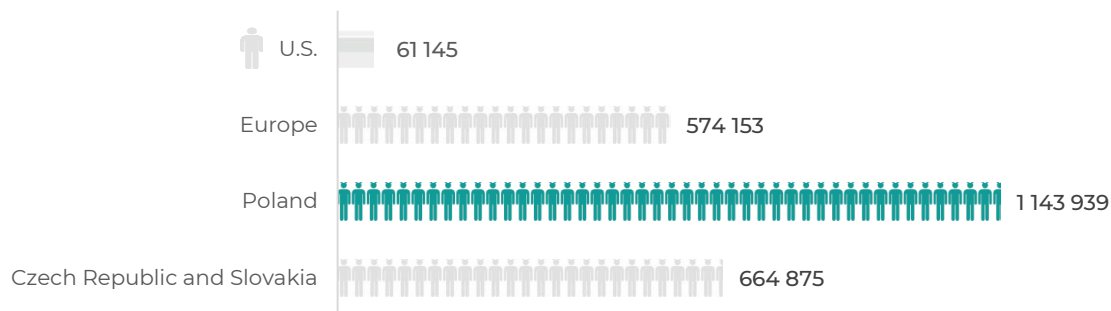
SYNEKTIK's product portfolio includes devices for intraoperative radiotherapy, brachytherapy, radiosurgery, ultrasound therapy and oncology pharmacy, as well as robotic surgery.

Market for robotic systems for surgery

According to forecasts by Upper Finance experts and the Polish Federation of Hospitals, the surgical robotics market in Poland will grow from PLN 310 million to almost PLN 948 million between 2022 and 2027, which means that the average annual growth in value (CAGR) of this segment will be 25%. This value includes the estimated amount of sales of robots, as well as the purchase of instruments and disposable materials needed to perform procedures, the cost of servicing and the value of the medical services themselves.³

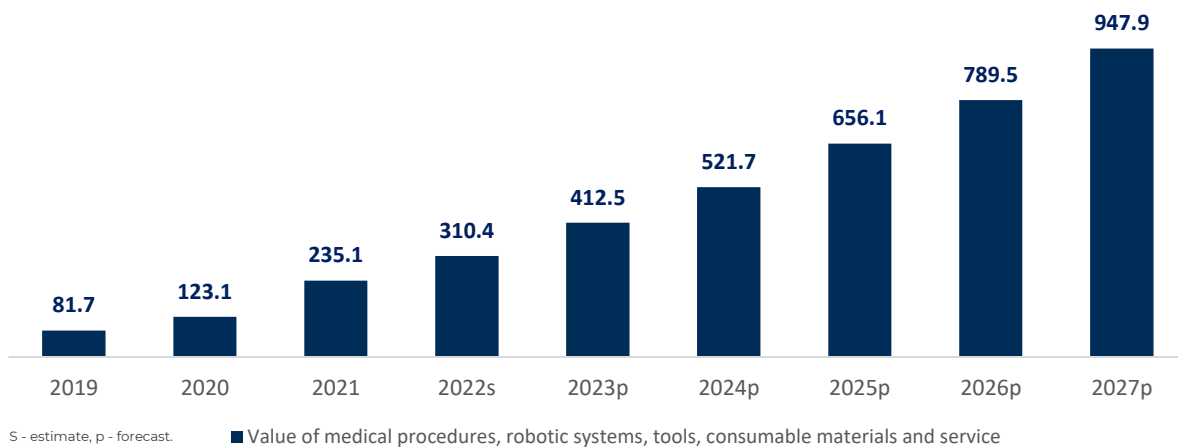
Urology, gynaecology and general surgery are the three main areas of use for da Vinci systems. The advantages of da Vinci technology mean that the number of procedures performed with the assistance of these robotic systems is growing rapidly worldwide, with more than 1.8 million operations performed in 2022.

Number of inhabitants per one da Vinci device in Poland compared to selected world regions



Source: Own research (data available as at 30.09.2023).

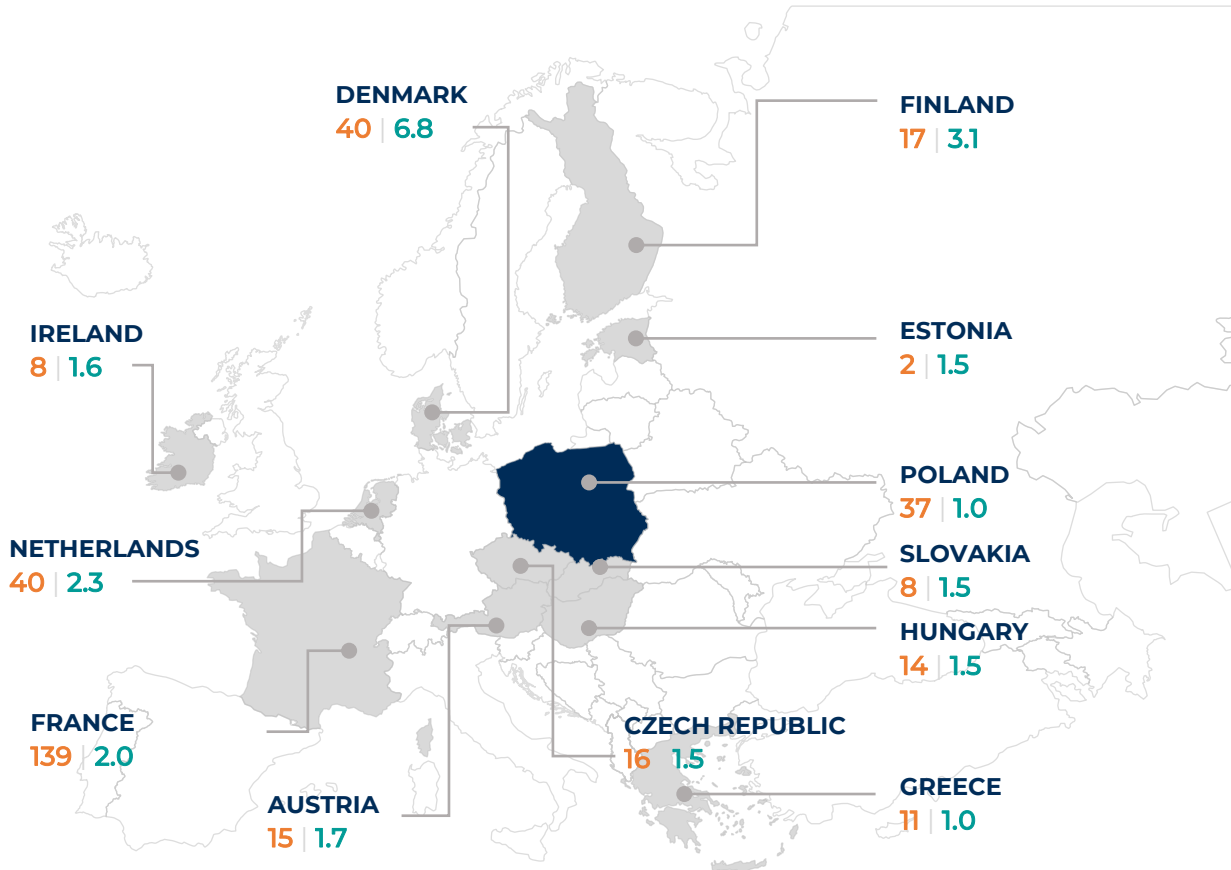
Surgery robotics value in PLNm and market dynamic in Poland, 2019-2027



³ Report by Upper Finance and the Polish Federation of Hospitals entitled "Surgical robotics market in Poland 2022. Development forecasts for 2022-2027", https://upperfinance.pl/wp-content/uploads/2022/09/Raport_2022_2109.pdf (27.12.2022).

10.2. Manufacturing market for radiopharmaceuticals for PET/CT examinations

Number of PET scanners in selected countries in Europe



- - number of PET scanners in selected countries in Europe
- - number of scanners per 1 million inhabitants of a country

Source: compiled using own data and data from the Supreme Chamber of Control (<https://www.nik.gov.pl/aktualnosci/niecertyfikowane-radiofarmaceutyki.html>, 30.11.2021), <https://www.eshi-society.org/petct-map/> (14.12.2023); data for 2018 or later, for Poland for 2023.

In Western Europe, already in 2003, there was one PET (positron emission tomography) scanner for fewer than 2 million inhabitants. Available data show that this figure is now higher. For example, in Greece there is 1 scanner per 1 million inhabitants, and in Denmark the number is 6.8. In Poland, the number of PET devices is still small in relation to the number of inhabitants. There are currently 37 PET-CT devices in Poland, which gives a result of 0.98 scanners per 1 million citizens. Most labs are located in the Mazowieckie Voivodeship. For comparison, in Poland in 2011, there were 0.42 positron emission tomography scanners per 1 million inhabitants.

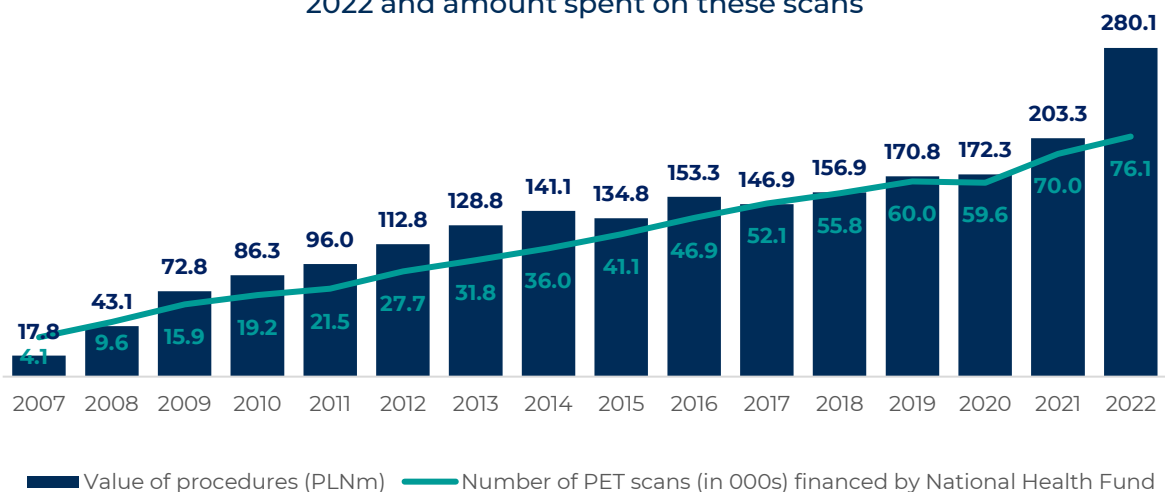
Poland's first commercial cyclotron for the production of authorised radiopharmaceuticals was installed and commissioned by SYNEKTIK Group in 2012. There are currently 9 cyclotrons in operation in Poland, 4 of which have been purchased and installed by public entities. The remaining 5 production facilities belong to private entities (including SYNEKTIK Group - 3 facilities).

Distribution of medical cyclotrons in Poland for the production of radiopharmaceuticals used in PET studies



Source: Own compilation based on data from the Supreme Audit Office,
<https://www.nik.gov.pl/aktualnosci/niecertyfikowane-radiofarmaceutyki.html> (30.11.2021)

Number of PET scans financed by National Health Fund in 2007-2022 and amount spent on these scans



The above data shows that the level of contracting of PET-CT examinations by the National Health Service (especially in 2021-2022) increased in the following years. With a further increase in public spending on health care, projected by the Ministry of Health for the next few years, and an increase in

the importance of early disease detection, further growth in the use of PET-CT examinations in diagnostics can be expected.

According to the OECD, the use of PET scans has increased over the past two decades, as have CT and MRI scans, but still remains much more limited than CT and MRI scans. This is due to the specificity of PET examination and the indications for its use.

PET equipment in Poland is still used to a lesser extent than in other countries. In terms of the number of examinations per 1 000 inhabitants, Poland is at the bottom of the list. The use of equipment could be several times higher, which would directly increase the demand for radiopharmaceuticals.

11. COMPANY AND GROUP DEVELOPMENT PROSPECTS

According to the Management Board, the key factors that will affect the financial results achieved by the Group in the outlook for the coming quarters are:

1. expected rise in sales of medical equipment, IT and maintenance services, stimulated, among other things, by the expansion of the Group's offering to include equipment used in therapy, an increase in spending on healthcare in Poland, an increase in investments by the public healthcare segment in medical equipment related to the spending of EU funds under the 2021-2027 financial perspective,
2. development of activities in the field of surgical robotics, including further dynamic growth of operations in Poland, stimulated, inter alia, by the introduction of dedicated reimbursements for further types of surgical procedures assisted by robotic systems in addition to prostatectomy (surgical treatment of endometrial cancer and colorectal cancer), and consistent development of operations in the Czech and Slovak markets,
3. growth in domestic sales of radiopharmaceuticals achieved by strengthening the Group's position in the market, expanding the portfolio of radiopharmaceuticals offered by the Group with new products, as well as organic market growth,
4. development of the activities of the Clinical Research Centre, which carries out clinical trials for third parties, clinical trials related to a cardiology product and development work on oncology products,
5. development of the product range and introduction of new solutions in the area of medical equipment and IT solutions,
6. continuing work on the cardiac tracer,
7. decisions of the Monetary Policy Council on the level of interest rates and their impact on the availability of financing for the Group's customers and the level of the Group's financing costs,
8. exchange rate differences related to volatility in the foreign exchange market,
9. impact of Russia's aggression against Ukraine on the domestic and global economy, including global supply chains, commodity prices, including energy prices).

In the opinion of the Parent's Management Board, the implementation of the Group's development strategy, combined with significant changes in the market environment, will lead to:

- > increase in sales revenue,
- > increased profitability and efficiency of the capital employed,
- > increase in the value of the Group.

12. RISK FACTORS

In the opinion of the Parent's Management Board, the following factors influence the activities of SYNEKTIK Group companies:

Risk associated with the manufacturing process of radiopharmaceuticals

The ability to commercially manufacture radiopharmaceuticals is subject to compliance with a number of legal regulations, in particular pharmaceutical and nuclear law. These laws set out, among other things, the requirements for personnel, premises and equipment, production, documentation, quality control and labelling and other requirements that had to be met by the Parent Company's subsidiary Synektik Pharma Sp. z o.o. in order to obtain authorisation to start manufacturing radiopharmaceuticals. Should Synektik Pharma Sp. z o.o. cease to meet the requirements set out in the legislation, the company's licence to manufacture radiopharmaceuticals could be lost, its financial condition and development prospects could deteriorate. Moreover, the process of manufacturing radiopharmaceuticals is technologically complex. There is a risk that errors will occur during it, resulting in a change in the properties of the manufactured products. In extreme cases, this may result in side effects for patients taking radiopharmaceuticals and thus in the Issuer's liability for damages and damage to its reputation.

Risks associated with research and plans for the production of a cardiac tracer

The Group is researching and developing an innovative radio tracer for diagnostic testing of diseases of the circulatory system to assess myocardial perfusion. This tracer enables the assessment and qualitative analysis of the patient's condition after myocardial infarction and in ischaemic heart disease, as well as the assessment of cardiac ejection fraction and the severity of coronary artery disease.

During the period covered by the financial statements, the Company continued to work on clinical trials. Future economic benefits from the project will result from the licensing of its production to third parties (partnering agreement) and from the in-house production of the cardiac tracer. There is a risk that the results of the clinical trials will not be completed successfully or within the timeframe anticipated by the Issuer. Furthermore, due to the fact that the process leading to the registration and commencement of manufacturing of the new product has multiple stages and requires compliance with numerous regulatory standards and obligations, there is a risk that commercial sales of the new radiopharmaceutical will commence later than the Group anticipates.

Risk associated with research work and the operation of the Research and Development Centre

The Parent, as part of the Research and Development Centre, conducts development work on new radiopharmaceuticals used for oncology and neurological diagnostics. This work focuses on the development of new products, optimisation of the existing one and development of a new, more efficient and cost-effective manufacturing technology, which will contribute to gaining a competitive advantage, reducing manufacturing costs and offering customers a more durable, more stable and better quality product. There is a risk that the research work carried out will not be fully successful and that the results achieved will be below the expected results.

Risk associated with participation in public tenders

A significant part of the contracts signed by SYNEKTIK Group are concluded as a result of winning public procurement procedures conducted in accordance with the Act of 29 January 2004 - Public Procurement Law (Polish Journal of Laws of 3.10.2018, item 1986, as amended). This Act provides that the contracting authority will select the most advantageous tender on the basis of the tender evaluation criteria defined in the terms of reference (Article 91, sec. 1), and the tender evaluation criteria may be: price or cost or price or cost and other criteria relating to the subject matter of the contract (...) (Article 91, sec. 2-2b). As the price must always be taken into account when selecting an offer, although it does not have to be the only criterion, in Poland the vast majority of public procurement procedures are based solely on the criterion of the most advantageous price. 84.9% of SYNEKTIK SA's sales revenue and 78.7% of the Group's revenue in 2022 financial year were revenues from contracts concluded in the course of a procedure of public procurement. Given the competition in the market for the supply of medical equipment and IT solutions, the Capital Group cannot assure that in the future the revenues generated from contracts concluded under public procurement will not decrease

and/or that the profitability of these contracts will not deteriorate. This could occur as a result of pressure to provide services and products at lower prices and, in certain cases, better quality than those offered by its competitors.

Risk associated with sales being concentrated in a major customer for radiopharmaceuticals

Affidea Sp. z o.o.'s share of radiopharmaceutical sales revenue generated by Synektik Pharma Sp. z o.o. was 30.1% in the 2022 financial year, while its share of SYNEKTIK Group sales revenue was 2.5%. The Issuer perceives dependence on the cooperation agreement dated 30 December 2022, under which it sells radiopharmaceuticals to Affidea Sp. z o.o. SYNEKTIK Group's cooperation with Affidea Sp. z o.o. has been running smoothly for many years and is based on a multi-year agreement, the termination of which is limited to a few material considerations.

Risk associated with cooperation with key medical equipment manufacturers

SYNEKTIK SA is a partner in the distribution of specialised medical equipment for: imaging diagnostics (which includes equipment such as CT scanners, MRIs, X-ray machines, mammograms, angiographs, contrast injectors), for therapy (which includes equipment such as robotic systems for minimally invasive surgery, equipment for brachytherapy, radiotherapy and radiosurgery) and equipment used in medicine. Medical equipment is acquired by the Company on the basis of cooperation agreements with leading international equipment manufacturers, such as Intuitive Surgical, Philips, ZAP Surgical, Insightec, Carl Zeiss, Eckert & Ziegler, Loccioni, Medtron, Comecer.

As Intuitive Surgical's share of revenue in the medical equipment, IT solutions and maintenance and measurement services segment in 2022 financial year was 48.8 per cent and 44.9 per cent at the Group level, the Company recognises its dependence on the aforementioned supplier and the terms of cooperation. An agreement with Intuitive Surgical was concluded on 5 July 2018, under which the Company became the exclusive distributor of da Vinci systems in Poland. On 19 May 2021, an annex to the aforementioned agreement was signed extending the cooperation until 30 April 2026. In addition, on 21 December 2021, SYNEKTIK SA and Intuitive concluded an annex to the cooperation agreement, by virtue of which the Group, as of 1 February 2022, became the exclusive distributor of da Vinci robotic systems in the Czech Republic and Slovakia, through its subsidiary Synektik SA. The expansion into a new territory strengthens Synektik Group's market position in cooperation with Intuitive.

It cannot be ruled out that, as a result of various events, the terms and conditions of and/or termination of cooperation with the aforementioned suppliers could deteriorate the Group's financial position and slow down the pace of its development. This could also result in the need to establish cooperation with other suppliers of medical equipment, on worse terms than the current ones.

Interest rate risk

SYNEKTIK Group currently has a long-term loan, leases and an overdraft facility based on a floating interest rate. The total value of SYNEKTIK Group's financial liabilities as at 30 September 2023 is PLN 11 137 249.71 (excluding leases). As a result of having liabilities based on a variable interest rate, the amount of financial costs depends on the level of interest rates. An increase in interest rates will result in an increase in finance costs.

Risk associated with seasonality of sales

SYNEKTIK SA generates the majority of its sales revenues in the second half of the year, especially in the last calendar quarter. This seasonality can be seen mainly in the revenues generated in the segment for the delivery of medical equipment and IT solutions. This is due to the manner in which the assumed budgets are implemented by public healthcare institutions, which are purchasers of the Company's services and products in the indicated business segments, as they actively spend funds precisely at the end of the year. There is therefore a risk of liquidity disruption as a result of the recorded seasonality of sales. If SYNEKTIK SA's quarterly results are interpreted without reference to results from other quarters, the phenomenon of seasonality may also result in an erroneous assessment of the profitability of operations.

Risk associated with higher operating costs

The Group's financial performance is influenced by a number of factors beyond the Group's control, some of which also affect its operating costs. These factors include, among others, an increase in the salaries of highly qualified employees, such as IT specialists, engineers and specialists in pharmacy, nuclear medicine and radiological protection, as well as changes in the prices of goods purchased by the Parent or tax changes (including changes in the amount of VAT on medical equipment). If such an increase in costs is not accompanied by a simultaneous increase in SYNEKTIK SA's revenue, there is a risk that its financial position will deteriorate.

Risk associated with the departure of qualified staff

SYNEKTIK Group's operations and its development prospects are largely dependent on the knowledge, experience and qualifications of its key employees. Significant demand for specialists in the industries in which the Group operates and the actions of the competition may lead to the departure of key personnel and hinder the process of recruiting new employees with appropriate knowledge, experience and qualifications. There is a risk that the departure of key employees will have a negative impact on the implementation of the Group's projects and on ensuring the appropriate quality and scope of services, which in turn may have a negative impact on the Group's operations and financial position.

Risk associated with demand for products and services

The Group's business is strongly influenced by demand for the IT solutions and medical equipment it offers, as well as for the medical equipment maintenance and laboratory services it provides. A possible decrease in - or smaller than expected increase in - public and private investment in new medical equipment and IT solutions may adversely affect the Company's financial results in the future. A significant portion of the Group's revenue is derived from contracts concluded with entities whose activities are financed by the National Health Fund, the Ministry of Health, local governments, European Union funds and other sources of public money. A significant change in the policy of funding providers may therefore also have a negative impact on the financial situation.

Risks associated with changes in medical technology and products

The Group provides the market with IT solutions, high-tech medical devices and a full range of services and support for medical facilities in the field of diagnostic imaging. There is a risk that technologies and products will become so innovative that the solutions offered by the Group to date will prove technologically obsolete, which would reduce the Group's revenue and financial performance.

Risk associated with the legal environment

Changes to the Polish legal system may pose risks to the Group's operations. This applies in particular to regulations in the following areas of law: business law, including regulations governing business activities in the healthcare sector, pharmaceutical law, nuclear law, labour and social insurance law, tax law, commercial law and corporate law, in particular public companies. The regulations governing the aforementioned areas of law introduce a number of requirements that the Group is required to know and fulfil.

Risk associated with the tax system

The Polish tax system is characterised by a high degree of changeability of regulations, which are, moreover, formulated in an imprecise manner without an unambiguous interpretation. Interpretations of tax regulations are subject to frequent changes, while both tax authorities and judicial decisions in the tax sphere do not have uniform positions worked out. All this exposes Polish companies to greater risk than companies operating in more stable tax systems. If the tax authorities adopt an interpretation of tax regulations different from the one adopted by the Company, which is the basis for the calculation of its tax liability, this may adversely affect the Issuer's operations, its financial position, results and development prospects.

Foreign exchange risk

The main suppliers of goods distributed by the Group are international manufacturers of medical equipment (86.9% in the Group's purchases), settlements with which are largely carried out in foreign currencies (USD or EUR). The specific nature of the business in the segment of medical equipment supplies and IT solutions, with a significant share of sales based on tender proceedings, means that the increased volatility of currency exchange rates in the short term increases the exchange rate risk associated with the settlement of commercial obligations to suppliers. The risk associated related to foreign exchange rates is mitigated as a result of: the use of currency price lists for some customers and individual pricing for individual sales projects (applies to the supply of medical devices). In addition, in order to mitigate the aforementioned risk, the Group uses, for the largest contracts, financial instruments to hedge the exchange rate risk (*forward* contracts).

13. OTHER INFORMATION

13.1. Rules for preparing financial statements

These financial statements are the consecutive consolidated financial statements of SYNEKTIK Group, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Until 31 December 2013, the Group had prepared its financial statements in accordance with the Accounting Act Accounting Act and, until the end of 2010, also benefited from the exemption from the preparation of consolidated financial statements on the basis of art. 58 sec. 1 of the Accounting Act. These financial statements have been prepared for the period from 1 October 2022 to 30 September 2023.

The financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. At the date of preparation of the financial statements, there are no circumstances indicating a threat to the going concern of the Group companies.

The financial statements have been prepared under the historical cost concept, except for the revaluation of certain financial instruments.

These financial statements have been prepared in Polish zloty. The Polish zloty is the functional and reporting currency of SYNEKTIK SA.

The financial statements consist of:

- > consolidated statement of comprehensive income
- > consolidated statement of financial position
- > consolidated statement of changes in equity
- > consolidated statement of cash flows
- > explanatory notes to the consolidated financial statements
- > separate statement of comprehensive income
- > separate statement of financial position
- > separate statement of changes in equity
- > separate statement of cash flows

The principal accounting policies applied by the Company are set out in the notes to the separate annual financial statements and by the Group in the notes to the consolidated annual financial statements.

13.2. Sales markets, customers and suppliers

Sales markets

In the 2022 financial year, SYNEKTIK Group's primary market was domestic sales, which accounted for 64.2% of the Group's sales revenue. In the case of domestic sales, the recipients of goods, products

and services provided by SYNEKTIK Group companies were both public sector entities (public healthcare institutions), non-public medical institutions (private healthcare institutions) or other entities operating in the healthcare market.

Share of public sector entities in sales revenue in a given segment of SYNEKTIK SA Group's operations in 2022 financial year

Sale of medical equipment and IT solutions together with service activities	81.31%
Manufacture and sale of radiopharmaceuticals	57.06%
Total revenue from sales - Issuer's Group	79.09%

Table 9: Share of public entities in the sales structure (excluding internal sales)

In the segment of sales of medical devices and IT solutions, the share of customers is diversified due to the fact that the Group has more than 600 customers and, in addition, an increasing value of sales is based on contracts for the supply of disposable consumables and services. During the period under review, the medical devices and IT solutions sales segment did not have any sales to a single customer exceeding the threshold of 10% of segment revenues.

In the radiopharmaceuticals manufacturing segment, SYNEKTIK Group has several key counterparties. The largest share in the sales structure was held by Affidea Sp. z o.o., which accounted for 30.1% of the segment's sales in 2022 financial year, representing 2.5% of the Group's revenue. Other key customers included the M. Skłodowska-Curie National Cancer Institute - National Research Institute (11.1% share in the radiopharmaceutical sales segment and 0.9% in consolidated revenue) and the Świętokrzyskie Oncology Centre in Kielce (10.7% share in the radiopharmaceutical sales segment and 4.1% in the Group's consolidated revenue, including medical device projects).

Supply markets

In the structure of sources of supply, foreign suppliers hold a dominant position (86.9% in Group purchases), due to cooperation primarily in the sale of therapy equipment, where the Company acts as the exclusive distributor in the country.

In the medical devices and IT solutions sales segment, the largest suppliers were Intuitive Surgical SARL (foreign supplier), Philips Polska Sp. z o.o. (domestic supplier) and Inisghtec Ltd. (foreign supplier), which accounted for 82.5%, 3.2% and 3.1% of the segment's purchases respectively, translating into 75.5%, 2.9% and 2.9% of the entire Group's purchases. At the same time, this represents 44.9%, 1.7% and 1.7% in relation to consolidated sales. There are no formal links between the Group and the aforementioned entities.

The largest supplier in the radiopharmaceuticals segment is Eckert & Ziegler Radiopharma GmbH (foreign supplier), which accounts for 31.4% of purchases in this segment and 2.6% of Group purchases. At the same time, it accounts for 1.6% in relation to consolidated sales. There are no formal links between the Group and the aforementioned entity.

13.3. Key performance indicators

Financial ratios

Key financial ratios related to the Group's and the entity's operations are presented and discussed in section 9 of this report.

Non-financial indicators, including information on labour issues and the environment

With the exception of information relating to employee issues, which is presented in the tables in section 13.11 of this report, the non-financial performance indicators related to the related to the Issuer's and the Group's activities, in the opinion of the Management Board, are not relevant for the assessment of the development, performance and situation of both the parent company and the Group as a whole.

The average headcount in the 2022 financial year at SYNEKTIK SA was 90, compared with 88 the previous year. The average headcount in the 2022 financial year at SYNEKTIK Group was 153, compared with 145 the previous year.

In the opinion of the Issuer's Management Board, the operational activities carried out by the Company and SYNEKTIK Group do not generate a significant impact on the environment. Within the segment of production and distribution of radiopharmaceuticals, the Group complies with strict regulations regarding the management of raw materials and production waste and their disposal. The Issuer informs that, in connection with its activities in 2022 financial year, there were no incidents or circumstances that resulted in liabilities or damages on the part of SYNEKTIK Group relating to the violation of regulations related to environmental protection.

13.4. Material agreements

The Company and its Group entities did not enter into any significant agreements in 2022 financial year other than those indicated in section 4 of the Management Report on the operations of the Company and SYNEKTIK Group, including significant insurance, cooperation, co-operation or agreements concluded between the Issuer's Shareholders.

13.5. Organisational and capital links

Information on the Company's organisational or capital links is presented in section 1.2 of the Report on the Company and SYNEKTIK Group. Additional information on organisational and capital links is presented in Note 33.2 to the consolidated financial statements.

13.6. Related-party transactions

Related party transactions are presented in note 35 to the consolidated financial statements.

13.7. Credit and loans

During the period covered by the financial statements, the Parent, Synektik Pharma Sp. z o.o., and SYNEKTIK Czech Republic s.r.o. signed or annexed agreements for the following loan products:

- › Debt limit of PLN 42 500 000 within which SYNEKTIK Group can use the following:
 - PLN 16 500 000 overdraft with an expiry date of 31 August 2024
 - PLN 6 000 000 for guarantees with an expiry date of 31 August 2024
 - PLN 40 500 000 for letters of credit with an expiry date of 31 August 2024
- › Revolving credit facility of PLN 7 000 000 with an expiry date of 2 May 2024
- › Letter of credit limit of USD 6 500 000 with an expiry date of 2 May 2024
- › Guarantee limit of PLN 1 500 000 with an expiry date of 2 May 2024
- › Limit on letters of credit of EUR 1 000 000 with an expiry date of 29 January 2024
- › Non-revolving loan to Synektik Pharma Sp. z o.o. in the amount of PLN 5 200 000 with an expiry date of 22 March 2024
- › FX transaction limit for SYNEKTIK SA of PLN 1 000 000 with an expiry date of 31 August 2024
- › FX trading limit for SYNEKTIK SA with an expiry date of 29 February 2024

The products bear interest based on WIBOR 1M plus a margin under market conditions with the exception of the non-revolving loan, which bears interest at WIBOR 3M plus a margin at market conditions.

The specification of borrowings as at 30 September 2023 is set out in note 26 to the consolidated financial statements.

13.8. Sureties and guarantees

With the exception of the debt limit of PLN 42 500 000.00 described in section 13.7, the other debt limits and loans used by the Group have been mutually guaranteed by the companies that use these instruments.

As at 30 September 2023, the sum of guarantees and bank letters of credit obtained by SYNEKTIK Group amounts to PLN 3 431 466.08 and PLN 24 033 350.00 respectively. Additional information is presented in Note 39 to the annual consolidated financial statements of SYNEKTIK Group.

13.9. Financial instruments

Financial instruments held by the Company and financial risk information are described in note 33 of the separate financial statements for the year ended 30 September 2023 and note 33 of the consolidated financial statements for the year ended 30 September 2023.

13.10. Key investments and capital allocations

The Parent's key capital investments were related to the involvement of capital in subsidiaries. The following is a list of the Parent's main investment items as at 30 September 2023 (in PLN).

Investment	Value in PLN
Cash deposited as collateral for bank guarantees granted	159 965.66
Shares in subsidiary Synektik Pharma Sp. z o.o.	599 179.13
Shares in subsidiary SYNEKTIK Czech Republic s.r.o.	18 980.00
Shares and contributions in an entity over which SYNEKTIK SA has significant influence "Lom Scan" Sp. z o.o.	2 872 000.00

Table 10: Group's investments as of 30 September 2023

As at 30 September 2023, SYNEKTIK Group had cash and cash equivalents of PLN 62 663 190.44, which are summarised in note 22 of the consolidated financial statements of SYNEKTIK Group.

13.11. Human resources

Structure of employees by gender and education

Education	SYNEKTIK SA					
	Total	% share	Women	% share	Men	% share
Total	97		46		51	
Higher with an academic degree	6	6.19%	3	6.52%	3	5.88%
Higher	82	84.54%	42	91.30%	40	78.43%
Medium	9	9.28%	1	2.18%	8	15.69%
Basic vocational	0	0.00%	0	0.00%	0	0.00%

Education	Synektik Pharma Sp. z o.o.					
	Total	% share	Women	% share	Men	% share
Total	53		28		25	
Higher with an academic degree	5	9.43%	2	7.14%	3	12.00%
Higher	37	69.81%	25	89.29%	12	48.00%
Medium	10	18.87%	1	3.57%	9	36.00%
Basic vocational	1	1.89%	0	0.00%	1	4.00%

SYNEKTIK Czech Republic s.r.o.						
Education	Total	% share	Women	% share	Men	% share
Total	15		3		12	
Higher with an academic degree	0	0.00%	0	0.00%	0	0.00%
Higher	10	66.67%	2	66.67%	8	66.67%
Medium	5	33.33%	1	33.33%	4	33.33%
Basic vocational	0	0.00%	0	0.00%	0	0.00%

Group total						
Education	Total	% share	Women	% share	Men	% share
Total	165		77		88	
Higher with an academic degree	11	6.67%	5	6.49%	6	6.82%
Higher	129	78.18%	69	89.61%	60	68.18%
Medium	24	14.55%	3	3.90%	21	23.86%
Basic vocational	1	0.60%	0	0.00%	1	1.14%

Table 11: Structure of Group employees by education as at 30.09.2023

Both the Company and the Group employ mainly university-educated and academically qualified people, and the employment structure is gender-balanced.

Breakdown of employees by gender and length of service

SYNEKTIK SA						
Length of service	Total	% share	Women	% share	Men	% share
Total	97		46		51	
under 1 year	14	14.43%	7	15.22%	7	13.73%
from 1 year to 3 years	13	13.40%	7	15.22%	6	11.76%
over 3 years	70	72.17%	32	69.56%	38	74.51%

Synektik Pharma Sp. z o.o.						
Length of service	Total	% share	Women	% share	Men	% share
Total	53		28		25	
under 1 year	13	24.53%	4	14.29%	9	36.00%
from 1 year to 3 years	9	16.98%	6	21.43%	3	12.00%
over 3 years	31	58.49%	18	64.28%	13	52.00%

SYNEKTIK Czech Republic s.r.o.						
Length of service	Total	% share	Women	% share	Men	% share
Total	15		3		12	
under 1 year	5	33.33%	2	66.67%	3	25.00%
from 1 year to 3 years	10	66.67%	1	33.33%	9	75.00%
over 3 years	0	0.00%	0	0.00%	0	0.00%

Group total						
Length of service	Total	% share	Women	% share	Men	% share
Total	165		77		88	
under 1 year	32	19.39%	13	16.88%	19	21.59%
from 1 year to 3 years	32	19.39%	14	18.18%	18	20.46%
over 3 years	101	61.22%	50	64.94%	51	57.95%

Table 12: Structure of Group employees by length of service as at 30.09.2023

The vast majority of employees have a length of service of more than three years.

13.12. Explanation of differences between the financial results of the Company and its Group and previously published forecasts

The Company and its Group companies have not published financial forecasts for the 2022 financial year.

13.13. Management of the Group's financial resources

The Management Board of the Parent, as a result of the budgetary management of the financial resources of SYNEKTIK Group, is fully capable of meeting its obligations. In the Management Board's opinion, the realised level of cash flows and the achieved financial results will allow maintaining the liquidity ratios at a level enabling the proper functioning of SYNEKTIK Group companies.

13.14. Key factors and events influencing the Company's and Group's results

The main factors and events affecting the Company's and the Group's financial performance are discussed in the earlier sections of this report.

The COVID-19 pandemic and Russia's aggression against Ukraine, the ongoing impact of which on the Group's operations is discussed in sec. 13.26 and 13.27 respectively, should be considered as an unusual event with a significant impact on the Company's and its Group's results.

13.15. Factors important for the development of the Company and the Group

Factors which, in the opinion of the Management Board, will have an impact on the financial results achieved by the Company and SYNEKTIK Group in the perspective of the next financial year are presented in point no. 11 of the Management Board's Report on the Operations of the Company and SYNEKTIK Group.

13.16. Changes to the basic principles of governance

There were no significant changes to the Group's governance arrangements during the period covered by the financial statements.

13.17. Agreements entered into between the Company and managers providing for compensation in the event of resignation or dismissal from their position

No such agreements have been concluded between the Parent and the managing persons.

13.18. Remuneration of members of the Management Board and Supervisory Board

General information on the remuneration system adopted by the company

SYNEKTIK SA has had remuneration regulations in accordance with art. 772 of the Labour Code since 2006. The remuneration regulations specify:

- › remuneration for work at a monthly and commission rate,
- › allowances and other benefits resulting from the employment relationship, including severance pay, discretionary bonuses and dues related to the payment of business travel expenses,
- › how to co-finance leisure and sports services.

The Company uses two remuneration systems depending on the basis of employment: under employment contracts and under civil law contracts. Remuneration is closely linked to the company's strategy, its short- and long-term objectives, long-term interests and performance and its level is sufficient to attract, retain and motivate people with the competences necessary to achieve the Company's objectives. In the 2022 financial year, there were no specific rights to benefits arising from pensions and benefits of a similar nature.

On 11 February 2021, the Annual General Meeting of the Company adopted a resolution on the adoption of the Company's remuneration policy. Pursuant to its provisions, the remuneration of the Members of the Management Board of SYNEKTIK SA, determined by the Company's Supervisory Board, may consist of fixed and variable remuneration. The variable remuneration depends on the Company's weighted average performance of the financial plan submitted by the Management Board and approved by the Supervisory Board. The value of the variable remuneration awarded to the Member of the Management Board for a given financial year may not exceed the value of 200% of the fixed remuneration for the same year.

The remuneration of the members of the Supervisory Board, in accordance with the remuneration policy adopted, consists of a flat-rate basic remuneration for membership of the Supervisory Board and additional remuneration for serving on the Audit Committee or the Remuneration Committee.

The company prepares a remuneration report and, in accordance with a resolution of the Audit Committee adopted 21 November 2023, the audit firm CSWP Audyt Prosta Spółka Akcyjna was selected to evaluate this report.

Remuneration of management and supervisory personnel

Person	2022	2021
Cezary Kozanecki	3 075 885	974 667
Dariusz Korecki	1 803 666	597 890

Person	2022	2021
Mariusz Książek	50 000	50 000
Wiesław Łatała	40 000	40 000
Piotr Chudzik	40 000	40 000
Sawa Zarębińska	40 000	40 000
Dariusz Daniluk	50 000	50 000

Table 13: Remuneration of management and supervisory personnel

The remuneration of the members of the Management Board and Supervisory Board shown above includes the remuneration for their functions.

Members of the Management Board also received remuneration for their functions in the subsidiary SYNEKTIK Czech Republic, s.r.o. as of January 2023. Members of the Supervisory Board of SYNEKTIK SA did not receive remuneration for their functions in subsidiaries in 2022 financial year.

Complete information on the remuneration of the above-mentioned persons by remuneration component is presented in Note 35 to the annual consolidated financial statements, 'Related party transactions'.

13.19. Company shares held by members of the Management Board and Supervisory Board

As at the date of the 2022 financial statements, the managers directly or indirectly held shares in the Company as shown in the table below:

Management Board	Number of shares	Nominal value in PLN	Stake in share capital	Stake in GM votes
Cezary Kozanecki*	2 047 380	1 026 690	24.00%	24.00%
Dariusz Korecki	118 000	59 000	1.38%	1.38%

*indirectly through Melhus Company Ltd

Table 14: Number of shares with board members, par value, share in share capital and votes at the AGM as of 18.01.2024

As at 30 September 2023, the management board members held directly or indirectly shares in the Company as shown in the table below:

Management Board	Number of shares	Nominal value in PLN	Stake in share capital	Stake in GM votes
Cezary Kozanecki*	2 047 380	1 026 690	24.00%	24.00%
Dariusz Korecki	117 000	58 500	1.37%	1.37%

*indirectly through Melhus Company Ltd

Table 15: Number of shares with members of the Management Board, nominal value, share in the share capital and votes at the GM as at 30.09.2023

To the best of the Company's knowledge, there has been no change in the holding of the Company's shares and entitlements by the management board members between the submission of the report for the fourth quarter of the 2022 financial year and the date of publication of this report.

At the date of publication and preparation of the financial statements for the 2022 financial year, the supervisors held directly or indirectly shares in the Company as shown in the table below.

Supervisory Board	Number of shares	Nominal value in PLN	Stake in share capital	Stake in GM votes
Mariusz Książek*	2 229 056	1 114 528	26.13%	26.13%

* indirectly through Książek Holding Sp. z o.o.

Table 16: Number of shares with supervisory board members, par value, share in share capital and votes at the GM as of 30.09.2023

To the Company's knowledge, there has been no change in the holdings of the Company's shares and their entitlements by supervisors in the period between the submission of the report for the fourth quarter of the 2022 financial year and the date of publication of this report.

The managing and supervising persons had no other entitlements to shares in the Company, either at the date of publication of this report or at the date of publication of the previous periodic report.

The managing and supervising persons do not hold shares in the other SYNEKTIK Group entities.

13.20. Control system for employee share schemes

There are no employee share schemes at the date of the consolidated financial statements.

13.21. Information on the Issuer's contract with an entity authorised to audit financial statements

The information is included in note 42 of SYNEKTIK Group consolidated financial statements for the period from 1 October 2022 to 30 September 2023.

13.22. Sponsoring and charitable activities

As a general rule, the Group does not engage in sponsorship or charitable activities.

13.23. Judicial, arbitration or administrative proceedings

There are no proceedings pending before any court, competent authority for arbitration proceedings or public administration authority concerning the liabilities or receivables of SYNEKTIK Group companies that would be material from the point of view of the Group.

13.24. Characteristics of the structure of assets and liabilities of the consolidated balance sheet including from the point of view of liquidity of the Issuer's Group

The characteristics of the structure of the assets and liabilities of the consolidated financial statements of the Group are presented in section No. 9 of the Management Report on the activities of the Company and SYNEKTIK Group.

13.25. Material off-balance-sheet items

The specification of the off-balance sheet liabilities of the SYNEKTIK Group can be found in Note 39 to the consolidated annual financial statements.

13.26. Analysis of the actual and potential impact of the COVID-19 pandemic on the Company's and Group's operations

An event that has affected Synektik's and its Group's operations in the past and its current and future financial performance and could potentially affect the Company's and the Group's operations in the future is the COVID-19 pandemic.

During and beyond the 2022 financial year to the date of this report, the COVID-19 pandemic has not had a material direct impact on the ongoing operations of the Company and its Group and their current and future financial performance. The Company's Management Board does not expect that the Company's and its Group's operations to be materially adversely affected by the pandemic in the coming quarters. In the Board's view, the pandemic, over the longer term, could have a positive impact on the Company's and the Group's operations due to the expected increase in healthcare expenditure following the projected increase in the importance of healthcare worldwide.

13.27. Analysis of the actual and potential impact of the political and economic situation in Ukraine on the Company's and Group's operations

An event affecting the Company's and the Group's operations and their current and future financial performance is Russia's aggression against Ukraine and its consequences, including the economic and social situation in that country and the actions of the international community towards Russia.

During the financial year 2022 and at the date of this report, the Group did not employ any employees with Ukrainian, Belarusian or Russian citizenship. Neither the Company nor its Group entities are, to the knowledge of the Company's Management Board, parties to any contracts and agreements with entities registered in Ukraine, Belarus or Russia or having significant economic ties with the aforementioned countries, nor does the Company operate abroad and report no sales or purchases from businesses in Ukraine, Belarus or Russia.

In the opinion of the Management Board, the war in Ukraine affects the operations of the Company and the Group through, among other things:

- › the situation in the financial markets and, among other things, the cost of financing the Group's operations and the volatility of foreign exchange quotations,
- › the economic situation in Poland,
- › the situation on the raw materials market, including energy raw materials, affecting, among other things, the Group's fixed costs, the production costs of radiopharmaceuticals, as well as the logistics costs of the Group's products.

The Parent's management continuously monitors the impact of the war in Ukraine on its operations and takes ongoing measures to neutralise its negative effects on the Company's and the Group's operations.

14. STATEMENT BY THE MANAGEMENT BOARD

14.1. STATEMENT BY THE PARENT'S MANAGEMENT BOARD ON ACCOUNTING RULES

In accordance with art. 70 1 point 6 and with art. 71 sec. 1 point 6 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, the Management Board of SYNEKTIK SA declares that:

- › to the best of its knowledge, the financial statements (consolidated and separate) for the financial year ended 30 September 2023 and the comparative data have been prepared in accordance with the applicable accounting principles and give a true, true and fair view of the assets and financial position and the financial result of the Company and SYNEKTIK Group,
- › this Management Report on the activities of the Company and its Group for the financial year ended 30 September 2023 gives a true picture of the development, achievements and position of the Company and the Group, including a description of the identified risks and threats.

Cezary Kozanecki

President of the Management Board

Dariusz Korecki

Vice-President of the Management Board

Warsaw, 18 January 2024

14.2. 1.1. STATEMENT BY THE PARENT'S MANAGEMENT BOARD ON THE APPOINTMENT OF THE AUDIT FIRM

On the basis of the statement of the Company's Supervisory Board on the selection of the auditing firm to audit the Company's annual financial statements (separate and consolidated) for the financial year ended 30 September 2023 in accordance with the regulations and on the basis of the statement received from CSWP Audyt Prosta Spółka Akcyjna, the Company's Management Board informs that the auditing firm and the members of the auditing team fulfilled the conditions for the preparation of an impartial and independent report on the audit of the Company's annual financial statements (separate and consolidated) for the financial year ended 30 September 2023 in accordance with the applicable regulations, professional standards and professional ethics.

In addition, the Company's Management Board announces that the applicable regulations relating to the rotation of the audit firm and the key auditor and mandatory grace periods are complied with and that SYNEKTIK SA has a policy on the selection of the audit firm and a policy on the provision of additional non-audit services to the Company by the audit firm, an affiliate of the audit firm or a member of its network, including services conditionally exempted from the audit firm ban.

Cezary Kozanecki
President of the Management Board

Dariusz Korecki
Vice-President of the Management Board

Warsaw, 18 January 2024

15. CORPORATE GOVERNANCE

Indication of the specific corporate governance rules to which the issuer is subject and of the place where the text of the rules is publicly available

On 29 March 2021, the WSE Council by Resolution No. 13/1834/2021 adopted new corporate governance principles for companies listed on the WSE Main Market - "Best Practices for WSE Listed Companies 2021". This set is available on the website of the Warsaw Stock Exchange at: <https://www.gpw.pl/dobre-praktyki2021>.

The new catalogue of best practices for WSE-listed companies came into force on 1 July 2021. On 21 July 2021, the Company published a statement on the status of application of the recommendations and principles contained in this set (EBI current report No. 1/2021), the content of which is available on the website at <https://www.synektik.com.pl/pl/centrum-inwestora/kim-jestesmy/dobre-praktyki/>.

Indication of the extent to which the Issuer has departed from the provisions of the set of specific corporate governance principles and explanation of the reasons for doing so

The Company's Management Board declares that during the financial year ending 30 September 2023. The Company and its bodies complied with the specific principles of corporate governance contained in the document "Good Practices of Companies Listed on the WSE 2021" with the following deviations:

1. Information policy and communication with investors

Rule 1.3.

The company also includes ESG topics in its business strategy, in particular covering:

1.3.1. environmental issues, including metrics and risks associated with climate change and sustainability issues;

1.3.2. social and labour matters, concerning, inter alia, measures taken and planned to ensure gender equality, sound working conditions, respect for employees' rights, dialogue with local communities, customer relations.

Explanation:

The objective of the Company's current development strategy is to build long-term growth in the Company's value for Shareholders. This strategy does not take into account ESG topics.

Rule 1.4.1. and 1.42

Information on ESG strategies should, among other things:

1.4.1. explain how climate change issues are taken into account in the decision-making processes of the company and its group entities, indicating the resulting risks;

Explanation:

The Company's strategy does not address ESG topics.

1.4.2. present the value of the equal pay ratio paid to its employees, calculated as a percentage of the difference between the average monthly pay of (including bonuses, prizes and other allowances) between women and men for the last year, and provide information on actions taken to eliminate any inequalities in this respect, together with a presentation of the risks involved and the time horizon over which equality is planned to be achieved.

Explanation:

The Company's strategy focuses on business issues

2. Management Board and Supervisory Board

Rule 2.1.

The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy will set out the objectives and criteria for diversity in areas such as gender, field of study, specialist knowledge, age and professional experience, among others, and indicates when and how the achievement of these objectives will be monitored. With regard to gender diversity, a condition for ensuring the diversity of the company's bodies is that the proportion of minorities in the respective body is no less than 30%.

Explanation:

The Company does not ensure a balanced proportion of women and men on the Management Board and Supervisory Board. The two-member Management Board is composed exclusively of men, while the five-member Supervisory Board includes one woman, the Secretary of the Supervisory Board. The Company supports the above recommendation, however the composition of the Supervisory Board is decided by the Shareholders at the General Meeting. The Company's policy is to employ competent, creative people with relevant professional experience and education.

Rule 2.2.

Those deciding on the election of the members of the company's management or supervisory board should ensure the comprehensiveness of these bodies by selecting diversity in their composition, allowing, inter alia, for the achievement of a target minimum minority participation rate set at not less than 30%, in line with the objectives set out in the adopted diversity policy referred to in rule 2.1.

Explanation:

The Company does not ensure a balanced proportion of women and men on the Management Board and Supervisory Board. The two-member Management Board is composed exclusively of men, while the five-member Supervisory Board includes one woman, the Secretary of the Supervisory Board. The Company supports the above recommendation, however the composition of the Supervisory Board is decided by the Shareholders at the General Meeting. The Company's policy is to employ competent, creative people with relevant professional experience and education.

Rule 2.11.6

In addition to its activities under the law, once a year the supervisory board will prepare annual report and presents it to the annual general meeting for approval. The report referred to above must include at least:

2.11.6. information on the degree of implementation of the diversity policy with respect to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.

Explanation:

The Company does not ensure a balanced proportion of women and men on the Management Board and Supervisory Board. The two-member Management Board is composed exclusively of men, while the five-member Supervisory Board includes one woman, the Secretary of the Supervisory Board. The Company supports the above recommendation, however the composition of the Supervisory Board is decided by the Shareholders at the General Meeting. The Company's policy is to employ competent, creative people with relevant professional experience and education.

3. Internal systems and functions

Rule 3.1.

A listed company maintains effective internal control, risk management and compliance systems, as well as an effective internal audit function, appropriate to the size of the company and the nature and scale of its business, for which the management board is responsible.

Explanation:

The Company maintains effective internal control, compliance and risk management systems. This principle is not applied as the Company does not have a separate internal audit department.

Rule 3.2.

The company will have separate units in its structure responsible for the tasks of individual systems or functions, unless this is not justified by the size of the company or the nature of its activities.

Explanation:

The Company maintains effective systems of internal control, compliance and risk management and for these it separates within its structure the units responsible for the tasks of individual systems or functions. This principle is not applied as the Company does not have a separate internal audit department.

Rule 3.3.

A company belonging to the WIG20, mWIG40 or sWIG80 index will appoint an internal auditor to head the internal audit function, operating in accordance with internationally recognised standards of professional internal audit practice. In other companies where no internal auditor meeting the above requirements has been appointed, the audit committee (or the supervisory board if it performs the functions of an audit committee) will annually assess whether there is a need to appoint such a person.

Explanation:

The Company does not have a separate internal audit department. Internal control is carried out through the managers of the various operating departments and the controlling and finance department and finance, which also deals with risk analysis from the financial area.

Rule 3.6.

The head of internal audit reports organisationally to the president of the management board and functionally to the Chairperson of the audit committee, or to the Chairperson of the supervisory board if the board acts as an audit committee.

Explanation:

No persons responsible for internal audit have been appointed in the Company.

Rule 3.7.

Rules 3.4 to 3.6 also apply in the case of the company's group entities that are material to the company's business, if they have designated persons to perform these tasks.

Explanation:

In the case of Group entities that are material to its business, the Company maintains effective systems of internal control, compliance and risk management. The remuneration of the persons responsible for risk management and compliance depends on the performance of the assigned tasks and these persons report directly to the President of the Company. This principle is not applied as there is no internal audit department in the Group entities.

Rule 3.8.

At least once a year, the person in charge of internal audit, or, if the company has no separate internal audit function, the company's management board, will present to the supervisory board an

assessment of the effective functioning of the systems and functions referred to in rule 3.1, together with an appropriate report.

Explanation:

No persons responsible for internal audit have been appointed in the Company. A report on the evaluation of the effectiveness of the internal control systems is prepared by the Management Board.

Rule 3.9.

The supervisory board will monitor the effectiveness of the systems and functions referred to in rule 3.1, based, inter alia, on reports periodically provided directly to it by those responsible for those functions and by the company's management, and will make an annual evaluation of the effectiveness of those systems and functions in accordance with rule 2.11.3. Where the company has an audit committee, it will monitor the effectiveness of the systems and functions referred to in rule 3.1, but this will not exempt the board from making an annual evaluation of the effectiveness of those systems and functions.

Explanation:

The Supervisory Board monitors the effectiveness of the systems for internal control, risk management and compliance monitoring. The rule is not applied because the Company does not have an internal audit system in place.

Rule 3.10.

At least once every five years, a review of the internal audit function is carried out in a company belonging to the WIG20, mWIG40 or sWIG80 index by an independent auditor selected with the participation of the audit committee.

Explanation:

The Company does not have an internal audit system in place.

4. General Meeting and relations with shareholders

Rule 4.1.

The company should enable shareholders to participate in the general meeting by means of electronic communication (e-general meeting) if this is justified by the shareholders' expectations communicated to the company, provided that the company is able to provide the technical infrastructure necessary for holding such a general meeting.

Explanation:

Due to the shareholding structure, the Company does not organise general meetings by means of electronic communication (e-general meetings). Audio files of general meetings are posted on the Company's website.

Rule 4.3.

The Company will provide publicly available real-time transmission of the general meeting.

Explanation:

The Company does not broadcast general meetings. Audio files of general meetings are posted on the Company's website.

Rule 4.4.

Media representatives are allowed to be present at general meetings.

Explanation:

The Company's general meetings are attended by persons authorised and serving general meetings.

Rule 4.9.1.

Where the subject of the general meeting is to be an appointment to the supervisory board or the appointment of a new supervisory board:

4.9.1 Nominations for board members should be made in sufficient time to enable the shareholders present at the general meeting to take a decision with due discernment, but no later than 3 days before the general meeting; the nominations, together with a set of materials concerning them, should be published immediately on the company's website;

Explanation:

In accordance with the applicable regulations, the Company's Shareholders are entitled to propose candidates for Supervisory Board members during the General Meeting.

6. Remuneration

Rule 6.3.

If one of the company's incentive schemes is a management option scheme, then the implementation of the option scheme should be conditional on the entitled persons meeting, within a period of at least 3 years, predetermined, realistic and appropriate financial and non-financial and sustainability objectives for the company, and the determined share purchase price or settlement of options may not deviate from the value of the shares at the time the scheme is adopted. and non-financial and sustainability objectives for the company, and the price set for the acquisition of shares by the eligible persons or the settlement of options must not deviate from the value of the shares at the time of the adoption of the program

Explanation:

The Company does not currently operate a management option scheme.

Description of the main features of the Company's internal control and risk management systems in relation to the process of preparing the financial statements and consolidated financial statements

The management accounting tools implemented in the Company and the IT systems used to record economic events in the books of accounts provide the basis for assessing that the Company's financial statements are prepared in a reliable manner and contain all relevant data necessary to determine the Company's financial and asset position.

The Management Board is responsible for the effectiveness of the internal control and risk management system in relation to the process of preparing the financial statements. Substantive supervision over the process of preparing and drawing up the Company's financial statements and periodic reports is exercised by the Vice-President of the Management Board responsible for financial affairs. The organisation of work related to the preparation of financial statements is the responsibility of the accounting and finance division, reporting directly to the Vice-President of the Company's Management Board.

The Company has a multi-level internal control system in place which, in the opinion of the Management Board, allows for effective counteraction and rapid elimination of any irregularities that may arise. At the same time, the Group has an internal risk management policy and procedure in place to identify, assess, supervise and implement measures to eliminate or reduce the level of risk. Substantive supervision of the risk management process is exercised by the Vice-President of the Management Board, who acts as Risk Management System Coordinator. In addition, the Company's financial performance is monitored on an ongoing basis by the Management Board during the financial year and is subject to periodic evaluation by the Supervisory Board.

The Company's annual and half-yearly financial statements are independently audited and reviewed by the auditors, who express an opinion on the fairness and accuracy of these statements. The Company has a policy for the selection of the audit firm and a policy for the selection of the auditor, from among reputable audit firms guaranteeing high standards of service and the required independence.

Indication of shareholders with directly or indirectly significant shareholdings

As at 30 September 2023, the share capital of SYNEKTIK SA amounted to PLN 4 264 564.50 and was divided into 8 529 129 ordinary bearer shares of series A, B, BB, BBB, C, D and E, with a nominal value of PLN 0.50 each. The total number of votes at the General Meeting of SYNEKTIK SA was 8 529 129.

The following table contains information about the shareholders who, to the Company's knowledge, held, directly or indirectly, 5% or more of the total number of votes at the General Meeting as at 30 September 2023, according to the information available to the Company.

Shareholder	Number of shares	Stake in share capital	Number of GM votes	Stake in GM votes
Książek Holding Sp. z o.o.	2 229 056	26.13%	2 229 056	26.13%
Melhus Company Ltd	2 047 380	24.00%	2 047 380	24.00%

Table 1: Major shareholders of the Company as at 30.09.2023

The following table contains information about the shareholders who held, directly or indirectly, at least 5% of the total number of votes at the General Meeting as at 18 January 2024, according to the information available to the Company.

Shareholder	Number of shares	Stake in share capital	Number of GM votes	Stake in GM votes
Książek Holding Sp. z o.o.	2 229 056	26.13%	2 229 056	26.13%
Melhus Company Ltd	2 047 380	24.00%	2 047 380	24.00%

Table 2: Significant shareholders of the Company at the date of the report

Indication of the holders of any securities which carry special control rights, together with a description of those rights

All shares in SYNEKTIK SA are ordinary bearer shares to which no preference as to voting rights is attached. In accordance with the Company's Articles of Association, the Company's Founder, Cezary Kozanecki, by written declaration to the Company, has the right to appoint and dismiss:

1. two Members of the Supervisory Board, including the Chairperson of the Supervisory Board, insofar as he directly or indirectly (i.e. through his spouse, relatives of the first or second degree or entities or companies in which he, his spouse or relatives of the first or second degree hold a majority of the shares or are entitled to exercise a majority of the votes or appoint a majority of the Members of the Management Board) holds shares representing a total of at least 40% of the votes at the Company's General Meeting,
2. one Member of the Supervisory Board, acting as Chairperson of the Supervisory Board, provided that he or she directly or indirectly (i.e. through his or her spouse, relatives of the first or second degree or entities or companies in which he or she, his or her spouse or relatives of the first or second degree hold a majority of the shares or are entitled to exercise a majority of the votes or appoint a majority of the Members of the Management Board) holds shares representing a total of at least 15% of the votes at the Company's General Meeting.

Indication of any restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a specified proportion or number of votes, time restrictions on the exercise of voting rights or provisions whereby, with the Company's cooperation, the equity rights in securities are separated from the securities held

To the knowledge of the Management Board and in accordance with the Company's Articles of Association, there are no restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a certain proportion or number of votes, time restrictions on the

exercise of voting rights or provisions according to which, with the Company's cooperation, capital rights with securities are separated from the securities held.

Indication of any restrictions on the transfer of ownership of the Company's securities

In accordance with the Company's Articles of Association, there are no restrictions on the transfer of ownership rights in the Company's securities.

Description of the rules concerning the appointment and dismissal of managers in the Parent and their powers, in particular the right to decide to issue shares or buy back shares

The Management Board of the Company consists of 1 to 3 persons, including the President of the Management Board, appointed for a 3-year term of office. Members of the Management Board are appointed and dismissed by the Company's Supervisory Board, which also determines the number of Management Board Members within the limits referred to above. In order to appoint or dismiss a Member of the Management Board, a resolution of the Supervisory Board adopted by a two-thirds majority vote, with at least two-thirds of the Members of the Supervisory Board present, is required.

The Rules of Procedure of the Management Board set out the detailed procedure of the Management Board. The Rules of Procedure of the Management Board will be adopted by the Management Board and approved by the Supervisory Board.

The Management Board of the Company, chaired by the President of the Management Board, manages the day-to-day business of the Company, manages its assets and represents it externally. All matters relating to the management of the Company not reserved by law or the Articles of Association to the competence of the General Meeting or the Supervisory Board will be the responsibility of the Management Board.

If the Management Board consists of more than one person, the President of the Management Board alone or two members of the Management Board acting jointly or one member of the Management Board together with a proxy are authorised to make declarations on behalf of the Company.

Resolutions of the Management Board are adopted by an absolute majority of votes.

The detailed powers and rules of operation of the Management Board of SYNEKTIK SA are set out in:

1. Company's Articles of Association, which are available on the Company's website,
2. Regulations of the Management Board, which are available on the Company's website,
3. Commercial Companies Code.

The Supervisory Board of the Company consists of 5 persons, including the Chairperson, appointed for a term of 3 years. In accordance with the Company's Articles of Association, the members of the Supervisory Board are appointed and dismissed as follows:

- a) In accordance with the Company's Articles of Association, the Company's Founder, Cezary Kozanecki, by written declaration to the Company, has the right to appoint and dismiss:
 - I. Two members of the Supervisory Board, including the Chairperson of the Supervisory Board, insofar as they directly or indirectly (i.e. through their spouse, relatives of the first or second degree or entities or companies in which this founder, his or her spouse or relatives of the first or second degree hold a majority of the shares or are entitled to exercise a majority of the votes or appoint a majority of the members of the Management Board) hold shares representing a total of at least 40% (forty per cent) of the votes at the Company's General Meeting,
 - II. One member of the Supervisory Board, acting as Chairperson of the Supervisory Board, insofar as he or she directly or indirectly (i.e. through his or her spouse, relatives of the first or second degree or entities or companies in which this founder, his or her spouse or relatives of the first or second degree hold a majority of the shares or are entitled to exercise a majority of the votes or appoint a majority of the members of the Management

Board) holds shares representing a total of at least 15% (fifteen per cent) of the votes at the Company's General Meeting,

- b) the other members of the Supervisory Board are appointed and dismissed by the General Meeting.

The Rules of Procedure of the Supervisory Board set out the details of the procedure of the Supervisory Board. The Rules of Procedure of the Supervisory Board will be adopted by the Supervisory Board.

The Supervisory Board exercises constant supervision over the Company's activities in all areas. In addition to matters arising from the Commercial Companies Code, the Supervisory Board's powers include:

- I. approve the Company's annual budget prepared by the Management Board and amend this budget;
- II. consent to the disposal, encumbrance or acquisition by the Company of an enterprise or organised parts of an enterprise within the meaning of art. 55¹ of the Civil Code;
- III. appoint an auditor to audit the Company's financial statements and an auditor to audit the consolidated financial statements of the Group;
- IV. consent to the acquisition and disposal of real estate, an interest in real estate, perpetual usufruct or an interest in the perpetual usufruct of real estate;
- V. consent to the activities set out in par. 4a sec. 2, 7 and 8 of the Articles of Association within the limits specified therein;
- VI. adopt and amending the Rules of Procedure of the Management Board and the Supervisory Board;
- VII. authorise the advance payment of anticipated dividends;
- VIII. dismissing and appointing and determining the number of members of the Management Board;
- IX. determining the principles and level of remuneration of the members of the Management Board;
- X. to suspend, for important reasons, individual or all members of the Management Board, and to delegate members of the Supervisory Board, for a period not exceeding three months, to temporarily perform the duties of members of the Management Board who have been dismissed, have resigned or for other reasons are unable to perform their duties;
- XI. giving consent to the transformation, merger and division of the Company,
- XII. giving consent for the Company to conclude an agreement whose value exceeds 20% of its equity with a related party. The above obligation does not apply to typical transactions concluded on an arm's length basis in the course of the Company's business with a subsidiary in which the Company holds a majority equity interest. For the purposes of this provision, the definition of related entity is adopted within the meaning of the Ordinance of the Minister of Finance issued pursuant to art. 60 sec. sec. 2 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Polish Journal of Laws No. 184, as amended),
- XIII. to approve the conclusion by the Company of a significant agreement with a shareholder holding at least 5% of the total number of votes in the Company or an entity related to the Company,
- XIV. to approve for members of the Company's Management Board to sit on the boards or supervisory boards of companies outside the Company's group,
- XV. to prepare once a year and present to the annual general meeting a concise assessment of the Company's situation, including an assessment of the internal control system and the system for managing the risks relevant to the Company,

- XVI. monitoring the effectiveness and function of the Company's internal control, risk management and internal audit systems, based on the annual report provided by the Company's Management Board and the annual assessments of the effectiveness of the functioning of these systems,
- XVII. to consider and give its opinion on matters to be the subject of resolutions of the general meeting.

The Audit Committee and the Nomination and Remuneration Committee are separate within the Supervisory Board.

The Supervisory Board performs its duties collectively, but may delegate members to carry out specific supervisory activities independently. The Chairperson of the Supervisory Board may assign tasks to Board members to be dealt with on a day-to-day basis on behalf of the Board.

The Supervisory Board should be convened as and when required, but at least three times a year.

Unless otherwise stipulated in the Articles of Association, an absolute majority of votes is required to adopt a resolution of the Supervisory Board and, in the event of an equality of votes, the Chairperson of the Supervisory Board will have the casting vote.

The detailed powers and rules of operation of the Supervisory Board of SYNEKTIK SA are set out in:

1. Company's Articles of Association, which are available on the Company's website,
2. Supervisory Board Regulations, which are available on the Company's website,
3. Resolutions of the General Meeting,
4. Commercial Companies Code and other applicable laws.

The issue of new shares and the buy-back of the Company's shares are governed by the Commercial Companies Code and the regulations on public offerings and the conditions for introducing financial instruments into the organised trading system and on public companies. The issue of new shares in the Company may take place after the General Meeting has adopted a resolution.

Description of the rules for amending the Company's Articles of Association

Pursuant to the wording of art. 430 § 1 of the Commercial Companies Code, an amendment to the Articles of Association requires a resolution of the General Meeting. In accordance with art. 402 § 2 of the Commercial Companies Code, an announcement convening a General Meeting whose agenda includes an intended amendment to the Articles of Association must refer to the existing provisions in force to date, as well as to the content of the proposed amendments. If this is justified by the significant scope of the intended amendments, the announcement may include a draft of the new consolidated text with an enumeration of the new or amended provisions.

Pursuant to the Articles of Association of SYNEKTIK SA, all amendments to the Company's Articles of Association fall within the exclusive competence of the General Meeting, which makes decisions in this matter in the form of resolutions adopted by a majority of $\frac{3}{4}$ of votes. An amendment to the Company's Articles of Association is effective upon entry in the National Court Register.

Description of the functioning of the General Meeting and its principal powers, and a description of the rights of shareholders and how to exercise them

General Meeting of SYNEKTIK SA acts on the basis of the provisions of the Commercial Companies Code, the Company's Articles of Association and in accordance with the Regulations of the General Meeting adopted by Resolution No. 19/2016 of the Ordinary General Meeting of SYNEKTIK Spółka Akcyjna with its registered office in Warsaw on 6 June 2016. The full text of the Company's Articles of Association and the Regulations of the General Meeting are available at the Company's registered office and on the website at:

<https://synektik.com.pl/wp-content/uploads/2023/07/STATUT-SPOLKI-AKCYJNEJ.pdf>

<https://synektik.com.pl/wp-content/uploads/2023/07/Regulamin-Walnego-Zgromadzenia-Synektik-S.A.pdf>

Convening the General Meeting:

1. The Company's General Meeting is convened by an announcement made on the Company's website www.synektik.pl and in the manner prescribed for the transmission of current information in accordance with the regulations on public offerings and conditions for the introduction of financial instruments to the organised trading system and on public companies.
2. The announcement must be made at least twenty-six days before the date of the General Meeting.
3. The Company will, as of the date of the convening of the General Meeting, post on its website www.synektik.pl the information required under the provisions of the Commercial Companies Code.
4. The General Meeting may be convened by ordinary or extraordinary means.
5. The Annual General Meeting of the Company will be held no later than six months after the end of each financial year of the Company. If the Management Board fails to convene the Ordinary General Meeting of the Company within the aforementioned period, the Ordinary General Meeting will be convened by the Supervisory Board of the Company.
6. An Extraordinary General Meeting is convened by the Company's Management Board on its own initiative or at the request submitted to the Management Board in writing or in electronic form by a Shareholder or Shareholders representing at least 1/20 of the share capital. The request of a Shareholder or Shareholders should include a justification, the proposed agenda and a draft resolution relating to the proposed agenda.
7. General Meetings may be held at the Company's registered office or in other cities within the territory of the Republic of Poland.

Powers of the General Meeting:

The powers of the General Meeting, in addition to the matters listed in the provisions of the Commercial Companies Code, include:

1. appointing and dismissing members of the Supervisory Board,
2. determining the principles for remuneration of members of the Supervisory Board,
3. adopting and amending the Rules of Procedure of the General Meeting.

The acquisition and disposal of real estate, a share in real estate, perpetual usufruct or a share in the perpetual usufruct of real estate does not require a resolution of the General Meeting. The consent of the Supervisory Board is required for the Company to carry out these activities.

The powers of the General Meeting are set out in:

1. Company's Articles of Association, which are available on the Company's website,
2. Regulations of the General Meeting of SYNEKTIK SA, which are available on the Company's website,
3. Commercial Companies Code.

Proceedings of the General Meeting

1. Only persons who are Shareholders of the Company 16 days prior to the date of the General Meeting (record date) have the right to attend the General Meeting.
2. A shareholder may attend the General Meeting and exercise his/her voting rights in person or by proxy.
3. A proxy may represent more than one Shareholder and vote the shares of each Shareholder differently. A Shareholder of the Company who holds shares registered in more than one securities account may appoint several separate proxies to exercise the rights attached to the shares registered in each account.

4. The proxy exercises all the rights of the Shareholder at the General Meeting, unless otherwise stated in the scope of the proxy granted. The proxy has the right to grant a further proxy, provided that this is apparent from the terms of the proxy.
5. An attendance list containing a list of the participants in the General Meeting, listing the number of shares represented by each participant and the votes serving them, signed by the Chairperson of the General Meeting, should be drawn up immediately after the election of the Chairperson and displayed during the proceedings of that meeting.
6. The General Meeting will be opened by the Chairperson of the Supervisory Board, who will then elect the Chairperson of the General Meeting from among those entitled to participate in the General Meeting. If none of the aforementioned persons can open the General Meeting, it will be opened by the Chairperson of the Board or a person appointed by the Board.
7. The election of the Chairperson of the General Meeting of the Company will be by secret ballot. The person opening the General Meeting will ensure the proper conduct of the voting and announce its results.
8. Each person entitled to attend the General Meeting has the right to stand for election as Chairperson of the General Meeting and may put forward one nomination for this position.
9. The Chairperson of the General Meeting ensures that the proceedings run smoothly and that the rights and interests of all Shareholders are respected.
10. Each Shareholder may, during the General Meeting, propose draft resolutions concerning the items on the agenda.
11. In addition to the participants of the General Meeting referred to in sec. 1 above, the following may attend: members of the Company's Supervisory Board and the Company's Management Board, the Company's Chief Accountant, the Company's Chief Financial Officer or the Company's Auditor, experts, advisors whose presence is deemed necessary by the Management Board or the Supervisory Board.
12. The General Meeting adopts resolutions only on the items on the agenda.
13. Having exhausted the items on the agenda and any points of order, the Chairperson of the General Meeting declares the meeting closed.
14. The proceedings of the General Meeting are minuted by a notary public.

Voting

1. As a general rule, voting at General Meetings is open to the public.
2. The Chairperson of the General Meeting will order a secret ballot on elections and on motions to remove members of the Company's bodies, to hold them liable, as well as on personal matters. The Chairperson will also order a secret ballot on other matters at the request of at least one of the Shareholders present or represented at the General Meeting.
3. Voting and the counting of votes will be carried out with the assistance of the Ballot-Counting Committee or, in the absence of a Ballot-Counting Committee, by the Chairperson of the Meeting.
4. The General Meeting decides on the number of the Ballot-Counting Committee and elects it by secret ballot. The Meeting may pass a resolution to waive the secret ballot.
5. The Returning Committee will immediately inform the Chairperson of the General Meeting of any irregularities in the voting, who will announce the result of the voting.

Composition and changes to the composition of the Issuer's management, supervisory or administrative bodies and their committees during the last financial year and description of their activities

Management Board of SYNEKTIK SA

According to the Company's Articles of Association, the Management Board of the Company consists of one to three members appointed and dismissed by the Supervisory Board for a term of three years.

As at 30 September 2023 and as at the date of this report, the Management Board of SYNEKTIK SA was and is composed of the following persons:

- › Cezary Kozanecki President of the Management Board
- › Dariusz Korecki Vice-President of the Management Board

The composition of the Company's Management Board did not change during and after the financial year.

The powers and rules of operation of the Management Board of SYNEKTIK SA are set out in:

1. Company's Articles of Association, which are available on the Company's website,
2. Regulations of the Management Board, which are available on the Company's website,
3. Commercial Companies Code.

Supervisory Board of SYNEKTIK SA

The Company's Supervisory Board consists of five members appointed for a three-year term.

As at 30 September 2023 and as at the date of this report, the Supervisory Board of SYNEKTIK SA comprised the following persons:

- › Mariusz Książek Chairperson of the Supervisory Board
- › Wiesław Łatała Deputy Chairperson of the Supervisory Board
- › Sawa Zarębińska Secretary of the Supervisory Board
- › Piotr Chudzik Member of the Supervisory Board
- › Dariusz Daniluk Member of the Supervisory Board

The composition of the Company's Supervisory Board did not change during and after the financial year.

The powers and rules of operation of the Supervisory Board of SYNEKTIK SA are set out in:

1. Company's Articles of Association, which are available on the Company's website,
2. Supervisory Board Regulations, which are available on the Company's website,
3. Resolutions of the General Meeting,
4. Commercial Companies Code and other applicable laws.

Audit Committee of SYNEKTIK SA

The Supervisory Board of the Company, acting pursuant to art. 128 sec. 1 of the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017, appointed an Audit Committee. From 1 October 2022 to 30 September 2023, the Audit Committee was composed of the following persons:

- › Dariusz Daniluk Chairperson of the Audit Committee
- › Piotr Chudzik Member of the Audit Committee
- › Wiesław Łatała Member of the Audit Committee

The Audit Committee's powers and rules of operation are set out in:

1. Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017,
2. Regulations of the Audit Committee, which is available on the Company's website.

Mr Dariusz Daniluk and Mr Piotr Chudzik, as members of the Audit Committee, meet the statutory criteria for independence and, due to their previous professional experience, have knowledge and

skills in accounting and auditing. All members of the Audit Committee have knowledge of the healthcare industry and market.

As part of the adopted internal rules of procedure for the Audit Committee, the main guidelines for the selection of the audit firm for the audit of the financial statements have been defined. The most important of these include:

1. The auditor will be selected in such a way as to ensure independence in the performance of its tasks,
2. The Audit Committee assesses the auditor's independence and continuously reviews and monitors the auditor's independence,
3. The audit firm and members of the audit team who may influence the outcome of the audit must be independent of SYNEKTIK SA and must not have been involved in SYNEKTIK SA's decision-making process at least during the period covered by the audited financial statements and the audit period,
4. The Company and the Audit Committee will take into account any findings or conclusions contained in the annual report referred to in art. 90 sec. 5 of the Act on Statutory Auditors that may influence the selection of the audit firm,
5. The Company invites any audit firms to bid for the provision of the statutory audit service (unless the choice of audit firm is for an extension of the audit contract),
6. The rules concerning the selection of an audit firm by the Supervisory Board and the detailed selection criteria are set out in a separate regulation, i.e. the Procedure for the selection of an auditor to audit the separate financial statements of SYNEKTIK SA and the consolidated financial statements of SYNEKTIK Group.

In the 2022 financial year ending 30 September 2023, the Audit Committee performed the following activities:

1. On 13 January 2023, a meeting of the Audit Committee was held, during which, among other things, it was recommended to the Supervisory Board to adopt the financial statements: the separate financial statements of SYNEKTIK SA and the consolidated financial statements of SYNEKTIK Group for the period 1.10.2021-30.09.2022,
2. On 2 March 2023, a meeting of the Audit Committee was held during which, among other things, a member of the Company's Management Board presented the Company's risk management and internal control system in place,
3. On 29 March 2023, the Audit Committee held a meeting during which, among other things the actions provided for in the procedure for the selection of the auditor were carried out and it was recommended to the Company's Supervisory Board to select CSWP Audyt as the auditor to review the stand-alone financial statements of Synektik SA and the consolidated financial statements of SYNEKTIK Group prepared for the first half of the financial year 2022 and for the first half of the financial year 2023, as well as to audit the stand-alone financial statements of Synektik SA and the consolidated financial statements of SYNEKTIK Group prepared for the financial year 2022 and for the financial year 2023,
4. On 19 May 2023, the Audit Committee held a meeting during which, among other things, the preliminary results of the review of the separate and consolidated financial statements for the first half of the financial year 2022 were discussed with the participation of the auditor, as was the presentation and discussion of the implementation of the currency risk management policy in the Company and the Group,
5. On 13 July 2023, the Audit Committee held a meeting during which, among other things, the principles of identifying and managing strategic risks in the Company and the Group were discussed,

Following the end of the financial year, a meeting of the Audit Committee was held on 21 November 2023, during which, among other things, a meeting took place with the audit firm represented by the

key auditor, discussing the timing and main issues of the audit of the annual consolidated and separate financial statements for the period 01.10.2022-30.09.2023, and a resolution was passed to recommend to the Supervisory Board the selection of the firm CSWP to audit the Supervisory Board's annual remuneration report. Subsequently, on 7 December 2023, a meeting of the Audit Committee was held, with the auditor in attendance, at which the results of the audit of the separate and consolidated financial statements were discussed.

Nomination and Remuneration Committee of SYNEKTIK SA

On 14 July 2017, the Company's Supervisory Board appointed a Nomination and Remuneration Committee. From 1 October 2022 to 30 September 2023, the Nomination and Remuneration Committee consisted of the following persons:

- › Sawa Zarębińska Chairperson of the Nomination and Remuneration Committee.
- › Mariusz Książek Member of the Nomination and Remuneration Committee.
- › Dariusz Daniluk Member of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee's powers and rules of operation are set out in:

1. Regulations of the Remuneration and Nomination Committee, which is available on the Company's website.

Mr Dariusz Daniluk as a member of the Nomination and Remuneration Committee meets the statutory criteria for independence. All members of the Nomination and Remuneration Committee have knowledge of the healthcare industry and market.

During the financial year ending 30 September 2023, the Nomination and Remuneration and Remuneration Committee conducted the following activities:

1. 21 November 2022: approved the bonus amounts for the members of the Management Board for the fourth quarter of 2021, calculated by the Management Board in accordance with the Regulations for the Allocation of Cash Bonuses to the members of the Management Board, adopted by the Supervisory Board on 21 June 2014, and recommended that the Supervisory Board adopt a resolution to pay the bonus,
2. 12 January 2023: recommended that the Supervisory Board agree to set the remuneration rules for the members of the Management Board at Synektik SA's subsidiary, Synektik Czech Republic s.r.o,
3. 13 January 2023: the report on the activities of the Remuneration and Nomination Committee of SYNEKTIK SA for financial year 2021 was adopted,
4. 30 January 2023: a draft report on the remuneration of the Management Board and Supervisory Board of SYNEKTIK SA for the financial year 2021 was adopted for presentation to the Supervisory Board of SYNEKTIK SA,
5. 13 February 2023: approved the bonus amounts for the members of the Executive Board for the first quarter of 2022, calculated by the Executive Board in accordance with the Regulations for the Allocation of Cash Bonuses to the members of the Executive Board, adopted by the Supervisory Board on 21 June 2014 and recommended that the Supervisory Board adopt a resolution to pay the bonus,
6. 26 July 2023: approved the bonus amounts for the members of the Management Board for the second and third quarters of 2022, calculated by the Management Board in accordance with the Regulations for the Allocation of Cash Bonuses to the members of the Management Board, adopted by the Supervisory Board on 21 June 2014 and recommended that the Supervisory Board adopt a resolution on the payment of the bonus,
7. 9 November 2023: approved the bonus amounts for the members of the Management Board for the fourth quarter of 2022, calculated by the Management Board in accordance with the Regulations for the Allocation of Cash Bonuses to the members of the Management

Board, adopted by the Supervisory Board on 21 June 2014. and recommended that the Supervisory Board adopt a resolution to pay the bonus.

Cezary Kozanecki

President of the Management Board

Dariusz Korecki

Vice-President of the Management Board

Warsaw, 18 January 2024



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