DIAGNOSTYKA GROUP

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
WITH THE INDEPENDENT AUDITOR'S REPORT

Kraków, 22 April 2025

Consolidated statement of comprehensive income 3
Consolidated statement of financial position 5
Consolidated statement of changes in equity 7
Consolidated statement of cash flows 9
Notes to the consolidated financial statements 11
1 General information 11
2 Basis of accounting 12
3 Statement of accounting policies 15
4 Material values based on subjective judgement and estimates 29
5 Correction of errors, changes in accounting policies, and comparative data 35
6 Revenue 36
7 Reportable segments 37
8 Operating expenses 37
9 Other income and expenses 39
10 Finance income 40
11 Finance costs 41
12 Income tax and public charges payable and receivable 41
13 Assets classified as held for sale 45
14 Earnings per share 46
15 Retained earnings and dividends 47
16 Property, plant and equipment 48
17 Leases 55
18 Intangible assets 60
19. Investments in associates and jointly controlled entities 63
20. Loans 69
21. Goodwill 70
22. Prepayments, accrued income and other assets 86
23. Employee benefit obligations 86
24. Inventories 90
25. Trade and other receivables, contract assets and other receivables 91
26. Cash and cash equivalents and notes to the statement of cash flows 94
27. Share capital, capital reserve and other reserves 95
28. Borrowings 99
29. Debt 105
30. Trade and other payables, other liabilities, and accrued expenses and deferred income 106
31. Guarantees, contingent liabilities and contingent assets 110
32. Related parties 110
33. Capital management 117
34. Financial instruments 118
35. Events after the reporting date 130
36. Auditors’ fees 132
37. Workforce structure 133
38. Authorisation of the financial statements 133

(all amounts in PLN thousand, unless stated otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

	Note	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Revenue		**1,974,688**	**1,597,029**
Revenue from contracts with customers	6	1,950,147	1,587,979
Other income	9.1	24,541	9,050
Operating expenses		**(1,636,677)**	**(1,362,769)**
Depreciation and amortisation	8	(161,525)	(147,245)
Raw materials and consumables used	8	(411,825)	(352,986)
Services	8	(258,806)	(193,341)
Employee benefits expense	8	(754,966)	(621,171)
Taxes and charges	8	(23,602)	(19,185)
Other expenses by nature of expense	8	(15,343)	(12,444)
Cost of goods and materials sold	8	(8,173)	(8,194)
Net loss allowances for trade receivables and other financial assets	9.2	753	(3,146)
Other expenses	9.2	(3,190)	(5,057)
Operating profit (loss)		**338,011**	**234,260**
Finance income	10, 34	8,941	2,523
Finance costs	11, 34	(57,367)	(58,281)
Impairment losses on investments in associates and jointly controlled entities	19	-	(4,944)
Share of profit or loss of associates and jointly controlled entities	**19**	**1,609**	**59**
Profit (loss) before tax		**291,194**	**173,617**
Income tax	**12**	**(59,235)**	**(43,629)**
NET PROFIT (LOSS)		**231,959**	**129,988**
Net profit attributable to:			
Owners of the Parent		223,326	123,430
Non-controlling interests		8,633	6,558
Earnings per share attributable to owners of the Parent:			
Basic earnings per share	14	6.62	3.66
Diluted earnings per share	14	6.62	3.66

(all amounts in PLN thousand, unless stated otherwise)

	Note	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent reporting periods		-	-
Change in actuarial assumptions related to post-employment benefit provision	23	54	(770)
Income tax	12	(10)	146
Items that will not be reclassified to profit or loss in subsequent reporting periods		**44**	**(624)**
Total other comprehensive income		**44**	**(624)**
Total comprehensive income attributable to:		**232,003**	**129,364**
Owners of the Parent		223,370	122,806
Non-controlling interests		8,633	6,558

(all amounts in PLN thousand, unless stated otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

ASSETS	Note	As at 31 Dec 2024	As at 31 Dec 2023
Non-current assets		**1,390,996**	**1,074,900**
Property, plant and equipment	16	422,400	322,158
Right-of-use assets	17.2	369,770	304,501
Goodwill	21	414,812	303,874
Other intangible assets	18	122,533	57,119
Loans	20, 34	6,437	-
Investments in associates and jointly controlled entities	19, 34	37,739	73,314
Deferred tax assets	12.2	2,555	2,331
Long-term receivables	25.2, 34	4,733	2,831
Derivative instruments	34	9,009	7,451
Long-term prepayments and accrued income	22	1,008	1,321
Current assets		**327,023**	**323,246**
Inventories	24	45,438	38,731
Trade receivables	25.1, 34	222,750	158,444
Current tax assets	12.3	4,081	4,883
Loans	20, 34	156	-
Public charges receivable	12.3	776	2,510
Other short-term receivables	25.2, 34	7,274	10,129
Derivative instruments	34	175	5,444
Short-term prepayments and accrued income and other assets	22	5,855	4,369
Cash and cash equivalents	26, 34	40,518	94,870
		327,023	**319,380**
Non-current assets held for sale	13	-	3,866
TOTAL ASSETS		**1,718,019**	**1,398,146**

(all amounts in PLN thousand, unless stated otherwise)

EQUITY AND LIABILITIES	Note	As at 31 Dec 2024	As at 31 Dec 2023
Equity		**433,499**	**335,884**
Share capital	27	33,757	33,757
Share premium	27	41,617	41,617
Capital reserve	27	107,841	88,836
Retained earnings	15, 27	309,810	211,025
Other reserves	27	(74,390)	(50,105)
Equity attributable to owners of the Parent		**418,635**	**325,130**
Equity attributable to non-controlling interests	21.3	14,864	10,754
Non-current liabilities		**888,502**	**749,132**
Bank borrowings	28, 29, 34	579,786	534,539
Lease liabilities	17.4, 29, 34	250,548	203,826
Other financial liabilities	30.3	35,931	-
Employee benefit obligations	23	2,893	2,797
Deferred tax liabilities	12.2	15,001	3,010
Other liabilities and grants	30.2	4,343	4,960
Current liabilities		**396,018**	**313,130**
Trade payables	30.1, 34	100,764	78,340
Bank borrowings	28, 29, 34	14,563	555
Lease liabilities	17.4, 29, 34	124,526	111,575
Other financial liabilities	30.3	26,684	3,560
Income tax payable	12.3	2,794	2,461
Employee benefit obligations	23	67,019	55,105
Public charges payable	12.3	39,704	32,847
Other liabilities and grants	30.2	19,964	26,895
		396,018	**311,338**
Liabilities directly related to non-current assets classified as held for sale	13	-	1,792
TOTAL EQUITY AND LIABILITIES		**1,718,019**	**1,398,146**

(all amounts in PLN thousand, unless stated otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

	Note	Share capital	Share premium	Capital reserve	Retained earnings	Other reserves	Attributable to owners of the Parent	Attributable to non-controlling interests	Total
As at 1 Jan 2024		**33,757**	**41,617**	**88,836**	**211,025**	**(50,105)**	**325,130**	**10,754**	**335,884**
Net profit for the year		-	-	-	223,326	-	223,326	8,633	**231,959**
Other comprehensive income	23	-	-	-	-	44	44	-	**44**
Total comprehensive income		-	-	-	223,326	44	223,370	8,633	**232,003**
Allocation of profit to capital reserve	15, 27.3	-	-	19,005	(19,005)	-	-	-	-
Acquisition of non-controlling interests	21.3	-	-	-	-	(2,376)	(2,376)	(389)	**(2,765)**
Acquisition of subsidiaries	21.3	-	-	-	-	-	-	16,495	**16,495**
Put option on non-controlling interests	21.3, 30.3	-	-	-	-	(25,413)	(25,413)	(15,111)	**(40,524)**
Dividend payment	15, 21.3	-	-	-	(105,658)	-	(105,658)	(5,518)	**(111,176)**
Share-based payment plan	23.2	-	-	-	-	3,660	3,660	-	**3,660**
Other changes	15, 21.3, 27.3	-	-	-	122	(200)	(78)	-	**(78)**
Total changes in equity		-	-	19,005	98,785	(24,285)	93,505	4,110	**97,615**
As at 31 Dec 2024		**33,757**	**41,617**	**107,841**	**309,810**	**(74,390)**	**418,635**	**14,864**	**433,499**

(all amounts in PLN thousand, unless stated otherwise)

	Note	Share capital	Share premium	Capital reserve	Retained earnings	Other reserves	Attributable to owners of the Parent	Attributable to non-controlling interests	Total
As at 1 Jan 2023		**33,757**	**41,617**	**21,179**	**266,399**	**(50,419)**	**312,533**	**5,647**	**318,180**
Net profit for the year		-	-	-	123,430	-	123,430	6,558	**129,988**
Other comprehensive income	23	-	-	-	-	(624)	(624)	-	**(624)**
Total comprehensive income		-	-	-	123,430	(624)	122,806	6,558	**129,364**
Allocation of profit to capital reserve	15, 27.3	-	-	67,202	(67,202)	-	-	-	-
Acquisition of non-controlling interests	21.3	-	-	-	-	(1,131)	(1,131)	(422)	**(1,553)**
Acquisition of control	21.3	-	-	-	-	-	-	1,743	**1,743**
Put option on non-controlling interests	21.3, 30.3	-	-		-	549	549	(2,352)	**(1,803)**
Dividend payment	15, 21.3	-	-	-	(112,072)	-	(112,072)	(2,723)	**(114,795)**
Share-based payment plan	23.2	-	-	-	-	1,520	1,520	-	**1,520**
Non-controlling interest in capital increase at subsidiaries	21.3	-	-	-	-	-	-	2,289	**2,289**
Other changes	15, 21.3, 27.3	-	-	455	470	-	925	14	**939**
Total changes in equity		-	-	67,657	(55,374)	314	12,597	5,107	**17,704**
As at 31 Dec 2023		**33,757**	**41,617**	**88,836**	**211,025**	**(50,105)**	**325,130**	**10,754**	**335,884**

(all amounts in PLN thousand, unless stated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

	Note	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Profit (loss) before tax		**291,194**	**173,617**
Adjustments to profit before tax:		**197,458**	**206,177**
Impairment losses on investments in associates and jointly controlled entities	19	-	4,944
Share of profit or loss of associates and jointly controlled entities	19	(1,609)	(59)
Depreciation and amortisation	8	161,525	147,245
Gain (loss) from investing activities	9	(16,839)	(4,499)
Net finance income/(costs)	10.11	50,721	57,026
Share-based payment plan	23.2	3,660	1,520
Adjustments due to changes in net working capital:		**(17,659)**	**(7,083)**
(Increase) decrease in trade and other receivables	26	(42,351)	(25,652)
(Increase) decrease in inventories	26	(6,651)	(3,048)
Increase (decrease) in liabilities, excluding borrowings	26	31,752	21,198
Change in accruals and deferrals	26	(409)	419
Income tax paid		**(55,565)**	**(36,745)**
Net cash from operating activities		**415,428**	**335,966**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and intangible assets		3,153	2,757
Payments to acquire property, plant and equipment and intangible assets	26	(132,709)	(81,306)
Proceeds from sale of investments in associates	19	5	-
Payments to acquire subsidiary and businesses, net of cash acquired	21.1	(98,355)	(52,480)
Payments to acquire shares of jointly controlled entities and associates	19	(3,813)	(40,899)
Cash flows from acquisition of financial assets		-	439
Proceeds from sale of subsidiary, net of cash disposed of	21.2	177	-
Dividends received	19	1,434	-
Interest received	20	418	-
Disbursements of loans	20	(6,044)	-
Net cash from investing activities		**(235,734)**	**(171,489)**

(all amounts in PLN thousand, unless stated otherwise)

	Note	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Cash flows from financing activities			
Non-controlling interest in capital increase at subsidiaries	21.3	-	2,217
Acquisition of non-controlling interests	21.3	(2,765)	(1,553)
Cash flows from derivative instruments (IRS)		8,424	10,853
Repayment of the principal portion of lease liabilities	29	(116,353)	(100,494)
Proceeds from borrowings	29	251,361	110,290
Repayment of borrowings	29	(210,119)	(9,288)
Interest on lease liabilities and borrowings	29	(55,841)	(55,701)
Dividends paid to owners of the Parent	15	(105,658)	(112,072)
Dividends paid to non-controlling interests	21.3	(5,518)	(2,723)
Other		-	280
Net cash from financing activities		**(236,469)**	**(158,191)**
Net increase (decrease) in cash and cash equivalents		(56,775)	6,286
Cash at beginning of period	**26**	**97,293**	**91,007**
Cash at end of period	**26**	**40,518**	**97,293**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

1.1 The Parent

The parent of the Diagnostyka Group (the "Group") is Diagnostyka S.A. (the "Company", the "Parent") established as a result of the transformation of Diagnostyka Sp. z o.o. Upon transformation, the company was registered in the National Court Register on 2 September 2021, under the KRS number 0000918455. The Parent's registered office is located in Kraków, at ul. prof. Michała Życzkowskiego 16.

Currently, the Company operates as a joint stock company.

The Company's principal place of business is Kraków, ul. prof. Michała Życzkowskiego 16.

As at the date of preparation of these consolidated financial statements, the composition of the Parent's Management and Supervisory Boards is as follows:

Management Board:

Jakub Swadźba – CEO, President of the Management Board

Dariusz Zowczak – Vice President of the Management Board

Marta Rogalska-Kupiec – Vice President of the Management Board

Paweł Chytła – Vice President of the Management Board

Jaromir Pelczarski – Vice President of the Management Board

Supervisory Board:

Artur Olender – Chair of the Supervisory Board

Jacek Prusek – Member of the Supervisory Board

Grzegorz Głownia – Member of the Supervisory Board

Marcin Fryda – Member of the Supervisory Board

Paweł Malicki – Member of the Supervisory Board

Matthew Strassberg – Member of the Supervisory Board

Aniela Hejnowska – Member of the Supervisory Board

In 2024 and up to the date of authorisation of these financial statements, the following changes were made to the Management Board:

- Michał Kantor tendered his resignation from the position of Vice President of the Management Board, effective 19 May 2024.
- Additionally, on 6 September 2024, the Company received a joint statement from the shareholders LX Beta S.a.r.l., Jakub Swadźba, Jacek Pruski, and Grzegorz Głownia appointing Mr. Jaromir Pelczarski as Vice President of the Management Board pursuant to Art. 24(5) of the Company's Articles of Association. The appointment took effect on 1 January 2025.

In 2024 and up to the date of authorisation of financial statements, the following changes occurred in the composition of the Supervisory Board:

- As of 1 October 2024, Aniela Hejnowska was appointed to the Supervisory Board as an independent member.

On 26 March 2025, the Company's Management Board received resignation letters from Matthew Strassberg and Paweł Malicki, members of the Company's Supervisory Board. Their resignations will take effect on the date of the next General Meeting or, at the latest, on 30 June 2025.

Effective 1 November 2024, the Supervisory Board established the Audit Committee of the Supervisory Board, consisting of the following persons:

- Aniela Hejnowska – Chairwoman of the Audit Committee

- Jacek Prusek – Member of the Audit Committee
- Artur Olender – Member of the Audit Committee

1.2 The Group

As at the reporting date, the Diagnostyka Group consisted of: Diagnostyka S.A., as the Parent, and 20 subsidiaries, of which 5 are under the Parent's indirect control. For information on the composition of the Group, see Note 32.1 'Composition of the Group'.

For more information on subsidiaries included in the consolidated financial statements, see Note 19. 'Investments in associates'.

The financial year of the Parent and the Group companies is the calendar year.

The Company's shares have been listed on the main market of the Warsaw Stock Exchange ("WSE"), in a continuous trading system, since 7 February 2025.

The principal business of the Group is medical laboratory diagnostics.

1.3 Functional and reporting currency

These consolidated financial statements are presented in the Polish złoty ("PLN"), and unless stated otherwise, all amounts are given in thousands of PLN. The Polish zloty is the functional and reporting currency of the Parent. The functional currency is determined for each subsidiary, and the subsidiary's assets and liabilities are measured in that functional currency.

2 Basis of accounting

2.1 Statement of compliance with IFRS

The Group's consolidated financial statements for the period ending 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU IFRS") effective as at 31 December 2024. The EU IFRSs include standards and interpretations approved by the International Accounting Standards Board ("IASB").

Some of the Group companies keep their accounts in accordance with the accounting standards defined in the Polish Accounting Act of 29 September 1994, as amended (the "Act"), and secondary legislation issued thereunder (the "Polish Accounting Standards"). These consolidated financial statements include adjustments that are not present in the accounting records of the Group entities but were made to align the financial statements with EU IFRS.

2.2 Basis of accounting

The consolidated financial statements have been prepared on a historical cost basis, except for derivative instruments, which are measured at fair value at the end of each reporting period in accordance with the accounting policy set forth below.

2.3 Reporting period and scope of disclosure

The Group's financial statements cover the financial year from 1 January 2024 to 31 December 2024, and include comparative data for the financial year from 1 January 2023 to 31 December 2023.

2.4 Going concern

As at 31 December 2024, the Group's current liabilities exceeded its current assets by PLN 69,016 thousand. However, the Management Board of the Parent does not regard this level of the metric as indicative of a liquidity risk. At times, the Group may experience short periods when current liabilities exceed current assets. A significant portion of the Group's sales is generated through retail transactions settled in cash. As a result, due to a short cash conversion cycle, the Group is able to service its liabilities on an ongoing basis.

In the opinion of the Management Board, the financial condition of the Group is stable. Every year, the Group generates a profit from its operations, and it is in a positive equity position. Additionally, the Group’s obligations arising from credit covenants are duly met, its liabilities are settled in a timely manner, and financing for its operations has been secured through a revolving credit facility. The Group also generates positive operating cash flows.

Taking the above into account, these consolidated financial statements have been prepared on the assumption that the Company and the Group will continue as a going concern in the foreseeable future.

The Group regularly evaluates the impact of the war in Ukraine on the current economic climate in Poland. The Company also closely monitors the macroeconomic environment, particularly in relation to potential U.S. tariffs on the European Union and their possible effects on the Company. As the Company operates primarily in the domestic market, the Management Board believes that, at present, these factors do not have a material impact on its ability to continue as a going concern.

2.5 Change in applied accounting policies

The accounting policies used to prepare these consolidated financial statements are set forth below. Unless indicated otherwise, they were followed consistently throughout all the reporting periods.

The preparation of consolidated financial statements in accordance with IFRS requires the use of accounting estimates and judgements when applying the accounting policies. Matters based on subjective judgement and significant estimates are disclosed in Note 4 ‘Significant amounts based on subjective judgment and estimates’.

During the reporting period covered by the consolidated financial statements, the following new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2023 were applied.

1. **Amendments to IFRS 16 *Leases***

   The amendments to IFRS 16 *Leases* clarify certain issues concerning subsequent measurement of a lease liability in the case of sale and leaseback transactions which satisfy the criteria under IFRS 15 to be accounted for as a sale.

   The amendments require that a seller-lessee subsequently measure lease liabilities arising in leasebacks in such a way as not to recognise any gain or loss relating to the right of use it retains.

   The new requirement is of particular importance where a leaseback involves variable payments that do not depend on an index or rate, as under IFRS 16 such payments are not lease payments.

   There were no such transactions at the Group in the periods covered by these financial statements.

2. **Amendments to IAS 1 *Presentation of Financial Statements***

   The amendments to IAS 1 clarify the criteria for classifying liabilities as current and non-current, and address the classification of liabilities when the entity is required to comply with certain covenants. The amended IAS 1 provides that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. The classification is not affected by the entity’s expectations or events after the reporting date (for example, covenants under credit facility agreements with which the entity must comply after twelve months from the reporting date).

   The above guidance has been applied in classifying liabilities as current and non-current in the periods covered by these financial statements. The amendments had no effect on the presentation in these financial statements.

3. **Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* – disclosures on supplier finance arrangements**

   In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*, introducing new disclosure requirements for supplier finance arrangements (also referred to as supply chain finance, payables finance, or reverse factoring arrangements). Entities are required to disclose specific information about supplier finance arrangements to enable users of financial statements to assess how they affect the entity’s liabilities and cash flows and understand their effect on the entity’s exposure to liquidity risk. The amendments aim to enhance transparency of disclosures on supplier finance arrangements but do not change the principles of recognition and measurement. As the Group is not a party to such arrangements, the amendments had no effect on these financial statements.

2.6 New standards and interpretations which have been issued but are not yet effective

The International Accounting Standards Board has issued standards and interpretations whose mandatory application dates are yet to commence. The Group resolved not to early adopt in these financial statements the following issued standards, interpretations or amendments to existing standards prior to their effective date. The following standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods, except for IFRS 18, the potential impact of which on applied presentation principles is presently being assessed by the Group.

During the reporting period, the following standards and interpretations were published whose mandatory application dates are yet to commence.

1. Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*

In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are intended to help entities determine whether a currency is exchangeable for another currency and estimate the spot exchange rate if it is not. In addition, where a currency is not exchangeable, the amended standard requires disclosure of additional information on how an alternative exchange rate is determined.

The amendments are effective for financial statements for periods beginning on or after 1 January 2025.

2. Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)

On 30 May 2024, the International Accounting Standard Board issued amendments to IFRS 9 and IFRS 7 intended to

(a) clarify the date of recognition and derecognition of certain financial assets and liabilities, with an exemption for certain financial liabilities settled through electronic payment systems;

(b) clarify and add further guidance on assessing whether a financial asset meets the SPPI criterion;

(c) add new disclosures for certain instruments whose contractual terms may alter cash flows; and

(d) update disclosures on equity instruments measured at fair value through other comprehensive income (FVOCI).

The amendments are effective for financial statements for periods beginning on or after 1 January 2026.

As at the date of these consolidated financial statements, the amendments were not yet endorsed by the European Union.

3. IFRS 14 *Regulatory Deferral Accounts*

The standard permits an entity which is a first-time adopter of IFRS (on or after 1 January 2016) to continue to account for rate-regulated activities in accordance with its previous accounting policies. To improve comparability with entities which already use IFRSs and do not account for such activities, in accordance with the issued IFRS 14 amounts from rate-regulated activities should be presented as a separate item both in the statement of financial position and in the statement of profit or loss and statement of other comprehensive income.

The European Commission has decided not to launch the endorsement process of the interim version of the standard and to wait for the final version. As at the date of authorisation of these financial statements, the standard has not been endorsed by the European Union.

4. Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture

The amendments address the current inconsistency between IFRS 10 and IAS 28. The accounting approach depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a business.

Full gain or loss is recognised by the investor if the non-monetary assets constitute a business. If the assets do not meet the definition of a business, the investor recognises a partial gain or loss, excluding the part corresponding to other investors' interests.

The amendments were issued on 11 September 2014. As at the date of these financial statements, endorsement of the amendments has been postponed by the European Union.

5. IFRS 18: *Presentation and Disclosure in Financial Statements*

On 9 April 2024, the IASB issued a new standard, IFRS 18 *Presentation and Disclosures in Financial Statements*, which aims to improve the way companies communicate in their financial statements, with a particular focus on the information on financial performance contained in the statement of profit or loss.

IFRS 18 will require introducing additional defined subtotals in the statement of profit or loss, management-defined performance measures, and new guidance on the principles of aggregation and disaggregation of information.

As at the date of these financial statements, the amendments have not yet been endorsed by the European Union – applicable for annual periods beginning on or after 1 January 2027;

6. IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The International Accounting Standards Board has issued a new IFRS for subsidiaries. IFRS 19 permits qualifying subsidiaries to apply IFRS accounting standards with limited disclosures. The application of IFRS 19 will reduce the cost of preparing subsidiaries' financial statements while preserving the usefulness of the information for users of their financial statements. Subsidiaries that apply IFRS to prepare their own financial statements present disclosures that may be disproportionate to the information needs of their users. IFRS 19 will address these challenges by:

– permitting subsidiaries to maintain only one set of accounting records, so as to meet the needs of both the parent and the users of their financial statements;

– reducing disclosure requirements – IFRS 19 permits reduced disclosures that are better suited to the needs of users of the financial statements.

The issued standard will be effective for financial statements for periods beginning on or after 1 January 2027.

As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

7. Annual Improvements to IFRS Accounting Standard – Volume 11

Annual Improvements to IFRS Accounting Standards – Volume 11 include amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statement of Cash Flows*.

The amendments explain and clarify the guidance on recognition and measurement.

Annual Improvements to IFRS Accounting Standards will be effective for annual periods beginning on or after 1 January 2026.

As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

8. Contracts referencing nature-dependent electricity: amendments to IFRS 9 and IFRS 7

In December 2024, the IASB published amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*.

The amendments will be effective for annual periods beginning on or after 1 January 2026.

As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

The effective dates are those resulting from the content of the standards issued by the International Financial Reporting Council. The effective dates of the standards in the European Union may differ from those specified in the text of the standards and are announced on endorsement of a standard by the European Union.

3 Statement of accounting policies

3.1 Principles of consolidation, equity method

Principles of consolidation – subsidiaries

The consolidated financial statements include the financial statements of the Group and entities controlled by the Parent (its subsidiaries). The Parent controls an investee when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Consolidation ceases from the day the control is lost.

The Parent verifies whether it has control of other entities if there is an indication of change in one or more of the above conditions of control.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in the consolidated financial statements.

If the Group holds less than a majority of voting rights in an investee, but the voting rights held are sufficient to direct the relevant activities of the investee unilaterally, this means that the Group has control of the investee.

When assessing whether the voting rights in an investee are sufficient to give the control, the Group considers all relevant circumstances, including:

- the size of its holding of voting rights relative to the size and dispersion of other vote holders;
- potential voting rights held by the Company, other vote holders or other parties,
- rights resulting from other contractual arrangements, and
- any additional facts and circumstances that indicate the investor has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Profit or loss and each component of other comprehensive income is attributed to the owners of the Group and to the non-controlling interests. Comprehensive income of subsidiaries is allocated to the owners of the Parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in profit or loss and equity of subsidiaries are disclosed separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

If necessary, the financial statements of subsidiaries are adjusted to bring their accounting policies in line with those of the Group.

Equity method – associates and jointly controlled entities

Associates are entities over which the Group has significant influence, but which it does not control or jointly control. Significant influence is generally presumed when the Group holds between 20% and 50% of the voting rights. Investments in associates are measured using the equity method in accordance with IAS 28, with initial recognition at acquisition cost (at cost).

Jointly controlled entities (joint contractual arrangements) are classified into joint operations and joint ventures. The classification depends on the contractual rights and obligations of each investor, not on the legal structure of the joint contractual arrangement. For information on significant judgments regarding the classification of investments as joint ventures, see Note 4.2

In these consolidated financial statements, the Group's investments in associates and jointly controlled entities are accounted for using the equity method. Under the equity method, investments are initially recognised at cost and subsequently adjusted to represent the Group's share of the profit or loss and other comprehensive income of the associate or jointly controlled entity. If the Group's share in the losses of an associate or jointly controlled entity exceeds the carrying amount of its interest in that entity, the Group ceases to recognise its share in subsequent losses. Any such losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

If there are indications of impairment, investments accounted for using the equity method may incur an impairment charge. Such impairment charges are presented in the consolidated statement of comprehensive income separately from the line item 'Share of profit or loss of associates and jointly controlled entities', as 'Impairment losses on investments in associates and jointly controlled entities'.

Changes in the Group's interest in the equity of subsidiaries

Changes in the Group's interest in the equity of subsidiaries that do not result in the Group losing control of these entities are accounted for as equity transactions (transactions with owners of the Group). The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect changes in the Group's ownership interests in its subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity, and attributed to the owners of the Parent.

In the case of a step acquisition of an equity interest, until the investee is recognised as an associate or jointly controlled entity its equity instruments are measured in accordance with the rules permitted under IFRS 9. In particular, they may be measured at fair value, with fair value changes recognised in other comprehensive income. When the investee is recognised as an associate or jointly controlled entity, the previously held equity interest is measured at historical cost, and the effects of any measurements made in prior reporting periods are reversed in the same manner as was applied in the initial recognition of the equity interest.

When the Group loses control of a subsidiary, it recognises a gain or loss in the statement of profit or loss. This gain or loss is calculated based on the difference between the aggregate consideration received and the fair value of any interest retained, against the carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the subsidiary at the date control is lost. All amounts initially recognised in other comprehensive income related to that subsidiary are treated as though the Group had directly disposed of the relevant assets or liabilities of the subsidiary. This means they are reclassified to profit or loss or another component of equity, in accordance with the specific requirements of the applicable IFRS. The fair value of the investment held in the former subsidiary at the date of loss of control is treated as the fair value at initial recognition to allow for possible settlement of the cost incurred at initial recognition of the investment in the associate or joint venture in accordance with IFRS 9.

Business combinations (excluding business combinations of entities under common control)

Business combinations are accounted for using the acquisition method. In a business combination transaction, the consideration transferred is measured at fair value. This is determined as the sum of the fair values of the assets transferred by the Group, the liabilities assumed by the Group from the previous owners of the acquired entity, and the equity instruments issued by the Group as consideration for obtaining control over the acquired entity, all measured at the acquisition date. Acquisition-related costs are recognised in profit or loss when incurred.

Identifiable assets and liabilities are measured at fair value as at the acquisition date, with the following exceptions:

- Deferred tax assets and liabilities, or those related to employee benefit obligations, are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*;
- Liabilities or equity instruments related to share-based payment arrangements in the acquired entity or within the Group, intended to replace similar arrangements in the acquired entity, are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- Assets (or groups of assets held for sale) classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with the requirements of this standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree over the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. If, upon reassessment, the net of the acquisition-date fair values of the identifiable assets and liabilities exceeds the aggregate of the consideration transferred, the value of any non-controlling interests in the acquired entity, and the fair value of the acquirer’s previously held equity interests in the acquiree, this surplus is recorded directly in profit or loss as a gain from a bargain purchase under the line item ‘Other income’.

Non-controlling interests, which are part of the equity ownership entitling holders to a proportionate share of the entity’s net assets in the event of liquidation, are initially measured at their proportion of the acquiree's identifiable net assets at fair value.

If the consideration transferred in a business combination includes assets or liabilities resulting from a contingent payment arrangement, such consideration is measured at fair value at the acquisition date and recognised as part of the consideration transferred in the business combination transaction. Fair value changes in the contingent consideration that qualify as measurement period adjustments are accounted for retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that result from additional information that the acquirer obtained after that date about facts and circumstances that existed at the acquisition date during the "measurement period" (which may not exceed one year from the acquisition date).

Changes in the fair value of contingent consideration (in the case of acquisition of subsidiaries, associates and jointly controlled entities), which do not qualify as measurement period adjustments are accounted for according to the classification of the contingent consideration. Contingent consideration classified as equity is not re-measured, and any subsequent settlement is accounted for within equity. Contingent consideration classified as a financial liability is subsequently measured at fair value, with any changes in fair value recognised in profit or loss. Such liabilities are disclosed by the Group under 'Other financial liabilities'.

If the initial accounting for a business combination is not complete by the end of the reporting period in which the combination occurs, the Group discloses in its financial statements the provisional amounts for those items that are yet to be finalised. During the measurement period, the Group adjusts these provisional amounts recognised at the acquisition date or recognises additional assets or liabilities to reflect new information about facts and circumstances that were present at the acquisition date and would have affected the valuation of those items had they been known at that time.

Business combinations of entities under common control

Mergers of entities or businesses under common control, conducted between parties that are businesses, are accounted for using the predecessor approach. This method involves recognizing assets and liabilities at their carrying amounts as presented by the highest-level controlling entity within the Group in its consolidated financial statements.

New goodwill arising from the merger of entities under common control is not recognised. However, if goodwill had been previously recognised in the consolidated financial statements of the highest-level controlling entity, it will be carried over in the acquirer's books in accordance with the 'predecessor value' principle.

3.2 Revenue from contracts with customers

In accordance with IFRS 15, the Group recognises revenue from contracts with customers at the point in time the Group fulfils its performance obligation by delivering the promised service output to the customer, where such delivery effectively transfers control over the outcome to the customer. This means the customer gains the ability to direct the use of the provided outcome and obtain substantially all remaining benefits from it. An average payment term of 30 days is applied.

Following the fulfilment of a performance obligation, revenue from contracts with customers is recognised in an amount equal to the transaction price allocated to that performance obligation, reduced by expected discounts, customer returns, and similar deductions. The Group identifies a performance obligation as every promise, set forth in a contract (whether written or verbal), to transfer distinguishable and separately identifiable services to the customer. For each performance obligation, the Group applies the shortest possible fulfilment time based on the contract terms and technical feasibility. The Group fulfils these obligations either on the same day or within several days following the acceptance of the obligation.

The allocation of the transaction price to the individual performance obligations is based on standalone selling prices.

The primary source of revenue for the Group is the provision of laboratory diagnostics services. Additionally, the Group generates revenue from the sale of goods (reagents). Revenues from both sources are presented as revenue from contracts with customers in the consolidated statement of comprehensive income.

Revenue from general medical, histopathological, and genetic diagnostic services:

The Group identifies as a single performance obligation the provision of a diagnostic testing service (or a set of tests) together with the specimen collection and transport services. Revenue from the provision of a service is recognised at a single point in time, when the results of the test are delivered to the customer, as this is when the Group deems its performance obligation to have been fulfilled.

A portion of the Group's revenue is derived from the sale of test packages (including via e-commerce channels), which will be utilised by the end customer in future periods. Revenue from the sale of such packages is recorded by the Group as contract liabilities. It is recognised in the periods in which the tests are performed, with a corresponding reduction in the amount of the recognised liabilities.

Revenue from the sale of goods:

Revenue from the sale of goods – reagents – is recognised at the point in time when control of the goods is transferred to the customer, specifically when the goods are received by the customer.

For the existing contracts, the Group has not identified any variable components of consideration that could materially affect the amount of recognised revenue. The Group does not have significant obligations to accept returns, provide warranties, or make refunds of the consideration received.

The Group is not a party to any arrangements in which the period between the transfer of goods or services to the customer and the payment of consideration exceeds one year. Therefore, the Group does not adjust the transaction prices for the time value of money.

3.3 Interest and dividend income

Dividend income is recognised when the shareholder's right to receive it is established (provided that it is probable that the Group will obtain economic benefits and that the amount of the income can be measured reliably).

Interest income from financial assets is recognised when it is probable that the Company will obtain economic benefits, and the amount of the income can be measured reliably. Interest income is recognised over time concerning the outstanding principal amount and using the effective interest rate, which is the rate used to discount future cash flows expected over the economic useful life of the financial asset to the carrying amount of that asset at initial recognition. Interest and dividend income is presented under finance income.

3.4 Government grants

Grants, the primary condition of which is the purchase, construction or other acquisition of non-current assets, are recognised as deferred income in the consolidated statement of financial position and recognised in profit or loss under other operating income systematically in reasonable amounts over the economic useful life of the related assets or are recognised in profit or loss over the period necessary to match the costs they are intended to offset.

The Group recognises grants when there is reasonable certainty that the grant will be received and the Group meets all conditions attached to the grant.

3.5 Income tax

The mandatory charge to profits comprises current tax and deferred tax.

Current tax

Current tax expense is calculated based on tax profit or loss (taxable income) for a given reporting period. Tax profit (loss) differs from accounting profit (loss) in that it does not include temporarily non-taxable income, temporarily non-deductible expenses, or income or cost items that will never be taxable or deductible. Tax expenses are calculated based on tax rates and regulations applicable in a given financial year.

Deferred tax

Deferred tax is recognised in full on a net basis for temporary differences between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are not recognised when they arise from the initial recognition of goodwill. Deferred tax liabilities are also not recognised when they arise from the initial recognition of an asset or liability in a transaction that is not a business combination, provided that it does not affect profit or loss or taxable income (tax loss) at the time of the transaction and does not give rise to equal amounts of taxable and deductible temporary differences. Deferred tax is determined using the tax rates (and regulations) that are currently enacted or virtually enacted at the reporting date, which are expected to apply when the relevant deferred tax assets are realised, or the associated liabilities are settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable income will be available against which the temporary differences and losses can be utilised.

Deferred tax liabilities are not recognised for temporary differences arising between the carrying amounts and the tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off the recognised amounts and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and the Group intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or directly in equity, as appropriate.

Uncertainty related to tax settlements

Regulations on value added tax, corporate income tax, and social security contributions are subject to frequent changes, with the effect being lack of appropriate points of reference, conflicting interpretations, and scarcity of established precedents which could be followed. Furthermore, the applicable tax laws lack clarity, which leads to differing opinions and diverse interpretations, both between various public authorities and between public authorities and businesses.

Tax settlements and other areas of activity (e.g., customs or foreign exchange control) may be subject to inspections by authorities that are entitled to impose high fines and penalties, and any additional tax liabilities resulting from such inspections must be paid with high interest. Consequently, the tax risk in Poland is higher than in countries with more mature tax systems. The amounts presented and disclosed in financial statements may therefore change in the future as a result of a final decision by a tax inspection authority.

On 15 July 2016, amendments were made to the Tax Law reflecting the provisions of the General Anti-Abuse Rule (GAAR). GAAR is intended to prevent creation and use of abusive arrangements to avoid paying taxes in Poland. GAAR defines tax evasion as measures taken primarily for the purpose of achieving a tax benefit which in the given circumstances is contrary to the object and purpose of tax laws. In accordance with GAAR, no tax advantage can be obtained through an arrangement which is abusive. Any arrangements involving (i) separation of transactions or operations without a sufficient rationale, (ii) engaging intermediaries where no business or economic rationale exists, (iii) any offsetting elements, and (iv) any arrangements operating in a similar way may be viewed as an indication of the existence of an abusive arrangement subject to GAAR. The regulations require considerably more judgement in assessing the tax effects of transactions. GAAR should be applied with respect to arrangements made after its effective date as well as arrangements that were made before its effective date, but the benefit of the tax advantage obtained through the arrangement continued or continues after that date. The implementation of these regulations enables Polish tax inspection bodies to challenge legal agreements and arrangements made by taxpayers, such as the restructuring and reorganisation of corporate groups.

Global minimum tax – BEPS

In early 2025, legislation implementing the global minimum top-up tax in Poland came into force. The Parent and the Group are not subject to these regulations, as they do not meet the criteria for application under the BEPS framework.

3.6 Earnings per share

Earnings per share for each reporting period are calculated as the quotient of the net profit for the given period and the weighted average number of shares outstanding in the given period.

Basic earnings per share are calculated by dividing the net profit attributable to the Parent's ordinary equity holders for a given period by the weighted average number of ordinary shares outstanding during that period.

Diluted earnings per share are calculated as the quotient of net profit for the reporting period attributable to holders of ordinary shares of the Parent and the weighted average number of ordinary shares outstanding in the period adjusted for the weighted average number of ordinary shares that would be issued upon conversion of all potentially dilutive equity instruments into ordinary shares. There were no dilutive instruments during the reporting periods.

3.7 Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. The initial value of property, plant and equipment comprises their purchase price, plus all directly attributable costs related to the acquisition and preparation of the asset for its intended use.

Costs incurred after the date an item of property, plant and equipment is brought into use, such as maintenance and repair costs, are charged to profit or loss when incurred.

The Group annually reviews the residual value, useful life, and method of depreciation of property, plant and equipment.

The Group uses the straight-line method as the method of depreciation. The depreciation rates for individual classes of property, plant and equipment are as follows:

- Buildings and structures – 2% - 4.5%
- Plant and equipment – 6% - 30%
- Vehicles – 12.5% - 20%
- Other – 10% - 33%
- Land is not depreciated.

Property, plant and equipment under construction are measured at the amount of total cost directly attributable to their acquisition or construction, including finance costs, less any impairment losses. Property, plant and equipment under construction are not depreciated until they are placed in service.

An item of property, plant and equipment may be derecognised upon disposal, or when no future economic benefits are expected from its use. Any gains or losses on derecognition of an item of property, plant and equipment (calculated as the difference between net proceeds from its sale, if any, and the carrying amount of the item) are charged to profit or loss for the period when the item was derecognised, under 'Other income' or 'Other expenses', respectively.

3.8 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Among other things, the Group leases commercial space, laboratory apparatus and perpetual usufruct rights to land. Contracts are typically entered into for a fixed term but may include an option to extend the lease. Some contracts are concluded for an indefinite period. In such cases, the Group determines the lease term based on an analysis of the potential economic penalty associated with the contract. For information on significant judgments related to the determination of the lease term in open-ended lease contracts, see Note 4.2.

Contracts may contain lease and non-lease components. The Group allocates the consideration to lease and non-lease components, respectively, on the basis on their relative fair values. However, in the case of leases of laboratory apparatus, where the Group is the lessee, the option of not separating non-lease components from lease components has been chosen, and they are recognised as a single lease component. As part of procuring services and materials, the Group purchases reagents for laboratory analyses, and under contracts with reagent suppliers, the Group utilises specialised equipment for these analyses using the purchased reagents. The purchase of reagents and the lease of equipment are subject to a single contract with a given supplier. In certain lease agreements, the lessors have defined a minimum purchase volume of reagents for a specified period. The Group treats payments for reagents made within such limits as essentially fixed lease payments and includes them in the measurement of the lease liability. The purchase of reagents above the limits is presented in the line item 'Raw materials and consumables used' in the consolidated statement of comprehensive income.

Right-of-use assets

The Group recognises right-of-use assets at the lease commencement date (i.e. the date when the underlying asset is made available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, the initial direct costs incurred, and any lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group believes there is reasonable certainty it will acquire ownership of the leased assets after a relevant lease expires, the recognised right-of-use assets are depreciated using the straight-line method over the shorter of

- the estimated useful life and
- the lease term.

Lease payments relating to the option to extend the lease, when exercise of the option is reasonably certain, are also included in the measurement of the liability.

Lease liabilities

At the lease commencement date, the Group measures lease liabilities at the present value of lease payments then outstanding. Lease payments include:

- fixed lease payments (including essentially fixed lease payments, which also include reagents purchased within the minimum purchase limit specified in the contracts) less any lease incentives due,
- variable lease payments that depend on the index or rates initially measured using that index or rate at their value at the commencement date,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments for lease termination penalties, if the lease terms provide for the possibility of termination by the Group and the Group intends to exercise this option.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition triggering the payment occurs.

Discount rate

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate, which is the interest rate the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment, for a similar term and with similar collateral.

After the commencement date, the amount of lease liabilities is increased to reflect the interest, and reduced by lease payments made. Furthermore, the carrying amount of lease liabilities is remeasured if the lease term, in-substance fixed lease payments or judgement as to purchase of the underlying assets change.

Short-term leases and leases of low-value assets

The Group applies the exemption from short-term lease recognition to its short-term leases (i.e., leases with a term of 12 months or less from inception, with no purchase option). The Group did not elect to apply the exemption for the recognition of low-value asset leases to low-value leases. Therefore, lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term. Lease payments under leases of low-value assets are included in the calculation of lease liabilities and are recognised as right-of-use assets.

3.9 Intangible assets

Acquired intangible assets

Acquired intangible assets with a finite useful life are carried at cost less accumulated amortisation and impairment losses. Such assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, and the effects of any changes in estimates are accounted for prospectively. Acquired intangible assets with an indefinite useful life are carried at cost less accumulated impairment losses.

Internally generated intangible assets

The Group divides the process of creating internally generated intangible assets into a research phase and a development phase.

Research activities are innovative and planned investigations undertaken with the aim of acquiring and assimilating new scientific and technical knowledge. Research costs are charged to profit or loss as incurred.

Development work

An intangible asset arising from development work is recognised by the Group when it can prove:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure incurred on development work performed as part of a project is carried forward if it can be assumed that it will be recovered in the future. After initial recognition of development expenditure, the historical cost model is used, requiring that assets be recognised at cost less accumulated amortisation and impairment losses. Capitalised expenditure is amortised over the expected period when the benefits from the development project will be obtained. The main costs incurred by the Group that are capitalised as part of development work relate to the salaries of employees involved in the development efforts (i.e., development of the IT system, as described in Note 4.2 and Note 18).

Intangible assets acquired in a business combination

As part of a business combination, the Group recognises, among other things, customer relationships, which are initially recognised at their fair value as at the acquisition date (which is treated as their cost).

After initial recognition, intangible assets acquired in a business combination are carried at cost less accumulated amortisation and impairment losses, on the same basis as separately acquired intangible assets.

Derecognition of intangible assets

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their further use or disposal. The gain or loss arising from the derecognition of an intangible asset (determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset) is recognised in profit or loss for the period when the asset is derecognised.

Goodwill

Goodwill, determined in accordance with the principles described in the section on business combinations, is not amortised and is tested for possible impairment once a year or more frequently if events or circumstances indicate a possible impairment.

For impairment testing purposes, goodwill is allocated to individual cash-generating units (CGUs) within the Group (or groups of such units) that are expected to benefit from the synergies of the business combination.

Impairment loss is determined by assessing the recoverable amount of the cash-generating unit (or group of units) to which the goodwill has been allocated. If the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised.

If goodwill is a part of a cash-generating unit and the Group sells a part of the CGU's business, the goodwill pertaining to the sold business is included in the carrying amount of the sold business for the purpose of calculating gain or loss on disposal of the part of business. In such circumstances, the goodwill disposed of is measured based on the relative value of the operation sold and the portion of the CGU retained.

Customer relationships

Net assets acquired in the course of business acquisitions include customer relationships, which at the time of initial recognition are measured using the multi-period excess earnings method. For significant estimates related to the assumptions adopted in the customer relationship valuation model, see Note 4.1.

Useful lives

The Group amortises intangible assets with definite useful lives using the straight-line method over the following useful lives:

- Capitalised development work 5 years
- Customer relationships 5-7 years
- Licenses, software and other intangible assets 2-5 years

Amortisation of intangible assets is included in the line item 'Depreciation and amortisation' in the consolidated statement of comprehensive income.

3.10 Borrowing costs

Borrowing costs (both general and specific financing) that can be attributed to the acquisition, construction or production of a qualifying asset are capitalised during the period necessary to complete the asset and prepare it for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed when incurred.

3.11 Non-current assets held for sale

Non-current assets and disposal groups are considered held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continued use. This condition is met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Classification as held for sale assumes the Group's management intends to complete the sale within one year from the classification date. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.12 Impairment of non-financial non-current assets

At each reporting date, the Group assesses whether there is any indication that a non-financial non-current asset, including a right-of-use asset, may be impaired. If any such indication exists, or when an annual impairment test is required, the Group estimates the recoverable amount of the asset or the cash-generating unit to which the asset belongs. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. The latter is the present value of estimated future cash flows, discounted using a pre-tax discount rate reflecting the current market assessment of the time value of money and the risks specific to the asset. For information on how cash-generating units are identified, see Note 4.2. 'Significant amounts based on subjective judgment and estimates' – 'Principles for identifying cash-generating units ('CGUs') and allocating goodwill to CGUs'.

If it is not possible to estimate the recoverable amount of an individual asset, an impairment test is performed on the recoverable amount of the cash-generating unit to which the asset belongs. If a reliable and consistent basis for allocation can be identified, the Group's non-current assets are allocated to individual cash-generating units or to the smallest groups of units that generate such cash flows, for which a reliable and consistent basis for allocation can be determined.

If the recoverable amount is lower than the carrying amount of an asset (or cash-generating unit), the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense in the period it which it occurs.

If an impairment loss is subsequently reversed, the net carrying amount of the asset (or cash-generating unit) is increased to its new estimated recoverable amount, but not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised immediately in profit or loss.

3.13 Inventories

Inventories are measured at the lower of cost or net realisable value. Inventory outflows are measured using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of providing a service and the costs necessary to make the sale. The Group makes a write-down when inventories have lost their utility or usefulness (shelf-life analysis), or cannot be sold. Write-downs are recognised as other expenses. Reversals of write-downs are presented under other income. The use of write-downs is presented according to the account in which the outflow of the inventories covered by the write-down is recognised.

3.14 Financial assets

Classification of financial assets

The Group classifies financial assets into the following valuation categories:

- financial assets measured at amortised cost,
- financial assets measured at fair value through profit or loss,
- financial assets measured at fair value through other comprehensive income.

The classification depends on the business model adopted by the Group to manage financial assets and the terms of contractual cash flows.

Initial recognition and measurement at initial recognition

At the time of initial recognition, the Group measures a financial asset at its fair value. For a financial asset not measured at fair value through profit or loss, the fair value is adjusted by transaction costs that are directly attributable to the acquisition of the financial asset.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards incidental to the holding of the financial assets.

Measurement subsequent to initial recognition

Debt instruments – Financial assets measured at amortised cost

Financial assets held to collect contractual cash flows that comprise solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income is calculated using the effective interest rate method and disclosed under interest income in profit or loss.

In this category the Group classifies in particular:

- trade receivables;
- loans that meet the SPPI classification test and, in line with the business model, are recognised as 'held to collect cash flows';
- cash and cash equivalents.

Financial assets measured at fair value through profit or loss

Financial assets which do not meet the criteria for measurement at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This category also includes derivative instruments. Derivative instruments are classified as held for trading and measured at fair value through profit or loss, unless they are designated for hedge accounting.

In 2023-2024, the Group reported interest rate swaps in this category of assets.

Derivative instruments – interest rate swaps

The Group manages interest rate risk through the use of interest rate swaps. Derivative financial instruments of this type are measured at fair value. Derivative instruments are recognised as assets if their value is positive and as liabilities if their value is negative. The fair value of interest rate swap contracts is determined based on valuations received from the contract issuers, who price these contracts using observable market data, including, in particular, current forward interest rates. The Group has not opted to apply hedge accounting to the held derivative instruments. Therefore, all changes in fair value are recognised in profit or loss for the period.

Impairment of financial assets

The Group assesses expected credit losses (ECL) related to debt instruments measured at amortised cost and at fair value through profit or loss or other comprehensive income, regardless of whether there is any indication of impairment.

For short-term trade receivables that do not contain a significant financing component, the Group applies the simplified approach and measures the allowances for expected credit losses at an amount equal to the lifetime expected credit losses from the moment of initial recognition.

For a description of the judgements applied by the Group in recognising allowances for expected credit losses, see Note 4.1 'Estimation uncertainty'.

3.15 Cash and cash equivalents

Cash and cash equivalents disclosed in the statement of financial position include cash at bank and on hand, as well as short-term deposits with an original maturity of no more than three months.

The cash and cash equivalents balance reported in the statement of cash flows consists of the cash and cash equivalents referred to above.

3.16 Equity

Share capital is measured at nominal value, which is the amount specified in the Articles of Association of the Parent and registered with the court. In connection with the issue, acquisition of own equity instruments, and dividend payments, the Group typically incurs various costs (e.g., registration fees, fees paid to legal and accounting advisors, prospectus preparation and printing costs, stamp duty, etc.). Such transaction costs (net of income tax benefits) related to equity transactions reduce share premium by an amount equal to the marginal costs directly attributable to the transaction. Other costs (i.e., those that could have been avoided) are expensed when incurred. Transaction costs are recognised in equity at the time they are incurred.

3.17 Share-based payments

Employees (including members of the Management Board) of the Group receive remuneration based on the valuation of the Parent's equity instruments. The plan will be settled in cash paid out by the shareholders of the Parent. The terms of the plan are presented in Note 23.2.

The Group accounts for the plan as an equity-settled share-based payment transaction because the obligation to pay cash does not directly lie with the Parent — this obligation rests with the shareholders.

Equity-settled share-based payment transactions

The cost of compensation is measured by reference to the fair value of the plan at the grant date and is not subsequently remeasured. The fair value is determined by an independent appraiser using a binomial model and market conditions prevailing as at the grant date. Changes in the market conditions in subsequent periods do not result in remeasurement of the fair value in those periods. For detailed information about the valuation model, see Note 4.

Costs of the plan, determined individually for each participant, are recognised with a corresponding increase in equity (other reserves) over the vesting period. No plan costs are recognised if the rights are ultimately not vested.

3.18 Provisions

Provisions are recognised if the Group has a legal or constructive obligation resulting from a past event, the amount of such obligation can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The recognised amount of a provision represents the best estimate of the expenditure required to settle the present obligation at the reporting date, accounting for the risks and uncertainties related to the obligation. When a provision is measured using estimated cash flows required to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

If it is probable that some or all of the economic benefits required to settle a provision will be recovered from a third party, the receivable is recognised as an asset if the recovery is virtually certain and the amount can be reliably measured.

Provisions for onerous contracts are also presented under other current liabilities. If the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it, the present obligation arising from the contract is recognised and measured as a provision. The unavoidable costs under the contract are at least the net costs of exiting the contract, which are the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it.

Contingent liabilities recognised in a business combination

Contingent liabilities recognised in a business combination are initially measured at fair value at the acquisition date if they represent a present obligation arising from past events, and their fair value can be reliably measured. Subsequently, at each reporting date, the contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount initially recognised, less any cumulative income recognised in compliance with IFRS 15 *Revenue from Contracts with Customers*, where applicable.

3.19 Employee benefit obligations

Obligations for holidays and sick leaves are recognised for accumulating paid absences when the employees render service that increases their entitlement to future paid absences. For non-accumulating paid absences, benefits are recognised when the absences occur. These obligations are presented in the statement of financial position as short-term employee benefit obligations.

For defined contribution plans, the Group pays contributions to state pension insurance schemes and employee capital plans. Once the contributions are paid, the Group has no further payment obligations. These obligations are also presented in the statement of financial position as short-term employee benefit obligations.

For post-employment benefits, the Group recognises provisions for retirement gratuities. These provisions are estimated at each reporting date using actuarial methods.

3.20 Financial liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. A financial liability is classified as held for trading if it has been acquired for the purpose of selling it in the near term. Derivative instruments, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

As at 31 December 2024, financial liabilities at fair value through profit or loss included put option liabilities, liabilities from contingent consideration for shares in subsidiaries, associates and jointly controlled entities, and liabilities from acquisition of shares in subsidiaries. As at 31 December 2023, put option liabilities were classified as financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, based on their market value as at the reporting date, net of costs to sell. Changes in the fair value of these instruments are recognised in profit or loss as finance costs or finance income.

Other financial liabilities that are not measured at fair value through profit or loss are measured at amortised cost. Any differences between the amount received (net of transaction costs) and the repayment amount are recognised in profit or loss using the effective interest method over the term of the relevant contracts. Fees paid for credit facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility amount will be drawn. In this case, the fees are deferred until the facility is drawn down. If there is no evidence indicating the probability of drawing down some or all of the facility amount, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Group derecognises a financial liability from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expires. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Put option liabilities

A contract that obliges an entity to acquire its own equity instruments in exchange for cash or another financial asset creates a financial liability. The Group classifies put options as contracts that result in the creation of a financial liability. Under a put option, the purchaser offers to buy shares from the current owners for a price determined according to the terms of the contract. For significant estimates related to the valuation of put option liabilities, see Note 4.1.

Liabilities from put options on non-controlling interests

A liability from a put option on non-controlling interests is recognised at the present value of the purchase price, with a corresponding entry under the non-controlling interest disclosed in the Group's equity, as if the acquisition of the non-controlling interests had occurred on that date. The liability is presented in the line item ‘Other financial liabilities’ and is subsequently accounted for in accordance with IFRS 9. At each subsequent reporting date (until the option is exercised or expires), the Group:

- allocates profit or loss and declared dividends from the entity whose shares are covered by the option to non-controlling interests,
- updates the measurement of the financial liability,
- and then derecognises the allocated measurement of the non-controlling interests, offsetting the updated amount of the liability and recognising the difference in ‘Other reserves’.

If the option is exercised, the financial liability is extinguished through payment. If the option expires unexercised, the liability is derecognised from the consolidated statement of financial position, offsetting the amount of non-controlling interest and other reserves.

Liabilities from put option on shares in associates and jointly controlled entities

Put options on shares in associates and jointly controlled entities are considered derivative instruments and are measured at initial recognition and in subsequent periods at fair value through profit or loss. The effects of option valuation are recognised in profit or loss. Given that, in the opinion of the Management Board of the Parent, the value of the obligation to purchase shares in associates or jointly controlled entities does not materially differ from the fair value of the shares in these entities, and considering that the exercise dates of these options are not far in the future, the fair value of such options approximates zero.

Liabilities from contingent consideration

Such liabilities are recognised in the statement of financial position under the line item ‘Other financial liabilities’. The Group remeasures this liability at the end of each reporting period. Subsequent changes in the valuation of liabilities from contingent consideration are recognised in profit or loss as finance income or finance costs. For information on uncertainty of the company’s estimates, see Note 4.1. ‘’Estimation uncertainty’.

3.21 Trade payables

Short-term trade payables are disclosed at amounts payable. These amounts represent outstanding trade payables that the Group received before the end of the reporting period. Trade payables that are used in the regular course of business are disclosed as current liabilities.

3.22 Measurement at fair value

The Group measures financial instruments, including derivative instruments, at fair value through profit or loss at each reporting date.

Fair value is understood as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities that are measured at fair value or for which fair value is disclosed in the financial statements are classified within the fair value hierarchy as described below, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 – Inputs for the asset or liability are quoted (unadjusted) market prices on an active market for identical assets or liabilities;
- Level 2 – Measurement techniques for which the lowest level input that is significant to the fair value measurement as a whole is directly or indirectly observable are used for the measurement of interest rate swaps held;
- Level 3 – Measurement techniques for which the lowest level input that is significant to the fair value measurement as a whole is unobservable.

At each reporting date, for assets and liabilities that are disclosed in the financial statements, the Group assesses whether transfers between levels of the hierarchy have occurred by reassessing the classification into each level, based on the significance of the lowest level input that is significant to the fair value measurement as a whole.

3.23 Foreign currencies

Transactions conducted in a currency other than the functional currency (foreign currencies) are recorded in the accounting books on the transaction date using:

- the exchange rate actually used on that date, resulting from the nature of the transaction – in the case of transactions to buy or sell foreign currencies and transactions to settle receivables or payables,
- the mid exchange rate published by the National Bank of Poland for that currency on the day preceding the transaction date – for all other transactions.

As at the reporting date, monetary assets and liabilities denominated in currencies other than the Polish złoty are translated into PLN at the mid exchange rate quoted by the National Bank of Poland for a given currency, effective at the end of the reporting period. Currency translation differences are recognised in finance income or costs, as appropriate. Non-monetary assets and liabilities recognised at historical cost in a foreign currency are disclosed at the historical exchange rate from the transaction date. Non-monetary assets and liabilities recognised at fair value in a foreign currency are translated at the exchange rate effective for the fair value measurement date. Gains or losses arising on translation of non-monetary assets and liabilities recognised at fair value are recognised in accordance with the principles of recognition of gain or loss on change in fair value.

4 Material values based on subjective judgement and estimates

When applying the accounting policies described in Note 3 adopted by the Group, the Management Board is required to make judgments, estimates, and assumptions in the process of measuring assets and liabilities. These estimates and their underlying assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

4.1 Estimation uncertainty

Discussed below are critical assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which entail a significant risk that material adjustments may be required to the carrying amounts of assets and liabilities in the next financial year.

Assumptions for impairment testing

The Group conducts annual impairment tests with respect to the recognised goodwill. For the 2023-2024 reporting periods, the recoverable amount of the cash-generating units to which goodwill relates was determined based on value-in-use calculations that required the use of assumptions further described in Note 21. The calculations use five-year cash flow projections.

Cash flows beyond the five-year period are extrapolated using estimated growth rates. Numerical data are presented in Note 21.

Determining whether goodwill has been impaired requires estimating the value in use of the cash-generating unit (CGU) or group of cash-generating units to which goodwill has been allocated. To calculate the value in use, the Management Board must estimate the future cash flows expected to arise from the respective unit or group of units and determine an appropriate discount rate to calculate the present value of these cash flows. If the present value of the cash flows is found be lower or the discount rate higher than expected, a significant impairment may arise.

Economic useful lives of property, plant and equipment and intangible assets

As described in Note 3, the Group estimates the expected economic useful lives of items of property, plant and equipment and intangible assets, which are reviewed at the end of each annual reporting period.

Specifically, when recognising customer relationships, the Group applies an estimated period of 5 to 7 years as the expected economic useful life, given that customer relationships lasting longer are considered to be internally generated by the Company.

Impairment of financial assets

Allowances for expected credit losses on financial instruments are recognised on the basis of assumptions regarding default risk and expected loss rates. In making these assumptions and selecting data for impairment calculations, the Group uses subjective judgement based on its historical experience and current market conditions, as well as estimates of future conditions at the end of each reporting period.

For short-term trade receivables, the Group employs a two-stage, simplified approach using an allowance matrix for expected credit losses. In the first stage, the balance of outstanding receivables is analysed at the level of individual open settlements for specific counterparties. Based on an individual assessment of the credit loss risk for each receivable, allowances are recognised for specific transactions. To facilitate this individual assessment, receivables are categorized into three primary groups: receivables from independent public health care institutions (SPZOZ), receivables from private entities, and receivables subject to court proceedings or enforcement by bailiffs.

In the second stage, the remaining balance of outstanding receivables not previously covered by individual allowances undergoes an impairment risk assessment in accordance with the simplified allowance matrix model for expected credit losses. Under this model, the primary criterion is the past due period of the receivables. The Group considers a counterparty's failure to settle an obligation within 90 days of the due date as an indication of default. For receivables pas due by more than 360 days, the entire balance is classified as bad debt and written off in full (100%). The proportion of such receivables relative to the total receivables past due by more than 90 days is referred to as the loss given default (LGD) ratio. For other past-due brackets, the probability of default (PD) ratio is determined individually for each bracket. The expected credit loss for a specific past due bracket is then calculated as the product of the open receivable balance in that past due range, the PD ratio, and the LGD ratio. The amount of recognised allowances for expected credit losses on financial assets is presented in Notes: 25.1, 25.2, and 26. For additional information on the Group's management of credit risk, see note 34.5.

Provision for onerous contracts

In 2023, the Group was a party to laboratory service contracts with hospitals where, in its assessment, the unavoidable costs of meeting the performance obligations exceed the economic benefits expected to be received under these contracts. Revenues until the expiration of these contracts have been estimated on the basis of the most up-to-date expectations regarding the number of tests to be performed, considering the prices established through successful tenders. The estimated costs of performing these tests (including both direct costs and a reasonable portion of indirect costs) have been determined based on the most current understanding of the prevailing cost levels and their anticipated changes over the contract period.

In 2023, the Group presented a provision for onerous contracts in the consolidated statement of financial position under ‘Other liabilities and grants’. In 2024, the provision was reversed and not recognised as at the reporting date.

Post-employment benefit provisions

To determine the value of provision for the post-employment benefits, such as pensions and lump sum severance payments on retirement (no other post-employment long-term benefits are offered), the Group engages the services of an external actuary. The assumptions used by the actuary for the purpose of the valuation are presented in Note 23.

Discount rates used to calculate lease liabilities

In calculating the discount rates for the purposes of IFRS 16, the Group assumed that the discount rate should reflect the cost of financing in the form of bank credit that would be taken to finance the acquisition of an asset with a similar value and financing term as the leased item.

Valuation of customer relationships acquired as part of business combinations

As part of the Group's acquisitions of entities and organised parts of business, the Group identifies and measures the fair value of acquired assets and liabilities, including customer relationships, which are presented as other intangible assets. For their initial recognition, the Group uses the multi-period excess earnings method and applies the following model parameters:

- The discount rate is estimated on the basis of a benchmarking model that includes selected companies from the Dow Jones Chemicals Titans index, whose business profiles correspond to the nature of the Group’s business. The discount rate for 2024 was calculated quarterly and ranged from 7.4% to 8.94%; for 2023 it was 5.36%;
- Cash flows from acquired relationships are estimated over a seven-year period due to a high churn rate (15%). The Group uses the seven-year period to capture the periods during which the relationships generate value for the Group. Periods during which the value of the relationship falls below 30% of its initial value are not included in the calculation;
- The churn rate is estimated at 15%;
- Customer relationships are currently amortised over a period of 5-7 years.

These estimates are based on the Group's observations of historically acquired customer relationships and are adjusted as necessary to account for economic forecasts relevant to the environment in which the Group operates.

Share-based payments

The fair value of the incentive plan is estimated at the grant date using a binomial option pricing model. The terms of Incentive Plan A and Incentive Plan B, the valuation at the grant date, and its impact on the financial data for the reporting period and comparative periods are described in Note 23.2.

The following table presents the assumptions used in the valuation of Incentive Plan A and Incentive Plan B.

(all amounts in PLN thousand, unless stated otherwise)

Assumptions used in the valuation:	Value at the grant date for Incentive Plan A	Value at the grant date for Incentive Plan B
Expected volatility (%)	53.00%	39.00%
Historical volatility (%)	53.00%	39.00%
Risk-free interest rate (%)	0.93%	4.64%
Expected life of the options (years)	5	2

Incentive Plan A:

The expected life of the options is determined based on an estimate. Considering the terms of the participation agreements, particularly the vesting periods, it is assumed that the sale of shares by the financial investor will occur in 2025. The volatility rate used in the model is based on the historical volatility as at the grant date. Actual volatility levels in subsequent periods, including at the time of option exercise, may differ significantly.

Since all shareholders are parties to the participation agreements, the Management Board of the Parent has assessed the likelihood of the financial investor (LX Beta S.a.r.l.) and other shareholders selling their shares, which represents one of the key parameters in the valuation model. In all scenarios, it is assumed that the financial investor sells 100% of their shares. For the other shareholders, scenarios ranging from the sale of 100% to none of their shares were analysed. The most probable scenario was considered to be that within 12 months of the assumed sale date by the financial investor, the other shareholders do not sell their shareholdings. The probabilities assigned to the remaining scenarios are considered minimal. Consequently, the scenarios where the other shareholders sell even a portion of their shares are deemed to have an immaterial impact on the plan valuation.

Incentive Plan B:

The expected life of the options is determined based on an estimate. Considering the terms of the participation agreements, particularly the vesting periods, it is assumed that the sale of shares by the financial investor will occur in 2025. As at the reporting date, it was assumed that the vesting period for Plan B participants would end in February 2025; the originally assumed end of the vesting period was December 2025.

Volatility was calculated using historical price data (up to the grant date) for companies in the broader medical industry listed on the Warsaw Stock Exchange (WSE). Out of the various industry sectors, two were considered most comparable to Diagnostyka S.A. in terms of business profile: ‘Medical equipment and supplies’ and ‘Hospitals and clinics’. Each of these sectors was assigned a weight, with values of 25% i 75%, respectively. The arithmetic averages of the volatilities for each company within the respective sector were then weighted accordingly.

The risk-free rate used for each period in the binomial option pricing model was derived from the yield on treasury bond futures, based on quotations from 31 August 2024.

Liabilities from contingent consideration

The Group estimates the fair value of liabilities from contingent consideration based on projected EBITDA of the acquiree and a multiple based on the formula stipulated in the share purchase agreement. Furthermore, the contingent consideration formula set out in the share purchase agreement for Diagnostyka-Teleradiologia24 Sp. z o.o. also reflects adjustments for net debt and working capital.

The estimates are prepared using budgets approved by the Management Board and financial forecasts of the respective companies.

As at 31 December 2024, the Group recognised liabilities from contingent consideration for shares in Diagnostyka-Teleradiologia24 Sp. z o.o. and TeleDiagnostyka Sp. z o.o.; for information the valuation of these liabilities, see Note 30.3.

Determination of the liabilities from put options on non-controlling interests

During the reporting period, the Group recognised liabilities from put options on non-controlling interests. Determining the amount of these liabilities required estimating future financial parameters that will affect the potential consideration for the acquired shares. The options are presented as non-current and current under 'Other financial liabilities'.

Impairment losses on investment in associate GenXone S.A.

As a result of the analysis of GenXone S.A.'s financial condition and the decline in the market value of its shares, the Group identified indications of impairment. In applying the equity method, to determine the amount of the impairment loss, the recoverable amount was assessed at fair value (classified as Level 1 of the fair value hierarchy), calculated using the stock market price on each reporting date (GenXone shares are listed on the Warsaw Stock Exchange, on the NewConnect market). The Group was unable to reliably estimate the value in use of GenXone's assets due to regulations restricting access to inside information of companies whose shares are listed on a regulated market. As at 31 December 2023 and 31 December 2024, valuation of the shares prepared using the equity method reflected the impairment charge. In 2024, the impairment loss amount did not change, as no indications were identified that would justify a reversal of the recognised impairment charge. Note 19 presents a table of the movements in investments in associates and jointly controlled entities, including the amount of impairment charges.

4.2 Significant subjective judgement

Classification of research and development work

The Group assesses whether the costs incurred on development work should be recognised as intangible assets. For this purpose, it analyses the criteria set out in IAS 38 and described in the statement of accounting policies.

The most significant ongoing project involves the development of the xLab IT system. The xLab project aims to replace the core system used by the Parent to manage the entire laboratory testing process from patient admission to the issuance and distribution of results. The objective of this system is to provide the Parent with a competitive advantage by implementing new technologies that enhance data processing and optimise operating costs. Following a market review and recognising that this is a key element of competitive advantage, the Parent decided to develop the xLab system using it in-house resources. Currently, the project is at the stage of coding successive IT modules based on the previously developed operational concept. As at the reporting date, several new system modules have been developed. The software is installed in production systems with the intention of its further development and use in the Parent's laboratory process operations. Analytical and implementation documentation of the project is maintained using Jira and Confluence tools. The vast majority of the costs capitalised under this development work relate to the salaries of IT specialists directly involved in the development of the system.

Assessment of whether an acquired organised part of business constitutes a business under IFRS 3

At the time of acquiring an organised part of business, the Group assesses whether it constitutes a business under IFRS 3. This involves evaluating whether the acquired set of activities and assets includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output, such as a good or service. If a set of activities and assets does not have outputs at the acquisition date, the acquired process (or group of processes) is considered substantive only if it is critical to the ability to develop or convert the acquired input or inputs into outputs. Additionally, the acquired inputs must include an organised workforce that has the necessary skills, knowledge, or experience to perform the process (or group of processes) and other inputs that the organised workforce could develop or convert into outputs. If a set of activities and assets has outputs at the acquisition date, the acquired process (or group of processes) is considered substantive if it is critical to the ability to continue producing outputs. The acquired inputs should include an organised workforce with the necessary skills, knowledge, or experience to perform that process (or group of processes). Alternatively, the process is substantive if it significantly contributes to the ability to continue producing outputs and is considered unique or scarce, or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Accordingly, the Group treats acquisitions of an organised part of business as acquisitions of a business in accordance with IFRS 3. Disclosures related to the Group's business acquisitions during the periods covered by this consolidated financial statement are presented in Note 21.1.

Classification of investments in associates and jointly controlled entities

The Group assesses the degree of influence exerted by the Parent over other entities based on the principles described in the accounting policies and in compliance with IFRS 10, 11, and 12. The assessment considers:

- whether the Parent has power over the investee,
- whether the Parent is exposed to variable financial returns,
- whether the Parent has the ability to use its power over the investees.

Detailed principles are described in Note 3.1 ‘Statement of accounting policies’ – ‘Principles of consolidation, equity method’.

Associates are entities over which the Group has significant influence, but which it does not control or jointly control. Significant influence is generally presumed when the Group holds between 20% and 50% of the voting rights. Investments in associates are measured using the equity method, and are initially recognised at cost. In the opinion of the Management Board, the conditions for control over associates are not met. The shares do not grant the ability to direct the activities of the associates to a significant extent that would influence their financial results. Accordingly, the Management Board considers GenXone S.A. and Genomed S.A. to be associates. However, Laboratorium Medyczne Optimed Kuriata, Wroński Sp. z o.o., in which the Parent holds 50% of the shares and has the right to appoint half of the management board, is classified as a jointly controlled entity (a joint venture). Due to contractual provisions, jointly controlled entities include: Instytut Mikroekologii Sp. z o.o. and TeleDiagnostyka Sp. z o.o.

Change of estimates – reclassification of Vitalabo Diag Invest Sp. z o.o.

In the reporting period, the Parent's Management Board reassessed the level of influence exercised by the Parent over Vitalabo Diag Invest Sp. z o.o. As a result, as of 1 January 2024, Vitalabo Diag Invest Sp. z o.o. was reclassified from subsidiaries to associates and jointly controlled entities valued using the equity method. This change was recognised prospectively in the Group’s consolidated financial statements.

Assessment of control over Diagnostyka Tarnów Sp. z o.o.

Diagnostyka S.A. holds a 50.6% equity interest in Diagnostyka Tarnów.

The voting rights held by Diagnostyka S.A. in Diagnostyka Tarnów enable joint decision-making with the other shareholder on key aspects of Diagnostyka Tarnów’s operations. However, the Group has determined that, due to the nature of its involvement with Diagnostyka Tarnów, it has, as at each reporting date: (i) power over the company; (ii) exposure to variable financial returns; and (iii) the ability to exercise its power to influence the level of those financial returns. These factors collectively confer control over Diagnostyka Tarnów. The first of the three elements of control, power over Diagnostyka Tarnów, requires significant judgment.

In the opinion of the Management Board, control over Diagnostyka Tarnów is established due to the specific nature of the involvement and the relationship between the two entities. As a result, Diagnostyka Tarnów’s operations are dependent on Diagnostyka S.A., consistent with the criteria outlined in paragraph B19 of IFRS 10.

In assessing control over Diagnostyka Tarnów within the context of the provisions of IFRS 10, the Group considered the following facts and circumstances:

- Diagnostyka Tarnów is closely integrated with the Group across key operational processes and technological infrastructure, including the provision of a significant portion of its services, procurement, IT systems, laboratory testing expertise, finance, human resources, marketing, and accounting functions. Consequently, the operational processes and staffing at Diagnostyka Tarnów are streamlined to a minimum. The company conducts few tests independently, relies on procurement contracts negotiated by the Group, which ensures associated benefits, and has no own IT systems. Furthermore, Diagnostyka Tarnów does not maintain independent teams for procurement, research and development/know-how, training, legal, IT, marketing, human resources, or accounting functions.
- A significant portion of the tests offered by Diagnostyka Tarnów are performed by Diagnostyka S.A., highlighting that Diagnostyka Tarnów lacks the capacity to independently carry out these tests.
- Furthermore, Diagnostyka Tarnów's market position is dependent on its ability to use the Diagnostyka trademark, which is controlled by the Group.

As a result, Diagnostyka Tarnów's operations are reliant on Diagnostyka S.A., particularly with respect to the services provided, technology, and procurement, as outlined in paragraph B19(b)(iii) of IFRS 10.

According to paragraph B19 of IFRS 10, "The existence of any individual indicator, or a particular combination of indicators, does not necessarily mean that the power criterion is met. However, having more than a passive interest in the investee may indicate that the investor has other related rights sufficient to give it power or provide evidence of existing power over an investee".

In the Management Board's opinion, considering both aspects:

- the existing voting rights held by Diagnostyka S.A., and
- the degree of dependence of Diagnostyka Tarnów on Diagnostyka S.A. as outlined above,

it should be concluded that the Group has power over Diagnostyka Tarnów. This control, combined with exposure to variable financial returns and the ability to utilise power to influence the financial returns (stemming from the ownership interest and the power), provides the Group with control over Diagnostyka Tarnów.

Principles for identifying cash-generating units ('CGUs') and allocating goodwill to CGUs

A cash-generating unit is defined as the smallest identifiable group of assets that generates cash flows independently from other assets and groups of assets. The Group considers a single laboratory along with its specimen collection points a cash-generating unit.

The allocation of goodwill to a group of cash-generating units for the purpose of impairment testing conducted by the Group may occur in the following situations:

- when, through a single acquisition, the Group enters a new market and acquires several laboratories with specimen collection points where activities are still ongoing. In such situations, the source of synergies is the acquired network of laboratories with the collection points;
- when expanding an existing group of laboratories with assigned specimen collection points by acquiring a new laboratory with specimen collection points, thus enabling participation in public outsourcing tenders. In such a case, the resulting goodwill is allocated to both the existing and newly acquired laboratories in a given area;
- when an acquisition decision is driven by the fact that there are already other laboratories with specimen collection points in the area, whose services are complementary to those offered by the newly acquired laboratory with specimen collection points, and can be integrated with the existing laboratories. For example, the new laboratory may be closed or may continue to operate offering a limited number of tests, with all or some of the tests from its associated collection points being conducted by the acquired laboratory, or vice versa. As a result, the goodwill depends on mutual synergies between the existing and acquired laboratories with specimen collection points (cash-generating units) in the area.

Lease term in open-ended lease contracts

The Group is party to lease contracts with indefinite terms, which cover laboratory testing equipment, rental spaces used by laboratories and specimen collection points, and buildings utilised for general business purposes. In determining the lease term for contracts with an indefinite period (including those with an indefinite term or extension option), the Group has adopted a five-year term as the period within which it can be reasonably certain that the contract will continue. This period considers the economic useful life of investments made in third-party property, plant, and equipment and aligns with the Group's planning horizon. This approach is consistent with market practices. Additionally, the lease contracts are part of a single cash-generating unit, collectively tested for impairment over a five-year horizon.

The analysis of the non-cancellable period for lease contracts entered into for an indefinite period, covering various categories of leased assets, indicates that terminating these contracts within the notice period would have consequences significantly more substantial than a mere 'insignificant penalty' for the Group. Key factors underlying this conclusion include the importance of the leased assets to the Group's operations, the specific nature of the Group's business, the potential costs associated with terminating the leases, and the investments made in third-party property, plant and equipment.

At the end of the financial year, the Group reassesses the lease term, considering its current situation and development plans. Historically, these reassessments have resulted in extending the lease term by an additional year, thus maintaining a five-year lease term. This approach aligns with the Group's five-year planning horizon. During the annual reassessment process, the Group consistently determines that it intends to utilize both laboratories and medical analysers throughout the forecast period. In making this assessment, the Group considers the economic penalties associated with potentially terminating the leases in subsequent years. For these contracts, the reassessment of lease term extensions is conducted not annually but rather as the end of the initial five-year period approaches.

Share-based payments

For the Group's incentive plan, a key judgment made by the Parent's Management Board was determining the grant date of the rights. The grant date was established as April 2021, when the participation agreements were signed between the Parent's shareholders and the plan participants. After this date, no additional authorisation procedures were required or performed. Prior to the signing of the agreements, the detailed terms of the plan were presented to and accepted by the participants. For the members of the Parent's Management Board, the preliminary terms of the plan were provided in letters of intent in August 2020. As a result, the plan-related remuneration costs for Management Board members have been accounted for since 2020, rather than from the grant date.

For Incentive Plan B, a key judgement made by the Parent's Management Board was determining the grant date of the rights. The grant date was the date of signing of agreements on an increase in the share value (i.e. 17 September 2024) between the Parent's shareholders and the plan participants. After this date, no additional authorisation procedures were required or performed.

Acquisition of businesses – determination of what forms part of the transaction

As at the time of acquiring control of Diagnostyka Wyrobek Sp. z o.o., Eurodent Sp. z o.o., Zakład Rentgena i USG - Wyrobek Sp. z o.o. and Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o., there were outstanding loans advanced by Diagnostyka S.A. to:

- Diagnostyka Wyrobek Sp. z o.o. – PLN 12,500 thousand,
- Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o. – PLN 6,715 thousand.

The loans had been granted to finance the acquisition of apparatus and equipment and the development of medical imaging infrastructure.

In applying IFRS 3 *Business Combinations* to account for the business acquisitions using the acquisition method, the loans were considered to form part of the business combination, and as a result the pre-existing relationship between the acquirer and the acquiree was settled. Consequently, the transactions, deemed to have been entered into primarily for the benefit of the acquiree and its previous owners, were excluded from the net assets acquired. For detailed disclosures on accounting for those transactions, see Note 21.1.

Climate risks

The Management Board closely monitors significant changes and developments, including new climate-related legislation, and assesses their impact on the Group's business. This assessment accounts for a wide range of potential impacts, considering both physical and transitional risks.

In the opinion of the Management Board, due to the nature of the Group's business and the industry in which it operates, climate-related risks do not currently have a significant impact on the financial statements of the Group, including the valuation of individual assets and liabilities.

5 Correction of errors, changes in accounting policies, and comparative data

The consolidated financial statements for 2024 have been prepared for the period from 1 January to 31 December 2024, covering a 12-month period, consistent with the financial statements prepared for 2023. The consolidated financial statements do not include any corrections of errors, changes in accounting policies or restatements of comparative data.

(all amounts in PLN thousand, unless stated otherwise)

6 Revenue

The primary source of revenue for the Group is the provision of laboratory diagnostic services.

Additionally, the Group generates revenue from the sale of goods (reagents).

Item	31 Dec 2024	31 Dec 2023
Revenue from the provision of medical diagnostic services	1,941,147	1,578,842
Revenue from sale of goods	9,000	9,137
Revenue from contracts with customers	**1,950,147**	**1,587,979**

The revenue rose by 22.8% year on year, supported by both higher prices and larger volumes.

Geographical information

The Group primarily operates within a single geographic region – Poland, where the Parent is headquartered.

The Group generates all of its revenue in Poland. All significant non-current assets of the Group are located in Poland.

Key customers

In 2024, revenue from services provided to the two largest customers amounted to approximately PLN 178 million (about 9% of total revenue). In 2023, revenue from services provided to the largest customer was approximately PLN 146 million (about 9% of total revenue).

Revenue breakdown

The Group classifies revenue based on the type of customer, which determines the nature, amounts, and timing of payments. Accordingly, the Group distinguishes the following revenue categories:

- revenue from services provided to individual customers,
- revenue from services provided to institutional customers,
- revenue from the sale of goods, which are sold to a single buyer and therefore are not further disaggregated.

The revenue amounts within the identified categories for the periods covered by these financial statements were as follows:

Item	31 Dec 2024	31 Dec 2023
Revenue – individual customers	766,558	623,802
Revenue – institutional customers	1,174,589	955,040
Revenue – sale of goods	9,000	9,137
Revenue from contracts with customers	**1,950,147**	**1,587,979**

7 Reportable segments

Operating segments

Operating segments are presented in a manner consistent with the internal reporting provided to the Group's chief operating decision maker, on the basis of which they assess the performance of the segments and decide on resource allocation. In the Diagnostyka Group, the function of the chief operating decision maker is performed by the Management Board of the Parent.

The principal and the most significant segment identified within the Diagnostyka Group is medical laboratory diagnostic services, which include mainly morphological blood tests, pathological and histopathological examinations, and genetic tests. This segment encompasses the activities of individual laboratories (or groups of laboratories, where a group of laboratories has been acquired). For information on judgement exercised in identifying cash-generating units, see Note 4.2. All services provided within this segment are addressed to similar customer groups and distributed through the same distribution channels. They are also subject to similar legal requirements resulting from regulations governing the provision of medical diagnostic services. Additionally, the processes involved in service delivery and the methods of service provision are consistent across the laboratories. Occasionally, reagents are sold to external entities as part of the laboratory operations, with such sales analysed as part of the same operating segment.

Following the acquisition of shares in subsidiaries, associates and jointly controlled entities, in 2023 and 2024 the range of services offered by the Group was expanded to include medical imaging. This type of activity includes magnetic resonance imaging, computed tomography, ultrasound examinations, X-ray examinations, and mammography. Similar to the services provided in the medical laboratory diagnostic services segment, diagnostic imaging examinations are medical diagnostic tests. They are addressed to comparable customer groups, distributed through similar distribution channels, and are subject to a similar regulatory environment. However, they differ in that the organisation of the service delivery process is based on facilities equipped with specialised diagnostic imaging equipment rather than laboratories. Additionally, the organisation and performance of these examinations are supported by dedicated IT systems, distinct from those used in laboratory diagnostics.

The Management Board of the Parent assesses the performance of identified operating segments by analysing their results defined as revenue less direct operating costs and allocated indirect costs, which is the same formula as for operating profit (loss) in the statement of comprehensive income. Planned capital expenditures for each of the operating segments are also assessed separately. The financial data prepared for management reporting purposes is based on the same accounting principles as those used in the preparation of consolidated financial statements.

Reportable segments

Although two operating segments have been identified, a decision has been made to consolidate them into a single reportable segment given their significant similarities described above (customers, distribution channels, regulatory environment). Currently, the size of the medical imaging services segment does not meet the quantitative criteria to qualify as a separate reportable segment in accordance with IFRS 8.

Entity-wide disclosures

As a single reportable segment has been identified within the Group, the amount of profit or loss as well as total assets and total liabilities for the reportable segment are presented directly in the consolidated statement of financial position and the consolidated statement of comprehensive income, and other entity-wide disclosures are presented in Note 6. Revenue:

- details on the revenue generated from each group of similar products and services,
- geographical information for revenue and assets,
- information on key customers.

8 Operating expenses

The table below presents a breakdown of operating expenses by nature of expense for the current year and the comparative period:

(all amounts in PLN thousand, unless stated otherwise)

Operating expenses by nature	31 Dec 2024	31 Dec 2023
Depreciation and amortisation	(161,525)	(147,245)
Raw materials and consumables used	(411,825)	(352,986)
Services	(258,806)	(193,341)
Employee benefits expense	(754,966)	(621,171)
Taxes and charges	(23,602)	(19,185)
Other expenses by nature of expense	(15,343)	(12,444)
Cost of goods and materials sold	(8,173)	(8,194)
Total	**(1,634,240)**	**(1,354,566)**

Costs comprising the most significant categories of expenses are presented below.

Employee benefits expense	31 Dec 2024	31 Dec 2023
Salaries and wages	(624,196)	(519,532)
Social security contributions	(100,059)	(85,719)
Contribution to the Company Social Benefits Fund	(10,379)	(6,281)
Employee Capital Plans	(2,816)	(1,228)
Share-based payment plan	(3,660)	(1,520)
Other	(13,856)	(6,891)
Total	**(754,966)**	**(621,171)**

The year-on-year rise in employee benefits expense in 2024 was driven primarily by an increase in headcount and a higher amount of salaries and wages.

Services	31 Dec 2024	31 Dec 2023
Purchase of analytical and other diagnostics-related services	(115,523)	(87,870)
Lease and rental	(2,492)	(1,356)
Maintenance, repair and overhaul	(52,234)	(40,525)
IT services	(24,499)	(12,728)
Consulting and advisory services	(13,138)	(11,197)
Specialised waste disposal	(16,439)	(14,786)
Telecommunications and postal services	(4,574)	(4,204)
Insurance	(4,836)	(3,516)
Transport and courier services	(8,857)	(6,914)
Other services	(16,214)	(10,245)
Total	**(258,806)**	**(193,341)**

The increase in the cost of services in 2024 compared to the previous period was influenced by, among other things, an increase in the cost of purchased diagnostic and other medical services, directly related to the increase in sales.

(all amounts in PLN thousand, unless stated otherwise)

Raw materials and consumables used	31 Dec 2024	31 Dec 2023
Laboratory materials and reagents	(359,323)	(302,209)
Electricity	(27,965)	(26,392)
Fuel	(12,423)	(11,776)
Other materials	(12,114)	(12,609)
Total	**(411,825)**	**(352,986)**

The year-on-year increase in the cost of raw materials and consumables used in 2024 was driven by the expansion of business scale.

9 Other income and expenses

9.1 Other income

Item	31 Dec 2024	31 Dec 2023
Other income	**24,541**	**9,050**
NCBiR grants	727	693
Compensation income	-	410
Income from warranty claims	759	1,093
Reimbursement of legal and enforcement expenses	433	368
Fair value measurement of shares on acquisition of control	11,533	-
Gain on disposal of non-current assets	2,283	2,433
Income from lease termination	3,110	(19)
Gain on bargain purchase	-	2,084
Gain on disposal of equipment and re-charge of costs	1,814	1,094
Reversal of provisions	2,564	-
Other	1,318	894

In 2024, the Group reversed a PLN 2.6 million provision for onerous contracts recognised in 2023.

The item ‘Fair value measurement of shares on acquisition of control’ presents the effect of fair-value measurement of previously held equity interests in associates and jointly controlled entities as at the date of acquisition of control for step acquisitions of businesses: Livmed Sp. z o.o. (effect on profit or loss: PLN 5,374 thousand), Diagnostyka Wyrobek Sp. z o.o., Eurodent Sp. z o.o., Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o. (effect on profit or loss: PLN 6,159 thousand).

For more detailed information on the accounting for the acquisition of these businesses, see Note 21.1.

Grants received for research and development activities are described in Note 30.2 ‘Other liabilities and grants’.

(all amounts in PLN thousand, unless stated otherwise)

9.2 Other expenses

Item	31 Dec 2024	31 Dec 2023
Impairment losses (net of impairment loss reversals) on trade receivables and other financial assets	**753**	**(3,146)**
Allowances for expected credit losses	753	(3,146)
Other expenses	**(3,190)**	**(5,057)**
Recognition of provisions for future obligations	-	(2,933)
Court costs, fines and fees	(126)	(519)
Cost of repairs due to traffic damage	(198)	-
In-kind and cash donations, and charitable events	(147)	(72)
Receivables written off	(670)	-
Penalties and compensation	(672)	-
Other	(1,377)	(1,533)

In the current year, based on an estimate of allowances for expected credit losses, the Group reversed allowances of PLN 0.8 million recognised in prior reporting periods.

10 Finance income

Item	31 Dec 2024	31 Dec 2023
Interest income	**3,693**	**2,010**
Bank deposits	1,700	1,372
Trade receivables	1,092	638
Loans	901	-
Other finance income	**5,248**	**513**
Profit (loss) on sale of all or part of shares in subsidiaries	515	-
Income from derivative instruments	4,714	-
Other	19	513
TOTAL	**8,941**	**2,523**

In the year ended 31 December 2024, the Group earned income from derivative instruments of PLN 4.7 million.

During the year, the Group sold shares in Diagnostyka Ukraine Limited Liability Company. For a description of the transaction and its effect on the consolidated statement of comprehensive income, see Note 21.2.

(all amounts in PLN thousand, unless stated otherwise)

11 Finance costs

Item	31 Dec 2024	31 Dec 2023
Interest expense on financial liabilities	**(56,064)**	**(54,195)**
Interest on credit facilities (including overdrafts)	(39,466)	(38,818)
Interest on lease liabilities	(16,475)	(15,129)
Other interest expense	(123)	(248)
Other finance costs	**(1,303)**	**(4,086)**
Exchange differences	(65)	-
Remeasurement of liabilities from contingent consideration for shares	(1,007)	-
Other	(231)	(967)
Loss on disposal of investments	-	(40)
Costs related to derivative instruments	-	(3,079)
TOTAL	**(57,367)**	**(58,281)**

The increase in interest expense between 2024 and 2023 was due to an increase in bank borrowings and leases.

12 Income tax and public charges payable and receivable

12.1 Income tax recognised in profit or loss and other comprehensive income

Item	31 Dec 2024	31 Dec 2023
Income tax – current portion recognised in profit or loss	**(56,700)**	**(42,467)**
Income tax – deferred portion recognised in profit or loss	**(2,535)**	**(1,162)**
Income tax – deferred portion recognised in equity	**(10)**	**146**
Total tax expense recognised in the current year	**(59,245)**	**(43,483)**

Current tax expense is calculated in accordance with the applicable tax regulations. Pursuant to those regulations, taxable profit (tax loss) differs from accounting profit (loss) in that it does not include non-taxable income and non-deductible expenses, or income or expense items that will never be taxable or deductible.

The reconciliation of the tax profit (loss) to the accounting profit (loss) is presented below.

(all amounts in PLN thousand, unless stated otherwise)

Item	31 Dec 2024	31 Dec 2023
Profit before tax	**291,194**	**173,617**
Income tax at 19%	**55,327**	**32,987**
Tax effect of income which is not classified as income for tax purposes	**(2,732)**	**(48)**
- fair value measurement on acquisition of control	(2,191)	-
- share of profit of associates and jointly controlled entities	(306)	-
- other	(235)	-
Tax effect of non-deductible expenses	**10,942**	**10,690**
- interest on credit facilities	7,126	7,692
- entertainment expenses	203	465
- expenses related to the use of passenger vehicles for mixed purposes	1,021	924
- contributions to the State Fund for the Disabled	912	723
- measurement of incentive plan	695	289
- impairment losses on shares in associates	-	939
- measurement of liabilities from contingent consideration	191	-
- loan surety commission	432	-
- other	362	(342)
Effect of tax relief for R&D or similar expenses	**(3,985)**	**-**
Other changes in taxable income, including:	**(317)**	**-**
- tax loss carryforwards reducing taxable income	(213)	-
- tax reliefs	-	-
- other	(104)	-
Income tax expense in current year	**59,235**	**43,629**
Effective tax rate	**20.34%**	**25.13%**

The change of the effective tax rate in the period was attributable to consolidation-level transactions resulting in permanent differences, including fair-value measurement of previously held equity interests as at the date of acquisition of control in accounting for business acquisitions and capitalisation of borrowing costs. The change was also affected by the settlement of tax loss at a subsidiary.

(all amounts in PLN thousand, unless stated otherwise)

12.2 Deferred tax

Deferred tax assets and liabilities

No.	Cause of temporary differences	Amount of temporary difference	Deferred tax assets / liabilities	Effect on profit or loss	Effect on equity/ other comprehensive income	Business acquisitions	Deferred tax assets / liabilities	Effect on profit or loss	Effect on equity/ other comprehensive income	Business acquisitions
		31 Dec 2024	31 Dec 2024	2024	2024	2024	31 Dec 2023	2023	2023	2023
-	provisions	7,684	1,460	1,259	-	59	142	76	-	8
-	holiday and post-employment benefit obligations	38,753	7,363	(339)	-	51	7,651	456	-	331
-	allowances for expected credit losses	3,704	704	(2,219)	-	155	2,768	(74)	-	120
-	accrued interest on liabilities	4,198	798	797	-	1	-	-	-	-
-	inventory write-downs	3,394	645	645	-	-	-	-	-	-
-	salaries and wages payable	2,007	381	(265)	-	50	596	(1,723)	-	26
-	accumulated depreciation of property, plant and equipment and amortisation of intangible assets	14,107	2,680	(753)	-	(293)	3,726	656	-	162
-	rights of use	(352,688)	(67,011)	(8,891)	-	(1,458)	(56,662)	(4,290)	-	-
-	accumulated amortisation of other intangible assets	(15,578)	(2,960)	(2,960)	-	-	-	-	-	-
-	accrued interest on assets	(581)	(110)	(76)	-	(29)	(5)	-	-	-

(all amounts in PLN thousand, unless stated otherwise)

No.	Cause of temporary differences	Amount of temporary difference	Deferred tax assets / liabilities	Effect on profit or loss	Effect on equity/ other comprehensive income	Business acquisitions	Deferred tax assets / liabilities	Effect on profit or loss	Effect on equity/ other comprehensive income	Business acquisitions
		31 Dec 2024	**31 Dec 2024**	**2024**	**2024**	**2024**	**31 Dec 2023**	**2023**	**2023**	**2023**
-	IRS measurement	(9,184)	(1,745)	705	-	-	(2,450)	2,647	-	-
-	lease liabilities	364,893	69,330	7,835	-	1,569	59,926	4,068	-	-
-	accumulated amortisation of relationships	52,345	9,946	1,450	-	-	8,496	138	-	-
-	goodwill	(70,398)	(13,376)	413	-	-	(13,789)	(3,115)	-	-
-	credit facility measurement and interest	(707)	(134)	(134)	-	-	-	-	-	-
-	other	(11)	(2)	(2)	-	-	-	(1)	-	-
-	actuarial valuation of post-employment benefit provision	717	136		(10)		146	-	146	-
-	gross carrying amount of customer relationships identified in business acquisitions*	(108,164)	(20,551)	-	-	(9,326)	(11,225)	-	-	(1,415)
	Total	**(65,509)**	**(12,446)**	**(2,535)**	**(10)**	**(9,221)**	**(680)**	**(1,162)**	**146**	**(768)**

**In the above table, these items have been separated to illustrate the impact of the change in deferred tax recognised during the reporting period in the process of accounting for business acquisitions. Initially, the deferred tax calculated on the gross carrying amount of the relationships affects the balance of the deferred tax liability in the consolidated financial statements; however, this change is not reflected in profit or loss, equity, or other comprehensive income. The amortisation of the relationships, calculated after the acquisition, settles the deferred tax originally calculated on the gross carrying amount, and this change directly impacts profit or loss.*

(all amounts in PLN thousand, unless stated otherwise)

No.	Item	31 Dec 2024	31 Dec 2023
	Opening balance	**(680)**	**1,104**
1	**Increase/decrease with a corresponding entry in profit or loss**	**(2,535)**	**(1,162)**
2	**Increase/decrease with a corresponding entry in equity/other comprehensive income**	**(10)**	**146**
3	**Deferred tax on net assets of acquired businesses**	**(9,221)**	**(768)**
	Total	**(12,446)**	**(680)**

Tax losses

No unused tax losses were recorded during the period covered by these financial statements.

12.3 Taxes and public charges payable and receivable

Item	31 Dec 2024	31 Dec 2023
Public charges receivable	**776**	**2,510**
Input VAT to be refunded	460	2,304
Minimum tax on income from buildings	303	200
Other	13	6
Current tax assets	**4,081**	**4,883**
Income tax overpayment (deductible)	4,081	4,883
Income tax payable	**2,794**	**2,461**
Income tax payable (liability)	2,794	2,461
Public charges payable	**39,704**	**32,847**
Social security contributions (ZUS)	30,960	24,602
Personal income tax	8,289	7,970
Value added tax	260	91
Other	195	184

13 Assets classified as held for sale

On 1 December 2023, the Management Board of the Parent decided to sell its shares in the subsidiary Diagnostyka Ukraine Limited Liability Company. A preliminary agreement to sell the shares was signed on 15 April 2024. The transaction was finalised on 23 May 2024. As a result, the assets and liabilities listed below were reclassified as held for sale as at 31 December 2023. For information on the disposal of the subsidiary, see Note 21.2 in the section on disposals of subsidiaries. As at the reporting date, the Company held no assets classified as held for sale.

(all amounts in PLN thousand, unless stated otherwise)

Assets classified as held for sale	31 Dec 2024	31 Dec 2023
Property, plant and equipment	-	668
Trade receivables	-	469
Inventories	-	301
Cash and cash equivalents	-	2,423
Other current assets	-	5
Total assets classified as held for sale	**-**	**3,866**
Liabilities directly related to assets classified as held for sale	**31 Dec 2024**	**31 Dec 2023**
Current liabilities	-	1,490
Provisions	-	302
Total liabilities directly related to assets classified as held for sale	**-**	**1,792**

Item	31 Dec 2024	31 Dec 2023
Net asset value directly related to assets classified as held for sale	**-**	**2,074**

Impairment losses

For the assets held for sale, the Group assessed their fair value less costs to sell. No impairment of these assets was identified.

14 Earnings per share

Information on the profit and the shares used to calculate basic and diluted earnings per share is presented below.

Item	31 Dec 2024	31 Dec 2023
Net profit attributable to owners of the Parent	223,326	123,430
Net profit attributable to holders of ordinary shares, used to calculate diluted earnings per share	223,326	123,430

(all amounts in PLN thousand, unless stated otherwise)

Item	31 Dec 2024	31 Dec 2023
Weighted average number of outstanding ordinary shares used to calculate basic earnings per share	33,756,500	33,756,500
Net earnings (loss) per share	**31 Dec 2024**	**31 Dec 2023**
- basic earnings per share for the year attributable to owners of the Parent	6.62	3.66
- diluted earnings per share attributable to owners of the Parent for the year	6.62	3.66

15 Retained earnings and dividends

In accordance with the dividend policy available at https://grupadiagnostyka.pl/dla-inwestorow/, the Management Board intends to recommend allocating 50% of the Parent's profit for the 2024 financial year towards dividend payment, with the remaining portion to be transferred to the capital reserve.

The table below presents the change in retained earnings in the current and comparative reporting periods.

Item	31 Dec 2024	31 Dec 2023
As at beginning of reporting period	**211,025**	**266,399**
Net profit attributable to owners of the Parent	223,326	123,430
Allocation of profit to capital reserve	(19,005)	(67,202)
Dividend payment	(105,658)	(112,072)
Other changes	122	470
As at end of reporting period	**309,810**	**211,025**

The table below presents the amount of dividends proposed/declared and paid in the current reporting period from retained earnings.

Item	31 Dec 2024	31 Dec 2023
Proposed/declared dividends	**105,658**	**112,072**
Amount of dividends paid during period	**105,658**	**112,072**
Dividend per share	**3.13**	**3.32**

(all amounts in PLN thousand, unless stated otherwise)

16 Property, plant and equipment

Gross carrying amount	Land	Buildings, premises and civil engineering structures	Plant and equipment	Vehicles	Other property, plant and equipment – laboratory apparatus	Total	Property, plant and equipment under construction	Total property, plant and equipment
As at 1 Jan 2024	**26,598**	**282,936**	**46,740**	**5,909**	**86,384**	**448,567**	**40,586**	**489,153**
Increase	**15**	**97,254**	**33,178**	**1,549**	**63,726**	**195,722**	**(18,823)**	**176,899**
Acquisition of subsidiaries	21	17,963	15,151	59	41,247	74,441	2,147	76,588
Transfer from property, plant and equipment under construction	-	75,314	1,872	-	4,679	81,865	(81,865)	-
Purchase of property, plant and equipment	-	3,033	16,066	15	15,493	34,607	60,890	95,497
Reclassification to property, plant and equipment upon lease termination	-	-	489	1,475	1,466	3,430	-	3,430
Other	(6)	944	(400)	-	841	1,379	5	1,384
Decrease	**-**	**(545)**	**(2,268)**	**(2,257)**	**(916)**	**(5,986)**	**(1,684)**	**(7,670)**
Sale	-	-	(791)	(719)	(53)	(1,563)	-	(1,563)
Retirement	-	(545)	(741)	(218)	(1,325)	(2,829)	-	(2,829)
Other	-	-	(736)	(1,320)	462	(1,594)	(1,684)	(3,278)
As at 31 Dec 2024	**26,613**	**379,645**	**77,650**	**5,201**	**149,194**	**638,303**	**20,079**	**658,382**

(all amounts in PLN thousand, unless stated otherwise)

Gross carrying amount	Land	Buildings, premises and civil engineering structures	Plant and equipment	Vehicles	Other property, plant and equipment – laboratory apparatus	Total	Property, plant and equipment under construction	Total property, plant and equipment
As at 1 Jan 2023	**26,061**	**251,620**	**41,318**	**4,461**	**72,821**	**396,281**	**15,629**	**411,910**
Increase	**537**	**32,757**	**6,578**	**2,259**	**14,316**	**56,447**	**24,957**	**81,404**
Acquisition of subsidiaries	-	753	3,108	381	505	4,747	2	4,749
Transfer from property, plant and equipment under construction	-	11,018	916	-	770	12,704	(12,704)	-
Purchase of property, plant and equipment	537	20,986	2,331	338	13,041	37,233	37,659	74,892
Reclassification to property, plant and equipment upon lease termination	-	-	223	1,540	-	1,763	-	1,763
Decrease	**-**	**(1,441)**	**(1,156)**	**(811)**	**(753)**	**(4,161)**	**-**	**(4,161)**
Sale	-	(275)	(849)	(811)	(335)	(2,270)	-	(2,270)
Retirement	-	(1,166)	(307)	-	(418)	(1,891)	-	(1,891)
As at 31 Dec 2023	**26,598**	**282,936**	**46,740**	**5,909**	**86,384**	**448,567**	**40,586**	**489,153**

(all amounts in PLN thousand, unless stated otherwise)

Accumulated depreciation and impairment losses	Land	Buildings, premises and civil engineering structures	Plant and equipment	Vehicles	Other property, plant and equipment – laboratory apparatus	Total	Property, plant and equipment under construction	Total property, plant and equipment
As at 1 Jan 2024	**-**	**83,725**	**28,172**	**2,866**	**52,232**	**166,995**	**-**	**166,995**
Increase	**-**	**28,584**	**12,414**	**572**	**32,758**	**74,328**	**-**	**74,328**
Depreciation in period	-	23,754	6,654	356	8,772	39,536	-	39,536
Acquisition of subsidiaries	-	4,684	5,988	37	21,733	32,442	-	32,442
Other	-	146	(228)	179	2,253	2,350	-	2,350
Decrease	**-**	**(495)**	**(2,240)**	**(1,733)**	**(873)**	**(5,341)**	**-**	**(5,341)**
Sale	-	-	(791)	(352)	(20)	(1,163)	-	(1,163)
Retirement	-	(495)	(716)	(60)	(1,314)	(2,585)	-	(2,585)
Other	-	-	(733)	(1,321)	461	(1,593)	-	(1,593)
As at 31 Dec 2024	**-**	**111,814**	**38,346**	**1,705**	**84,117**	**235,982**	**-**	**235,982**

Accumulated depreciation and impairment losses	Land	Buildings, premises and civil engineering structures	Plant and equipment	Vehicles	Other property, plant and equipment – laboratory apparatus	Total	Property, plant and equipment under construction	Total property, plant and equipment
As at 1 Jan 2023	**-**	**66,999**	**22,008**	**806**	**40,477**	**130,290**	**-**	**130,290**
Increase	**-**	**17,360**	**6,988**	**2,591**	**12,137**	**39,076**	**-**	**39,076**
Depreciation in period	-	17,058	5,089	2,353	11,743	36,243	-	36,243
Acquisition of subsidiaries	-	302	1,899	238	394	2,833	-	2,833
Decrease	**-**	**(634)**	**(824)**	**(531)**	**(382)**	**(2,371)**	**-**	**(2,371)**
Sale	-	(221)	(725)	(531)	(244)	(1,721)	-	(1,721)
Retirement	-	(413)	(99)	-	(138)	(650)	-	(650)
As at 31 Dec 2023	**-**	**83,725**	**28,172**	**2,866**	**52,232**	**166,995**	**-**	**166,995**

(all amounts in PLN thousand, unless stated otherwise)

Net carrying amount	Land	Buildings, premises and civil engineering structures	Plant and equipment	Vehicles	Other property, plant and equipment – laboratory apparatus	Total	Property, plant and equipment under construction	Total property, plant and equipment
Net carrying amount as at 1 Jan 2023	**26,061**	**184,621**	**19,310**	**3,655**	**32,344**	**265,991**	**15,629**	**281,620**
Net carrying amount as at 31 Dec 2023	**26,598**	**199,211**	**18,568**	**3,043**	**34,152**	**281,572**	**40,586**	**322,158**
Net carrying amount as at 31 Dec 2024	**26,613**	**267,831**	**39,304**	**3,496**	**65,077**	**402,321**	**20,079**	**422,400**

In the periods covered by these financial statements, the Group capitalised interest of PLN 1.4 million as borrowing costs related to the financing of property, plant and equipment.

A review conducted by the Group as at 31 December 2024 did not result in any changes to the remaining estimated useful lives, depreciation methods, or residual values of property, plant and property, plant and equipment.

16.1 Impairment recognised in the current year

A review of property, plant and equipment for indications of impairment did not indicate a need to recognise any impairment losses, particularly with respect to improvements in third-party property, plant and equipment.

16.2 Assets pledged as security

Below is an overview of the assets of the Parent, Diagnostyka S.A., and Diag Invest Sp. z o.o. pledged as security for credit facilities, which are considered the most significant by the Group.

No.	Pledgee creditor	Value of pledged assets (PLN)	Type of security	Highest amount of security (PLN thousand)	Number in pledge register
1.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	6,323,840.90	Bank account with BNP Paribas Bank Polska S.A. Registered and financial pledge over monetary claims recorded in the pledge register on 6 October 2022 (company bank account held with BNP Paribas Bank Polska S.A.). Request to amend the register entry submitted on 25 October 2024.	1,340,700	2731328
2.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	5,324,341.83	Bank account with Bank Polska Kasa Opieki S.A. Registered and financial pledge over monetary claims recorded in the pledge register on 6 October 2022 (company bank account held with Bank Polska Kasa Opieki S.A.). Request to amend the register entry submitted on 25 October 2024.	1,340,700	2730926
3.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	336,812.15	Bank account with BNP Paribas Bank Polska S.A. Registered and financial pledge over monetary claims recorded in the pledge register on 6 October 2022 (company bank account held with BNP Paribas Bank Polska S.A.). Request to amend the register entry submitted on 25 October 2024.	1,340,700	2730925
4.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	596,787,677.15	Registered and financial pledge over a pool of movable assets and rights forming part of the business of Diagnostyka S.A., recorded in the pledge register on 6 October 2022. Request to amend the register entry submitted on 25 October 2024.	1,340,700	2731311

No.	Pledgee creditor	Value of pledged assets (PLN)	Type of security	Highest amount of security (PLN thousand)	Number in pledge register
5.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	PLN 250,000.00 (share capital); par value of shares pledged as security: PLN 50,000.00	(1,000 shares with a value of PLN 50.00 each) held by Diagnostyka S.A. in Diag Invest Sp. z o.o. Registered and financial pledge over Diag Invest Sp. z o.o. shares recorded in the pledge register on 6 October 2022. Request to amend the register entry submitted on 25 October 2024.	1,340,700	2731187
6.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	PLN 250,000.00 (share capital); par value of shares pledged as security: PLN 100,000.00	(2,000 shares with a value of PLN 50.00 each) held by Diagnostyka S.A. in Diag Invest Sp. z o.o. Registered and financial pledge over Diag Invest Sp. z o.o. shares recorded in the pledge register on 6 October 2022. Request to amend the register entry submitted on 25 October 2024.	1,340,700	2747185
7.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	PLN 250,000.00 (share capital); par value of shares pledged as security: PLN 10,000.00	(200 shares with a value of PLN 50.00 each) held by Diagnostyka S.A. in Diag Invest Sp. z o.o. Registered and financial pledge over Diag Invest Sp. z o.o. shares recorded in the pledge register on 6 October 2022. Request to amend the register entry submitted on 25 October 2024.	1,340,700	2766620
8.	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	PLN 250,000.00 (share capital); par value of shares pledged as security: PLN 40,000.00	(800 shares with a value of PLN 50.00 each) held by Diagnostyka S.A. in Diag Invest Sp. z o.o. Registered and financial pledge over Diag Invest Sp. z o.o. shares recorded in the pledge register on 6 October 2022. Request to amend the register entry submitted on 25 October 2024.	1,340,700	2783999
9	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	PLN 250,000.00 (share capital); par value of shares pledged as security: PLN 50,000.00	(1,000 shares with a value of PLN 50.00 each) held by Diagnostyka S.A. in Diag Invest Sp. z o.o. Registered and financial pledge over Diag Invest Sp. z o.o. shares filed with the pledge register on 25 October 2024.	1,340,700	2799059
10	Bank Polska Kasa Opieki S.A.	18,738,935.25	Registered and financial pledge over a pool of movable assets and rights forming part of the business of Diag Invest Sp. z o.o., recorded in the pledge register on 4 October 2022. Request to amend the register entry submitted on 25 October 2024.	1,340,700	2730929

No.	Pledgee creditor	Value of pledged assets (PLN)	Type of security	Highest amount of security (PLN thousand)	Number in pledge register
11	Bank Polska Kasa Opieki S.A. and BNP PARIBAS S.A.	12,800,814.58	Bank account with BNP Paribas Bank Polska S.A. Registered and financial pledge over monetary claims recorded in the pledge register on 6 October 2022 (company bank account held with BNP Paribas Bank Polska S.A.). Request to amend the register entry submitted on 25 October 2024.	1,340,700	2731188

Contractual mortgage over perpetual usufruct of real estate:

located in Katowice, at ul. Paderewskiego (Mortgage Register entry No. KA1K/00073841/1), in favour of Bank Polska Kasa Opieki S.A., for up to PLN 1,340,700,000.00

Notarised consents to enforcement:

in favour of Bank Polska Kasa Opieki S.A., for up to PLN 592,500,000.00

in favour of BNP Paribas Bank Polska S.A., for up to PLN 592,500,000.00

Surety:

provided by Diag Invest Sp. z o.o. of Kraków (as the original surety provider) to secure repayment of a revolving credit facility contracted by Diagnostyka S.A.; Diag Invest Sp. z o.o. gave its consent to enforcement:

- in favour of Bank Polska Kasa Opieki S.A., for up to PLN 667,200,000.00
- in favour of BNP Paribas Bank Polska S.A., for up to PLN 673,500,000.00

(all amounts in PLN thousand, unless stated otherwise)

17 Leases

17.1 General lease terms

The Group utilises the majority of its laboratory equipment, facilities, vehicles, and premises under lease contracts. The duration of these contracts varies depending on the leased asset. The Group has the option to purchase the leased assets for a buyout price at the end of the lease term. The Group's obligations under the lease contracts are secured by the lessors' rights to the leased assets (lessors retain ownership of the leased assets during the contract term) and by guarantees from the Parent for lease contracts entered into by subsidiaries. Disclosures regarding contingent liabilities related to the lease contracts are presented in Note 31.1.

17.2 Right-of-use assets

Gross carrying amount	**perpetual usufruct of land**	**buildings, premises and civil engineering structures**	**other property, plant and equipment – laboratory apparatus**	**vehicles**	**plant and equipment**	**TOTAL**
As at 1 Jan 2024	**9,338**	**395,897**	**156,078**	**43,726**	**16,321**	**621,360**
Increase	**156**	**128,941**	**56,270**	**21,182**	**1,005**	**207,554**
Rights of use of subsidiaries as at the date of acquisition of control	-	7,669	2,510	289	-	10,468
Conclusion of agreement to use property, plant and equipment	-	86,581	15,244	20,893	1,005	123,723
Lease modification and change of term estimate for open-ended lease contracts	156	34,691	38,516	-	-	73,363
Decrease	**(2,869)**	**(73,639)**	**(6,435)**	**(11,864)**	**(6,244)**	**(101,051)**
Termination of contract to use property, plant and equipment	(23)	(50,735)	(3,900)	(460)	-	(55,118)
Modification of lease contracts	-	(22,904)	(750)	-	-	(23,654)
Reclassification to property, plant and equipment upon lease termination	-	-	(1,785)	(11,404)	(6,244)	(19,433)
Other	(2,846)	-	-	-	-	(2,846)
As at 31 Dec 2024	**6,625**	**451,199**	**205,913**	**53,044**	**11,082**	**727,863**

(all amounts in PLN thousand, unless stated otherwise)

Gross carrying amount	perpetual usufruct of land	buildings, premises and civil engineering structures	other property, plant and equipment – laboratory apparatus	vehicles	plant and equipment	TOTAL
As at 1 Jan 2023	**6,344**	**319,743**	**148,238**	**35,659**	**15,618**	**525,602**
Increase	**2,994**	**88,381**	**13,146**	**17,648**	**3,497**	**125,666**
Conclusion of agreement to use property, plant and equipment	2,845	41,488	10,174	17,648	3,497	75,652
Lease modification and change of term estimate for open-ended lease contracts	149	46,893	2,972	-	-	50,014
Decrease	**-**	**(12,227)**	**(5,306)**	**(9,581)**	**(2,794)**	**(29,908)**
Contract termination and reduction in the scope of use of property, plant and equipment	-	(12,227)	(2,282)	(934)	(144)	(15,587)
Reclassification to property, plant and equipment upon lease termination	-	-	(3,024)	(8,647)	(2,650)	(14,321)
As at 31 Dec 2023	**9,338**	**395,897**	**156,078**	**43,726**	**16,321**	**621,360**

(all amounts in PLN thousand, unless stated otherwise)

Accumulated depreciation and impairment losses	perpetual usufruct of land	buildings, premises and civil engineering structures	other property, plant and equipment – laboratory apparatus	vehicles	plant and equipment	TOTAL
As at 1 Jan 2024	**437**	**188,921**	**108,601**	**13,412**	**5,488**	**316,859**
Increase	**107**	**62,810**	**29,564**	**14,112**	**4,698**	**111,291**
Depreciation	107	62,810	28,038	13,887	4,698	109,540
Rights of use of subsidiaries as at the date of acquisition of control	-	-	1,471	225	-	1,696
Other	-	-	55	-	-	55
Decrease	**(33)**	**(48,866)**	**(4,808)**	**(10,450)**	**(5,900)**	**(70,057)**
Contract termination and reduction in the scope of use of property, plant and equipment	-	(24,413)	(2,672)	(349)	-	(27,434)
Modification of lease contracts	-	(24,453)	(380)	-	-	(24,833)
Reclassification to property, plant and equipment upon lease termination	-	-	(1,756)	(10,101)	(5,900)	(17,757)
Other	(33)	-	-	-	-	(33)
As at 31 Dec 2024	**511**	**202,865**	**133,357**	**17,074**	**4,286**	**358,093**

(all amounts in PLN thousand, unless stated otherwise)

Accumulated depreciation and impairment losses	perpetual usufruct of land	buildings, premises and civil engineering structures	other property, plant and equipment – laboratory apparatus	vehicles	plant and equipment	TOTAL
As at 1 Jan 2023	**297**	**143,362**	**87,555**	**10,843**	**4,365**	**246,422**
Increase	**140**	**57,443**	**26,064**	**10,368**	**3,701**	**97,716**
Depreciation	140	57,443	26,064	10,368	3,701	97,716
Decrease	**-**	**(11,884)**	**(5,018)**	**(7,799)**	**(2,578)**	**(27,279)**
Contract termination and reduction in the scope of use of property, plant and equipment	-	(11,884)	(2,005)	(692)	(141)	(14,722)
Reclassification to property, plant and equipment upon lease termination	-	-	(3,013)	(7,107)	(2,437)	(12,557)
As at 31 Dec 2023	**437**	**188,921**	**108,601**	**13,412**	**5,488**	**316,859**

Net carrying amount	perpetual usufruct of land	buildings, premises and civil engineering structures	other property, plant and equipment – laboratory apparatus	vehicles	plant and equipment	TOTAL
Net carrying amount as at 1 Jan 2023	**6,047**	**176,381**	**60,683**	**24,816**	**11,253**	**279,180**
Net carrying amount as at 31 Dec 2023	**8,901**	**206,976**	**47,477**	**30,314**	**10,833**	**304,501**
Net carrying amount as at 31 Dec 2024	**6,114**	**248,334**	**72,556**	**35,970**	**6,796**	**369,770**

(all amounts in PLN thousand, unless stated otherwise)

17.3 Amounts recognised in the consolidated statement of comprehensive income in relation to leases

Item	31 Dec 2024	31 Dec 2023
Total cash outflow due to lease payments	(132,828)	(115,623)

Future cash outflows relating to leases not yet commenced to which the lessee is committed

On 31 December 2024, Diagnostyka S.A. entered into an agreement with SAP Polska Sp. z o.o. for a 12-month subscription to software modules provided by this IT solutions provider as part of its cloud services. The initial subscription period runs from 15 February 2025 to 14 February 2026. In accordance with the terms of the agreement, the total expected cost of services over this period is PLN 2.2 million net. The agreement includes an automatic renewal option for subsequent periods, which the Parent intends to use. Therefore, it may effectively be considered an open-ended lease contract.

As at the reporting date, the right-of-use asset and the lease liability valuation do not include this agreement, as the lease term has not yet commenced.

17.4 Lease liabilities

Item	Nominal value of minimum lease payments		Present value of minimum lease payments	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Lease liabilities	423,430	350,965	375,074	315,401
Up to 1 year	128,751	114,948	124,526	111,575
From 1 year to 5 years	243,926	206,448	217,623	184,381
Over 5 years	50,753	29,569	32,925	19,445
Less future finance charges	(48,356)	(35,564)	-	-
Present value of minimum lease payments	**375,074**	**315,401**	**375,074**	**315,401**

Item	31 Dec 2024	31 Dec 2023
Lease liabilities – long-term portion	250,548	203,826
Lease liabilities – short-term portion	124,526	111,575
Disclosed in the consolidated financial statements	**375,074**	**315,401**

The above table presents the value of the lease liability in two variants:

- *‘Nominal value of minimum lease payments’,* which reflects the nominal value of future payments specified in the contracts;
- ‘*Present value of minimum lease payments*’, which represents the discounted values calculated in accordance with IFRS 16 *Leases.*

The line item ‘*Less future finance charges*’ serves as a reconciling item between the nominal and present value variants, effectively representing the value of the discount applied to lease obligations.

(all amounts in PLN thousand, unless stated otherwise)

18 Intangible assets

Gross carrying amount	Capitalised development work brought into use	Internally developed software, not yet brought into use	Customer relationships	Licences	Permits and patents	Total
As at 1 Jan 2024	**8,372**	**23,954**	**59,079**	**56,443**	**7,826**	**155,674**
Increase	**-**	**19,028**	**49,085**	**10,970**	**-**	**79,083**
Acquisition of subsidiaries	-	1,439	49,085	846	-	51,370
Purchase	-	17,589	-	10,124	-	27,713
Decrease	**-**	**-**	**(8)**	**(301)**	**(796)**	**(1,105)**
Retirement	-	-	(8)	(292)	-	(300)
Other	-	-	-	(9)	(796)	(805)
As at 31 Dec 2024	**8,372**	**42,982**	**108,156**	**67,112**	**7,030**	**233,652**

Gross carrying amount	Capitalised development work brought into use	Internally developed software, not yet brought into use	Customer relationships	Licences	Permits and patents	Total
As at 1 Jan 2023	**8,338**	**14,418**	**51,632**	**56,328**	**-**	**130,716**
Increase	**34**	**9,536**	**7,447**	**1,618**	**7,838**	**26,473**
Business combinations	-	-	5,939	318	808	7,065
Purchase	-	9,536	1,508	8,364	-	19,408
Reclassification	34	-	-	(7,064)	7,030	-
Decrease	**-**	**-**	**-**	**(1,503)**	**(12)**	**(1,515)**
Retirement	-	-	-	(19)	-	(19)
Other	-	-	-	(1,484)	(12)	(1,496)
As at 31 Dec 2023	**8,372**	**23,954**	**59,079**	**56,443**	**7,826**	**155,674**

(all amounts in PLN thousand, unless stated otherwise)

Accumulated amortisation and impairment losses	**Capitalised development work brought into use**	**Internally developed software, not yet brought into use**	**Customer relationships**	**Licences**	**Permits and patents**	**Total**
As at 1 Jan 2024	**2,909**	**-**	**49,138**	**39,478**	**7,030**	**98,555**
Increase	**772**	**-**	**3,207**	**8,895**	**-**	**12,874**
Amortisation in period	772	-	3,207	8,472	-	12,451
Acquisition of subsidiaries	-	-	-	407	-	407
Other	-	-	-	16	-	16
Decrease	**-**	**-**	**(8)**	**(302)**	**-**	**(310)**
Retirement	-	-	(8)	(293)	-	(301)
Other	-	-	-	(9)	-	(9)
As at 31 Dec 2024	**3,681**	**-**	**52,337**	**48,071**	**7,030**	**111,119**

Accumulated amortisation and impairment losses	**Capitalised development work brought into use**	**Internally developed software, not yet brought into use**	**Customer relationships**	**Licences**	**Permits and patents**	**Total**
As at 1 Jan 2023	**2,093**	**-**	**46,981**	**37,211**	**-**	**86,285**
Increase	**816**	**-**	**2,157**	**3,758**	**7,030**	**13,761**
Amortisation in period	782	-	2,157	10,346	-	13,285
Business acquisitions	-	-	-	476	-	476
Internal transfer	34	-	-	(7,064)	7,030	-
Decrease	**-**	**-**	**-**	**(1,491)**	**-**	**(1,491)**
Retirement	-	-	-	(19)	-	(19)
Other	-	-	-	(1,472)	-	(1,472)
As at 31 Dec 2023	**2,909**	**-**	**49,138**	**39,478**	**7,030**	**98,555**

(all amounts in PLN thousand, unless stated otherwise)

Net carrying amount	Capitalised development work brought into use	Internally developed software, not yet brought into use	Customer relationships	Licences	Permits and patents	Total
Net carrying amount as at 1 Jan 2023	**6,245**	**14,418**	**4,651**	**19,117**	**-**	**44,431**
Net carrying amount as at 31 Dec 2023	**5,463**	**23,954**	**9,941**	**16,965**	**796**	**57,119**
Net carrying amount as at 31 Dec 2024	**4,691**	**42,982**	**55,819**	**19,041**	**-**	**122,533**

(all amounts in PLN thousand, unless stated otherwise)

The Group is engaged in activities classified as development work. The most significant ongoing project is the development of the xLab IT system. For information on significant judgments related to this project, see Note 4.2. Capitalised project costs totalled PLN 30,443 thousand at the end of 2024 (PLN 19,273 thousand as at 31 December 2023). In 2024, the Parent capitalised interest expense comprising borrowings costs of PLN 1.2 million as part of expenditure incurred on the project.

As part of its development work, the Group is also carrying out a project titled '*Automated Prediction System for Laboratory Tests and Optimisation of Quality Control and Workload of Analysers Based on Machine Learning*'. The project outcome is software designed to optimise resource planning for laboratory tests and streamline the quality control process for laboratory equipment, reducing both time and costs. The amount of capitalised costs of this project was PLN 4,681 thousand at the end of 2024 (PLN 4,681 thousand as at 31 December 2023). The solution will be integrated with the xLab IT system. The first significant modules of the xLab system including the solutions developed as part of this project will be brought into use in 2025.

The capitalised development work currently in use originates from a collaborative project with the National Centre for Research and Development (NCBiR) titled 'System for Automated Analysis and Recognition of Histopathological Images'. This work was conducted between 2017 and 2020 and was successfully completed. The amortisation period for the development work has been set at 10 years.

In the course of business acquisitions, customer relationships are recognised as part of the acquired net assets and initially valued using the multi-period excess earnings method. The assumptions used in the model are described in Note 4.1, which details the uncertainty of the estimates applied. *Valuation of customer relationships acquired as part of business combinations*

As a result of the review of intangible assets for indications of impairment, no need to recognise impairment losses for the remaining intangible assets was identified in 2023-2024.

There are no intangible assets for which the entity's legal title is restricted or that serve as collateral for liabilities.

There were no contractual obligations to acquire intangible assets.

During the period covered by these financial statements, no research and development expenditures were recognised as an expense in the consolidated statement of comprehensive income.

19. Investments in associates and jointly controlled entities

Below is provided detailed information on investments in associates and jointly controlled entities valued using the equity method for 2023 and 2024:

Associate or jointly controlled entity	Principal business	Principal place of business	Value of shares as at 31 Dec 2024	Ownership interest held by the Group in net assets	Voting interest held by the Group
GenXone S.A.	laboratory testing services	Złotniki	5,580	40.31%	40.31%
Genomed S.A.	laboratory testing services	Warsaw	17,046	44.67%	30.73%
Associates:			**22,626**		
Laboratorium Medyczne Optimed Kuriata, Wroński Sp. z o.o.	laboratory testing services	Kętrzyn	8,238	50.00%	50.00%

(all amounts in PLN thousand, unless stated otherwise)

Associate or jointly controlled entity	Principal business	Principal place of business	Value of shares as at 31 Dec 2024	Ownership interest held by the Group in net assets	Voting interest held by the Group
Telediagnostyka Sp. z o.o.	medical imaging services	Warsaw	2,931	51.00%	51.00%
Instytut Mikroekologii Sp. z o.o.	laboratory testing services	Poznań	928	50.50%	50.50%
Vitalabo Diag Invest Sp. z o.o.	Property development	Bydgoszcz	3,016	51.43%	51.43%
Jointly controlled entities:			**15,113**		
Associates and jointly controlled entities:			**37,739**		

Associate or jointly controlled entity	Principal business	Principal place of business	Value of shares as at 31 December 2023	Ownership interest held by the Group in net assets	Voting interest held by the Group
GenXone S.A.	laboratory testing services	Złotniki	7,167	40.43%	40.43%
Genomed S.A.	laboratory testing services	Warsaw	16,539	45.00%	30.82%
Associates:			**23,706**		
Laboratorium Medyczne Optimed Kuriata, Wroński Sp. z o.o.	laboratory testing services	Kętrzyn	7,917	50.00%	50.00%
Diagnostyka Wyrobek Sp. z o.o.	medical imaging services	Kraków	40,777	50.40%	50.40%
Instytut Mikroekologii Sp. z o.o.	laboratory testing services	Poznań	914	50.50%	50.50%
Jointly controlled entities:			**49,608**		
Associates and jointly controlled entities:			**73,314**		

(all amounts in PLN thousand, unless stated otherwise)

Changes in long-term investments

Item	Investments in associates and jointly controlled entities
Opening balance as at 1 Jan 2023	**38,445**
Increase	**40,958**
Purchase	40,899
Share of profit or loss of associates and jointly controlled entities	59
Decrease	**(6,089)**
Sale	(145)
Dividends received	(1,000)
Impairment charge	(4,944)
Closing balance as at 31 December 2023	**73,314**
Opening balance as at 1 Jan 2024	**73,314**
Increase	**33,255**
Purchase	28,233
Share capital increase	1,215
Increase in the value of shares – conditional adjustment to the purchase price of shares	112
Change of status of Vitalabo Diag Invest Sp. z o.o. from subsidiary to associate	2,086
Share of profit or loss of associates and jointly controlled entities	1,609
Decrease	**(68,830)**
Sale	(5)
Dividends received	(2,130)
Change of status of an associate or jointly controlled entity to subsidiary	(66,695)
Closing balance as at 31 Dec 2024	**37,739**

Livmed Sp. z o.o.

On 26 January 2024, the Parent acquired 51% of shares in Livmed Sp. z o.o. of Nowy Tomyśl for PLN 3,590 thousand. Subsequently, on 8 April 2024, the price was adjusted in accordance with the share purchase agreement by PLN 7,048 thousand. Livmed Sp. z o.o. operates in the area of medical imaging services (magnetic resonance imaging and computed tomography). The Parent's involvement in this entity at the time of the transaction was classified as joint control (a joint venture).

Furthermore, the share purchase agreement included provisions for the payment of additional contingent consideration, dependent upon the achievement of specific future financial performance targets by the company. On 24 October 2024, an additional agreement was concluded regarding the investment agreement with the shareholders from whom Diagnostyka S.A. acquired the 51% interest in Livmed Sp. z o.o., based on which the price under the investment agreement was adjusted by PLN 14,960 thousand. As a result, the total purchase price for 51% of shares in Livmed Sp. z o.o. was determined to be PLN 25,635 thousand.

On 24 October 2024, Diagnostyka S.A. entered into an agreement to purchase further 38.95% of shares in Livmed Sp. z o.o. for PLN 21,662 thousand. As a result of the transaction, the Parent acquired control of the company. The total value of the acquired 89.95% interest in Livmed Sp. z o.o. at cost was PLN 47,520 thousand.

Zakład Rentgena i USG – Wyrobek Sp. z o.o., Diagnostyka Wyrobek Sp. z o.o., Eurodent Sp. z o.o., Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o.

On 5 April 2023, the Parent entered into an investment agreement to acquire a 50.4% equity interest in Diagnostyka Wyrobek Sp. z o.o., one of the largest private providers of medical imaging services in Poland. Diagnostyka Wyrobek owns 100% of shares in Eurodent Sp. z o.o., operating in the same sector. The purchase price was PLN 39.9 million. The Parent's involvement in this entity at the time of the transaction was classified as joint control (a joint venture).

On 16 December 2024, Diagnostyka S.A. acquired 1,500 shares, with a total par value of PLN 75 thousand, in the increased share capital of Diagnostyka Wyrobek Sp. z o.o. for PLN 5,000 thousand. Following the transaction, Diagnostyka S.A.'s ownership interest in the share capital of Diagnostyka Wyrobek Sp. z o.o. rose from 50.4% to 53.86%. On the same day, the General Meeting of Diagnostyka Wyrobek Sp. z o.o. passed a resolution on amendments to the company’s Articles of Association, whereby Diagnostyka S.A. acquired rights indicating control over the company. As a result, Diagnostyka S.A. indirectly acquired control of Diagnostyka Wyrobek Sp. z o.o.’s subsidiaries: Eurodent Sp. z o.o. and Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o.

On 16 December 2024, Diagnostyka S.A. acquired 86 shares in Zakład Rentgena i USG – Wyrobek Sp. z o.o. from its shareholders for PLN 17.8 million. Following the transaction, it holds 53.75% of the company’s share capital and has control of the company. Zakład Rentgena i USG – Wyrobek Sp. z o.o. holds 46.14% of shares in Diagnostyka Wyrobek Sp. z o.o. Therefore, as a result of the transaction, Diagnostyka S.A. indirectly increased its equity interest in Diagnostyka Wyrobek Sp. z o.o. to 78.66%.

TeleDiagnostyka Sp. z o.o.

On 20 April 2024, the Parent acquired 51% of shares in TeleDiagnostyka Sp. z o.o. of Warsaw for PLN 2,579 thousand. TeleDiagnostyka Sp. z o.o. provides teleradiology services, i.e., remote interpretation of diagnostic imaging (computed tomography and magnetic resonance imaging). The Parent's involvement in this entity is classified as joint control (a joint venture).

The agreed purchase price may be adjusted in accordance with the terms of the share purchase agreement, and the Company considers it highly probable that the conditions for adjustment will be met. Accordingly, as at the purchase date, a financial liability was recognised for the estimated contingent consideration for TeleDiagnostyka Sp. z o.o. shares in the amount of PLN 112 thousand.

The Parent's involvement in TeleDiagnostyka Sp. z o.o. is classified as joint control (a joint venture) due to the fact that, despite holding a slight majority of shares, Diagnostyka S.A. does not have formal rights under the investee’s Articles of Association resulting in the power to direct the relevant activities of the investee, because:

- resolutions of TeleDiagnostyka Sp. z o.o.’s General Meeting, particularly those related to relevant activities in that company, require a majority vote exceeding Diagnostyka S.A.'s share of voting rights, necessitating agreements with other shareholders to pass such resolutions;

  Diagnostyka S.A. has the right to appoint half of the members of TeleDiagnostyka Sp. z o.o.’s Management Board, so it does not have a majority at the Management Board level.

Laboratorium Medyczne Optimed Kuriata, Wroński Sp. z o.o.

In 2024, dividend received from Laboratorium Medyczne Optimed Kuriata, Wroński Sp. z o.o. amounted to PLN 433 thousand. In 2023, the company’s General Meeting passed a resolution to pay a dividend of PLN 1 million to Diagnostyka S.A. The dividend was paid in 2024.

(all amounts in PLN thousand, unless stated otherwise)

GenXone S.A.

The Group has conducted an analysis to determine if there are any indications of impairment of its equity investments. The analysis did not reveal any indications of impairment, except for GenXone S.A., for which an impairment charge of PLN 4,944 thousand was recognised in 2023. In 2024, the impairment loss amount did not change. For information on significant judgments regarding the recognition of the impairment charges, see Note 4.2. In 2024 and 2023, GenXone S.A. did not pay any dividends.

Genomed S.A.

During the current period, a portion of shares in Genomed S.A., with a carrying amount of PLN 5 thousand (2023: PLN 140 thousand), was sold. The transaction did not alter the classification of the investment.

For information on significant judgments regarding the Group's influence over related entities, see Note 4.2. The Group has no contingent liabilities due to its interests in associates.

Key financial data of the associates and jointly controlled entities is presented in the following table.

Item	**Genomed S.A.**		**Laboratorium Medyczne Optimed Kuriata, Wroński Sp. z o.o.**		**GenXone S.A.**	
	31 Dec 2024	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Share of net assets	**44.67%**	**45.00%**	**50.00%**	**50.00%**	**40.31%**	**40.43%**
Net current assets	8,979	7,712	1,647	1,226	6,668	8,579
Current assets	10,414	9,424	6,206	6,817	7,176	9,011
Current liabilities	1,435	1,712	4,559	5,591	508	432
Net non-current assets	2,064	1,124	1,635	1,414	4,372	6,391
Non-current assets	2,431	1,472	2,118	2,388	4,503	6,491
Non-current liabilities	367	348	483	974	131	100
Net assets	**11,043**	**8,836**	**3,282**	**2,640**	**11,040**	**14,970**
Group's share of net assets	4,969	3,976	1,641	1,320	4,463	6,052
Revenue	23,067	22,482	23,790	20,297	1,788	2,395
Net profit	1,108	926	1,506	865	(3,937)	(3,719)
Group's share of net profit	**495**	**417**	**753**	**433**	**(1,587)**	**(1,504)**
Change in cash and cash equivalents	(19)	1,773	(34)	(448)	(1,549)	(4,167)
Cash flows from operating activities	1,640	1,967	1,929	174	(1,878)	(4,617)
Cash flows from investing activities	(1,667)	(204)	(7)	(908)	389	496
Cash flows from financing activities	8	10	(1,956)	286	(60)	(46)
Fair value of the investment, if the investment is quoted in active market	**-**	**-**	**-**	**-**	**8,259**	**7,167**

Item	**Vitalabo Diag Invest Sp. z o.o.**	**Diagnostyka Wyrobek Sp. z o.o.**	**Instytut Mikroekologii Sp. z o.o.**	**Telediagnostyka Sp. z o.o.**

	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Share of net assets	**51.43%**	**50.40%**	**50.50%**	**50.50%**	**51.00%**
Net current assets	(1,625)	5,567	742	453	972
Current assets	1,768	12,073	1,257	955	1,591
Current liabilities	3,393	6,506	515	502	619
Net non-current assets	7,490	6,055	202	493	322
Non-current assets	14,492	25,618	316	493	322
Non-current liabilities	7,002	19,563	114	-	-
Net assets	**5,865**	**11,622**	**944**	**946**	**1,294**
Group's share of net assets	3,016	5,857	477	478	660
Revenue	1	24,315	6,062	1,819	7,396
Net profit	(317)	1,704	27	(133)	626
Group's share of net profit	(163)	859	14	(67)	319
Change in cash and cash equivalents	(364)	451	419	356	993
Cash flows from operating activities	(532)	7,176	454	739	993
Cash flows from investing activities	(7,852)	(7,654)	-	-	-
Cash flows from financing activities	8,021	929	(35)	(383)	-

(all amounts in PLN thousand, unless stated otherwise)

20. Loans

No.	Borrower name	Loan amount as per agreement	Receivables, including interest, as at 31 Dec 2024 (net of allowances for expected credit losses)	Allowances for expected credit losses – IFRS 9 – short-term portion	Short-term portion	Allowances for expected credit losses – IFRS 9 – long-term portion	Long-term portion	Interest rate as at reporting date
1	Vitalabo Diag Invest Sp. z o.o.	23,000	6,199	-	156	24	6,019	3M WIBOR + margin
2	Vitalabo Diag Invest Sp. z o.o.	364	418	-	-	-	418	3M WIBOR + margin
TOTAL		**23,364**	**6,617**	**-**	**156**	**24**	**6,437**	

Item	Long-term loans	Short-term loans
As at 1 Jan 2024	**-**	**-**
Increase	**6,461**	**871**
loans	6,044	-
interest accrued on loans	30	871
change of status of Vitalabo Diag Invest Sp. z o.o. from subsidiary to jointly controlled entity	387	-
Decrease	**(24)**	**(715)**
settlement as part of business acquisitions	-	(297)
payment of interest	-	(418)
allowances for expected credit losses	(24)	-
As at 31 Dec 2024	**6,437**	**156**

(all amounts in PLN thousand, unless stated otherwise)

21. Goodwill

Item	31 Dec 2024	31 Dec 2023
Gross carrying amount at beginning of reporting period	**303,874**	**243,019**
Additional amounts recognised for business combinations made during the year	110,938	60,855
Gross carrying amount at end of reporting period	**414,812**	**303,874**
Net carrying amount at beginning of reporting period	**303,874**	**243,019**
Net carrying amount at end of reporting period	**414,812**	**303,874**

The Management Board of the Parent conducts impairment tests at the end of each reporting period (or more frequently if impairment indicators are present) for cash-generating units (or groups of units) to which goodwill is allocated.

The level at which goodwill is tested is the CGU or group of CGUs, as defined in Note 4.2.

The recoverable amount of a cash-generating unit (equal to its value in use) is estimated based on the following assumptions:

- the discounted cash flow method is used;
- the detailed forecast spans a 5-year period, assuming a real growth rate of 7% during that time. For the subsequent period, the residual value was calculated based on a 1% real growth rate.

Between 2019 and 2024, the laboratory diagnostics services market grew at an average annual nominal rate of 13%. Increased health awareness, an aging population, and a steady rise in societal wealth have supported growing demand for such services. Available forecasts for the coming years anticipate continued growth at a stable nominal rate of 9–11%. An analysis of historical data reveals that Diagnostyka Group’s growth outpaced the market’s 13% rate. This growth was driven by the Group’s systematic expansion of service availability through the development of its network, diversifying its service offerings to align with patient needs, and meeting customer expectations for improved access to and transparency of test results, with a particular focus on leveraging modern technologies. In light of the above, the Group considers the adoption of a 7% real growth rate, excluding inflation, for impairment testing to be a reasonable assumption, consistent with the actual growth trends demonstrated by the Group relative to the market average.

The 1% growth rate assumed for the residual period was informed by specialist publications analysing the laboratory diagnostics services markets in Poland and Europe for the years 2024–2029. A summary of the key arguments supporting the anticipated long-term market growth is as follows:

- The increasing proportion of the post-retirement age population, coupled with heightened public awareness of the importance of preventive healthcare, underpins sustained long-term demand.
- Rising societal wealth supports the steady expansion of private health insurance and increases the propensity to finance diagnostic tests through private means.
- The growing popularity of molecular and genetic diagnostics, currently estimated to account for only 15% of the market, drives markedly higher growth dynamics compared to traditional laboratory tests.

- Compared to other EU countries, the Polish laboratory diagnostics market continues to show significantly lower saturation, as measured by per capita spending on laboratory equipment and reagents; according to available data from 2021, Poland's spending represented only 33% of the EU average. Moreover, laboratory testing accounts for an estimated 4–5% of hospital budgets in Poland, whereas in the US and Western Europe it is around 10%.
- After a significant slowdown in 2023, Poland's economy is now returning to a trajectory of accelerated growth, with most published forecasts projecting an average annual GDP growth rate of over 3% through 2029. The Polish labour market remains very strong, with unemployment rates persistently low despite various risks, and wage growth continuing at a high pace. Favourable macroeconomic forecasts underpin the assumption of sustained strong performance in the Polish labour market in the coming years. This positive trend is expected to be further supported by the ongoing implementation of extensive social programs funded by the state budget.

The real weighted average cost of capital, which the Company uses as the discount rate, has been determined based on the following parameters:

- the risk-free interest rate was assumed at 5.87% for 2024, 5.03% for 2023, which corresponds to the interest rate of 5-year treasury bills;
- the margin was set at 1.25% in 2024 and 1.50% in 2023, corresponding to the weighted average margin on the existing overdraft facilities;
- the market risk premium was set at 5.93% in 2024 and 5.27% in 2023, that is in line with the estimates for Poland as presented on Market-Risk-Premia.com;
- the assumed annual rate of sales growth is determined individually for each laboratory based on an analysis of factors affecting sales volumes.

Below are presented the key assumptions used for the cash-generating units to which significant goodwill has been allocated.

CGU	Compound annual growth rate of sales	Real (nominal) discount rate	Allocated goodwill (PLN million)	Allocated value of other asset (PLN million)
As at 31 Dec 2024			**415**	**831**
Grupa Wyrobek	6.44%	7.00% (10.03%)	47	71
Śląsk	5.09%	7.00% (10.03%)	47	47
Livmed Sp. z o.o.	0.35%	7.00% (10.03%)	37	58
Warsaw	8.01%	7.00% (10.03%)	33	87
Bydgoszcz	14.05%	7.00% (10.03%)	25	26
Szczecin	7.21%	7.00% (10.03%)	21	34
Wrocław Lab Centralny	7.81%	7.00% (10.03%)	20	40
Olsztyn Lab Elbląg	8.51%	7.00% (10.03%)	19	4
Łódź	7.53%	7.00% (10.03%)	16	41
Poznań	6.56%	7.00% (10.03%)	16	41
Wrocław	8.49%	7.00% (10.03%)	14	14
Podbeskidzie	7.64%	7.00% (10.03%)	13	14
Diagnostyka Teleradiologia24 Sp. z o.o.	7.48%	7.00% (10.03%)	12	32
Laboratoria Medyczne Novalab Sp. z o.o.	7.41%	7.00% (10.03%)	11	13
Diagnostyka Genesis Sp. z o.o.	10.33%	7.00% (10.03%)	10	14
Diagnostyka Consilio Sp. z o.o.	12.07%	7.00% (10.03%)	9	66
Kraków Lab Nowy Sącz Śniadeckich	5.63%	7.00% (10.03%)	7	3
Oborniki	5.11%	7.00% (10.03%)	7	3
Warszawa Lab Siedlce Csk	6.44%	7.00% (10.03%)	6	2

CGU	Compound annual growth rate of sales	Real (nominal) discount rate	Allocated goodwill (PLN million)	Allocated value of other asset (PLN million)
Badania.pl Sp. z o.o.	9.88%	7.00% (10.03%)	5	6
Trójmiasto Lab Centralny	8.50%	7.00% (10.03%)	4	23
Diagnostyka - Tarnów Medyczne Centrum Laboratoryjne Sp. z o.o.	7.41%	7.00% (10.03%)	4	7
Lublin Lab Zamość	7.22%	7.00% (10.03%)	3	2
Szczecin Lab Darłowo	8.94%	7.00% (10.03%)	3	1
Opolski	7.24%	7.00% (10.03%)	3	5
Kielce Lab Ostrowiec Szymanowskiego	6.03%	7.00% (10.03%)	2	2
Niepubliczny Zakład Opieki Zdrowotnej Diagno-Med Sp. z o.o.	11.17%	7.00% (10.03%)	2	8
Szczecin Lab Świnoujście	7.90%	7.00% (10.03%)	2	1
Trójmiasto Lab Słupsk	7.12%	7.00% (10.03%)	2	4
Diagnostyka Digital Hub Sp. z o.o.	14.03%	7.00% (10.03%)	2	2
PBG	6.29%	7.00% (10.03%)	2	0
Diagnostyka Oncogene Sp. z o.o.	10.05%	7.00% (10.03%)	2	4
Histamed DC Sp. z o.o.	9.96%	7.00% (10.03%)	2	11
Białystok	6.15%	7.00% (10.03%)	1	11
Trójmiasto Lab Iława	6.90%	7.00% (10.03%)	1	2
Lublin Lab Centralny	7.74%	7.00% (10.03%)	1	13
Other	6.82%	7.00% (10.03%)	4	119
As at 31 Dec 2023			**304**	**466**
Śląsk	7.24%	6.50% (9.48%)	45	39
Warsaw	8.91%	6.50% (9.48%)	39	75
Vitalabo Laboratoria Medyczne Sp. z o.o.	9.08%	6.50% (9.48%)	25	16
Szczecin	8.67%	6.50% (9.48%)	21	31
Olsztyn Lab Elbląg	7.86%	6.50% (9.48%)	19	3
Wrocław Lab Centralny	8.10%	6.50% (9.48%)	18	40
Łódź	8.61%	6.50% (9.48%)	16	19
Wrocław	7.19%	6.50% (9.48%)	14	5
Podbeskidzie	7.75%	6.50% (9.48%)	13	11
Poznań Lab Centralny	7.77%	6.50% (9.48%)	13	34
Diagnostyka Consilio Sp. z o.o.	8.50%	6.50% (9.48%)	12	39
Laboratoria Medyczne Novalab Sp. z o.o.	8.43%	6.50% (9.48%)	11	4
Diagnostyka Genesis Sp. z o.o.	5.56%	6.50% (9.48%)	10	9
Kraków	8.17%	6.50% (9.48%)	7	40
Poznań Lab Oborniki	7.71%	6.50% (9.48%)	7	2
Badania.pl Sp. z o.o.	11.21%	6.50% (9.48%)	5	0
Diagnostyka - Tarnów Medyczne Centrum Laboratoryjne Sp. z o.o.	7.74%	6.50% (9.48%)	4	2
Lublin Lab Zamość	7.04%	6.50% (9.48%)	3	2
Trójmiasto Lab Centralny	9.02%	6.50% (9.48%)	3	17

CGU	Compound annual growth rate of sales	Real (nominal) discount rate	Allocated goodwill (PLN million)	Allocated value of other asset (PLN million)
Kielce Lab Ostrowiec Szymanowskiego	8.31%	6.50% (9.48%)	2	2
Trójmiasto Lab Słupsk	8.26%	6.50% (9.48%)	2	4
Diagnostyka Digital Hub Sp. z o.o.	5.00%	6.50% (9.48%)	2	2
Platforma Badań Genetycznych Sp. z o.o.	6.50%	6.50% (9.48%)	2	1
Diagnostyka Oncogene Sp. z o.o.	8.80%	6.50% (9.48%)	2	6
Białystok	7.59%	6.50% (9.48%)	1	11
Trójmiasto Lab Iława	8.58%	6.50% (9.48%)	1	3
Lublin Lab Centralny	8.31%	6.50% (9.48%)	1	10
Other	8.34%	6.50% (9.48%)	6	41

Sensitivity analysis

The Group has examined the impact of changes in key factors on tested goodwill. The primary factor used in the sensitivity analysis is WACC. Other factors which affect the amount of tested goodwill but no reasonably possible change in those factors would lead to the recognition of impairment losses include projected inflation, growth rate over the projection period, and real growth rate. Based on the analysis performed by the Group, no reasonably possible change in those factors would lead to the need to recognise impairment losses.

Based on the analysis performed by the Group as at 31 December 2024, no reasonably possible change would result in the need to recognise impairment losses. Based on the analysis carried out by the Group as at 31 December 2023, a 0.21% change in real WACC would result in the recoverable amount being equal to the carrying amount for the Poznań Lab Oborniki CGU, and no reasonably possible change would result in the need to recognise impairment losses for the other CGUs.

21.1. *Business acquisitions and business combinations of entities under common control*

During the periods covered by these consolidated financial statements, the Group acquired shares in subsidiaries (acquisition of control) and organised parts of businesses (business acquisition) providing laboratory testing services, as detailed in the table below. According to the judgment of the Management Board, as outlined in Note 4, the acquired organised parts of business constitute a business within the meaning of IFRS 3.

The purpose of the acquisitions was to increase the Group's market share in the sector and to expand its current operations in medical laboratory diagnostics and medical imaging services.

The payment for these acquisitions was made entirely in cash, and the consideration did not include any contingent consideration.

During the period covered by these financial statements, the Parent completed legal mergers of entities under common control, as described in the table below. These types of mergers do not qualify as business combinations under IFRS 3 and had no impact on the consolidated financial statements. The table below lists the entities merged during the current reporting period and the comparative period.

Name	Allocation to CGUs	Principal business	Date of legal merger	% of shares acquired
Mergers of entities under common control:				
Vitalabo Laboratoria Medyczne Sp. z o.o.	Bydgoszcz	laboratory diagnostics services	2024-03-29	100%

(all amounts in PLN thousand, unless stated otherwise)

Name	Allocation to CGUs	Principal business	Date of legal merger	% of shares acquired
Mergers of entities under common control:				
Platforma Badań Genetycznych Sp. z o.o.	PBG	laboratory diagnostics services	2024-11-29	100%

Name	Allocation to CGUs	Principal business	Date of legal merger	% of shares acquired
Mergers of entities under common control:				
Diagnostyka BY Sp. z o.o.	None	laboratory diagnostics services	2023-03-31	100%
Diagnostyka Turcja Sp. z o.o.	None	laboratory diagnostics services	2023-08-04	100%
PDC Sp. z o.o.	Wrocław Lab Centralny	laboratory diagnostics services	2023-08-11	100%
MEDICOM Centralne Laboratorium Analityczne Sp. z o.o.	Wrocław	laboratory diagnostics services	2023-08-11	100%
Synlab Polska Sp. z o.o.	Warsaw	laboratory diagnostics services	2023-10-04	100%

The tables below present detailed information on the business combinations, including the consideration, the value of net assets acquired, and the resulting goodwill.

(all amounts in PLN thousand, unless stated otherwise)

Acquired entity	Total consideration	Acquired assets and liabilities (at fair value)						Net assets	Non-controlling interests	Goodwill
		Property, plant and equipment, right-of-use assets	Inventories	Receivables	Other assets, cash, shares	Provisions and liabilities	Customer relationships			
As at 1 Jan 2024										**303,874**
Business acquisition	**15,440**	**183**	**34**	**-**	**-**	**(399)**	**1,908**	**1,726**	**-**	**13,714**
Laboratorium Analityczne DIAGNOZA J. Irzyk-Mbayo; Opole	2,501	32	-	-	-	(71)	320	281	-	2,220
NZOZ Dermilab Ryszard Błoch	3,102	45	17	-	-	(156)	810	716	-	2,386
NZOZ Laboratorium Analityki Medycznej dr.n.med. Joanna Świerczyna	1,675	7	-	-	-	(8)	31	30	-	1,645
Laboratorium Diagnostyczne AMED NZOZ Ewa Bonter	2,756	24	1	-	-	(60)	226	191	-	2,565
MED & LAB Laboratorium Analiz Medycznych spółka jawna Bedus Zaborska	4,402	38	11	-	-	(94)	480	435	-	3,967
Urszula Procner Maderska Laboratoria Analityczne Procner - NZOZ	1,004	37	5	-	-	(10)	41	73	-	931
Acquisition of control:	**163,805**	**54,793**	**24**	**20,735**	**10,028**	**(49,673)**	**47,176**	**83,083**	**16,495**	**97,224**
Adjustment to accounting for acquisition from previous years (price adjustment) – NZOZ Diagno-Med	850	-	-	-	-	-	-	-	-	850
Livmed Sp. z o.o.	52,063***	4,289	-	5,631	1,147	(11,354)	16,891	16,604	1,668	37,127
Teleradiologia24 Sp. z o.o.	21,044*	2,075	-	5,044	3,464	(7,520)	14,965	18,028	8,897	11,913

(all amounts in PLN thousand, unless stated otherwise)

Acquired entity	Total consideration	Acquired assets and liabilities (at fair value)						Net assets	Non-controlling interests	Goodwill
		Property, plant and equipment, right-of-use assets	Inventories	Receivables	Other assets, cash, shares	Provisions and liabilities	Customer relationships			
Zakład Rentgena i USG Wyrobek Sp. z o.o.	-	-	-	5	40	(45)	-	-	-	-
Diagnostyka Wyrobek Sp. z o.o.	51,125**	35,328	24	7,545	6,385	(21,913)	6,007	33,376	4,436	22,186
Eurodent Sp. z o.o.	28,305**	6,844	-	2,405	(401)	(8,697)	9,313	9,464	1,816	20,658
Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o.	10,418**	6,257	-	105	(607)	(144)	-	5,611	(322)	4,485
Other	-	-	-	-	-	-	-	-	-	5
As at 31 Dec 2024							**49,084**			**414,812**

* The total consideration for shares in Teleradiologia24 Sp. z o.o. includes a liability from contingent consideration of PLN 1.7 million.

** The total consideration for shares in Diagnostyka Wyrobek Sp. z o.o. includes the fair value of shares held as at the date of acquisition of control of PLN 26.9 million (the fair value was calculated based on the requirements of IFRS 3 for step acquisitions) and the settlement of the pre-existing relationship between the acquirer and the acquiree, as described in Note 4.2 ‘*Significant subjective judgement’ – ‘Businesses acquisitions – determination of what forms part of the transaction’*.

The total consideration for shares in Eurodent Sp. z o.o. includes the fair value of shares held as at the date of acquisition of control of PLN 18.3 million (the fair value was calculated based on the requirements of IFRS 3 for step acquisitions).

The total consideration for shares in Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o. includes the fair value of shares held as at the date of acquisition of control of PLN 2.5 million (the fair value was calculated based on the requirements of IFRS 3 for step acquisitions) and the settlement of the pre-existing relationship between the acquirer and the acquiree, as described in Note 4.2 ‘*Significant subjective judgement’ – ‘Business acquisitions – determination of what forms part of the transaction’*.

*** The total consideration for shares in Livmed Sp. z o.o. includes the fair value of shares held as at the date of acquisition of control of PLN 30.4 million (the fair value was calculated based on the requirements of IFRS 3 for step acquisitions).

(all amounts in PLN thousand, unless stated otherwise)

Acquired entity	Total consideration	Acquired assets and liabilities (at fair value)						Net assets	Non-controlling interests	Goodwill	Gain on bargain purchase
		Property, plant and equipment	Inventories	Receivables	Other assets	Provisions and liabilities	Customer relationships				
As at 1 Jan 2023										**243,019**	
Business acquisition	**34,100**	**232**	**64**	**-**	**-**	**(82)**	**1,509**	**1,723**	**-**	**32,378**	**-**
NZOZ LAL Pasja s.c. Grażyna Fiszer, Anna Fiszer-Skorek	850	30	1	-	-	(7)	34	58	-	792	-
Polskie Laboratoria Analityczne Sp. z o.o. Sp.K. Konin	14,750	44	28	-	-	(32)	198	238	-	14,512	-
NZOZ PLDM Mirosława Król; Wrocław	5,600	15	1	-	-	(2)	78	92	-	5,508	-
NZOZ MEDAN Jolanta Czopar; Gorlice	4,900	41	1	-	-	(11)	125	156	-	4,744	-
NZOZ Laboratorium Centralne T. Rutkowski w spadku; Świnoujście	2,000	55	21	-	-	(21)	154	209	-	1,791	-
Laboratorium Medyczne LABOMED E. Czubak Ostrowiec Świętokrzyski	2,500	11	-	-	-	(2)	145	154	-	2,346	-
Laboratorium Analityczne VITA P. Krakowiak; Darłowo	3,500	36	12	-	-	(7)	775	816	-	2,684	-
Acquisition of control:	**22,491**	**2,334**	**931**	**6,215**	**4,462**	**(20,508)**	**5,939**	**(627)**	**1,743**	**28,485**	**2,085**
Laboratoria Medyczne NOVALAB Sp. z o.o.	13,810	808	284	1,159	1,056	(1,685)	1,948	3,570	357	10,597	-
Niepubliczny Zakład Opieki Zdrowotnej Diagno-Med Sp. z o.o.	5,001	-	-	2,128	285	(1,120)	3,840	5,133	1,386	1,254	-
Synlab Ukraina	1,035	656	347	617	2,751	(1,251)	-	3,120	-	-	2,085
Synlab Polska Sp. z o.o.	2,103	870	291	2,205	366	(16,119)	-	(12,387)	-	14,490	-

(all amounts in PLN thousand, unless stated otherwise)

Acquired entity	Total consideration	Acquired assets and liabilities (at fair value)						Net assets	Non-controlling interests	Goodwill	Gain on bargain purchase
		Property, plant and equipment	Inventories	Receivables	Other assets	Provisions and liabilities	Customer relationships				
PDC Sp. z o.o. of Wrocław	542	-	9	106	4	(333)	151	(63)	-	633	-
Goodwill adjustment	-	-	-	-	-	-	-	-	-	601	-
Subsequent adjustment due to net asset settlement adjustment	-	-	-	-	-	-	-	-	-	910	-
Pre-purchase expenditures							**-**			**(8)**	
As at 31 Dec 2023							**7,448**			**303,874**	**2,085**

(all amounts in PLN thousand, unless stated otherwise)

Additional information regarding the acquired companies and business combinations that occurred during the period covered by these financial statements is presented in the tables below.

Entities acquired in 2024	Allocation to CGUs	Principal business	Acquisition date	% of shares acquired	% of non-controlling interest
Acquired businesses					
Laboratorium Analityczne DIAGNOZA J. Irzyk-Mbayo; Opole	Opolski Lab Centralny, Tuwima	laboratory diagnostics services	1 Mar 2024	100%	0%
NZOZ Dermilab Ryszard Błoch	Poznań Lab Centralny, Dąbrowskiego	laboratory diagnostics services	1 Jun 2024	100%	0%
NZOZ Laboratorium Analityki Medycznej dr.n.med. Joanna Świerczyna	Ślask Lab Centralny, Katowice, Paderewskiego	laboratory diagnostics services	1 Aug 2024	100%	0%
Laboratorium Diagnostyczne AMED NZOZ Ewa Bonter	Wrocław Lab Centralny, Opolska	laboratory diagnostics services	1 Aug 2024	100%	0%
MED & LAB Laboratorium Analiz Medycznych spółka jawna Bedus Zaborska	Szczecin Lab Centralny	laboratory diagnostics services	1 Sep 2024	100%	0%
Urszula Procner Maderska Laboratoria Analityczne Procner – NZOZ	Gdynia, Trójmiasto Lab Centralny	laboratory diagnostics services	1 Oct 2024	100%	0%
Acquisition of control:					
Livmed Sp. z o.o.	Livmed	medical imaging services	24 Oct 2024	90%	10%
Diagnostyka - Teleradiologia24 Sp. z o.o.	Teleradiologia24	medical imaging services	15 Oct 2024	51%	49%
Diagnostyka Wyrobek Sp. z o.o.	Wyrobek	medical imaging services	16 Dec 2024	79%	21%
Eurodent Sp. z o.o.	Eurodent	medical imaging services	16 Dec 2024	79%	21%
Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o.	Bielsko	medical imaging services	16 Dec 2024	71%	29%
Zakład Rentgena i USG Wyrobek Sp. z o.o.	-	medical imaging services	16 Dec 2024	54%	46%

(all amounts in PLN thousand, unless stated otherwise)

Entities acquired in 2023	Allocation to CGUs	Principal business	Acquisition date	% of shares acquired	% of non-controlling interest
Acquired businesses					
NZOZ LAL Pasja s.c. Grażyna Fiszer, Anna Fiszer-Skorek	Other	laboratory diagnostics services	16 Jan 2023	100.00%	0.00%
Polskie Laboratoria Analityczne Sp. z o.o. Sp.k. Konin	Łódź	laboratory diagnostics services	1 Mar 2023	100.00%	0.00%
NZOZ PLDM Mirosława Król; Wrocław	Wrocław Lab Centralny	laboratory diagnostics services	1 Apr 2023	100.00%	0.00%
NZOZ MEDAN Jolanta Czopar; Gorlice	Kraków	laboratory diagnostics services	1 Apr 2023	100.00%	0.00%
NZOZ Laboratorium Centralne T. Rutkowski w spadku; Świnoujście	Szczecin	laboratory diagnostics services	1 May 2023	100.00%	0.00%
Laboratorium Medyczne LABOMED E. Czubak Ostrowiec Świętokrzyski	Kielce Lab Ostrowiec Szymanowskiego	laboratory diagnostics services	1 Jul 2023	100.00%	0.00%
Laboratorium Analityczne VITA P. Krakowiak; Darłowo	Szczecin	laboratory diagnostics services	31 Dec 2023	100.00%	0.00%
Acquisition of control:					
Laboratoria Medyczne NOVALAB Sp. z o.o.	Laboratoria Medyczne Novalab Sp. z o.o.	laboratory diagnostics services	1 Jul 2023	90.00%	10.00%
Niepubliczny Zakład Opieki Zdrowotnej Diagno-Med Sp. z o.o.	Other	laboratory diagnostics services	1 Jul 2023	73.00%	27.00%
Synlab Ukraina	No goodwill (gain on bargain purchase recognised)	laboratory diagnostics services	1 Aug 2023	100.00%	0.00%
Synlab Polska Sp. z o.o.	Warsaw	laboratory diagnostics services	1 Aug 2023	100.00%	0.00%
PDC Sp. z o.o. of Wrocław	Wrocław Lab Centralny	laboratory diagnostics services	1 Feb 2023	100.00%	0.00%

(all amounts in PLN thousand, unless stated otherwise)

Effect of acquisitions on the Group's profit or loss

Entities acquired in 2024	Number of months in the Group:	Acquired company's revenue from merger date**	Estimated revenue for full year*	Acquired company's net profit or loss from merger date	Estimated net profit or loss for full year
Laboratorium Analityczne DIAGNOZA J. Irzyk-Mbayo; Opole	10	1,033	1,240	328	393
NZOZ Dermilab Ryszard Błoch	7	749	1,285	240	411
NZOZ Laboratorium Analityki Medycznej dr.n.med. Joanna Świerczyna	5	376	903	83	198
Laboratorium Diagnostyczne AMED NZOZ Ewa Bonter	5	528	1,267	133	318
MED & LAB Laboratorium Analiz Medycznych spółka jawna Bedus Zaborska	4	768	2,303	182	547
Urszula Procner Maderska Laboratoria Analityczne Procner - NZOZ	3	164	655	30	118
Livmed Sp. z o.o.	2	1,840	12,673	550	3,373
Diagnostyka - Teleradiologia24 Sp. z o.o.	2	5,364	19,829	559	2,680
TOTAL		**10,822**	**40,155**	**2,105**	**8,038**

(all amounts in PLN thousand, unless stated otherwise)

Entities acquired in 2023:	Number of months in the Group:	Acquired company's revenue from merger date**	Estimated revenue for full year*	Acquired company's net profit or loss from merger date	Estimated net profit or loss for full year
NZOZ LAL Pasja s.c. Grażyna Fiszer, Anna Fiszer-Skorek	12	850	850	214	214
Polskie Laboratoria Analityczne Sp. z o.o. Sp. k. Konin	10	2,906	3,487	1,362	1,635
NZOZ PLDM Mirosława Król; Wrocław	9	1,286	1,715	523	697
NZOZ MEDAN Jolanta Czopar; Gorlice	9	1,209	1,612	460	613
NZOZ Laboratorium Centralne T. Rutkowski w spadku; Świnoujście	8	946	1,419	185	278
Laboratorium Medyczne LABOMED E. Czubak Ostrowiec Świętokrzyski	6	433	866	163	326
Laboratorium Analityczne VITA P. Krakowiak; Darłowo	0	-	1,939	-	485
Laboratoria Medyczne NOVALAB Sp. z o.o.	6	4,863	9,703	526	1,211
Niepubliczny Zakład Opieki Zdrowotnej Diagno-Med Sp. z o.o.	6	3,500	7,938	608	1,761
Synlab Ukraina	5	1,617	4,069	(1,045)	(2,014)
Synlab Polska Sp. z o.o.	5	3,798	9,592	(1,842)	(2,421)
PDC Sp. z o.o. of Wrocław	11	761	838	(36)	(15)
TOTAL		**22,169**	**44,028**	**1,118**	**2,770**

** For acquired organised parts of business, the revenue estimate is based on the revenue amount generated by the acquired entities in the 12 months prior to the acquisition date. For acquired entities that were separate companies, the revenue estimate is based on the most recent financial statements available.*

*** Proportional revenue estimated for the number of months in the Group.*

Acquired receivables

The fair value of acquired trade receivables is approximately PLN 20,752 thousand, which is also the contractual value of gross receivables. The Group expects to receive contractual cash flows equal to this amount.

(all amounts in PLN thousand, unless stated otherwise)

Goodwill

As a result of the acquisitions, the Group recognised goodwill of PLN 110.9 million. This goodwill corresponds to, among other factors, expected synergies between the Company and the acquired businesses.

It is anticipated that the amount of goodwill expected to be treated as a tax-deductible expense will be PLN 15.4 million.

Net cash outflows for acquisitions

Item	31 Dec 2024	31 Dec 2023
Total cash consideration – subsidiaries	107,620	56,592
Less: cash and cash equivalents acquired	(9,265)	(4,112)
Net cash outflows for acquisitions	**98,355**	**52,480**

Acquisition-related costs

In 2024, the Group incurred acquisition-related costs amounting to PLN 72.2 thousand (2023: PLN 398 thousand).

21.2 Disposal of subsidiaries

As at 31 December 2023, the Parent held non-current assets held for sale and liabilities directly related to non-current assets classified as held for sale which related to a Ukrainian company – Diagnostyka Ukraine Limited Liability Company. A preliminary agreement to sell the shares was signed on 15 April 2024. The transaction, finalised on 23 May 2024, was valued at PLN 2.6 million. The table below presents the gain (loss) on the transaction recognised in profit or loss under finance income.

Item	31 Dec 2024	31 Dec 2023
Proceeds from sale of assets	2,603	-
Net asset value at the date of sale	(2,087)	-
Gain (loss) on sale of subsidiary	**516**	**-**

21.3 Non-controlling interests

Item	31 Dec 2024	31 Dec 2023
As at beginning of reporting period	**10,754**	**5,647**
Share of profit during the year	8,632	6,558
Acquisition of non-controlling interests	(389)	(422)
Acquisition of control	16,496	1,743
Dividend payment	(5,518)	(2,723)
Non-controlling interest in capital increase at subsidiaries	-	2,289
Other	-	14
Put option on non-controlling interests	(15,111)	(2,352)
As at end of reporting period	**14,864**	**10,754**

The value of non-controlling interests arising from the acquisition of businesses in the current and comparative reporting periods is presented in Note 21.1.

The put options on non-controlling interests are described in more detail in Note 30.3. In 2024, dividends paid to non-controlling interests were distributed by the following companies: Diagnostyka Oncogene Sp. z o.o., Diagnostyka-Tarnów Medyczne Centrum Laboratoryjne Sp. z o.o., and Laboratoria Medyczne Novalab Sp. z o.o.

(all amounts in PLN thousand, unless stated otherwise)

In 2023, dividends paid to non-controlling interests were distributed by the following subsidiaries: Diagnostyka Oncogene Sp. z o.o., Diagnostyka-Tarnów Medyczne Centrum Laboratoryjne Sp. z o.o. In 2023, the subsidiary Vitalabo Diag Invest Sp. z o.o. increased its share capital, with non-controlling interests participating in the increase.

On 12 February 2024, Diagnostyka Consilio Sp. z o.o. acquired an additional 100 shares in its subsidiary, Diagnostyka Consilio Poznań Sp. z o.o., for PLN 220 thousand. As a result, the Group's equity interest in the company increased to 63.2%.

On 25 September 2024, Diagnostyka Consilio Sp. z o.o. acquired an additional 353 shares from a non-controlling interest in its subsidiary, Diagnostyka Consilio Poznań Sp. z o.o., for PLN 2.545 thousand. As a result of the transaction, the Group's equity interest in the company increased to 70.26%.

Subsidiaries with significant non-controlling interests

Company	Ownership and voting interests held by non-controlling interests		Cumulative value of non-controlling interests		Profit/loss allocated to non-controlling interests	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Laboratoria Medyczne NOVALAB Sp. z o.o.	10.00%	10.00%	-	-	85	41
Diagnostyka Oncogene Sp. z o.o.	33.33%	33.33%	5,312	3,980	3,632	2,506
Diagnostyka - Tarnów Medyczne Centrum Laboratoryjne Sp. z o.o.	49.39%	49.39%	3,339	3,133	3,305	3,073
Diagnostyka Consilio Poznań Sp. z o.o.	29.74%	38.80%	1,697	1,091	994	416
Histamed DC Sp. z o.o.	27.00%	27.00%	1,372	1,060	311	295
Badania.pl Sp. z o.o.	10.00%	10.00%	94	-	97	100
Vitalabo Diag Invest Sp. z o.o.	-	48.57%	-	-	-	(111)
NZOZ Diagno-Med Sp. z o.o.	27.00%	27.00%	1,556	1,490	65	104
Diagnostyka Digital Hub Sp. z o.o.	-	-	-	-	-	134
Livmed Sp. z o.o.	10.05%	-	-	-	21	-
Diagnostyka Teleradiologia24 Sp. z o.o.	49.35%	-	-	-	123	-
Eurodent Sp. z o.o.	21.34%	-	1,816	-	-	-
Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o.	29.21%	-	(322)	-	-	-
TOTAL			**14,864**	**10,754**	**8,633**	**6,558**

(all amounts in PLN thousand, unless stated otherwise)

Below is a summary of condensed financial information on material subsidiaries in which the Group holds non-controlling interests.

Item	**Diagnostyka Tarnów Sp. z o.o.**		**Diagnostyka Oncogene Sp. z o.o.**	
	31 Dec 2024	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Net current assets	5,003	5,896	13,449	9,954
Current assets	7,144	7,283	17,599	12,356
Current liabilities	2,141	1,387	4,150	2,402
Net non-current assets	2,153	984	2,517	2,276
Non-current assets	2,153	984	2,517	2,276
Non-current liabilities	-	-	-	-
Net assets	**7,156**	**6,880**	**15,966**	**12,230**
Revenue	24,736	21,646	43,462	30,525
Net profit	6,748	6,271	10,959	7,515
Total comprehensive income	6,748	6,271	10,959	7,515
Change in cash and cash equivalents	(687)	1,363	1,257	2,651
Cash flows from operating activities	6,873	6,294	9,039	5,491
Cash flows from investing activities	(1,257)	(336)	(882)	(140)
Cash flows from financing activities	(6,303)	(4,595)	(6,900)	(2,700)

(all amounts in PLN thousand, unless stated otherwise)

22. Prepayments, accrued income and other assets

Item	31 Dec 2024	31 Dec 2023
Long-term prepayments and accrued income	**1,008**	**1,321**
Other long-term prepayments	252	-
Insurance and guarantees	326	-
Costs of access to databases, licenses	430	1,321
Short-term prepayments and accrued income and other assets	**5,855**	**4,369**
Insurance and guarantees	1,986	1,850
Internet domains, license fees, hardware warranties	2,904	2,519
Subscriptions, access to websites	21	-
Other	944	-

The main items of prepayment and accrued income in the Group are the costs of access to databases, licenses, as well as insurance and guarantees costs.

23. Employee benefit obligations

Item	31 Dec 2024	31 Dec 2023
Post-employment benefit obligations	2,893	2,797
Long-term employee benefit obligations	**2,893**	**2,797**

Item	31 Dec 2024	31 Dec 2023
Bonuses	6,194	5,588
Salaries and wages payable	29,005	25,164
Accrued holiday entitlements	30,441	23,331
Post-employment benefit obligations	1,379	1,022
Short-term employee benefit obligations	**67,019**	**55,105**

Item	Accrued holiday entitlements	Post-employment benefit obligations
As at 1 Jan 2023	**20,170**	**3,204**
Increase	3,161	-
Reversal	-	(155)
Change in actuarial assumptions	-	770
As at 31 Dec 2023	**23,331**	**3,819**
As at 1 Jan 2024	**23,331**	**3,819**
Increase	7,110	507
Change in actuarial assumptions	-	(54)
As at 31 Dec 2024	**30,441**	**4,272**

(all amounts in PLN thousand, unless stated otherwise)

23.1 Post-employment benefit obligations

Pension plans typically expose the Group to actuarial risks, including investment risk, interest rate risk, longevity risk, and salary risk. The Group calculates the amount of provisions for post-employment benefits, such as pensions and lump sum payments.

The Group conducts actuarial valuation of the plan assets and the present value of the defined benefit obligations based on reports prepared by an independent actuary. The present value of the defined benefit obligations and the related current and past service costs are measured using the projected unit credit method.

The key assumptions used for the actuarial valuation are as follows:

Item	31 Dec 2024	31 Dec 2023
Discount rate	5.85%	5.20%
Expected wage growth rate	2.83%	2.93%
Weighted average employee turnover rate	10.50%	10.75%

Item	31 Dec 2024	31 Dec 2023
Balance of provision for post-employment benefit obligations:	**4,272**	**3,819**
Retirement gratuity	3,544	3,513
Disability gratuity	294	306
Length-of-service awards	434	-
Components of defined benefit plan costs recognised in current period's profit or loss as employee benefit obligations	**(507)**	**155**
Effect of change in actuarial assumptions on other comprehensive income	**54**	**(770)**

Sensitivity analysis

One percentage point change in discount rate:

Item	Increase	Decrease
As at 31 Dec 2024	**(170)**	**193**
Effect on total current service costs and interest expense	11	(11)
Effect on defined benefit obligation	(181)	204
As at 31 Dec 2023	**(126)**	**144**
Effect on total current service costs and interest expense	7	(7)
Effect on defined benefit obligation	(133)	151

(all amounts in PLN thousand, unless stated otherwise)

One percentage point change in employee turnover rate:

Item	Increase	Decrease
As at 31 Dec 2024	**(216)**	**242**
Effect on total current service costs and interest expense	(33)	37
Effect on defined benefit obligation	(183)	205
As at 31 Dec 2023	**(155)**	**174**
Effect on total current service costs and interest expense	(22)	25
Effect on defined benefit obligation	(133)	149

One percentage point change in expected wage growth rate:

Item	Increase	Decrease
As at 31 Dec 2024	**327**	**(249)**
Effect on total current service costs and interest expense	47	(36)
Effect on defined benefit obligation	280	(213)
As at 31 Dec 2023	**231**	**(177)**
Effect on total current service costs and interest expense	31	(24)
Effect on defined benefit obligation	200	(153)

23.2 Share-based incentive plans

Terms of Incentive Plan A

The increase in the value of the Parent's business enhances shareholder assets, with this value being closely tied to the effectiveness of management by key management personnel (members of the Management Board and selected managers). To align the interests of the Parent's shareholders with those of key management personnel, a performance incentive plan was established ("Incentive Plan A"), enabling its participants to share in the growth of the value of the Parent's shares. Participants in the plan have committed to, among other things:

- driving initiatives to boost potential investor interest in the Parent's shares;
- developing, implementing, and overseeing long-term plans and strategies aimed at enhancing the share value;
- providing ongoing advisory services to shareholders on whether to sell or retain their shares.

Participants are eligible for compensation if shareholders holding in aggregate at least 30% of the Parent's shares sell their holdings. The amount of compensation will be determined by the difference between the share value specified in the plan agreement and the price at which the shareholders ultimately sell their shares.

Starting from 1 January 2021, participants acquire rights to an additional 15% of the total compensation each year, provided they remain employed by the Parent on each vesting date. The cumulative share of compensation earned through this process cannot exceed 75%. The remaining portion of the compensation is granted if the participant is employed by the Parent on the date when shareholders holding in aggregate at least 30% of the Parent's shares sell their holdings.

Compensation payments to the plan participants will be made by the Parent's shareholders, meaning that neither the Parent nor the Group bears any liability in this respect. Nevertheless, the participants provide services directly to the Parent.

For information on significant judgments regarding the accounting treatment of the incentive plan, see Note 4.

Terms of Incentive Plan B

The increase in the value of the Parent's business enhances shareholder assets, with this value being closely tied to the effectiveness of management by key management personnel (members of the Management Board and selected managers). To align the interests of the Parent's shareholders with those of key management personnel, a performance incentive plan was established ("Incentive Plan B"), enabling its participants to share in the growth of the value of the Parent's shares.

Incentive Plan B participants have committed to, among other things:

- driving initiatives to boost potential investor interest in the Parent's shares;
- developing, implementing, and overseeing long-term plans and strategies aimed at enhancing the share value;
- providing ongoing advisory services to shareholders on whether to sell or retain their shares.

Incentive Plan B participants are eligible for compensation if shareholders holding in aggregate at least 30% of the Parent's shares sell their holdings. The amount of compensation will be determined by the difference between the share value specified in the plan agreement and the price at which the shareholders ultimately sell their shares.

Starting from the date specified in the share appreciation agreement, Incentive Plan B participants acquire rights to an additional 15% of the total compensation each year, provided they remain employed by the Parent on each vesting date. The cumulative share of compensation earned through this process cannot exceed 75%. The remaining portion of the compensation (completing 100%) is granted if the participant is employed by the Parent on the date when shareholders holding in aggregate at least 30% of the Parent's shares sell their holdings.

Compensation payments to the plan participants will be made by the Parent's shareholders, meaning that neither the Parent nor the Group bears any liability in this respect. Nevertheless, the participants provide services directly to the Parent.

Valuation

As at the grant date, Incentive Plan A and Incentive Plan B were valued at PLN 14.2 million and PLN 4.1 million, respectively.

By 31 December 2024, Incentive Plan A and Incentive Plan B participants had acquired rights totalling PLN 16.1 million (Incentive Plan A: PLN 13.5 million, and Incentive Plan B: PLN 2.6 million), to be exercised upon the sale of shares by shareholders, in accordance with the terms of the plan outlined above.

In the year ended 31 December 2024, the fair value of services received (services provided by the eligible participants of Incentive Plan A and Incentive Plan B) amounted to PLN 3.7 million (Incentive Plan A: PLN 1.1 million, and Incentive Plan B: PLN 2.6 million) and was recognised as an expense in the consolidated statement of comprehensive income for the period (compared with PLN 1.5 million recognised for the year ended 31 December 2023).

(all amounts in PLN thousand, unless stated otherwise)

24. Inventories

Item	31 Dec 2024	31 Dec 2023
Materials	48,527	43,726
Goods	305	244
Inventory write-downs	(3,394)	(5,239)
Total	**45,438**	**38,731**

As at 31 December 2024, 74% of inventories had been held for no more than 90 days, compared with 69% as at 31 December 2023.

Item	31 Dec 2024	31 Dec 2023
As at beginning of reporting period	**(5,239)**	**(10,899)**
Use of write-downs	1,845	5,660
As at end of reporting period	**(3,394)**	**(5,239)**

In the years ended 31 December 2024 and 31 December 2023, the Group recognised no inventory write-downs.

The write-down recognised as at 1 January 2023 was charged against the 2022 profit and was related to inventories accumulated by the Group during the exceptional period of the COVID-19 pandemic. During this period, under entirely exceptional circumstances, the Group's network of laboratories and collection points was actively engaged in conducting diagnostic tests for COVID-19. To ensure the continuity of these services, it was necessary to rapidly build an inventory of the necessary materials. As at the end of 2022, with the pandemic period concluded, all materials accumulated but not utilised for COVID-19-related testing, deemed either unsuitable for further use or usable only to a very limited extent under normal operating conditions, were fully written down.

In the year ended 31 December 2024, no reversals of prior years' write-downs were made. However, in 2024, the Group used part of the write-down recognised in 2022, amounting to PLN 1.8 million (2023: PLN 5.6 million), following disposal of a portion of the inventory.

As at 31 December 2024 and 31 December 2023, the Group did not have any inventories measured at net realisable value.

No category of inventory was pledged as collateral for borrowings in the year ended 31 December 2024 or the year ended 31 December 2023.

The Group did not capitalise borrowing costs under the cost of inventories in the years ended 31 December 2024 and 31 December 2023.

(all amounts in PLN thousand, unless stated otherwise)

25. Trade and other receivables, contract assets and other receivables

25.1 Trade receivables

Item	31 Dec 2024	31 Dec 2023
Trade receivables from contracts with customers	226,797	162,682
Allowances for expected credit losses	(4,047)	(4,238)
Trade receivables	**222,750**	**158,444**

As at 31 December 2024 and 31 December 2023 the Group had no contract assets.

Given the short-term nature of the receivables, their carrying amount is assumed to approximate fair value.

Item	31 Dec 2024	31 Dec 2023
Average age of receivables (days)	**36**	**34**

Trade receivables are non-interest-bearing and typically have a 30-day payment term. In 2024, the average collection period for trade receivables was approximately 36 days.

The portfolio of trade receivables is well-diversified. In 2024, only one large customer accounted for 17% of the Group's trade receivables. The share of no other customer exceeded 10%. Similarly, in 2023, one large customer accounted for 13% of the Group's trade receivables, with the share of no other customer exceeding 10%.

An aging analysis of gross trade receivables from unrelated parties is presented below, with the aging structure for all subsequent tables shown in terms of past due amounts as at the respective reporting dates.

Item	31 Dec 2024	31 Dec 2023
not past due	156,086	111,357
past due up to 90 days	47,821	34,619
past due from 90 to 180 days	9,393	7,103
past due from 180 to 360 days	8,473	3,613
past due over 360 days	5,024	5,990
TOTAL	**226,797**	**162,682**

(all amounts in PLN thousand, unless stated otherwise)

The table shows a provisioning matrix for trade receivables from unrelated parties, presenting the ECL rate as a percentage.

Year ended 31 December 2024	**Estimated total gross carrying amount at the time of default**	**Expected credit loss**	**Expected credit loss rate (%)**
not past due	156,086	267	0.2%
past due up to 90 days	47,821	252	0.5%
past due from 90 to 180 days	9,393	387	4.1%
past due from 180 to 360 days	8,473	571	6.7%
past due over 360 days	1,039	1,039	100.0%
disputed in court (outside the matrix)	3,985	1,531	38.4%
TOTAL	**226,797**	**4,047**	**1.8%**

Year ended 31 December 2023	**Estimated total gross carrying amount at the time of default**	**Expected credit loss**	**Expected credit loss rate (%)**
not past due	111,357	200	0.2%
past due up to 90 days	34,619	346	1.0%
past due from 90 to 180 days	7,103	585	8.2%
past due from 180 to 360 days	3,613	660	18.3%
past due over 360 days	1,674	1,674	100.0%
disputed in court (outside the matrix)	4,316	773	17.9%
TOTAL	**162,682**	**4,238**	**2.6%**

The table shows the age analysis of net trade receivables from unrelated parties for impairment assessment.

Item	**31 Dec 2024**	**31 Dec 2023**
not past due	155,819	111,157
past due up to 90 days	47,569	34,273
past due from 90 to 180 days	9,006	6,518
past due from 180 to 360 days	7,902	2,953
past due over 360 days	2,454	3,543
TOTAL	**222,750**	**158,444**

(all amounts in PLN thousand, unless stated otherwise)

Below are presented changes in allowances for expected credit losses from unrelated parties.

Item	31 Dec 2024	31 Dec 2023
As at beginning of reporting period	**4,238**	**1,945**
Recognition of allowances for expected credit losses	3,288	2,184
Allowances recognised in business combinations	148	248
Use of allowances	(307)	-
Reversal of allowances for receivables related to reimbursement of collection costs, credited to other income	(322)	(139)
Reversal of allowances for trade receivables	(2,998)	-
As at end of reporting period	**4,047**	**4,238**

25.2 Other receivables

Item	31 Dec 2024	31 Dec 2023
Security deposits and guarantees	4,653	2,659
Prepayments for purchase of goods and services	96	184
Allowances for expected credit losses	(16)	(12)
Long-term receivables	**4,733**	**2,831**

Long-term receivables are subject to an assessment of their recoverability. The Group does not identify significant credit risk associated with these receivables. Allowances for expected credit losses on long-term receivables stood at approximately PLN 16 thousand (2023: PLN 12 thousand). The carrying amount of these receivables represents the maximum exposure to loss.

Item	31 Dec 2024	31 Dec 2023
Execution of non-cash payments	1,386	2,884
Security deposits and guarantees	1,702	2,877
Prepayments for purchase of goods and services	1,184	249
Overpayment of trade payables	810	711
Receivables from sale of non-current assets	62	335
Dividends receivable	-	1,000
Other	2,159	2,126
Allowances for expected credit losses	(29)	(53)
Other short-term receivables	**7,274**	**10,129**

Short-term receivables are subject to an assessment of their recoverability. The Group does not identify significant credit risk associated with these receivables. Allowances for expected credit losses on short-term receivables stood at approximately PLN 29 thousand (2023: PLN 53 thousand). The carrying amount of these receivables represents the maximum exposure to loss.

(all amounts in PLN thousand, unless stated otherwise)

26. Cash and cash equivalents and notes to the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents are defined as cash in hand and balances held in bank accounts with financial institutions with a high credit rating (BBB). This also includes any outstanding balances in overdraft facilities.

Item	31 Dec 2024	31 Dec 2023
Cash in hand and at banks	33,448	61,662
Short-term deposits	4,272	29,481
Cash in transit	2,887	3,724
Restricted cash – VAT account (split payment)	8	17
Impairment losses	(97)	(14)
Balances in the consolidated statement of financial position	**40,518**	**94,870**
Assets available for sale – cash	-	2,423
Balances in the consolidated statement of cash flows	**40,518**	**97,293**

The following table provides a reconciliation of the differences between the changes in balances as presented in the consolidated statement of cash flows and those in the consolidated statement of financial position.

Item	31 Dec 2024	31 Dec 2023
(Increase) decrease in trade and other receivables	**(42,351)**	**(25,652)**
Change in long-term receivables in the statement of financial position	(1,901)	(97)
Change in trade receivables in the statement of financial position	(64,306)	(27,921)
Change in public charges receivable in the statement of financial position	1,734	(2,510)
Change in other short-term receivables in the statement of financial position	2,854	(2,573)
Acquisition of control	20,735	6,216
Reclassification of Vitalabo Diag Invest Sp. z o.o. to associates (receivables)	(194)	-
Dividends receivable	(1,000)	1,000
Receivables from sale of property, plant and equipment	(273)	233
Payments to acquire property, plant and equipment and intangible assets	**(132,709)**	**(81,306)**
Change in amounts disclosed in the statement of financial position	(165,657)	(53,894)
Net carrying amount of retired or sold items of property, plant and equipment	(597)	(1,790)
Acquisition of subsidiaries – increase in property, plant and equipment	46,022	1,917
Business acquisitions and acquisitions of an organised part of business – increase in property, plant and equipment	183	233
Acquisition of subsidiaries – increase in intangible assets	1,878	650
Business acquisitions and acquisitions of an organised part of business – increase in customer relationships	49,085	7,446

(all amounts in PLN thousand, unless stated otherwise)

Item	31 Dec 2024	31 Dec 2023
Reclassification to property, plant and equipment upon lease termination and other reclassifications – increase in property, plant and equipment	(1,676)	1,763
Reclassification of Vitalabo Diag Invest Sp. z o.o. to associates (investment commitments and property, plant and equipment)	(1,310)	-
Depreciation and amortisation in current period	(51,943)	(49,529)
Liabilities from purchase of property, plant and equipment and intangible assets	(9,498)	11,898
Other	804	-
(Increase) decrease in inventories	**(6,651)**	**(3,048)**
Change in amounts disclosed in the statement of financial position	(6,707)	(4,042)
Acquisition of control	56	994
(Increase) decrease in accruals and deferrals and in liabilities, excluding borrowings	**31,343**	**21,617**
Change in amounts disclosed in the statement of financial position:	91,625	47,031
Trade payables	22,424	14,715
Employee benefit obligations	12,010	6,881
Public charges payable	6,857	7,955
Other liabilities and grants	(7,549)	17,067
Accrued expenses and deferred income	(1,172)	413
Other financial liabilities	59,055	-
Acquisition of subsidiaries – increase in liabilities	(14,005)	(9,867)
Acquired dividends receivable from subsidiaries	1,697	-
Change in investment commitments	9,498	(11,898)
Change in liabilities from acquisition of shares	(17,740)	-
Change in actuarial assumptions related to post-employment benefit provision	54	(770)
Acquisition of subsidiaries – increase in accrued expenses	763	-
Liability from additional payment (price adjustment) for acquisition of shares in associates and jointly controlled entities	(2,794)	-
Change in other financial liabilities (valuation of put option on non-controlling interests and recognition	(40,524)	-
Reclassification of Vitalabo Diag Invest Sp. z o.o. to associates (liabilities)	2,086	-
Other	682	(2,879)

27. Share capital, capital reserve and other reserves

27.1 Share capital

Item	31 Dec 2024	31 Dec 2023
Share capital	33,757	33,757
Total	**33,757**	**33,757**

(all amounts in PLN thousand, unless stated otherwise)

As at 31 December 2024, all shares issued and outstanding were paid up.

27.2 Changes in share capital

The share capital of the Parent amounts to PLN 33,756,500.00 (thirty-three million, seven hundred and fifty-six thousand, five hundred złoty) and is divided into:

1) 6,372,379 (six million three hundred seventy-two thousand three hundred seventy-nine) Series A registered shares, with voting rights preferences, having a par value of PLN 1 (one Polish złoty) per share;
2) 6,372,379 (six million three hundred seventy-two thousand three hundred seventy-nine) Series B registered preferred shares, with voting rights preferences, having a par value of PLN 1 (one Polish złoty) per share;
3) 3,186,189 (three million one hundred eighty-six thousand one hundred eighty-nine) Series C registered shares, with voting rights preferences, having a par value of PLN 1 (one Polish złoty) per share;
4) 1,420,700 (one million four hundred twenty thousand seven hundred) Series D registered shares, with voting rights preferences, having a par value of PLN 1 (one Polish złoty) per share;
5) 257,729 (two hundred and fifty-seven thousand seven hundred and twenty-nine) Series E registered preferred shares, with voting rights preferences, having a par value of PLN 1 (one Polish złoty) per share;
6) 16,147,124 (sixteen million one hundred forty-seven thousand one hundred twenty-four) Series F registered shares, with voting rights preferences, having a par value of PLN 1 (one Polish złoty) per share.

The registered shares of Series A, Series B, and Series C carry preferential voting rights, with each share entitling the holder to two votes.

The registered shares of Series D, Series E, and Series F carry preferential voting rights such that, during any period when no shares of the Parent are admitted to trading on a Regulated Market, each registered share in these series entitles the holder to two votes.

Following the admission of Series D, Series E and Series F shares to trading on the regulated market as of 7 February 2025, each of the shares carries one vote.

Ownership structure and percentage ownership interests

Shareholding structure as at 31 December 2024

Shareholders	Par value (PLN)	Series of shares	% ownership interest	% voting interest
LX Beta S.a.r.l. (Luxembourg)	16,147,124	F	47.8341%	47.8341%
Grzegorz Głownia	101	A	0.0003%	0.0003%
Jacek Prusek	101	B	0.0003%	0.0003%
Jakub Swadźba	3,186,189	C	9.4387%	9.4387%
Paweł Pirkl	257,729	E	0.7635%	0.7635%
Marcin Fryda	101	D	0.0003%	0.0003%
ACER CAPITAL PARTNERS SCSp	6,372,278	A	18.8772%	18.8772%
ACACIA Capital Partners SCSp	6,372,278	B	18.8772%	18.8772%
UBA CAPITAL PARTNERS SCSP	1,420,599	D	4.2084%	4.2084%
Total	**33,756,500**		**100%**	**100%**

Shareholding structure as at the date of these financial statements

(all amounts in PLN thousand, unless stated otherwise)

Shareholders	Par value (PLN)	Series of shares	% ownership interest	% voting interest
Grzegorz Głownia (and indirectly through ACER Capital Partners SCSp)	6,372,379	A	18.88%	25.65%
Jacek Prusek (and indirectly through ACACIA Capital Partners SCSp)	6,372,379	B	18.88%	25.65%
Jakub Swadźba	3,186,189	C	9.44%	12.82%
Other	17,825,553	D, E, F	52.81%	35.88%
Total	**33,756,500**		**100%**	**100%**

Restrictions on the transferability of securities

Following the introduction of Parent shares to trading on a regulated market, the shareholders Jakub Swadźba, Grzegorz Głownia, Paweł Pirkl, Jacek Prusek and Marcin Fryda entered into a lock-up agreement whereby they agreed to refrain from selling Company shares for 360 days from the first listing date, i.e. until 2 February 2026.

27.3 Capital reserve

Item	31 Dec 2024	31 Dec 2023
As at beginning of reporting period	**88,836**	**21,179**
Allocation of profit to capital reserve	19,005	67,202
Other increase/decrease	-	455
As at end of reporting period	**107,841**	**88,836**

General capital reserve is created by the Parent and subsidiaries. Capital reserve is created from earned profits and other funds.

27.4 Share premium

The share premium account comprises the excess of the issue price over the par value of the shares. The amount of share premium is PLN 41.6 million and it did not change during the reporting periods covered by these consolidated financial statements.

27.5 Retained earnings

Changes in retained earnings are described in Note 15.

(all amounts in PLN thousand, unless stated otherwise)

27.6 Other reserves

Other reserves comprise:

- the value of changes in actuarial assumptions related to the valuation of employee benefits within the Group, including the effect of deferred income tax (balance as at 31 December 2024: PLN (580) thousand, balance as at 31 December 2023: PLN (624) thousand, balance as at 1 January 2023: PLN 0 thousand),
- impact of share-based payment transactions recognised in equity (balance as at 31 December 2024: PLN 16.108 thousand, balance as at 31 December 2023: PLN 12,449 thousand, balance as at 1 January 2023: PLN 10,928 thousand),
- cumulative value of the gain or loss on the acquisition of non-controlling interests (balance as at 31 December 2024: PLN (63,387) thousand, balance as at 31 December 2023: PLN (61,010) thousand, balance as at 1 January 2023: PLN (59,879) thousand),
- measurement of liabilities from put options on non-controlling interests recognised in equity (balance as at 31 December 2024: PLN (26,332) thousand, balance as at 31 December 2023: PLN (920) thousand, balance as at 1 January 2023: PLN (1,468) thousand),
- amount of capital related to the reclassification of Vitalabo Diag Invest Sp. z o.o. from subsidiaries to associates and jointly controlled entities as at 31 December 2024: PLN (199) thousand.

Item	**31 Dec 2024**	**31 Dec 2023**
Changes in actuarial assumptions related to the valuation of employee benefits within the Group, including the effect of deferred income tax.	(580)	(624)
Share-based payments	16,108	12,449
Cumulative gain/(loss) on acquisition of non-controlling interests	(63,387)	(61,010)
Measurement of liabilities from put options on non-controlling interests	(26,332)	(920)
Other	(199)	-
Total	**(74,390)**	**(50,105)**

(all amounts in PLN thousand, unless stated otherwise)

28. Borrowings

28.1 List of borrowings

As at 31 December 2024, the Group had the following liabilities under borrowings.

Lender	Type of loan/facility	Original amount	Debt as at 31 December 2024, including:	Short-term portion	Long-term portion	Maturity	Interest rate	Security
BNP Paribas Bank Polska S.A.	Revolving working capital facility in credit account	**10,000**	10,047	10,047	-	Sep 2025	1M WIBOR + margin	For details, see Note 16.2
BNP Paribas Bank Polska S.A. and Bank Polska Kasa Opieki S.A.	Revolving facility to finance day-to-day operations	**540,000**	350,636	-	350,636	Sep 2027	1M WIBOR + margin	For details, see Note 16.2
BNP Paribas Bank Polska S.A.	Overdraft facility	**125,000**	113,025	314	112,711	Sep 2027	1M WIBOR + margin	For details, see Note 16.2
Bank Polska Kasa Opieki S.A.	Overdraft facility	**125,000**	78,934	-	78,934	Sep 2027	1M WIBOR + margin	For details, see Note 16.2
Siemens Finance Sp. z o.o.	Investment credit facility	**2,071**	255	255	-	Sep 2025	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
Siemens Finance Sp. z o.o.	Investment credit facility	**950**	106	106	-	Sep 2025	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security

(all amounts in PLN thousand, unless stated otherwise)

Lender	Type of loan/facility	Original amount	Debt as at 31 December 2024, including:	Short-term portion	Long-term portion	Maturity	Interest rate	Security
mLeasing Sp. z o.o.	Investment credit facility	**1,757**	564	378	186	Jun 2026	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
ING Bank Śląski S.A.	Loan agreement	**337**	17	17	-	Mar 2025	1M WIBOR + margin	-
Siemens Finance Sp. z o.o.	Investment credit facility	**3,743**	3,300	407	2,893	07.2031	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
Siemens Finance Sp. z o.o.	Investment credit facility	**2,655**	103	103	-	Mar 2025	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
Siemens Finance Sp. z o.o.	Investment credit facility	**2,905**	224	224	-	Jun 2025	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
mLeasing Sp. z o.o.	Investment credit facility	**432**	138	91	47	Jun 2026	1M WIBOR + margin	Promissory note
mLeasing Sp. z o.o.	Investment credit facility	**1,022**	19	19	-	Jan 2025	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
ING Bank Śląski S.A.	Investment credit facility	**1,000**	17	17	-	Feb 2025	1M WIBOR + margin	Mortgage, assignment of rights

(all amounts in PLN thousand, unless stated otherwise)

Lender	Type of loan/facility	Original amount	Debt as at 31 December 2024, including:	Short-term portion	Long-term portion	Maturity	Interest rate	Security
ING Bank Śląski S.A.	Investment credit facility	**2,690**	1,588	270	1,318	Nov 2030	1M WIBOR + margin	Mortgage, assignment of rights
ING Bank Śląski S.A.	Loan agreement	**160**	29	29	-	Nov 2025	1M WIBOR + margin	Mortgage, assignment of rights
ING Bank Śląski S.A.	Loan agreement	**520**	310	52	258	Nov 2030	1M WIBOR + margin	Mortgage, assignment of rights
mLeasing Sp. z o.o.	Investment credit facility	**3,381**	2,357	467	1,890	Aug 2029	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
Siemens Finance Sp. z o.o.	Investment credit facility	**5,187**	4,319	549	3,770	Feb 2031	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
Siemens Finance Sp. z o.o.	Investment credit facility	**2,000**	1,700	359	1,341	Jan 2029	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
mLeasing Sp. z o.o.	Loan agreement	**2,228**	1,685	416	1,269	Jun 2028	1M WIBOR + margin	Blank promissory note, conditional assignment by way of security
mLeasing Sp. z o.o.	Loan agreement	**1,544**	1,243	280	963	Nov 2028	1M WIBOR + margin	Blank promissory note, registered pledge, *de minimis* guarantee from BGK, assignment of rights under insurance policy

(all amounts in PLN thousand, unless stated otherwise)

Lender	Type of loan/facility	Original amount	Debt as at 31 December 2024, including:	Short-term portion	Long-term portion	Maturity	Interest rate	Security
BNP Paribas Bank Polska S.A.	Revolving facility	**25,000**	23,549	123	23,426	Oct 2027	1M WIBOR + margin	Notarised consent to enforcement, open assignment, joint contractual mortgage, assignment of rights under insurance policy
Natural person	Loan agreement	**1**	1	-	1	Dec 2026	3M WIBOR + margin	none
Natural person	Loan agreement	**1**	1	-	1	Dec 2026	3M WIBOR + margin	none
Natural person	Loan agreement	**1**	1	-	1	Dec 2026	3M WIBOR + margin	none
Natural person	Loan agreement	**1**	1	-	1	Dec 2026	3M WIBOR + margin	none
mLeasing Sp. z o.o.	Investment credit facility	**239**	180	40	140	Jun 2028	1M WIBOR + margin	Conditional assignment by way of security
TOTAL		**859,825**	**594,349**	**14,563**	**579,786**			

(all amounts in PLN thousand, unless stated otherwise)

As at 31 December 2023, the Group had the following liabilities under borrowings.

Lender	Type of loan/facility	Original amount	Debt as at 31 December 2023, including:	Short-term portion	Long-term portion	Maturity	Interest rate	Security
Natural person	Loan	**86**	90	-	90	31 Dec 2028	WIBOR + margin	-
Natural person	Loan	**86**	90	-	90	31 Dec 2028	WIBOR + margin	-
Natural person	Loan	**86**	90	-	90	31 Dec 2028	WIBOR + margin	-
Natural person	Loan	**86**	90	-	90	31 Dec 2028	WIBOR + margin	-
Bank BGŻ BNP Paribas S.A.	Revolving working capital facility in credit account	**10,000**	-	-	-	30 Sep 2024	WIBOR + margin	For details, see Note 16.2.
BNP Paribas Bank Polska S.A. and Bank Polska Kasa Opieki S.A.	Revolving facility to finance day-to-day operations	**540,000**	534,179	-	534,179	31 Aug 2027	WIBOR + margin	For details, see Note 16.2.
BNP Paribas Bank Polska S.A. and Bank Polska Kasa Opieki S.A.	Overdraft facility	**130,000**	-	-	-	Sep 2027	WIBOR + margin	For details, see Note 16.2.
BNP Paribas Bank Polska S.A. and Bank Polska Kasa Opieki S.A.	Accrued interest on revolving credit facility	**-**	555	555	-	03.2024	WIBOR + margin	-
TOTAL		**680,344**	**535,094**	**555**	**534,539**			

On 15 September 2022, Diagnostyka S.A., as the borrower, entered into a revolving credit facility agreement with BNP Paribas Bank Polska S.A. and Bank Polska Kasa Opieki S.A. as lenders. Under the agreement, the Company was granted a revolving credit facility of up to PLN 540 million. On 23 September 2022, the Group drew down PLN 430 million under this facility, with PLN 324 million applied towards the repayment of a previously incurred facility (detailed below), and the balance used to finance the acquisition of shares in a subsidiary. The remaining portion of the facility is available for the Group to draw upon as required. On 26 May 2023 and 7 June 2023, the Parent drew down a further PLN 110 million under the facility.

A detailed description of the collateral is provided further in this note. The contractual interest rate on the facility was set as at the agreement date as the sum of 3M WIBOR + margin.

A senior facility agreement of 14 June 2019 with a syndicate of banks including BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., Santander Bank Polska S.A., Bank Handlowy w Warszawie S.A. was terminated on 23 September 2022 as a result of the prepayment of amounts borrowed.

On 31 October 2019, a master agreement was concluded between the Company and BNP Paribas Bank S.A., which governs the terms of entering into and settling forward transactions. Pursuant to this agreement, an interest rate swap (IRS) transaction was concluded for the entire facility term, hedging the interest rate by replacing the variable base rate with a fixed rate. Therefore, in the interest calculation formula defined in the facility agreement, the 3M WIBOR will be substituted with a fixed interest rate of 1.6900% for tranche A and 1.7190% for tranche B of the facility. For financial reporting purposes, these instruments are classified as financial assets (liabilities) measured at fair value through profit or loss. The Group does not apply hedge accounting.

On 21 December 2018, Diagnostyka Sp. z o.o., as a borrower, entered into an overdraft facility agreement with BGŻ BNP Paribas S.A. of Warsaw The bank's claims under the facility are secured with a blank promissory note issued by the borrower, with a promissory note declaration.

The revolving facility agreement defines certain covenants that the Group is required to meet during its term, including: Consolidated EBITDA to net interest and total net debt to consolidated EBITDA. During the reporting period, the covenants were met.

On 8 October 2024, Diagnostyka S.A. and BNP Paribas Bank Polska S.A. executed an annex to the overdraft facility agreement of 21 December 2018. Under the annex, the facility term was extended until 30 September 2025. On 17 October 2024, Diagnostyka S.A. executed Amendment No. 2 to the revolving credit facility agreement of 15 September 2022, as amended, between Diagnostyka S.A. and BNP Paribas Bank Polska S.A. and Bank Polska Kasa Opieki S.A. The amendment increased the available funding amount from PLN 670 million to PLN 790 million, and changed the interest rate, which is determined as 1M WIBOR plus margin. While there were no changes to the types of security provided to the bank under the agreement, the security amount was increased pro rata to the increase in the amount of available funding. The other terms of the facility (including credit covenants) remained unchanged.

On 24 October 2024, Diag Invest Sp. z o.o. entered into a PLN 25 million revolving credit facility agreement with BNP Paribas Bank Polska S.A. Key terms and conditions of the facility agreement are as follows:

- the facility term is 10 years from the agreement execution date;
- the facility may be disbursed within three years of the agreement execution date;
- the facility bears interest at 1M WIBOR plus the bank's margin;
- interest will accrue and will be payable on a monthly basis;
- maturity date for the principal: the final repayment will be made at the end of the facility term;
- security provided:
    - notarised consent to enforcement for up to PLN 37.5 million;
    - assignment of Diag Invest Sp. z o.o.'s claims under all lease contracts for one of the properties owned by the company;
    - joint contractual mortgage of up to PLN 37.5 million over five properties owned by Diag Invest Sp. z o.o.;
    - assignment to the bank of rights under an insurance policy for mortgaged properties, for no less than PLN 25 million.
- Diag Invest agreed that:

(all amounts in PLN thousand, unless stated otherwise)

- debt under the credit facility would not exceed 70% of the market value of the property serving as security for the debt;
- Diag Invest Sp. z o.o. sales revenue in all bank accounts kept by the lender would be maintained at an amount corresponding to the proportion of Diag Invest Sp. z o.o. 's debt with BNP Paribas to the company's total debt towards financial institutions.

If the contractual terms set out in the agreement are not met by Diag Invest Sp. z o.o., the lender may increase the bank's margin affecting the interest rate on the facility.

28.2 Collateral

The Group's assets specified in Note 16.2 ‘Assets pledged as security’ serve as security for the repayment of the credit facilities referred to above.

29. Debt

Item	31 Dec 2024	31 Dec 2023
At amortised cost	**594,349**	**535,094**
Overdraft facilities	225,555	-
Bank borrowings	350,637	535,094
Non-bank borrowings	18,157	-
Lease liabilities	**375,074**	**315,401**
Bank borrowings and lease liabilities	**969,423**	**850,495**
Current liabilities under bank borrowings and leases	139,089	112,130
Non-current liabilities under bank borrowings and leases	830,334	738,365

Item	Bank and non-bank borrowings	Leases	TOTAL
Debt as at 1 January 2023	**426,538**	**293,990**	**720,528**
New lease contracts	-	72,755	72,755
Borrowings or leases of subsidiaries as at the date of acquisition of control	9,308	-	9,308
Proceeds from borrowings – obtained financing	110,290	-	110,290
Contract termination and reduction in the scope of lease	-	(483)	(483)
Lease modification and change of term estimate for open-ended lease contracts	-	50,013	50,013
Interest accrued on borrowings	38,818	15,129	53,947
Exchange differences	-	(380)	(380)
Expenditure on debt incurred – repayment of principal	(9,288)	(100,494)	(109,782)
Expenditure on debt incurred – interest payments	(40,572)	(15,129)	(55,701)
Change in debt during the period	**108,556**	**21,411**	**129,967**
Debt as at 31 December 2023	**535,094**	**315,401**	**850,495**

(all amounts in PLN thousand, unless stated otherwise)

Item	Bank and non-bank borrowings	Leases	TOTAL
Debt as at 1 January 2024	**535,094**	**315,401**	**850,495**
Conclusion of new / modification of existing lease contracts	-	108,170	108,170
Borrowings or leases of subsidiaries as at the date of acquisition of control	18,275	8,570	26,845
Proceeds from borrowings – obtained financing	251,361	-	251,361
Contract termination and reduction in the scope of lease	-	(9,544)	(9,544)
Lease modification and change of term estimate for open-ended lease contracts	-	68,915	68,915
Reclassification of Vitalabo Diag Invest Sp. z o.o. to associates	(361)	-	(361)
Interest accrued on borrowings	42,188	16,475	58,663
Exchange differences	-	(85)	(85)
Expenditure on debt incurred – repayment of principal	(210,119)	(116,353)	(326,472)
Expenditure on debt incurred – interest payments	(42,089)	(16,475)	(58,564)
Change in debt during the period	**59,255**	**59,673**	**118,928**
Debt as at 31 December 2024	**594,349**	**375,074**	**969,423**

30. Trade and other payables, other liabilities, and accrued expenses and deferred income

30.1 Trade payables

Item	31 Dec 2024	31 Dec 2023
Trade payables	**100,764**	**78,340**
to other entities	100,764	78,340

Trade and other payables are settled by the Company on an ongoing basis.

The most common payment term for purchases of materials is 60 days, while for other purchases of goods and services, the typical payment term is set at 14 days. Upon lapse of the payment term, statutory interest may be charged by suppliers on overdue payables.

(all amounts in PLN thousand, unless stated otherwise)

30.2 Other liabilities and grants

Item	31 Dec 2024	31 Dec 2023
Other liabilities and grants – long-term portion	**4,343**	**4,960**
Grants – funding for scientific research projects	4,343	4,960
Other liabilities and grants – short-term portion	**19,964**	**26,895**
Liabilities related to purchase of non-current assets	7,527	17,025
Other current liabilities	1,253	1,083
Other short-term deferrals and accruals	1,669	-
Grants – funding for scientific research projects	159	-
Payroll deduction liabilities	1,461	1,165
Contract liabilities	5,054	4,122
Provisions for onerous contracts and other probable costs	2,841	3,500

Contract liabilities

Liabilities from contracts with customers arise from the sale of testing packages with a defined validity period. For details, see Note 3.2 'Recognition of revenue'. In the year ended 31 December 2024, new contracts totalling PLN 138.1 million were concluded, and services amounting to PLN 137.2 million were performed and recognised as revenue. As at 1 January 2023, the balance of contract liabilities was PLN 2.9 million. In the year ended 31 December 2023, new contracts totalling PLN 96.5 million were concluded, and services amounting to PLN 95.3 million were performed and recognised as revenue.

Grants

The received grants relate to:

- The project for developing an innovative prototype system for the automated analysis and recognition of histopathological images. The project has been completed.
- The application of new methods for the diagnosis and treatment of epilepsy and neurodevelopmental disorders in children based on a clinical and cellular model of mTOR pathway-dependent epilepsy. The project has been completed.
- Funding from NCBiR under the POIR for the project 'Automated Prediction system for laboratory tests and optimization of quality control and workload of analysers based on machine learning'. Work on the project is in at advanced stage.
- The Priority Programme 'My EV', financed by the National Fund for Environmental Protection and Water Management, providing specific subsidies to lease payments under leases of electric vehicles.

The received grants partially fund projects that the Group categorises as development work and capitalises as intangible assets. This portion of the received grants is recognised as deferred income and systematically accounted for in other income over the period of the economic useful life of the relevant assets.

As at 31 December 2024 and 31 December 2023, the Group had no other commitments to incur expenses.

(all amounts in PLN thousand, unless stated otherwise)

30.3 Other financial liabilities

The table below presents the amount of liabilities from put options on non-controlling interests and liabilities from contingent consideration at the end of the reporting periods covered by these consolidated financial statements. For a description of the accounting policy applied for these transactions, see Note 3.20.

Item	31 Dec 2024	31 Dec 2023
Other financial liabilities – non-current portion	**35,931**	**-**
Liabilities from put options on non-controlling interests	35,931	-
Other financial liabilities – current portion	**26,684**	**3,560**
Liabilities from put options on non-controlling interests	6,110	3,560
Liabilities from contingent consideration	2,794	-
Liabilities from acquisition of shares	17,780	-

Liabilities from contingent consideration

Other financial liabilities include the amount of liabilities arising from contingent consideration under the share purchase agreements for Diagnostyka-Teleradiologia24 Sp. z o.o. and TeleDiagnostyka Sp. z o.o. The liabilities estimated as at the reporting date were PLN 1.7 million for Diagnostyka-Teleradiologia24 Sp. z o.o. and PLN 1.1 million TeleDiagnostyka Sp. z o.o.

For significant estimates related the determination of liabilities from contingent consideration, see Note 4.1.

Liabilities from acquisition of shares in subsidiaries

Liabilities from acquisition of shares in subsidiaries arise from the acquisition of shares in Zakład Rentgena i USG - Wyrobek Sp. z o.o., which was not settled as at the reporting date. In accordance with the investment agreement, the settlement will be completed upon fulfilment of certain conditions by the sellers.

(all amounts in PLN thousand, unless stated otherwise)

Put option liabilities

Company to which the put option applies	Acquisition date	% of shares under option	Exercise period	Valuation as at 31 Dec 2024	Valuation as at 31 Dec 2023	Price determination method
Put options on non-controlling interests				**42,041**	**3,560**	
Diagnostyka Wyrobek Sp. z o.o.	16 Dec 2024	21.34%	from 1 Jan 2027	8,942	-	EBITDA multiple method
Laboratoria Medyczne Novalab Sp. z o.o.	10 Nov 2023	10.00%	from 10 Nov 2023	1,517	1,517	EBITDA multiple method
Diagnostyka - Teleradiologia24 Sp. z o.o.	15 Oct 2024	49.35%	from 15 Feb 2026	26,989	-	EBITDA multiple method
Livmed Sp. z o.o.	24 Oct 2024	10.05%	from 1 Oct 2025	4,593	-	EBITDA multiple method
Vitalabo DiagInvest Sp. z o.o.	19 Jul 2022	48.57%	not specified	-	2,043	net asset value approach
Options classified as derivative instruments				**-**	**-**	
Instytut Mikroekologii Sp. z o.o.	13 Jul 2023	49.50%	from 28 Aug 2025	-	-	EBITDA multiple method
Vitalabo DiagInvest Sp. z o.o.	19 Jul 2022	48.57%	not specified	-	-	net asset value approach
TeleDiagnostyka Spółka z o.o.	26 Apr 2024	49.00%	from 26 Apr 2026	-	-	EBITDA multiple method
Total				**42,041**	**3,560**	

The put options arise from the concluded investment agreements. In the table above, the acquisition date refers to the date on which the subsidiary was acquired, the date the shares in the associate or jointly controlled entity were acquired, or the date of signing the investment agreement, provided that this latter date is subsequent to the shares acquisition date. The exercise period denotes the timeframe specified in the agreement during which the option can be exercised. Options involving the Group do not specify an expiry date. The column ‘Price determination method' indicates the valuation methodology employed to establish the option price at the time of its exercise.

In the opinion of the Management Board of the Parent, the value of the commitments to buy shares in Instytut Mikroekologii Sp. z o.o., Vitalabo Diag Invest Sp. z o.o. and TeleDiagnostyka Sp. z o.o. does not significantly differ from the fair value of the shares in these entities. The option exercise date is not distant, therefore, the fair value of such options is approximately zero.

(all amounts in PLN thousand, unless stated otherwise)

31. Guarantees, contingent liabilities and contingent assets

31.1 Contingent liabilities

The Group secured a PLN 3,000 thousand guarantee facility with BNP Paribas on 10 October 2018, valid for 120 months from the agreement date.

As at 31 December 2024, the amount used by the Group under the facility was PLN 1,323 thousand (2023: PLN 649 thousand).

The Parent provided sureties to its subsidiaries as security for their lease contracts. The security is valid for the lease term, typically ranging from 35 to 60 months. As at year-end 2024, contingent liabilities under the sureties totalled PLN 4,456 thousand (year-end 2023: PLN 10,968 thousand).

The Parent provided a surety to Diag Invest Sp. z o.o. as security for the electricity supply contract and the natural gas supply contract. The surety is valid until 31 December 2026. As at year-end 2024, contingent liabilities arising under the surety amounted to PLN 625 thousand (year-end 2023: PLN 625 thousand).

Diag Invest Sp. z o.o. provided a surety for the repayment of a revolving credit facility entered into by Diagnostyka S.A., as described in Note 16.2.

As at the reporting date, it is estimated that the outflow of resources embodying economic benefits in relation to the sureties is negligible. Consequently, the Group has not recognised a provision for these sureties.

31.2 Contingent assets

As at 31 December 2024 and 31 December 2023, the Group had no contingent assets.

32. Related parties

32.1 Composition of the Group

The composition of the Group as at the reporting dates covered by these consolidated financial statements was as follows:

Item		**Number of wholly-owned companies**	
Principal business	**Principal place of business**	**31 Dec 2024**	**31 Dec 2023**
Total		**7**	**8**
laboratory diagnostics services	Poland	4	6
medical imaging services	Poland	1	-
IT activities	Poland	1	1
property development	Poland	1	1

Item	**Number of companies in which**

		less than 100% of shares are held	
Principal business	**Principal place of business**	**31 Dec 2024**	**31 Dec 2023**
Total		**13**	**8**
laboratory diagnostics services	Poland	7	7
medical imaging services	Poland	6	-
property development	Poland	-	1

Property development operations involve the construction of properties intended as sites of laboratories or office space to be used mainly by Diagnostyka Group companies. Therefore, the Group does not generate any material revenue from these operations.

Similarly, IT services are provided for intra-group purposes. The Group does not generate significant revenue or incur substantial costs from these activities.

On 15 October 2024, Diagnostyka S.A. entered into a shareholders agreement concerning Diagnostyka-Teleradiologia24 Sp. z o.o. to establish the terms and conditions for acquiring 50.65% of the shares from the company's founder. On the same day, a share purchase agreement was executed, under which Diagnostyka S.A. acquired these shares for PLN 19.4 million. The agreed amount may be adjusted in accordance with the terms of the shareholders agreement, and the Company considers it highly probable that the conditions for adjustment will be met. Accordingly, as at the purchase date, a financial liability was recognised for the estimated contingent consideration for Diagnostyka-Teleradiologia 24 Sp. z o.o. shares in the amount of PLN 1.7 thousand. As a result of the transaction, Diagnostyka S.A. acquired control of the company.

For detailed information on associates and a description of changes in the Group's equity interests held in associates in the reporting period that resulted in the acquisition of control, see Note 19. Investments in associates and jointly controlled entities

Detailed information on equity interests in the companies and the principal business of the subsidiaries is presented below. All of the companies are consolidated using the full method

and are registered and operate in Poland.

(all amounts in PLN thousand, unless stated otherwise)

Item			**Percentage ownership and voting interests held**		**Value of shares at cost**	
Company name	**Principal business**	**Principal place of business**	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Diagnostyka Consilio Sp. z o.o.	laboratory diagnostics services	Poland	100.00%	100.00%	31,613	31,613
Dr. N. Med. Teresa Fryda Laboratorium Medyczne Sp. z o.o.	laboratory diagnostics services	Poland	100.00%	100.00%	485	485
Diagnostyka Oncogene Sp. z o.o.	laboratory diagnostics services	Poland	66.67%	66.67%	2,782	2,782
Diagnostyka - Tarnów Medyczne Centrum Laboratoryjne Sp. z o.o.	laboratory diagnostics services	Poland	50.61%	50.61%	4,394	4,394
Diagnostyka Genesis Sp. z o.o.	laboratory diagnostics services	Poland	100.00%	100.00%	14,848	14,848
Platforma Badań Genetycznych Sp. z o.o.*	laboratory diagnostics services	Poland	-	100.00%	-	14,791
Longevity Plus Sp. z o.o. (formerly ZdroweGeny.PL Sp. z o.o.)	laboratory diagnostics services	Poland	100.00%	100.00%	5	5
Vitalabo Laboratoria Medyczne Sp. z o.o.*	laboratory diagnostics services	Poland	-	100.00%	-	44,580
Diagnostyka Consilio Poznań Sp. z o.o.**	laboratory diagnostics services	Poland	70.26%	61.20%	3,298	505
Diag Invest Sp. z o.o.	property development	Poland	100.00%	100.00%	194,117	184,115

(all amounts in PLN thousand, unless stated otherwise)

Item			**Percentage ownership and voting interests held**		**Value of shares at cost**	
Company name	**Principal business**	**Principal place of business**	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Histamed DC Sp. z o.o.**	laboratory diagnostics services	Poland	73.00%	73.00%	3,032	3,032
Diagnostyka Digital Hub Sp. z o.o.	IT activities	Poland	100.00%	100.00%	3,378	3,378
Badania.pl Sp. z o.o.	laboratory diagnostics services	Poland	90.00%	90.00%	4,337	4,337

(all amounts in PLN thousand, unless stated otherwise)

Item			Percentage ownership and voting interests held		Value of shares at cost	
Company name	**Principal business**	**Principal place of business**	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Vitalabo Diag Invest Sp. z o.o.***	property development	Poland	-	51.43%	-	2,086
Laboratoria Medyczne Novalab Sp. z o.o.	laboratory diagnostics services	Poland	90.00%	90.00%	13,810	13,810
Niepubliczny Zakład Opieki Zdrowotnej Diagno-Med Sp. z o.o.**	laboratory diagnostics services	Poland	73.00%	73.00%	5,901	5,001
Livmed Sp. z o.o.	medical imaging services	Poland	89.95%	-	47,520	-
Diagnostyka - Teleradiologia24 Sp. z o.o.	medical imaging services	Poland	50.65%	-	21,244	-
Zakład Rentgena i USG - Wyrobek Sp. z o.o.	medical imaging services	Poland	53.75%	-	17,975	-
Diagnostyka Plus Obrazowa Sp. z o.o.	medical imaging services	Poland	100.00%	-	100	-
Diagnostyka Wyrobek Sp. z o.o.**	medical imaging services	Poland	78.66%	-	44,927	-
Eurodent Sp. z o.o.**	medical imaging services	Poland	78.66%	-	705	-
Diagnostyka Obrazowa Bielsko-Biała Sp. z o.o.**	medical imaging services	Poland	70.79%	-	1,240	-

(*) Companies merged in 2024.

(**) Subsidiaries in which the Group holds equity interests indirectly or over which it has indirect control.

(***) Reclassification of the company to associates and jointly controlled entities in 2024.

(all amounts in PLN thousand, unless stated otherwise)

32.2 Related-party transactions

Transactions between the Parent and its subsidiaries, which are related parties of the Company, have been eliminated during consolidation and are not disclosed in this note. Detailed information on transactions between the Group and other related parties is presented below.

Commercial transactions

During the reporting period, the Group entities entered into the following commercial transactions with related parties that are not members of the Group:

Item	Sale of goods and services		Purchase of goods and services	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Associates:	12	10	8,087	6,844
GENOMED S.A.	12	10	7,336	6,556
GenXone S.A.	-	-	751	288
Joint ventures in which the Parent is a partner:	1,178	519	975	-
Laboratorium Medyczne OPTIMED Kuriata Wroński Sp. z o.o.	695	519	-	-
Instytut Mikroekologii Sp. z o.o.	6	-	866	-
Livmed Sp. z o.o.	22	-	-	-
TeleDiagnostyka Sp. z o.o.	-	-	109	-
Diagnostyka Wyrobek Sp. z o.o.	301	-	-	-
Diagnostyka Obrazowa Bielsko Biała Sp. z o.o.	154	-	-	-
Key management personnel (members of the Management Board) of the Parent and subsidiaries	-	-	748	583
Teresa Fryda	-	-	595	447
Hanna Chodasewicz-Fryda	-	-	153	136
Supervisory Board of the Parent and subsidiaries:	-	-	-	66
Marcin Fryda	-	-	-	66
Other related parties:	11,539	11,658	38,098	31,746
Eclipse Sp. z o.o. Sp. k.	459	753	24,281	20,352
Diagnostyka i Terapia s.c.	-	-	-	-
ABP Investments Sp. z o.o.	-	2,897	12,389	10,154
Varius s.c. Patrycja Swadźba, Agnieszka Swadźba	41	46	1,065	1,162
Sestec Polska Sp. z o.o.	-	-	-	-
House-med S.A. (formerly House-med Sp. z o.o.)	10,994	7,962	17	78
Housemed Info Sp. z o.o.	45	-	198	-
Jan Fryda	-	-	148	-
Total	**12,729**	**12,187**	**47,908**	**39,239**

The Group sold goods to related parties at market prices. Purchases were made at market prices.

(all amounts in PLN thousand, unless stated otherwise)

Brief description of the transactions is presented below.

Name	Nature of the transaction
Eclipse Sp. z o.o. Sp. k.	closed blood collection system
Diagnostyka i Terapia s.c.	lease of premises, sale of diagnostic tests
Diag 1 Sp. z o.o.	lease of premises
Fundacja Akademia Nowoczesnej Diagnostyki	lease of premises
ABP Investments Sp. z o.o.	lease of premises
Varius s.c. Patrycja Swadźba, Agnieszka Swadźba	purchase of advertising materials
Marcin Fryda	lease of premises
Teresa Fryda	lease of premises
Hanna Chodasewicz-Fryda	lease of premises
Sestec Polska Sp. z o.o.	Teta fees
House-med Sp. z o.o.	medical services

Balances of receivables from and liabilities to the related parties at the end of the reporting period:

Item	**Receivables from related parties**		**Liabilities to related parties**	
	31 Dec 2024	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Associates:	1	1	62	624
GENOMED S.A.	1	1	59	585
GenXone S.A.	-	-	3	39
Joint ventures in which the Parent is a partner:	108	1,101	46	-
Laboratorium Medyczne OPTIMED Kuriata Wroński Sp. z o.o.	103	1,101	-	-
Instytut Mikroekologii Sp. z o.o.	5	-	-	-
TeleDiagnostyka Sp. z o.o.	-	-	46	-
Key management personnel (members of the Management Board) of the Parent and subsidiaries	-	-	-	1
Teresa Fryda	-	-	-	1
Supervisory Board of the Parent and subsidiaries:	-	-	-	-
Other related parties:	1,816	876	629	1,143
Eclipse Sp. z o.o. Sp. k.	27	66	609	736
Diagnostyka i Terapia s.c.	-	-	2	2
ABP Investments Sp. z o.o.	9	9	-	346
Varius s.c. Patrycja Swadźba, Agnieszka Swadźba	5	12	17	59
House-med Sp. z o.o.	1,775	789	1	-
Total	**1,925**	**1,978**	**737**	**1,768**

(all amounts in PLN thousand, unless stated otherwise)

32.3 Loans to members of the Management Board and other transactions involving members of the Management Board

During the period covered by these consolidated financial statements, no loans were granted to members of the Management Board and no other transactions involving members of the Management Board occurred, except for those described above.

32.4 Loans advanced to related parties

During the reporting period covered by these consolidated financial statements, no loans were granted to related parties.

32.5 Compensation of members of key management

The cost of compensation of Management Board members and other members of the key management in 2023–2024 included short-term benefits and the valuation of the share-based incentive plan, and was as follows:

	31 Dec 2024	31 Dec 2023
Management Board of the Parent	12,484	10,670
Short-term benefits	9,824	9,377
Share-based payment plan	2,660	1,293
Supervisory Board of the Parent	639	1,492
Short-term benefits	639	1,492
Total compensation of members of the Parent's Management and Supervisory Boards	**13,123**	**12,162**

33. Capital management

The objective of capital management is to maintain an optimal capital structure, thereby ensuring the Group's ability to continue its operations by securing funding for current activities and development projects, including acquisitions. Furthermore, it aims to sustain a favourable debt-to-equity ratio and facilitate dividend payments to shareholders in accordance with the decisions of the general meeting.

The capital structure of the Group is determined as the ratio of net debt, which consists of credit facilities (disclosed in Note 28 'Borrowings'), increased by lease liabilities (disclosed in Note 17.4 'Lease liabilities'), less cash and cash equivalents, to equity comprising share capital, capital reserve, retained earnings (disclosed respectively in Notes: 27. 'Share capital, capital reserve and other reserves', and 15. 'Retained earnings and dividends'.)

The Group is required to comply with the credit covenants detailed in Note 28 'Borrowings'. Beyond these obligations, the Group is not subject to any external capital requirements except those imposed by the Commercial Companies Code.

The Management Board monitors the capital structure quarterly, based on the prepared statement of financial position. As part of the review, the cost of capital and types of risk associated with each class of funding are analysed. In the opinion of the Management Board, the net debt to equity ratio is at a safe level, enabling the Group to finance further development, secure ongoing operations, and distribute payments to shareholders. The financial leverage ratio is presented in the table below. Despite the increase in the debt ratio, the Group continues to settle its liabilities on an ongoing basis, primarily due to high and stable positive cash flows from operating activities.

(all amounts in PLN thousand, unless stated otherwise)

Financial leverage

The financial leverage ratio is a measure that is not defined under IFRS. The Group defines this ratio as described above. At the end of the year, the financial leverage ratio was as follows:

Item	31 Dec 2024	31 Dec 2023
Net debt	**928,905**	**755,625**
Debt	969,423	850,495
Cash and cash equivalents	40,518	94,870
Equity	**433,499**	**335,884**
Net debt to equity	**214%**	**225%**

34. Financial instruments

34.1 Categories of financial instruments

The categories of financial instruments recognised by the Group along with their carrying amounts are shown in the table below.

Item	Carrying amount	
	31 Dec 2024	31 Dec 2023
Financial assets measured at amortised cost	**281,868**	**266,274**
Cash and cash equivalents	40,518	94,870
Loans (long- and short-term portion)	6,593	-
Trade receivables	222,750	158,444
Long-term receivables	4,733	2,831
Other short-term receivables	7,274	10,129
Financial assets measured at fair value through profit or loss	**9,184**	**12,895**
Derivative instruments (IRS)	9,184	12,895
Total material categories – assets	**291,052**	**279,169**
Financial liabilities measured at amortised cost	**705,562**	**631,542**
Trade payables and similar liabilities	111,213	96,448
Liabilities under borrowings	594,349	535,094
Lease liabilities	**375,074**	**315,401**
Financial liabilities measured at fair value	**62,615**	**3,560**
Liabilities from put options on non-controlling interests	42,041	3,560
Liabilities from contingent consideration	2,794	-
Liabilities from acquisition of shares	17,780	-
Total material categories – equity and liabilities	**1,143,251**	**950,503**

During the periods presented, the effect of financial instruments on the consolidated statement of comprehensive income was as follows:

(all amounts in PLN thousand, unless stated otherwise)

As at 31 Dec 2024			
Item	**Finance income**	**Finance costs**	**Effect on equity/ other comprehensive income**
Financial assets measured at amortised cost	**3,507**	**-**	**-**
Cash and cash equivalents	1,700	-	-
Loans (long- and short-term portion)	715	-	-
Trade receivables	1,092	-	-
Financial assets measured at fair value through profit or loss	**4,714**	**-**	**-**
Derivative instruments (IRS)	4,714	-	-
Total material categories – assets	**8,221**	**-**	**-**

Item	**Finance income**	**Finance costs**	**Effect on equity/ other comprehensive income**
Financial liabilities measured at amortised cost	**-**	**(39,589)**	**-**
Trade payables and similar liabilities	-	(123)	-
Liabilities under borrowings	-	(39,466)	-
Lease liabilities	**-**	**(16,475)**	**-**
Financial liabilities measured at fair value	**-**	**(1,007)**	**(25,413)**
Liabilities from put options on non-controlling interests	-	-	(25,413)
Liabilities from contingent consideration	-	(1,007)	-
Total material categories – equity and liabilities	**-**	**(57,071)**	**(25,413)**

(all amounts in PLN thousand, unless stated otherwise)

As at 31 Dec 2023			
Item	**Finance income**	**Finance costs**	**Effect on equity/ other comprehensive income**
Financial assets measured at amortised cost	**2,010**	**-**	**-**
Cash and cash equivalents	1,372	-	-
Trade receivables	638	-	-
Financial assets measured at fair value through profit or loss	**-**	**(3,079)**	**-**
Derivative instruments (IRS)	-	(3,079)	-
Total material categories – assets	**2,010**	**(3,079)**	**-**

Item	**Finance income**	**Finance costs**	**Effect on equity/ other comprehensive income**
Financial liabilities measured at amortised cost	**-**	**(39,066)**	**-**
Trade payables and similar liabilities	-	(248)	-
Liabilities under borrowings	-	(38,818)	-
Lease liabilities	**-**	**(15,129)**	**-**
Financial liabilities measured at fair value	**-**	**-**	**548**
Liabilities from put options on non-controlling interests	-	-	548
Total material categories – equity and liabilities	**-**	**(54,195)**	**548**

(all amounts in PLN thousand, unless stated otherwise)

The fair value of financial instruments is shown in the table below.

Item	**Fair value as at 31 Dec 2024**				**Fair value as at 31 Dec 2023**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss	-	9,184	-	9,184	-	12,895	-	12,895
Derivative instruments (IRS)	-	9,184	-	9,184	-	12,895	-	12,895
Total material categories – assets	**-**	**9,184**	**-**	**9,184**	**-**	**12,895**	**-**	**12,895**
Financial liabilities measured at fair value	-	-	73,007	73,007	-	-	3,560	3,560
Liabilities from put options on non-controlling interests	-	-	52,433	52,433	-	-	3,560	3,560
Liabilities from contingent consideration	-	-	2,794	2,794	-	-	-	-
Liabilities from acquisition of shares	-	-	17,780	17,780	-	-	-	-
Total material categories – equity and liabilities	**-**	**-**	**73,007**	**73,007**	**-**	**-**	**3,560**	**3,560**

In the period ended 31 December 2024, the Company recognised liabilities from contingent consideration, as described in more detail in Note 30.3. The fair value of the liabilities was classified at Level 3 of the fair value hierarchy. For significant estimates related to the measurement of these liabilities, see Note 4.1. The fair value of derivative instruments (interest rate swaps) was determined based on the measurement provided by the issuer of these instruments (Level 2 of the fair value hierarchy). The fair value of liabilities from acquisition of shares in subsidiaries (Level 3 of the fair value hierarchy) was established based on the provisions of the investment agreement for those shares.

The carrying amounts of the financial assets and liabilities other than those presented above do not differ significantly from their fair values in all periods presented. For current financial assets and liabilities, it is assumed that, due to their maturity falling within 12 months from the reporting date, their carrying amounts approximates their fair values.

The carrying amount of liabilities from put options on non-controlling interests approximates their fair value, as these liabilities are measured at the present value of the estimated purchase price. Liabilities from contingent consideration were classified at Level 3 of the fair value hierarchy. For significant estimates related to the measurement of these liabilities, see Note 4.1.

For liabilities under borrowings, the fair value is determined by discounting the cash flows at the variable interest rate, updated at the end of each reporting period. The fluctuations in the variable interest rate accurately mirror market dynamics and facilitate the assessment of the fair value of financial liabilities. They are classified at Level 2 of the fair value hierarchy.

34.2 Objectives of financial risk management

At the Group, financial risks are managed by Diagnostyka S.A.'s finance function, in accordance with the risk management policies approved by the Management Board. The Management Board identifies, assesses, and mitigates financial risks, establishing written principles for general risk management as well as policies covering specific areas such as market risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investing surplus cash.

The Group does not trade in financial instruments, including derivatives, for speculative purposes.

34.3 Market risk

The Group's business involves exposure to market risk, including, but not limited to, interest rate risk. Given that the Group operates primarily in Poland and does not engage in significant foreign currency transactions, currency risk is deemed minimal. Therefore, the subsequent section addresses solely the matter of interest rate risk.

34.3.1. Interest rate risk management

The Group holds long-term credit facilities with variable interest rates, exposing it to the risk of interest rate volatility impacting cash flows. The Group manages this risk based on projections of the impact of adverse changes in interest rates on the business model. In semi-annual periods, the Group verifies the assumptions made and assesses the effects of changes.

To mitigate interest rate risk, the Group elected to use derivative instruments and entered into a hedging agreement with BNP Paribas, effective from 31 December 2019, for an interest rate swap with a reference rate aligned with the terms of the credit facility used by the Group. Since the underlying credit transaction for the swap instrument has been refinanced with new debt, the current notional amount of the swap is significantly lower than the total liability under the facility, which now amounts to PLN 540 million (for details, see Note 28 'Borrowings').

As at the reporting date, the notional amount of the IRS transactions was PLN 9,100 thousand for Tranche A (TLA) and PLN 179,000 thousand for Tranche B (TLB). As at 31 December 2023, the notional amount of TLA was PLN 27,280 thousand, and for TLB it was PLN 179,000 thousand. The final maturity for TLA is 24 June 2025 and for TLB 24 June 2026.

The Group decided not to apply hedge accounting in measuring the derivative instrument.

The carrying amount of the Group's financial instruments exposed to interest rate risk, disaggregated by age categories, is presented in the table below.

(all amounts in PLN thousand, unless stated otherwise)

As at 31 Dec 2024						
Financial assets	**Less than 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Interest rate swap	**-**	**-**	**175**	**9,009**	**-**	**9,184**
Fixed-rate instruments (interest rate swap) – TLA	-	-	175	-	-	175
Fixed-rate instruments (interest rate swap) – TLB	-	-	-	9,009	-	9,009
Fixed interest rate	**4,272**	**-**	**-**	**-**	**-**	**4,272**
Cash and cash equivalents – short-term deposits	4,272	-	-	-	-	4,272
TOTAL	**4,272**	**-**	**175**	**9,009**	**-**	**13,456**

As at 31 Dec 2023						
Financial assets	**Less than 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Interest rate swap	**-**	**1,359**	**4,085**	**7,451**	**-**	**12,895**
Fixed-rate instruments (interest rate swap) – TLA	-	158	475	311	-	944
Fixed-rate instruments (interest rate swap) – TLB	-	1,201	3,610	7,140	-	11,951
Fixed interest rate	**29,481**	**-**	**-**	**-**	**-**	**29,481**
Cash and cash equivalents – short-term deposits	29,481	-	-	-	-	29,481
TOTAL	**29,481**	**1,359**	**4,085**	**7,451**	**-**	**42,376**

(all amounts in PLN thousand, unless stated otherwise)

As at 31 Dec 2024

Financial liabilities	**Less than 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Fixed interest rate						
Lease liabilities	10,729	21,459	96,563	243,926	50,753	423,430
Variable interest rate						
Borrowings	788	566	12,011	584,909	1,728	600,002
TOTAL	**11,517**	**22,025**	**108,574**	**828,835**	**52,481**	**1,023,432**

As at 31 Dec 2023

Financial liabilities	**Less than 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Fixed interest rate						
Lease liabilities	9,579	19,158	86,211	206,448	29,569	350,965
Variable interest rate						
Borrowings	-	555	-	540,362	-	540,917
TOTAL	**9,579**	**19,713**	**86,211**	**746,810**	**29,569**	**891,882**

Sensitivity to interest rate movements

Below is presented an analysis of sensitivity to the interest rate risk associated with the financial instruments held by the Group. For the purposes of this analysis, it was assumed that the amount of variable-rate liabilities at the reporting date remained outstanding throughout the year. In internal reports on interest rate risk prepared for key management personnel, changes of 100 basis points up or down are used, reflecting management's assessment of the potential variations in interest rates.

If WIBOR interest rates (the benchmark for variable interest) were to increase or decrease by 100 basis points, with all other variables remaining constant, the Group's net profit for the period ended 31 December 2024 would decrease or increase by approximately PLN 5.9 million. For the period ended 31 December 2023, the net profit would decrease or increase by approximately PLN 6.9 million. This change would primarily be driven by the Group's exposure to the risk of variable interest rates on borrowings and variable interest rates on lease liabilities.

34.4 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Parent's Management Board, which has established an effective system for managing short-, medium-, and long-term financing and liquidity requirements. This system involves monitoring and optimising the alignment of expected cash inflows from owned assets (including financial assets) with the maturity dates of liabilities. The key elements of the system include continuous monitoring of forecasted and actual cash flows, and maintaining an appropriate safety buffer in the form of available cash balances and reserve credit lines. To manage liquidity risk, in addition to funds generated from operations, the Parent's Management Board employs external funding sources, including current account loans, credit facilities, and lease contracts.

Liquidity risk tables

The following tables present contractual maturities for financial assets and liabilities with agreed repayment dates. For financial liabilities, the tables are based on contractual, undiscounted cash flows at the earliest required repayment date. They include cash flows from both interest and principal payments. For financial assets, the contractual maturity date is defined as the earliest possible date on which the Group can demand payment.

(all amounts in PLN thousand, unless stated otherwise)

As at 31 Dec 2024

	Weighted average effective interest rate	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Trade payables and similar liabilities	-	65,315	35,349	10,207	341	-	111,212	111,212
Lease liabilities	4.77%	10,729	21,459	96,564	243,926	50,752	423,430	375,074
Variable-rate instruments (borrowings)	7.47%	788	566	12,011	584,909	1,728	600,002	594,349
Liabilities from acquisition of shares	-	17,780	-	-	-	-	17,780	17,780
Liabilities from contingent consideration	-	2,794	-	-	-	-	2,794	2,794
Liabilities from put options on non-controlling interests	-	6,110	-	-	35,931	-	42,041	42,041
TOTAL		**103,516**	**57,374**	**118,782**	**865,107**	**52,480**	**1,197,259**	**1,143,250**

As at 31 Dec 2023

(all amounts in PLN thousand, unless stated otherwise)

	Weighted average effective interest rate	**Less than 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying amount**
Trade payables and similar liabilities		58,609	31,023	6,816	-	-	96,448	96,448
Lease liabilities	4.97%	9,579	19,158	86,211	206,448	29,569	350,965	315,401
Variable-rate instruments (borrowings)	8.07%	-	555	-	540,362	-	540,917	535,094
Liabilities from put options on non-controlling interests		3,560	-	-	-	-	3,560	3,560
TOTAL		**71,748**	**50,736**	**93,027**	**746,810**	**29,569**	**991,890**	**950,503**

34.5 Credit risk management

Credit risk arises from various sources, including cash and cash equivalents, financial instruments with positive valuations (on the asset side), deposits with banks and financial institutions, and receivables from wholesale and retail customers, including outstanding trade receivables.

If customers have an independent credit rating, the Group utilises this rating. Otherwise, the Group conducts a creditworthiness assessment of the customer, considering their financial situation, history of trading with the customer, and other relevant factors. Based on internal and external ratings, and within the limits set by the Management Board, credit limits are established on a case-by-case basis.

Management regularly monitors wholesale customers' compliance with credit limits. Trade receivables consist of amounts due from a large number of customers, concentrated within one industry and spread across various geographical areas.

The Group has credit risk protections in place for certain financial assets, including trade receivables. Where trade credit is extended to entities with deteriorated financial liquidity, guarantee agreements are concluded with specialised companies, primarily with Magellan S.A. For the analysis of receivables based on their aging, see Note 25.

Other financial assets, primarily cash and cash equivalents, and IRS instruments issued by banks, are considered low-risk investments. Credit ratings of these investments is monitored for any deterioration in credit quality. For banks and financial institutions, only entities with at least an ‘A’ rating assigned by an independent rating agency are accepted.

For information on the concentration of credit risk related to trade receivables, see Note 25.1.

The Group monitors the quality of its receivables on an ongoing basis. The Group employs a simplified model for calculating expected credit losses on trade receivables, regardless of their due date. The maximum exposures of the Group to credit risk are presented in the table below.

If necessary, the Group buys credit guarantees.

(all amounts in PLN thousand, unless stated otherwise)

As at 31 Dec 2024

	Weighted average effective interest rate	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Trade receivables	-	183,289	39,095	366	-	-	222,750
Fixed-rate instruments (interest rate swap) – TLA	1.69% + margin	-	-	175	-	-	175
Fixed-rate instruments (interest rate swap) – TLB	1.72% + margin	-	-	-	9,009	-	9,009
Cash and cash equivalents	-	40,518	-	-	-	-	40,518
Security deposits and guarantees	-	1,094	107	501	2,876	1,777	6,355
TOTAL		**224,901**	**39,202**	**1,042**	**11,885**	**1,777**	**278,808**

As at 31 Dec 2023

	Weighted average effective interest rate	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Trade receivables	-	128,787	29,653	4	-	-	158,444
Fixed-rate instruments (interest rate swap) – TLA	1.69% + margin	-	158	475	311	-	944
Fixed-rate instruments (interest rate swap) – TLB	1.72% + margin	-	1,201	3,610	7,140	-	11,951
Cash and cash equivalents	-	97,293	-	-	-	-	97,293
Security deposits and guarantees	-	822	1,383	672	2,179	480	5,536
TOTAL		**226,902**	**32,395**	**4,761**	**9,630**	**480**	**274,168**

(all amounts in PLN thousand, unless stated otherwise)

Available external funding

Below are details of available credit facilities available to finance future operating and investing activities.

	31 Dec 2024	31 Dec 2023
Arranged overdraft facilities:	**285,000**	**140,000**
Balance drawn	146,621	-
Balance available	138,379	140,000
Arranged credit facilities with different tenors:	**540,000**	**540,000**
Balance drawn (nominal)	350,636	540,000
Balance available	189,364	-

35. Events after the reporting date

Acquisition of shares in associates and jointly controlled entities

On 1 April 2025, the Parent acquired 50% of shares in Livmed Diagnostyka Sp. z o.o. of Nowy Tomyśl, for PLN 500 thousand.

Business acquisitions

On 17 December 2024, the Parent signed an agreement to acquire the business of Centralne Laboratorium Analityki Medycznej – Pracownia Diagnostyki Laboratoryjnej Anna Bądel of Kielce, for PLN 380 thousand. The acquisition was completed on 1 January 2025.

On 9 January 2025, Diagnostyka - Tarnów Medyczne Centrum Laboratoryjne Sp. z o. signed an agreement to acquire the business of Laboratorium Medyczne mgr Krystyna Gródecka – NZOZ of Tarnów, for PLN 560 thousand. The acquisition was completed on 1 February 2025.

On 1 April 2025, the Parent acquired 51.04% of shares and control of Eurodiagnostic Sp. z o.o. for PLN 22,542 thousand. Pursuant to the investment agreement, on 14 April 2025 a resolution was passed to increase the company's share capital, as a result of which Diagnostyka S.A. acquired an additional 34 shares for a total amount of PLN 5,075 thousand. Following the transaction, the Parent's equity interest in Eurodiagnostic Sp. z o.o. is 51.02%.

Given the agreement execution date, the initial accounting for the business combination was not complete as at the date of preparation of these consolidated financial statements, and therefore no disclosures have been made concerning the acquisition.

Long-term incentive plan for 2025-2027 addressed to selected employees of the Company and other Group companies

On 17 January 2025, the Extraordinary General Meeting of the Parent resolved to adopt a long-term incentive plan based on Company shares, addressed to selected employees of the Company and other Group companies and covering the years 2025–2027(“LTIP-P”)

Under LTIP-P, selected employees of the Company and other Group companies, designated by the Management Board, will be granted LTIP-P participation units conferring the right to receive Company shares. The number of shares per participation unit will be determined after the end of the plan term by dividing the total number of shares available under LTIP-P (which will be established based on the ratio of the Group’s value growth to the volume-weighted average market price of Company shares on the regulated market operated by the Warsaw Stock Exchange during the six-month period following the publication of the 2027 financial results) by the total number of participation units granted. For each of the three plan years (2025, 2026, and 2027), a pool of 100 participation units will be available for allocation among participants. The Management Board may decide not to allocate the full pool in any given year. In such cases, the unallocated units will be carried forward and added to the pool for allocation in subsequent years. Each year, the Management Board will make a separate decision on the eligible participants and how the available units are allocated among them. For each year of LTIP-P, individual participation agreements will be signed with the participants designated by the Management Board, specifying the number of participation units granted for that year, conditional upon the participants’ continued employment with the Group during that year. In line with the objectives of LTIP-P, and in accordance with resolutions adopted by the Extraordinary General Meeting authorising the Management Board to repurchase Company shares, LTIP-P is expected to be settled through the transfer of Company shares to participants. However, final settlement may also take the form of a cash payment equivalent to the value of the shares, in particular if the Company has not repurchased a sufficient number of its shares.

As the intended settlement method is by transferring repurchased shares, and given that the choice of settlement method is entirely at the Group's discretion, the Management Board plans to account for LTIP-P as an equity-settled share-based payment under IFRS 2 *Share-based Payment*. However, depending on future developments and the final form of settlement, the plan's classification may change to that of a cash-settled share-based payment. The grant date will be determined separately for each year of LTIP-P and will be the date on which both parties agree on the terms of participation in the plan (expected to be the date of signing the participation agreement with the beneficiary). The total value of LTIP-P will be calculated as the product of the number of participation units granted and the fair value of a unit as at the relevant grant date. If LTIP-P is accounted for as an equity-settled share-based payment, the cost of the plan, determined individually for each participant, will be recognised in the consolidated statement of comprehensive income under 'Employee benefits expense'. The corresponding entry will be an increase in equity (under 'Other reserves') during the vesting period from the grant date until the end of the respective LTIP-P year.

On 14 March 2025, the Management Board resolved to allocate 54 out of 100 participation units available for 2025 under LTIP-P. For those participants of the 2025 LTIP-P who were granted participation units, the grant date has occurred. As the valuation takes time, the valuation process was still ongoing at the date of authorisation of these financial statements.

Long-term incentive plan for 2025-2027 addressed to the Parent's Management Board

On 17 January 2025, the Extraordinary General Meeting of the Parent resolved to adopt a long-term incentive plan based on Company shares, addressed to the Company's Management Board and covering the years 2025–2027 ("LTIP-Z")

Under LTIP-Z, the President and other members of the Management Board (serving in the position of Vice-President of the Management Board or Member of the Management Board) will be granted LTIP-Z participation units conferring the right to receive Company shares. The number of shares per participation unit will be determined after the end of the plan term by dividing the total number of shares available under LTIP-Z (which will be established based on the ratio of the Group's value growth to the volume-weighted average market price of Company shares on the regulated market operated by the Warsaw Stock Exchange during the six-month period following the publication of the 2027 financial results) by the total number of participation units granted. For each of the three plan years (2025, 2026, and 2027), the President of the Management Board may receive 40 participation units, while a pool of 60 participation units will be available for allocation among other members of the Management Board. The Company's Supervisory Board may decide not to allocate the full pool for a given year. In such cases, the unallocated units will be carried forward and added to the pool for allocation in subsequent years. Each year, the Supervisory Board will make a separate decision on other Management Board members eligible to participate in the plan and how the available units are allocated. For each year of LTIP-Z, individual participation agreements will be signed with the participants, specifying the number of participation units granted for that year, conditional upon the participants' continued service as member of the Company's Management Board during that year. In line with the objectives of LTIP-Z, and in accordance with resolutions adopted by the Extraordinary General Meeting authorising the Management Board to repurchase Company shares, LTIP-Z is expected to be settled through the transfer of Company shares to participants. However, final settlement may also take the form of a cash payment equivalent to the value of the shares, in particular if the Company has not repurchased a sufficient number of its shares.

As the intended settlement method is by transferring repurchased shares, and given that the choice of settlement method is entirely at the Group's discretion, the Management Board plans to account for LTIP-Z as an equity-settled share-based payment under IFRS 2 *Share-based Payment*. However, depending on future developments and the final form of settlement, the plan's classification may change to that of a cash-settled share-based payment. The grant date will be determined separately for each year of LTIP-Z and will be the date on which both parties agree on the terms of participation in the plan (expected to be the date of signing the participation agreement with the beneficiary). The total value of LTIP-Z will be calculated as the product of the number of participation units granted and the fair value of a unit as at the relevant grant date.

If LTIP-Z is accounted for as an equity-settled share-based payment, the cost of the plan, determined individually for each participant, will be recognised in the consolidated statement of comprehensive income under 'Employee benefits expense'. The corresponding entry will be an increase in equity (under 'Other reserves') during the vesting period from the grant date until the end of the respective LTIP-Z year.

In the case of the President of the Management Board, the grant date was set for 17 January 2025. On 24 March 2025, Supervisory Board resolved to allocate 30 out of 60 participation units available for 2025 under LTIP-Z to other members of the Management Board. For those other members of the Management Board who were granted participation units for 2025, the grant date has occurred. As the valuation takes time, the valuation process was still ongoing at the date of authorisation of these financial statements.

Admission and introduction of Company shares to trading on the main market of the WSE

On 6 February 2025, the Management Board of the Warsaw Stock Exchange decided to:

- admit 17,825,553 Series D, Series E and Series F ordinary bearer shares in the Company, with a par value of PLN 1.00 per share, to trading on the main market of the WSE, and
- to introduce the shares to trading on the main market of the WSE.

The first trading day was set for 7 February 2025. The shares are listed in the continuous trading system under the abbreviated name "DIAG" and ticker symbol "DIA".

Following admission of the Parent shares to trading on the WSE, the Parent has become a "public company" within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005, and is therefore required to publicly disclose current and periodic information within statutorily prescribed time limits and in accordance with applicable laws and regulations.

Change in the Company's shareholding structure following the introduction of its shares to trading on the WSE

For information on the shareholding structure as at the date of these financial statements, see Note 27.2.

Incentive Plan A and Incentive Plan B

Following the disposal of shares by the financial investor, the participants of Incentive Plan A and Incentive Plan B acquired rights in accordance with the plan terms described in Note 23.2.

Resignation by Supervisory Board members

For information on the resignation of Supervisory Board members, see Note 1.1. '*The Parent*'. The Company's Management Board convened an Extraordinary General Meeting for 28 April 2025, with the agenda including appointment of new members of the Supervisory Board.

As at the date of authorisation of these financial statements, the Group did not identify any other events subsequent to the reporting date that would have a material bearing on these financial statements.

36. Auditors' fees

The following table presents the gross amount of fees (including VAT which is not deducted by the Parent) for the Company's auditor (Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Sp.k.) paid or payable for the years ended 31 December 2024 and 31 December 2023, disaggregated by type of service. The table includes information on fees, paid or payable, for the audit of the separate and consolidated financial statements, as well as on fees paid in the respective year for other services provided to Diagnostyka S.A. (including services related to the initial public offering).

(all amounts in PLN thousand, unless stated otherwise)

Type of service	31 Dec 2024	31 Dec 2023
Fee for the audit of full-year financial statements (EY network)		
- Diagnostyka S.A.	1,428	450
Total audit fees	**1,428**	**450**
Non-audit services provided to Diagnostyka S.A. (EY network)		
Assurance services	1,353	31
Other services	1,300	-
Total fees for non-audit services	**2,653**	**31**

The auditor of the Parent does not audit financial statements of the subsidiaries. Presented below are the fees paid to the auditors who audit financial statements of the other Group entities.

Type of service	31 Dec 2024	31 Dec 2023
Statutory audit of full-year financial statements	135	54
Total – subsidiaries	**135**	**54**

37. Workforce structure

The table below presents headcount at the Group as at 31 December 2024 and 31 December 2023, including individuals employed under employment contracts (full-time equivalents) and civil law contracts.

	31 Dec 2024	31 Dec 2023
Individuals employed at the Group	6,967	6,604

.

38. Authorisation of the financial statements

These consolidated financial statements were signed by all members of the Management Board and by the person responsible for the Company's bookkeeping function.

Signatures of Members of the Management Board:

Jakub Swadźba – CEO, President of the Management Board

Dariusz Zowczak – Vice President of the Management Board

Marta Rogalska-Kupiec – Vice President of the Management Board

Paweł Chytła – Vice President of the Management Board

Jaromir Pelczarski – Vice President of the Management Board

Signature of the person responsible for the bookkeeping function:

Zbigniew Polakowski – Chief Accountant