



VIGO Photonics Group

CONSOLIDATED QUARTERLY REPORT
for the period from 1 January 2023 to 31 December 2023
containing the interim condensed consolidated financial
statements of the VIGO Photonics Group prepared in
accordance with IFRS

Ożarów Mazowiecki, 23 May 2023.

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1 Selected consolidated figures

Financial highlights	PLN `000		EUR `000	
	01.03.2023 -31.03.2023	01.03.2022 - 31.03.2022	01.03.2023 -31.03.2023	01.03.2022 - 31.03.2022
Net revenue from the sale of products, services, goods and materials	18,750	11,728	3,989	2,524
Cost of sales	9,430	3,101	2,006	667
Operating profit (loss)	3,711	1,556	790	335
Profit (loss) before tax	3,014	1,016	641	219
Profit (loss) after tax	2,500	3,608	532	776
Number of shares	729,000	729,000	729,000	729,000
Net profit (loss) per ordinary share (PLN/EUR)	3.43	4.95	0.73	1.62

Financial highlights	PLN `000			EUR `000		
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.12.2022	31.03.2022
Interim consolidated statement of financial position						
Non-current assets	226,261	218,908	198,127	48,139	46,677	42,585
Current assets	34,131	35,106	25,025	7,262	7,486	5,379
Equity	141,024	138,524	136,675	30,004	29,537	29,377
Long-term liabilities	84,644	81,896	57,871	18,009	17,462	12,439
Short-term liabilities	34,725	33,596	28,607	7,388	7,163	6,149
Book value per share (equity/ number of shares)	193.45	190.02	187.48	41.16	40.52	40.30

Financial highlights	PLN `000		EUR `000	
	from 01.01.2023 to 31.03.2023	from 01.01.2022 to 31.03.2022	from 01.01.2023 to 31.03.2023	from 01.01.2022 to 31.03.2022
Interim consolidated statement of cash flows				
Net cash flows from operating activities	5,448	7,356	1,159	1,583
Net cash flows from investing activities	-1,836	-15,756	-391	-3,390
Net cash flows from financing activities	-2,848	4,333	-606	932

2 Selected standalone figures

Financial highlights	PLN '000		EUR '000	
	01.03.2023 -31.03.2023	01.03.2022 - 31.03.2022	01.03.2023 -31.03.2023	01.03.2022 - 31.03.2022
Net revenue from the sale of products, services, goods and materials	17,041	11,728	3,626	2,524
Cost of sales	8,060	3,101	1,715	667
Operating profit (loss)	4,044	1,556	860	335
Profit (loss) before tax	3,214	1,016	684	219
Profit (loss) after tax	2,700	3,608	574	776
Number of shares	729,000	729,000	729,000	729,000
Net profit (loss) per ordinary share (PLN/EUR)	3.70	4.95	0.79	1.62

Financial highlights	PLN '000			EUR '000		
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.12.2022	31.03.2022
Interim condensed statement of financial position						
Non-current assets	116,818	222,036	198,127	48,960	47,343	42,585
Current assets	37,231	38,715	25,025	8,060	8,255	5,379
Equity	148,278	145,578	136,675	31,714	31,041	29,377
Long-term liabilities	84,509	81,772	57,871	18,075	17,436	12,439
Short-term liabilities	33,810	33,399	28,607	7,231	7,121	6,149
Book value per share (equity/ number of shares)	203.40	199.70	187.48	43.50	42.58	40.30

Financial highlights	PLN '000		EUR '000	
	from 01.01.2023 to 31.03.2023	from 01.01.2022 to 31.03.2022	from 01.01.2023 to 31.03.2023	from 01.01.2022 to 31.03.2022
Interim condensed statement of cash flows				
Net cash flows from operating activities	5,559	7,356	1,183	1,583
Net cash flows from investing activities	-2,096	-15,756	-446	-3,390
Net cash flows from financing activities	-2,848	4,333	-606	932

3 Introduction to the consolidated financial statements

3.1 Description of the activities of the VIGO Photonics Group and information about the parent company VIGO Photonics S.A.

VIGO Photonics Group ("Group", "Company", "Issuer") is a technology-based manufacturing company specialising in semiconductor materials and devices for photonic and microelectronic applications. VIGO Photonics is a leader in the global market of mid-infrared photon detectors. All products are based on its proprietary, unique technology. The Group provides ready-made and customised solutions for developing products dedicated to a given customer's application.

The Group has a complete production line for high-throughput semiconductor devices – from epitaxy of materials from complex semiconductors of groups II-VI (tellurium, cadmium, mercury) and groups III-V of the periodic table of elements (indium, arsenic, gallium, antimony), to the production of detector chips and lasers, to their microassembly and integration into electronics. The Group also has its own modern measurement laboratories, which enable fast and accurate measurements of products and semi-finished products at every stage of production.

Detectors currently manufactured by the Group are used in the world's largest research centres and in the development of advanced technical equipment, in applications such as:

- Railway traffic safety (failure detection systems in the running gear of high-speed rail systems and fire detection systems)
- Environmental protection (measurement of the threat to the environment posed by harmful chemical substances, monitoring of emissions of hazardous substances into the air, air quality surveillance)
- Industrial applications (industrial scanners for temperature distribution, industrial automation equipment)
- Military applications (missile guidance systems, laser-beam vehicle-tracking alert systems)
- Security (detection of explosive and hazardous substances, prevention systems against terrorist activities, systems for checking the contents of passengers' luggage)
- Research and science (measurement of high-temperature plasma parameters for thermonuclear fusion research, measurement of ultra-short pulses of infrared radiation emitted by lasers and synchrotrons, spectrometers for measuring extremely low concentrations of substances)
- Space industry (laser communications in open Space, measurement equipment for space applications).

In order to meet the dynamic development of photonics market, VIGO Photonics has added epitaxial semiconductor layers to its offer. Developed by VIGO Photonics, the epitaxial layers, based on indium phosphide and gallium arsenide, are the basis for the production of cascade edge lasers, vertical cavity resonance lasers (VCSEL), other sources of infrared radiation and microelectronic components (transistors, diodes).

The Group puts great emphasis on research and development of new products, thus continuously maintaining high competitiveness and quality of offered products since the 1990s. The technological advancement of VIGO Photonics and the quality of its products as well as its position in the global market have been confirmed by the use of infrared detectors produced by VIGO in the Mars rover Curiosity, which landed on the Red Planet on 6 August 2012 as part of the NASA program and the subsequent detection of traces of methane on Mars in December 2014 with the use of these detectors. The Company's detectors were also used by the European Space Agency as part of the Exomars mission. In October 2016, Schiaparelli landing module, equipped with VIGO Photonics detectors, attempted a landing on Mars.

The Group is a going concern.

The Group's core business is the manufacture of electronic components (PKD 2611Z).

3.2 Activities in the Special Economic Zone (hereinafter referred to as "SEZ") – tax exemption

On the basis of permit No. 116/ARP S.A./2005 issued on 9 November 2005, since 1 March 2008 the Company has conducted its business activity in the Tarnobrzeg Special Economic Zone ("TSEZ") EUROPARK WISŁOSAN in Ożarów Mazowiecki and on this grounds it is entitled to exemption from Corporate Income Tax due to capital expenditures incurred in the Zone. The company fulfilled all the conditions specified in the permit in order to be able to benefit from the tax exemption. Income generated from business activities covered by the permit within the special economic zone is exempt under Article 17, Section 1, Point 34 of the Corporate Income Tax Act. The amount of aid obtained for the Issuer is 65% of discounted investment expenditures on fixed assets and purchased intangible assets incurred during the term of the permit. This aid is reduced by any discounted subsidies from public funds obtained for the purchase of fixed assets.

In the Tarnobrzeg SEZ, as indicated in the permit, the Company conducts the following production, trade and service activities with respect to products and services manufactured in the zone, defined under the following headings in the then-

current Polish Classification of Products and Services of the Central Statistical Office:

- a. Section D, subsection DL, Division 32,
 - b. Class 32.10 - Electronic tubes and other electronic components,
- c. Section D, subsection DL, Division 33,
 - d. Class 33.20 - Instruments and appliances for measuring, checking, navigating and similar instruments and appliances,
- e. Class 33.30 - Optical instruments and photographic equipment,
 - f. Section K, Division 73,
 - g. Class 73.10 - Research and development services for natural sciences and engineering.

3.3 Contact details

Name: VIGO Photonics
 Primary place of business: Ożarów Mazowiecki
 Registered office: Poland
 Address: ul. Poznańska 129/133, 05-850 Ożarów Mazowiecki
 NIP: 527-020-73-40
 REGON: 010265179
 Telecommunications numbers: Phone (+48 22) 733 54 00
 Fax (+48 22) 733 54 26
 Email address: info@vigo.com.pl
 Website: www.vigo.com.pl

3.4 Description of VIGO Photonics Group

The Group includes the following entities:

- VIGO Photonics Taiwan – a company established in 2020 as a sales office in the East Asia region. The Group has a 100% stake VIGO Photonics Taiwan worth PLN 76 thousand. Currently, the company is being liquidated and the value of the shares has been taken to other operating costs. – the company is not consolidated
- VIGO Photonics Inc – a company established in 2021 as a sales office in the North American region. The Group has a 100% stake VIGO Photonics Inc. worth PLN 464 thousand. The company is fully consolidated.
- VIGO Ventures ASI Sp. z o. o. – a company established in 2021 to take over the activities of VIGO WE Innovation Sp. z o. o. and to continue investment in innovative projects. As at 30 June 2022, the Group held 100% of shares in VIGO Ventures ASI Sp. z o. o. with a value of PLN 50 thousand. On 16 August 2022, the Group sold 50% of its stake in VIGO Ventures ASI Sp. z o. o. to Warsaw Equity ASI Sp. o.o. for PLN 75 thousand. On 9 February 2023, the general meeting of the Group companies VIGO WE Innovation Sp. z o. o. and VIGO Ventures ASI Sp. z o.o., adopted a resolution on the merger of both companies by transferring all assets of VIGO WE Innovation Sp. z o. o. to VIGO Ventures ASI Sp. z o. o. On 27 March 2023, the merger of VIGO WE Innovation Sp. z o. o. and VIGO Ventures ASI Sp. z o.o. was registered. As at the balance sheet date, the value of shares in VIGO Ventures ASI sp. z o.o. is PLN 9,324 thousand – the company is not consolidated.

Decisions on material activities of VIGO Ventures ASI Sp. z o.o. require the unanimous consent of the parties sharing control. All investors jointly exercise control over the investees. They act collectively to manage significant activities. Therefore, no single investor controls the investee. In the opinion of the Company's Management Board, as at 17 April 2023, there was no change in one or more elements of the joint control over VIGO Ventures ASI Sp. z o.o.

Data from the statement of turnover and balances of VIGO Ventures ASI Sp. z o. o. as at 31 March 2023 are as follows (in PLN thousand):

Company	Equity	Share capital	Other capitals	Profit/loss after tax	Value of assets	Non-current assets	Current assets	Value of liabilities	Value of revenues
VIGO Ventures ASI	25,391	6,207	19,466	-344	25,391	24,175	1,216	62	35

3.5 Effects of changes in the structure of the economic entity

In the period covered by the report, there were no changes in the structure of the economic entity.

3.6 Opinion of the Management Board on the possibility of achieving the previously published earnings forecasts

The company did not publish any earnings forecasts.

3.7 The ownership structure of VIGO Photonics S.A.

According to the knowledge of the Company's Management Board, as at the date of submitting the interim condensed financial statements for the period ended 31 March 2023 (23 May 2023), the following shareholders held at least 5% of the total number of votes at the General Meeting:

Shareholder	Number of shares	% of the registered capital	Number of votes	% of votes at the General Meeting
Warsaw Equity Management S.A.	104,000	14.27	104,000	14.27
Józef Piotrowski	86,650	11.89	86,650	11.89
Investors TFI	70,192	9.63	70,192	9.63
Janusz Kubrak	48,100	6.60	48,100	6.60
PTE Allianz Polska S.A.	39,074	5.36	39,074	5.36
Mirosław Grudzień	37,200	5.10	37,200	5.10
Others	343,784	47.16	343,784	47.16
	729,000	100.00	729,000	100.00

3.8 Governing bodies of VIGO Photonics S.A.

As at the date of publication of the Q1 2023 report, the Company's Management Board consisted of:

1. Adam Piotrowski – President of the Management Board
2. Łukasz Piekarski – Member of the Management Board
3. Marcin Szrom – Member of the Management Board.

As at the date of publication of the Q1 2023 report, the Company's Supervisory Board consisted of:

- Przemysław Danowski – Chairman of the Supervisory Board
- Janusz Kubrak – Member of the Supervisory Board
- Marek Wiechno – Member of the Supervisory Board
- Zbigniew Więclaw – Member of the Supervisory Board
- Piotr Nadolski – Member of the Supervisory Board
- Krzysztof Kaczmarczyk – Member of the Supervisory Board
- Mirosław Grudzień – Member of the Supervisory Board.

On 28 April 2023, Przemysław Danowski submitted a statement of his resignation as a member of the Company's Supervisory Board with immediate effect. Przemysław Danowski did not give reasons for his resignation.

On 12 May 2023, a meeting of the Supervisory Board was held, at which the Supervisory Board adopted a resolution to appoint Marek Wiechno as Supervisory Board Chairman. The election was made due to the resignation of the previous Supervisory Board Chairman Przemysław Danowski from the Supervisory Board with immediate effect, which was announced by the Issuer in Current Report No. 11/2023 of 28 April 2023. At the same time, the Supervisory Board appointed Krzysztof Kaczmarczyk as Deputy Chairman of the Supervisory Board.

Composition of the Audit Committee of the Supervisory Board:

- Marek Wiechno – Member of the Audit Committee

- Zbigniew Więclaw – Chairman of the Audit Committee
- Krzysztof Kaczmarczyk – Member of the Audit Committee.

3.9 Shareholdings by executive and non-executive directors of VIGO Photonics S.A.

As at 23 May 2023, members of the Management Board held the following shares in the Company:

- Adam Piotrowski held 660 shares (nominal value of shares: PLN 660)
- Łukasz Piekarski held 485 shares (nominal value of shares: PLN 485).

As at 23 May 2023, members of the Company's Supervisory Board held the following shares in the Company:

- Janusz Kubrak held 48,100 shares (nominal value of shares: PLN 48,100)
- Mirosław Grudzień held 37,200 shares (nominal value of shares: PLN 37,200).
- Zbigniew Więclaw held 12,000 shares (nominal value of shares: PLN 12,000)

None of the Management Board or Supervisory Board members of the Group hold any shares in VIGO VENTURES ASI Sp. z o.o.

3.10 Reported periods

The interim condensed consolidated and standalone statement of financial position includes data for the period from 1 January 2023 to 31 March 2023. Comparative data are presented as at 31 December 2022 for the interim condensed standalone statement of financial position and for the period from 1 January 2022 to 31 December 2022 for the interim condensed standalone statement of comprehensive income, interim condensed standalone statement of cash flows and condensed statement of changes in equity.

3.11 The basis for the preparation of the interim condensed consolidated financial statements

These interim condensed standalone financial statements have been prepared in accordance with International Accounting Standard 34 – “Interim Reporting”.

As at the date of approval of these financial statements for publication, taking into account the ongoing IFRS implementation process in the EU, as regards the Company's operations there is no difference between the already implemented IFRSs and the IFRSs endorsed by the EU. IFRSs include the standards and interpretations approved by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

The data included in the report have been prepared with the observance of the principles of valuation of assets and liabilities and measurement of net profit or loss determined as at the balance sheet date.

The solutions adopted with regard to accounting records and the way information is grouped have been subordinated to the needs of management and internal control. They also take into account the requirements set by the provisions of the act and the needs of state statistics.

The interim condensed consolidated and standalone financial statements have been prepared on the assumption that the Company will continue in operation in the foreseeable future. The Company's Management Board is not aware of any circumstances that would pose a threat to the continuation of the Company's operations.

The interim condensed financial statements do not contain all the information and disclosures required of annual financial statements and should be read jointly with the financial statements for the year ended 31 December 2022, approved for publication on 17 April 2023.

These interim condensed consolidated and standalone financial statements for the three-month period of 2023 ended 31 March 2023 were approved for publication by the Management Board on 23 May 2023.

The interim financial result may not fully reflect the achievable financial result for the financial year.

The Company's functional currency and presentation currency of these interim condensed consolidated and standalone financial statements is the Polish zloty. Data in the financial statements are rounded to the nearest thousand zlotys, unless stated otherwise in specific situations.

Due to the presentation of amounts in the financial statements rounded to the nearest thousand, differences of +/- 1 may appear in the report.

3.12 Significant accounting policies

Significant accounting policies applied in this report are described in detail in point 3.13 of the consolidated annual financial statements drawn up as at 31 December 2022.

3.13 PLN exchange rates

In the period covered by the financial statements, the following PLN/EUR exchange rates were applied:

Ref.	Description	01.01.2023 - 31.03.2023	01.01.2022 - 31.12.2022	01.01.2022 - 31.03.2022
1.	Average exchange rate at the end of the period	4.6755	4.6899	4.6525
2.	Average exchange rate for the period	4.7002	4.6907	4.6472

The average exchange rate for the period is the arithmetic average of the average exchange rates applicable on the last day of each month in the period based on information published by the National Bank of Poland.

4 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2023	As at 31.12.2022	As at 31.03.2022
Non-current assets	226,261	218,908	198,127
Property, plant and equipment	116,818	113,502	104,299
Intangible assets	18,038	19,432	12,760
Right of use	3,851	3,854	49,050
Development expenditure	59,396	53,444	7,027
Deferred tax assets	21,514	22,012	24,990
Investments in jointly controlled entities	6,644	6,666	1
Prepayments			25,025
Current assets	34,131	35,106	9,786
Inventories	17,023	15,281	8,771
Trade receivables	11,446	14,256	29
Other receivables	2,192	2,226	2,758
Other financial receivables	16	16	1,640
Prepayments	426	1,068	432
Cash and cash equivalents	3,029	2,258	1,637
TOTAL ASSETS	260,393	254,015	223,152
Equity	141,024	138,524	136,675
Share capital	729	729	729
Share premium account	8,865	8,865	8,865
Revaluation reserve	99	99	-24
Other capitals	128,830	121,611	123,496
Profit (loss) of the current period	2,500	7,219	3,608
Long-term liabilities	84,644	81,896	57,871
Bank and other loans	26,012	28,057	21,743
Deferred income	57,685	52,854	35,902
Provision for pensions and similar benefits	184	184	226
Lease obligations	762	800	
Short-term liabilities	34,725	33,596	28,607
Bank and other loans	19,777	21,328	17,001
Trade and other liabilities	6,415	4,408	3,421
Other financial liabilities	108		
Other liabilities	1,542	1,251	1,715
Income tax liability	13		
Lease obligations	46	46	
Deferred income	3,082	2,611	2,458
Provision for pensions and similar benefits	1,953	1,953	1,717
Other provisions	1,788	2,000	2,296
TOTAL EQUITY AND LIABILITIES	260,393	254,015	223,152

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2023 - 31.03.2023	01.01.2022 – 31.12.2022	01.03.2022 - 31.03.2022
Revenue from sales	18,750	67,874	11,728
Revenue from the sale of products	17,913	63,513	11,331
Revenue from the sale of services	789	3,980	397
Revenue from the sale of goods and materials	47	381	
Cost of products, goods and materials sold	9,430	32,795	3,101
Gross profit (loss) on sale	9,319	35,079	8,627
Selling costs	2,996	8,270	1,756
General and administrative expenses	4,187	10,395	1,946
Other operating income	2,186	20,674	5,730
Other operating costs	611	3,576	1,152
Profit (loss) on operating activities	3,711	8,704	1,556
Financial income	438	424	
Financial costs	1,136	1,444	540
Profit/ loss before tax	3,014	7,684	1,016
Income tax	514	464	-2,592
Current income tax	16	81	3
Deferred income tax	497	383	-2,595
Net profit (loss) on continued operations	2,500	7,219	3,608
Profit (loss) after tax	2,500	7,219	3,608
Components of other comprehensive income:		123	
Actuarial gains (losses) on defined benefit plans		123	
Total comprehensive income	2,500	7,342	3,608
Net profit (loss) per share (in PLN)	3.43	9.90	4.95
Basic for the financial period	3.43	9.90	4.95
Diluted for the financial period	3.43	9.90	4.95

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period:	For the period:
	from 01.01.2023 to 31.03.2022	from 01.01.2022 to 31.03.2022
OPERATING ACTIVITIES		
Profit/ loss before tax	2,998	1,016
Income tax	0	-2,592
Profit/ loss after tax	2,998	3,608
Total adjustments:	2,450	6,344
Depreciation/ amortisation	2,832	1,776
FX gains (losses)	-142	339
Interest and profit distributions (dividends)	-590	299
Profit (loss) on investing activities	-6	8
Change in the balance of provisions	-211	-646
Change in the balance of inventories	-1,742	-2,887
Change in the balance of receivables	2,844	8,939
Change in liabilities, except for bank and non-bank loans	764	-536
Change in prepayments	0	-11
Change in accrued income	-1,906	-1,829
Change in lease obligations	-38	5
Profit (loss) of entities accounted for using the equity method	0	445
Other adjustments	644	447
Cash from operating activities	5,448	7,360
Income tax (paid)/ returned	0	4
A. Net cash flows from operating activities	5,448	7,356
INVESTING ACTIVITIES		
Inflows	7,234	2,772
Grants received	7,208	2,771
Proceeds from the sale of tangible assets	9	1
Proceeds from the sale of shares	16	
Outflows	-9,070	-18,528
Acquisition of intangible and tangible assets	-3,484	-10,723
Expenditure on acquisition of shares	0	-670
Outlays on investment funds	-16	0
Outlays on in-process development	-5,570	-5,924
Loans granted	0	-1,211
B. Net cash flows from investing activities	-1,836	-15,756
FINANCING ACTIVITIES		
Inflows	8,408	6,782
Bank and other loans	8,408	6,782
Outflows	-11,256	-2,449
Repayment of bank and non-bank loans	-11,847	-2,232
Interest	590	-218
Lease payments	0	
C. Net cash flows from financing activities	-2,848	4,333
D. Total net cash flows	764	-4,067
E. Balance sheet change in cash	770	-4,022
– change in cash due to FX differences	-6	-44
F. Cash at the beginning of the period	2,258	5,659
G. Cash at the end of the period	3,028	1,637

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Revaluation reserve	Other capitals	Profit (loss) of the current period	Total equity
Three months ended 31 March 2023						
Equity as at 01.01.2023	729	8,865	99	128,830		138,524
Profit (loss) of the period					2,500	2,500
Equity as at 31.03.2023	729	8,865	99	128,830	2,500	141,024
Twelve months ended 31 December 2022						
Equity as at 01.01.2022	729	8,865	-24	91,148	30,509	131,228
Profit (loss) of the period					7,219	7,219
Distribution of profit (loss) for 2021				30,509	-30,509	
Conditional increase in capital				-47		-47
Other comprehensive income: actuarial gains/losses			123			123
Equity as at 31.12.2022	729	8,865	99	121,611	7,219	138,524
Three months ended 31 March 2022						
Equity as at 01.01.2022	729	8,865	-24	123,497		133,067
Profit (loss) of the period					3,608	3,608
Equity as at 31.03.2022	729	8,865	-24	123,496	3,608	136,675

5 INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION

	As at 31.03.2023	As at 31.12.2022	As at 31.03.2022
Non-current assets	229,367	222,036	198,127
Property, plant and equipment	116,818	113,502	104,299
Intangible assets	18,038	19,432	12,760
Right of use	3,748	3,758	
Development expenditure	59,396	53,444	49,050
Deferred tax assets	21,514	22,012	24,990
Investments in jointly controlled entities	9,852	9,888	7,027
Prepayments			1
Current assets	37,231	38,715	25,025
Inventories	16,453	14,584	9,786
Trade receivables	11,475	15,033	8,771
Other receivables	2,192	2,226	2,758
Other financial receivables	3,834	3,575	1,640
Prepayments	426	1,068	432
Cash and cash equivalents	2,851	2,229	1,637
TOTAL ASSETS	266,598	260,750	223,152
Equity	148,278	145,578	136,675
Share capital	729	729	729
Share premium account	8,865	8,865	8,865
Revaluation reserve	99	99	-24
Other capitals	135,885	124,148	123,496
Profit (loss) of the current period	2,700	11,737	3,608
Long-term liabilities	84,509	81,726	57,871
Bank and other loans	26,012	28,057	21,743
Lease obligations	628	676	
Deferred income	57,685	52,854	35,902
Provision for pensions and similar benefits	184	184	226
Short-term liabilities	33,810	33,339	28,607
Bank and other loans	19,777	21,300	17,001
Trade and other liabilities	5,609	4,239	3,421
Lease obligations	45	46	
Other liabilities	1,543	1,250	1,715
Income tax liability	13		
Deferred income	3,082	2,611	2,458
Provision for pensions and similar benefits	1,953	1,953	1,717
Other provisions	1,788	2,000	2,296
TOTAL EQUITY AND LIABILITIES	266,598	260,750	223,152

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

	01.01.2023 - 31.03.2023	01.01.2022 – 31.12.2022	01.03.2022 - 31.03.2022
Revenue from sales	17,041	68,611	11,728
Revenue from the sale of products	16,231	64,250	11,331
Revenue from the sale of services	763	3,980	397
Revenue from the sale of goods and materials	47	381	
Cost of products, goods and materials sold	8,060	33,477	3,101
Cost of production of products and services sold	8,060	33,477	3,101
Gross profit (loss) on sale	8,981	35,133	8,627
Selling costs	2,356	8,270	1,756
General and administrative expenses	4,328	7,798	1,946
Other operating income	2,186	19,550	5,730
Other operating costs	439	2,893	1,152
Profit (loss) on operating activities	4,044	13,163	1,556
Financial income	195	368	
Financial costs	1,025	1,330	540
Profit/ loss before tax	3,214	12,201	1,016
Income tax	514	464	-2,592
Current income tax	17	81	3
Deferred income tax	497	383	-2,595
Net profit (loss) on continued operations	2,700	11,737	3,608
Profit (loss) after tax	2,700	11,737	3,608
Components of other comprehensive income:	123	123	
Actuarial gains (losses) on defined benefit plans	123	123	
Total comprehensive income	2,823	11,859	3,608
Net profit (loss) per share (in PLN)	3.70	16.10	4.95
Basic for the financial period	3.70	16.10	4.95
Diluted for the financial period	3.70	16.10	4.95

INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS

	For the period:	For the period:
	from 01.01.2023 to 31.03.2023	from 01.01.2022 to 31.03.2022
OPERATING ACTIVITIES		
Profit/ loss before tax	3,214	1,016
Income tax	514	-2,592
Profit/ loss after tax	2,700	3,608
Total adjustments:	2,362	6,344
Depreciation/ amortisation	2,832	1,776
FX gains (losses)	-101	339
Interest and profit distributions (dividends)	-590	299
Profit (loss) on investing activities	-6	8
Change in the balance of provisions	-211	-646
Change in the balance of inventories	-1,870	-2,887
Change in the balance of receivables	3,593	8,939
Change in liabilities, except for bank and non-bank loans	-27	-536
Change in prepayments		-11
Change in accrued income	-1,906	-1,829
Change in lease obligations	-3	5
Profit (loss) of entities accounted for using the equity method		445
Other adjustments	652	447
Cash from operating activities	5,576	7,360
Income tax (paid)/ returned	16	4
A. Net cash flows from operating activities	5,560	7,356
INVESTING ACTIVITIES		
Inflows	7,217	2,772
Grants received	7,208	2,771
Proceeds from the sale of tangible assets	9	1
Proceeds from the sale of shares		
Outflows	-9,313	-18,528
Acquisition of intangible and tangible assets	-3,484	-10,723
Expenditure on acquisition of shares		-670
Outlays on investment funds		0
Outlays on in-process development	-5,570	-5,924
Loans granted	-259	-1,211
B. Net cash flows from investing activities	-2,096	-15,756
FINANCING ACTIVITIES		
Inflows	8,408	6,782
Bank and other loans	8,408	6,782
Outflows	-11,256	-2,449
Repayment of bank and non-bank loans	-11,847	-2,232
Interest	590	-218
C. Net cash flows from financing activities	-2,848	4,333
D. Total net cash flows	616	-4,067
E. Balance sheet change in cash	622	-4,022
– change in cash due to FX differences	-6	-44
F. Cash at the beginning of the period	2,229	5,659
G. Cash at the end of the period	2,851	1,637

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Revaluation reserve	Other capitals	Profit (loss) of the current period	Total equity
Three months ended 31 March 2023						
Equity as at 01.01.2023	729	8,865	99	135,885		145,578
Profit (loss) of the period					2,700	2,700
Equity as at 31.03.2023	729	8,865	99	135,885	2,700	148,278
Twelve months ended 31 December 2022						
Equity as at 01.01.2022	729	8,865	-24	91,148	33,047	133,765
Profit (loss) of the period					11,737	11,737
Distribution of profit (loss) for 2021				32,348	-32,348	
Conditional increase in capital				-47		-47
Correction of errors from previous years				699	-699	
Other comprehensive income: actuarial gains/losses			123			123
Equity as at 31.12.2022	729	8,865	99	124,148	11,737	145,578
Three months ended 31 March 2022						
Equity as at 01.01.2022	729	8,865	-24	123,496		133,067
Profit (loss) of the period					3,608	3,608
Equity as at 31.03.2022	729	8,865	-24	123,496	3,608	136,674

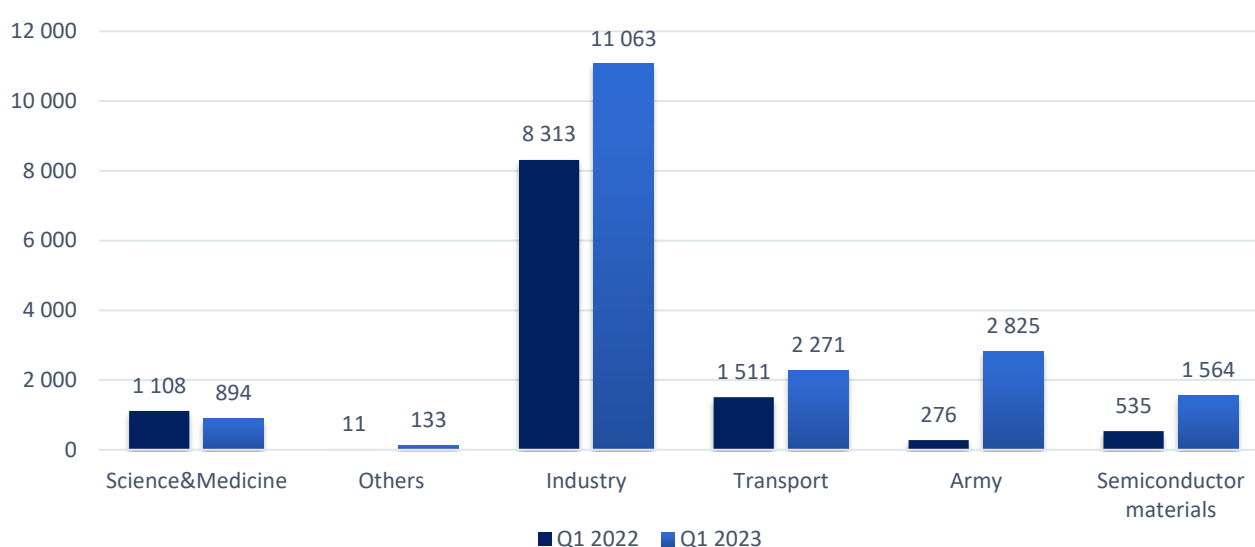
6 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6.1 Summary of activities of VIGO Photonics in the first quarter of 2023

In the first quarter of 2023, the Company's sales were PLN 18.75 million, up 59.53% year-on-year.

In terms of value, the largest increase was noted in the industrial segment (PLN 2.75 million), military segment (PLN 2.55 million) and semiconductor materials segment (PLN 1.03 million) (science and medicine – up 52.9% YoY and the transport segment up PLN 0.77 million). On the other hand, a decrease was recorded in the science and medical segment – down PLN 0.2 million.

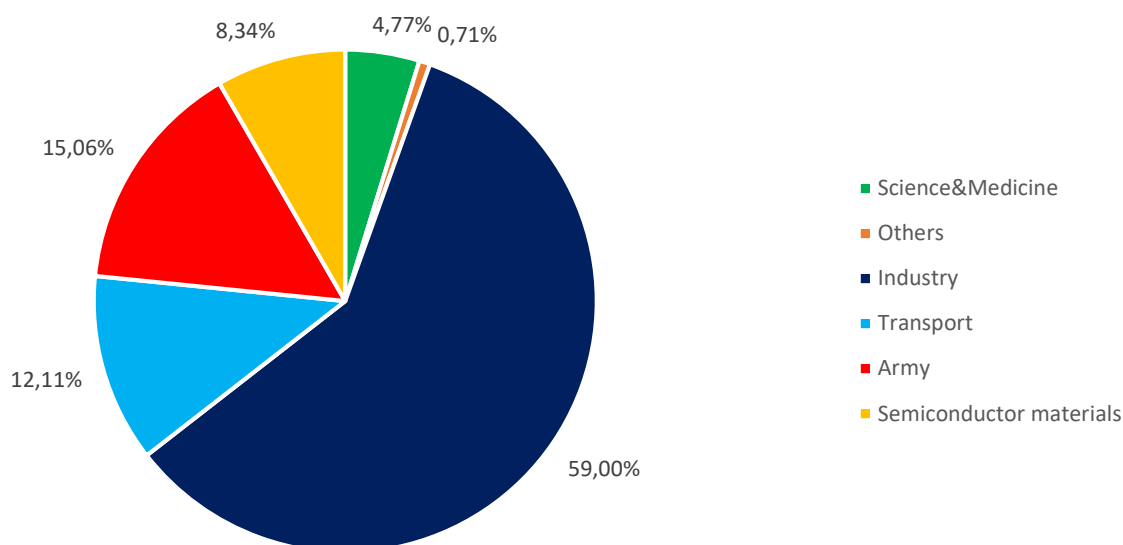
Chart1. Total sales for 3 months of 2022 and 2023 by application [PLN thousand]



The results for the 3 months of 2023 were driven by the following factors:

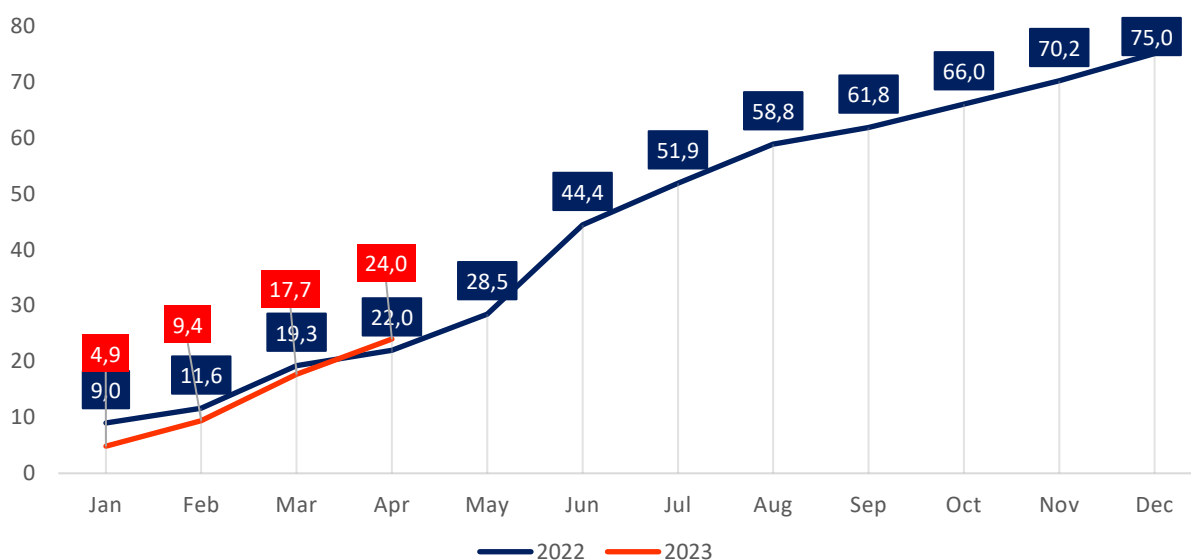
- Growing revenues in the industrial segment – sales increased by 33% YoY on the back of constant, strong demand trends in the broadly understood industrial segment, in particular for detectors applied in industrial gas analysers and used in the semiconductor industry.
- Revenues in the transport segment rose helped by e.g. increasing orders from the Chinese market.
- The increase in revenues in the military segment was attributable to the orders from the Company's recurring customers (Safran, PCO S.A.)
- The growth in the semiconductor materials segment was driven by increasing orders for QCL laser structures from a European customer active in the sensor industry.

Chart 2 Total sales for 3 months of 2023 by application [%]



At the beginning of 2023, the Company recorded a weaker growth of orders received from customers, but a strong rebound was reported in March. As at the end of April, PLN 24.2 million worth of orders have been confirmed since the beginning of the year, i.e. 10% more than in the same period in 2022

Chart 3 Total value of confirmed orders in 2022-2023 [PLN million]



6.1.1 Costs of core activities

The cost of goods and services sold reached PLN 9.43 million, up 204% than in the corresponding period of 2022, which is mainly related to:

- Growing depreciation and amortisation costs caused by the purchase of new tangible assets and the adoption of new intangible assets (technology), as well as an increase in the cost of materials coupled with a surge in sales;
- employment growth.

Differences between standalone and consolidated data are presented below:

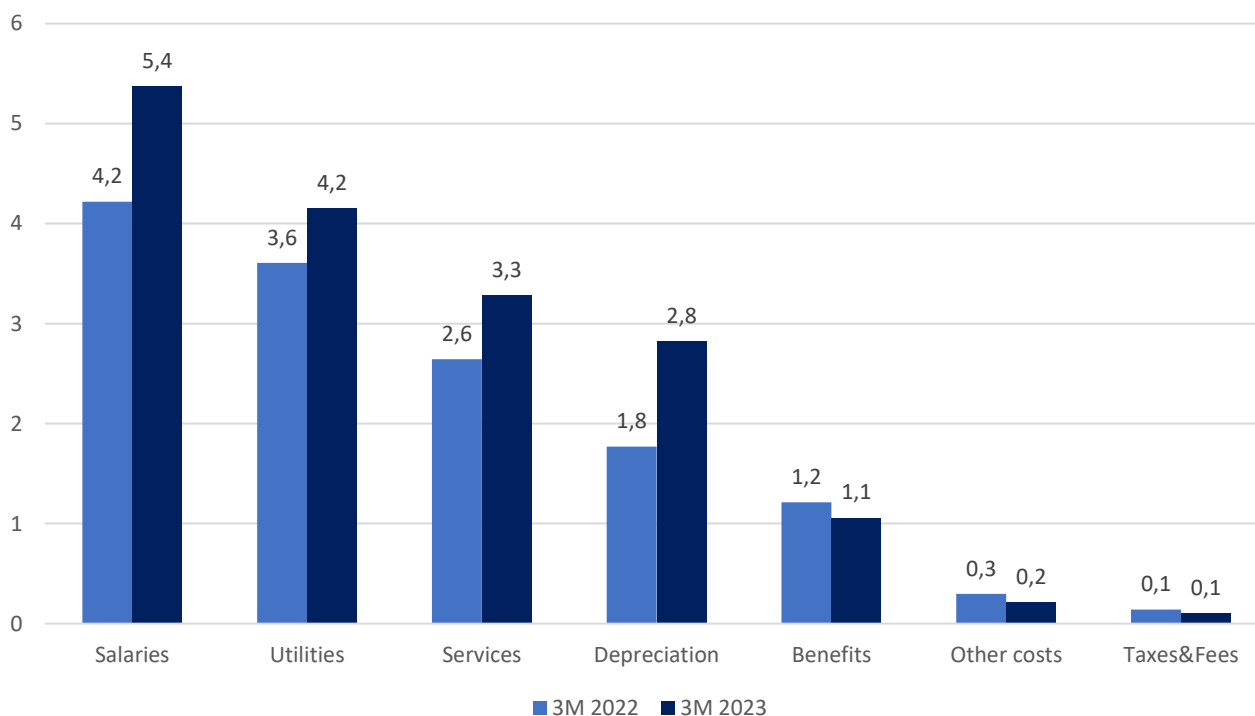
Items of the statement of comprehensive income for 01.01.2023-31.03.2023 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-374	-479
Elimination of the cost of products and services sold	-450	-16
Elimination of selling costs	-478	

General and administrative expenses for 3 months of 2023 reached PLN 4.2 million, down 26.9% YoY.

Selling costs for the 3 months of 2023 were PLN 3 million, up 54% YoY, mainly due to higher investments in sales activities, including a higher headcount in the sales team both at the Company and at subsidiaries.

The Company's total operating costs for the three months of 2023 were PLN 16.6 million, up 54% YoY.

Chart 4 Costs by type [PLN million]

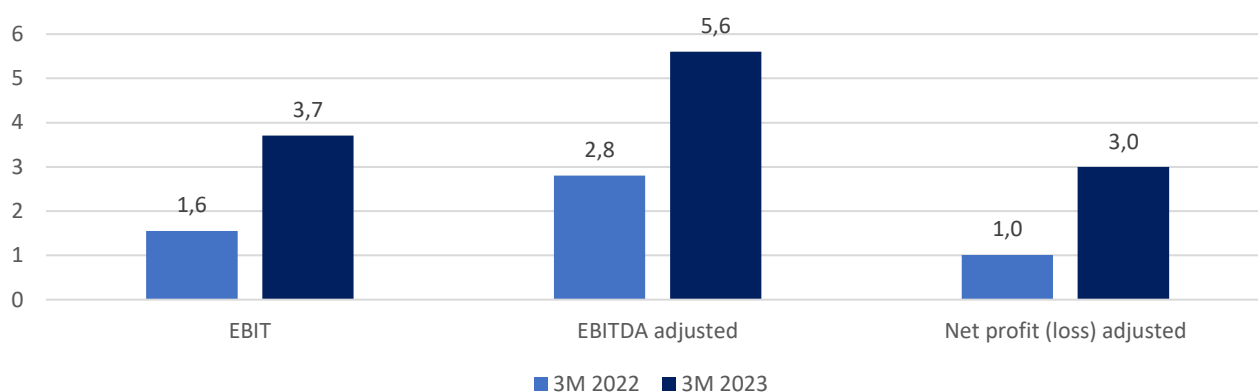


6.1.2 Profitability

Operating profit (EBIT¹) for 3 months of 2023 was PLN 3.7 million (up 138.6% YoY). Adjusted² EBITDA³ reached PLN 5.6 million, up 99.8% compared to 2022. Net profit for the 3 months of 2023 came in at PLN 2.5 million.

In order to ensure comparability of data with previous periods, the management report also contains adjusted net profit (i.e. excluding the deferred tax asset). The adjusted net profit for 3 months of 2023 was PLN 3 million, up 195.8% YoY.

Chart 5 Financial results for the 3 months of 2022 and 2023 [PLN million]



Specification (adjusted for non-recurring items)		3M 2023	3M 2022
EBIT	[PLN thousand]	3,711	1,556
Adjusted EBITDA	[PLN thousand]	5,604	2,805
Operating profit (loss)	[PLN thousand]	3,711	1,556
Depreciation/ amortisation	[PLN thousand]	2,822	1,769
Settlement of subsidies to grants and tangible assets	[PLN thousand]	-958	-595
Incentive scheme	[PLN thousand]	29	76
EBIT margin		19.8%	13.3%
Adjusted EBITDA margin		29.9%	23.9%
Adjusted net profit margin		16.0%	8.6%

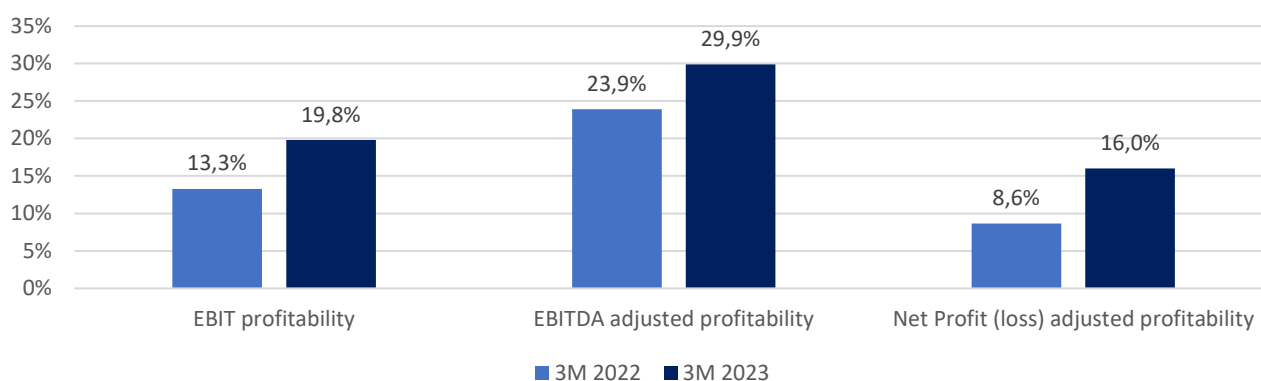
The Company's EBIT margin for 3 months of 2023 was 19.8%, up 6.5% percentage points YoY. In Q1 2023, net profit margin (based on adjusted profit) was 16%; adjusted EBITDA margin was 29.9%.

¹ EBIT is an economic indicator that is not reflected in the current IASs/IFRSs and is not applicable for financial reporting purposes. For this reason, in the Company's opinion, it represents an "alternative performance measure" (APM). The disclosed EBIT figure corresponds to operating profit/loss.

² Adjusted EBITDA is the sum of the result (profit/loss) on operating activities and depreciation increased by the settlement of grants and subsidies to tangible assets.

³ EBITA is an economic indicator that is not reflected in the current IASs/IFRSs and is not applicable for financial reporting purposes. For this reason, in the Company's opinion, it represents an "alternative performance measure" (APM). The presented and calculated EBITDA value is the sum of the result (profit/loss) on operating activities and depreciation.

Chart 6 Profitability and margins earned for 3 months of 2022 and 2023 (%)



6.2 Factors affecting the Group's performance in Q1 2023 and in subsequent periods

6.2.1 Short-term outlook

Operating income

In 2022, the Group felt the negative impact of the global economic situation, in particular related to disrupted supply chains and limited availability of certain components and materials, which became worse in Q2 and Q3 2022. Delivery times for some components extended to several dozen weeks, and the prices of components available from brokers increased significantly. In the opinion of the Management Board, problems in the components market may continue at least for a year.

In 2023, the Group expects a significant increase in sales revenues in all segments. The Group observes an increase in the volume of orders from its major clients. In addition, the Group's sales targets will be supported by approx. 20% increases in product prices.

Operating costs

Due to the current geopolitical situation, including in particular the war in Ukraine, as well as macroeconomic headwinds, the Group expects a significant increase in costs in 2023. This is due to the following factors:

- Increase in electricity costs
- Increase in material cost
- Inflation.

In order to counteract the increase in costs related to the deteriorating macroeconomic environment, the Group has implemented a plan of additional cost reductions including limitation of employment growth, reduction of electricity consumption and the review and reduction of services provided by third parties.

6.2.2 Long-term outlook

The current economic situation in the world does not affect the implementation of the Company's growth-oriented initiatives adopted in the Company's Development Strategy until 2023 and 2026. The Company maintains its development lines mapped out for the long term.

Long-term outlook – VIGO 2026 Strategy

In June 2021, the Company's Management Board adopted a new strategy to be implemented in the period 2021-2026.

Under the strategy, the Company's primary objective is to grow its capital and increase its value for Shareholders with an outlook until 2026. This will be achieved by continued growth in the global photonics market, including by supporting the development of the market segments where the Group is active and expanding Company's operations into new areas.

The Management Board identifies a number of potential business opportunities available to the Company within the photonics market. When leveraged, they may help the Company to achieve its growth ambitions in the 2026 perspective. The Management Board considers the following initiatives the most promising in terms of the Company's growth vision:

- a. Exploration of the MCT (HgCdTe) detector market, including expansion (in terms of geographies and segments) in market areas not covered by regulations excluding the use of mercury and cadmium in detectors.

- b. Development of technologies for infrared detectors and modules made of materials based on compounds from groups III and V of the periodic table of elements, compliant with the European Union Restriction of Hazardous Substances (RoHS) Directive.
- c. Development of epitaxy of III-V semiconductor materials and production of near-infrared sources (VCSEL lasers).
- d. Development of infrared source technologies.
- e. Development of optoelectronic systems technology and photonic integrated circuits for the mid- and short-wave infrared.
- f. Development of infrared detector array technology.

The VIGO 2026 Strategy consists of two phases.

2021-2023 Perspective

In Phase 1 (2021-2023), the Group will focus on:

- 1) Continuation of existing development projects, including photonic integrated circuit technology, III-V material detectors, semiconductor material epitaxy and infrared source technology.
- 2) Development of the technological and technical base common to key growth support initiatives by investing in R&D and universal infrastructure.
- 3) Selection, based on outcomes of R&D projects and analysis of the market situation, of the most promising growth initiatives and preparation of an investment plan to support their implementation.

The growth potential of the Company's revenue and EBITDA in 2021-2023 is estimated as follows:

- 1) PLN 67 million in revenue and PLN 29.5 million in EBITDA in 2021.
- 2) PLN 80 million in revenue and PLN 33.5 million in EBITDA in 2022.
- 3) PLN 100 million in revenue and PLN 40 million in EBITDA in 2023.

In order to achieve its strategic objectives, in 2021-2023 the Group plans to invest PLN 30-40 million a year in R&D and technical infrastructure, using its own funds and public grants to R&D.

The Group exceeded the assumed revenue target in 2021, while in 2022, due to the macroeconomic headwinds, and the lower-than-planned increase in orders, the target was not achieved.

In 2023, the Group plans to identify growth initiatives that will ensure the Company's sustainable, rapid growth in the subsequent years of the VIGO 2026 Strategy.

2024-2026 Perspective

In Phase 2, the Group will focus on implementing and executing the most promising growth initiatives selected in Phase 1 of the Strategy.

In addition, the Company intends to continue its expansion into new geographical and product markets, including by investing in the development of its own sales structures in key markets.

The Company's ambition is to maintain the revenue growth rate at 20-30% p.a. and high profitability of its ordinary activities, including a gross margin in excess of 60% and EBITDA margin in excess of 40%.

6.3 Other significant information

Impact of the war in Ukraine

In connection with the war in Ukraine, the Group has assessed its impact on the Group's activities and financial results. The Group decided to suspend the sale of its products to Russia and Belarus. The suspension of sales to Russia will not have a material impact on the Company's financial results. In 2021, sales to Russia were PLN 244 thousand and in previous years ranged from PLN 100 thousand and 150 thousand per year.

In connection with the sanctions, the Group has noted additional risks associated with the supply of components manufactured in the Russian Federation. If additional restrictions are introduced, problems may occur with the timeliness of deliveries or restrictions on the ability to purchase those components. The value of components imported from Russia in 2021 was PLN 7.3 million. The Group has taken steps to find alternative suppliers and is also working with suppliers to change the location of component production. The certification of new suppliers is progressing as planned. The Group successfully completed the certification of a new supplier. In addition, the previous supplier moved its production outside of Russia. At this stage, the Group does not see any significant problems with the availability of components that have been

purchased from the Russian market so far. However, due to disruptions in global supply chains in the electronic components market, this risk cannot be completely ruled out.

6.3.1 Implementation of R&D projects

The Group implements the following projects, co-financed by the National Centre for Research and Development (details of individual projects are provided in the Company's Annual Report for 2022⁴):

Ref.	Project	Agreement date	Project budget for the Company [PLN thousand]	Grant for the Company	Project implementation period
1.	Production technology of innovative epitaxial structures and VCSEL laser devices, key to the development of photonics	21.11.2019	13,014	9,110	01.01.2020-31.03.2023
2.	PEMIR - development of mid-infrared detectors using plasmonic amplification	15.03.2021	1,115	836	01.03.2021-31.10.2023
3.	MIRPIC - new transparent electrodes for VCSEL lasers	22.02.2021	471	354	01.10.2020-30.09.2023
4.	WIKINET - Long-wave VCSEL lasers for fibre optic transmission	23.02.2021	1166	999	01.01.2021-01.01.2023
5.	MATRIX - Integrated photonics circuit technologies for the mid-infrared range	25.05.2021	9,492	6,801	01.04.2021-31.03.2024

In the reporting period, the Group has carried out the following projects co-financed by the European Commission under the Horizon 2020 and Horizon Europe, and the European Defense Fund programmes:

Ref.	Project	Project budget for the Company [EUR thousand]	Grant for the Company [EUR thousand]	Project implementation period
1.	CAR2TERA	24	24	01.01.2019 - 31.03.2023
2.	TRIAGE	420	294	01.01.2021 - 29.02.2024
3.	MINIBOT	609	609	01.12.2022 - 30.11.2025
4.	AI-PRISM	240	168	01.10.2022 - 30.09.2025
5.	PHOTOGENIC	1,331	1,331	01.10.2022 - 30.09.2025
6.	OPMMEG	500	500	01.12.2022 - 30.11.2025
7.	IBAIA	337	337	01.12.2022 - 30.11.2026
8.	BROMEDIR	441	441	01.01.2023-30.06.2026

In the reporting period, the Group has carried out the following projects co-funded by the National Centre for Research and Development and the Mazovian Unit for the Implementation of EU Programmes from EU funds under the Intelligent Development Operational Programme and the Regional Operational Programme of the Mazovian Voivodeship for 2014-2020:

⁴ Available here: <https://vigophotonics.com/pl/relacje-inwestorskie/raporty/raporty-okresowe/>

Ref.	Project	Agreement date	Project budget for the Company [PLN thousand]	Grant for the Company	Project implementation period
1.	INGAAS WITH ASIC – Manufacture of InGaAs sensors with integrated ASIC electronics for the range of 1.7 - 2.6 μm	23.09.2021	12,650	8,520	1.01.2021-31.12.2023
2.	MATRIX – Polish matrix active in infrared for space applications	24.05.2021	9,374	6,218	1.01.2021-31.12.2023

6.4 Seasonality and cyclicity of business

In its current operations, the Company has not observed any seasonality or cyclicity of its sales performance.

6.5 Impairment allowances

Change in inventory allowances (consolidated and standalone financial statements)

Specification (in PLN thousand)	Allowances on materials	Allowances on semi-finished products and work in progress	Allowances on goods	Total allowances on inventories
Status as at 01.01.2023	697	70	244	1,011
Increases in the period 01.01.2023-31.03.2023:	80	13	70	163
recognition of allowances in correspondence with other operating costs	80	13	70	163
Status as at 31.03.2023	777	83	314	1,174
Status as at 01.01.2022	417	20		437
Increases in the period 01.01.2022-31.03.2022:	215	29	54	298
recognition of allowances in correspondence with other operating costs	215	29	54	298
Status as at 31.03.2022	632	49	54	735

6.6 Provisions

Provisions for pensions and similar benefits (consolidated and standalone financial statements)

	As at:	As at:	As at:
	31.03.2023	31.12.2022	31.03.2022
Provisions for retirement and disability severance payments	187	187	272
Provisions for holiday leaves	1,950	1,950	1,671
Total, including:	2,138	2,138	1,942
- long-term	184	184	226
- short term	1,953	1,953	1,717

Changes in provisions for pensions and similar benefits

	Provisions for retirement and disability severance payments	Provisions for holiday leaves
As at 01.01.2023	187	1,950
Balance as at 31.03.2023, including:	187	1,950
- long-term	184	
- short term	3	1,950
As at 01.01.2022	272	1,671
Provisions raised		280
Provisions released	84	
Balance as at 31.12.2022, including:	187	1,950
- long-term	184	
- short term	3	1,950
As at 01.01.2022	272	1,671
Balance as at 31.03.2022, including:	272	1,671
- long-term	46	
- short term	226	1,671

Other provisions (consolidated and standalone financial statements)

	As at: 31.03.2023	As at: 31.12.2022	As at: 31.03.2022
Provision for remuneration	1,021	1,375	1,684
Provisions for warranty repairs and returns	724	584	583
Provision for the audit of financial statements	38	38	27
Provision for probable future liabilities		3	2
Total, including:	1,783	2,000	2,296
- short term	1,783	2,000	2,296

Change in other provisions

	Provisions for warranty repairs and returns	Other provisions	Total
As at 01.01.2023	584	1,416	2,000
Recognised during the financial year	140	989	1,129
Released		1,341	1,341
Balance as at 31.03.2023, including:	724	1,064	1,788
- short term	724	1,064	1,788
As at 01.01.2022	607	2,336	2,943
Recognised during the financial year	20		20
Released	44	919	962
Balance as at 31.12.2022, including:	584	1,416	2,000
- short term	584	1,416	2,000
As at 01.01.2022	1,943	2,942	4,885
Recognised during the financial year		1,559	1,559
Released		2,206	2,206
Balance as at 31.03.2022, including:	1,943	2,296	4,239
- long-term	226		226
- short term	1,717	2,296	4,013

Provision for employee bonuses

The Company recognised provisions (PLN 908 thousand) for remuneration related to the equalisation of the bonus for Q1 2023 due to employees under remuneration regulations, payable by the end of the month following the quarter for which the bonus is accounted for.

Provision for performance bonuses payable to Management Board members a given year

A provision of PLN 76 thousand was recognised for bonuses payable to Management Board members for Q1 2023.

Provision for costs of anticipated warranty repairs

The Company creates provisions for the costs of anticipated warranty repairs and returns of products sold in the last 3 financial years based on the level of warranty repairs and returns recorded in previous years. Most of these costs are expected to be incurred in the next financial year (and all of them within 3 years from the balance sheet date). The assumptions underlying the calculation of the provision for warranty repairs and returns are based on current sales levels and available current information on returns, and a one-year warranty period for all products sold.

6.7 Property, plant and equipment

In Q1 2023, tangible assets with a value of over PLN 3.48 million were purchased. These include machinery and equipment as well as construction works related to the reconstruction of the production plant, implementation of new technologies, purchase of a new reactor, increasing the level of automation of measurements and quality control.

6.8 Court disputes

No claim payments were made in relation to court cases in the reporting period. During Q1 2023 and until the date of publication of the report, no court, administrative or arbitration proceedings were/ are pending before a court, administrative or arbitration authority.

6.9 Correction of errors from previous periods

In the presented period, no corrections of errors from previous periods were made.

6.10 Outstanding loans and advances and breaches of credit agreements

The balance of loans outstanding as at 31 March 2023 is presented in the table below.

Bank loans as at 31.03.2023

Lender and loan type	Loan amount under the agreement (PLN k/ EUR k)	Loan balance (PLN k/ EUR k)	Nominal interest rate	Maturity date
ING Bank Śląski - corporate FX investment loan	EUR 5,800	EUR 1,610	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 1,541	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 1,500	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 5,950	EUR 3,997	1M EURIBOR + margin	21.06.2028
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 1,140	1M EURIBOR + margin	possible extension of the agreement

Bank loans as at 31.12.2022

Lender and loan type	Loan amount under the agreement (PLN k/ EUR k)	Loan balance (PLN k/ EUR k)	Nominal interest rate	Maturity date
ING Bank Śląski - corporate FX investment loan	EUR 5,800	EUR 1,831	1M EURIBOR + margin	31.03.2026

Lender and loan type	Loan amount under the agreement (PLN k/ EUR k)	Loan balance (PLN k/ EUR k)	Nominal interest rate	Maturity date
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 1,670	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 1,625	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 5,950	EUR 3,347	1M EURIBOR + margin	21.06.2028
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 2,050	1M EURIBOR + margin	possible extension of the agreement

Bank loans as at 31.03.2022

Lender and loan type	Loan amount under the agreement (PLN k/ EUR k)	Loan balance (PLN k/ EUR k)	Nominal interest rate	Maturity date
ING Bank Śląski - corporate FX investment loan	EUR 5,800	EUR 2,491	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 2,056	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 2,000	1M EURIBOR + margin	31.03.2026
ING Bank Śląski – technological investment loan in PLN	PLN 6,000	PLN 3,687	1M WIBOR + margin	30.09.2022
ING Bank Śląski – FX overdraft	EUR 1,700	EUR 982	1M EURIBOR + margin	21.03.2023

Collateral for the above loans is described in point 4.2.14 of the Annual Report for 2021. No covenants of any active loan agreements have been breached. As at 30 September 2022, the valuation of loans in foreign currencies decreased by PLN 198 thousand, with the difference being recognised as financial income.

Other long-term liabilities

The Group has a long-term lease liability of PLN 673 thousand (2022: PLN 677 thousand).

Loans and guarantees granted

In Q1 2023, the Group did not grant any loans to members of the Management Board and Supervisory Board. The Group did not grant any loans, sureties or guarantees.

6.11 Financial instruments

In the reporting period, no changes were made in the method of determining the fair value of financial instruments. In the reporting period, no changes were made in the classification of financial assets.

6.12 Changes in the principles of determining the value of assets and liabilities and measuring the financial result

No changes were made in the principles of determining the value of assets and liabilities and measuring the financial result.

6.13 Significant liabilities on account of purchase of tangible assets

In the reporting period, no significant liabilities were recognised on account of purchase of tangible assets.

6.14 Issue, redemption or repayment of non-equity and equity instruments

In the reporting period, no non-equity or equity securities were issued, redeemed or repaid

6.15 Dividend paid or declared

No dividend was paid in the period covered by this report.

6.16 Subsequent events that might affect the Company's results.

On 28 April 2023, Przemysław Danowski submitted a statement of his resignation as a member of the Company's Supervisory Board with immediate effect. Przemysław Danowski did not give reasons for his resignation.

On 12 May 2023, a meeting of the Supervisory Board was held, at which the Supervisory Board adopted a resolution to appoint Marek Wiechno as Supervisory Board Chairman. The election was made due to the resignation of the previous Supervisory Board Chairman Przemysław Danowski from the Supervisory Board with immediate effect, which was announced by the Issuer in Current Report No. 11/2023 of 28 April 2023. At the same time, the Supervisory Board appointed Krzysztof Kaczmarczyk as Deputy Chairman of the Supervisory Board.

On 19 May 2023, the Audit Committee appointed Zbigniew Więclaw as Chairman of the Audit Committee. The election of the new chairman was related to the fact that the previous Audit Committee chairman Marek Wiechno took up the role of Supervisory Board Chairman.

6.17 Contingent liabilities and contingent assets

The Group has no contingent assets. Contingent liabilities were described in detail in the Annual Report for 2022.

6.18 Operating segments

Operating segments in the standalone financial statements

Specification 01.01.2023 - 31.03.2023		Continued operations		Total
		Detection modules	Semiconductor materials	
	including:	17,378	1,850	19,227
Segment income	Revenue from sales	15,462	1,580	17,041
	Other operating income	1,916	270	2,186
	including:	14,289	894	15,183
Segment costs	Cost of products, services and materials sold	7,166	894	8,060
	Selling costs	2,356	0	2,356
	General and administrative expenses	4,159	169	4,328
	Other operating costs	439	0	439
Segment's profit/(loss).		3,258	786	4,044
Profit/(loss) from continued operations before tax and financial income (costs)		3,089	786	4,044
Interest income		0	0	0
Interest expense		645	113	757
Significant items of income		42	153	195
Significant cost items disclosed		268	0	268
Profit/(loss) before tax		2,387	826	3,214
Income tax		514	0	514
Profit (loss) after tax		1,873	826	2,700
Total assets		211,652	54,946	266,598
Segment assets		211,652	54,946	266,598

Specification 01.01.2023 - 31.03.2023	Continued operations		Total
	Detection modules	Semiconductor materials	
Total liabilities	69,896	48,423	118,320
Segment liabilities	69,896	48,423	118,320
Other segment information			
Capital expenditure	94,552	40,304	134,856
- tangible assets	78,218	38,600	116,818
- intangible assets	16,334	1,704	18,038
Depreciation/ amortisation	2,646	176	2,822

Specification 01.01.2022 - 31.12.2022		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	72,231	4,650	76,881
	Revenue from sales	64,462	4,149	68,611
	Other operating income	7,769	502	8,270
Segment costs	including:	59,205	4,513	63,718
	Cost of products, services and materials sold	30,417	3,060	33,477
	Selling costs	7,713	85	7,798
	General and administrative expenses	18,891	659	19,550
	Other operating costs	2,185	708	2,893
Segment profit/(loss)		13,025	137	13,163
Profit/(loss) from continued operations before tax and financial income (costs)		13,025	137	13,163
Interest expense		907	320	1,227
Significant items of income		226	142	368
Significant items of costs		103		103
Profit/(loss) before tax		12,242	-40	12,201
Income tax		-465		-465
Profit (loss) after tax		11,777	-40	11,737
Total assets		209,852	50,898	260,750
Segment assets		209,852	50,898	260,750
Total liabilities		76,208	38,963	115,171
Segment liabilities		76,208	38,963	115,171
Other segment information				
Capital expenditure		94,944	37,990	132,934
- tangible assets		77,216	36,286	113,502
- intangible assets		17,728	1,704	19,432
Depreciation/ amortisation		9,025	325	9,349

Specification 01.01.2022 - 31.03.2022		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	12,855	629	13,484
	Revenue from sales	11,192	535	11,728

Specification 01.01.2022 - 31.03.2022		Continued operations		Total
		Detection modules	Semiconductor materials	
	Other operating income	1,663	93	1,756
Segment costs	including:	11,056	873	11,928
	Cost of products, services and materials sold	2,932	169	3,101
	Selling costs	1,861	85	1,946
	General and administrative expenses	5,556	174	5,730
	Other operating costs	707	445	1,152
Segment profit/(loss)		1,800	-244	1,556
Profit/(loss) from continued operations before tax and financial income (costs)		1,800	-244	1,556
Interest expense		170	68	238
Significant items of income				
Significant items of costs		230	71	301
Profit/(loss) before tax		1,399	-383	1,016
Income tax		-2,592		-2,592
Profit (loss) after tax		3,990	-383	3,608
Total assets		186,270	36,882	223,152
Segment assets		186,270	36,882	223,152
Total liabilities		67,999	18,479	86,478
Segment liabilities		67,999	18,479	86,478
Other segment information				
Capital expenditure		90,918	26,141	117,059
- tangible assets		79,875	24,425	104,299
- intangible assets		11,043	1,717	12,760
Depreciation/ amortisation		1,715	54	1,769

Operating segments in the consolidated financial statements

Specification 01.01.2023 - 31.03.2023		Continued operations		Total
		Detection modules	Semiconductor materials	
	including:	19,524	1,850	21,374
Segment income	Revenue from sales	17,170	1,580	18,750
	Other operating income	1,916	270	2,186
Segment costs	including:	17,466	894	18,360
	Cost of products, services and materials sold	8,536	894	9,430
	Selling costs	2,996	0	2,996
	General and administrative expenses	4,018	169	4,187
	Other operating costs	611	0	611
Segment's profit/(loss).		2,925	786	3,711
Profit/(loss) from continued operations before tax and financial income (costs)		2,925	786	3,711
Interest income		0	0	0
Interest expense		645	113	757

Specification 01.01.2023 - 31.03.2023	Continued operations		Total
	Detection modules	Semiconductor materials	
Significant items of income	42	153	195
Significant cost items disclosed	268	0	268
Profit/(loss) before tax	2,188	826	3,014
Income tax	514	0	514
Profit (loss) after tax	1,674	826	2,500
Total assets	171,315	54,946	226,261
Segment assets	171,315	54,946	226,261
Total liabilities	70,946	48,423	119,369
Segment liabilities	70,946	48,423	119,369
Other segment information			
Capital expenditure	94,552	40,304	134,856
- tangible assets	78,218	38,600	116,818
- intangible assets	16,334	1,704	18,038
Depreciation/ amortisation	2,646	176	2,822

Specification 01.01.2022 - 31.12.2022		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	71,494	4,650	76,144
	Revenue from sales	63,725	4,149	67,874
	Other operating income	7,769	502	8,270
Segment costs	including:	62,927	4,513	67,440
	Cost of products, services and materials sold	29,735	3,060	32,795
	Selling costs	10,310	85	10,395
	General and administrative expenses	20,015	659	20,674
	Other operating costs	2,868	708	3,576
Segment profit/(loss)		8,567	137	8,704
Profit/(loss) from continued operations before tax and financial income (costs)		8,567	137	8,704
Interest expense		907	320	1,227
Significant items of income		226	142	368
Significant items of costs		214		214
Profit/(loss) before tax		7,724	-40	7,684
Income tax		-465		-465
Profit (loss) after tax		7,259	-40	7,219
Total assets		168,010	50,898	218,908
Segment assets		168,010	50,898	218,908
Total liabilities		76,528	38,963	115,491
Segment liabilities		76,528	38,963	115,491
Other segment information				
Capital expenditure		94,944	37,990	132,934
- tangible assets		77,216	36,286	113,502

Specification 01.01.2022 - 31.12.2022	Continued operations		Total
	Detection modules	Semiconductor materials	
- intangible assets	17,728	1,704	19,432
Depreciation/ amortisation	9,025	325	9,349

6.19 Consolidation adjustments

Items of the statement of financial position for 01.01.2023-31.03.2023 (in PLN thousand)	Dr amount	Cr amount
Elimination of financial receivables	-4,363	
Elimination of trade receivables	-1,597	-515
Elimination of inventories	450	-358
Elimination of financial liabilities		-4,363
Elimination of trade liabilities	-515	-1,597
Total	-6,024	-6,833
Items of the statement of comprehensive income for 01.01.2023-31.03.2023 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-374	-479
Elimination of the cost of products and services sold	-450	-16
Elimination of selling costs	-479	
Total	-1,303	-494
Total consolidation adjustments		
Total	-7,327	-7,327

6.20 Related party transactions

In the reporting period, the Company granted loans of PLN 435 thousand to related parties. Their carrying amount as at 31 March 2023 was PLN 3,834 thousand.

Commercial transactions with VIGO Photonics USA:

- Sale of products of PLN 374 thousand.
- The current costs of the period include a contractual commission on sales of PLN 489 thousand.

Ożarów Mazowiecki, 23 May 2023

Adam Piotrowski
Management Board
President

Łukasz Piekarski
Management Board
Member

Marcin Szron
Management Board
Member

Sylwia Wiśniewska-Filipiak
Chief Accountant