



VIGO Photonics Group

CONSOLIDATED QUARTERLY REPORT
for the period from 1 January 2024 to 30 September 2024
containing the interim condensed consolidated financial
statements of VIGO Photonics Group prepared in accordance
with IFRS

Ożarów Mazowiecki, 26 November 2024.

Table of contents

TABLE OF CONTENTS	2
1 SELECTED CONSOLIDATED FIGURES	3
2 INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS	4
2.1 DESCRIPTION OF THE ACTIVITIES OF VIGO PHOTONICS GROUP AND INFORMATION ABOUT THE PARENT COMPANY VIGO PHOTONICS S.A.	4
2.2 ACTIVITIES IN THE SPECIAL ECONOMIC ZONE (HEREINAFTER REFERRED TO AS "SEZ") – TAX EXEMPTION	4
2.3 CONTACT DETAILS	5
2.4 DESCRIPTION OF VIGO PHOTONICS GROUP	5
2.5 EFFECTS OF CHANGES IN THE STRUCTURE OF THE ECONOMIC ENTITY	5
2.6 OPINION OF THE MANAGEMENT BOARD ON THE POSSIBILITY OF ACHIEVING THE PREVIOUSLY PUBLISHED EARNINGS FORECASTS	5
2.7 THE OWNERSHIP STRUCTURE OF VIGO PHOTONICS	6
2.8 GOVERNING BODIES OF VIGO PHOTONICS GROUP	6
2.9 SHAREHOLDINGS BY EXECUTIVE AND NON-EXECUTIVE DIRECTORS OF VIGO PHOTONICS	6
2.10 REPORTED PERIODS	6
2.11 THE BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7
2.12 SIGNIFICANT ACCOUNTING POLICIES	7
2.13 PLN EXCHANGE RATES	7
3 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	8
4 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	13
4.1 SUMMARY OF ACTIVITIES OF VIGO PHOTONICS IN THE THIRD QUARTER OF 2024	13
4.2 FACTORS AFFECTING THE GROUP'S PERFORMANCE IN Q3 2024 AND IN SUBSEQUENT PERIODS	17
4.3 OTHER SIGNIFICANT INFORMATION	19
4.4 IMPLEMENTATION OF R&D PROJECTS	19
4.5 SEASONALITY AND CYCLICALITY OF BUSINESS	20
4.6 IMPAIRMENT ALLOWANCES	20
4.7 PROVISIONS	21
4.8 PROPERTY, PLANT AND EQUIPMENT	22
4.9 COURT DISPUTES	22
4.10 CORRECTION OF ERRORS FROM PREVIOUS PERIODS	22
4.11 OUTSTANDING LOANS AND ADVANCES AND BREACHES OF CREDIT AGREEMENTS	23
4.12 FINANCIAL INSTRUMENTS	24
4.13 CHANGES IN THE PRINCIPLES OF DETERMINING THE VALUE OF ASSETS AND LIABILITIES AND MEASURING THE FINANCIAL RESULT	24
4.14 SIGNIFICANT LIABILITIES ON ACCOUNT OF PURCHASE OF TANGIBLE ASSETS	24
4.15 ISSUE, REDEMPTION OR REPAYMENT OF NON-EQUITY AND EQUITY INSTRUMENTS	24
4.16 DIVIDEND PAID OR DECLARED	24
4.17 SUBSEQUENT EVENTS THAT MIGHT AFFECT THE RESULTS	24
4.18 CONTINGENT LIABILITIES AND CONTINGENT ASSETS	24
4.19 OPERATING SEGMENTS	25
4.20 CONSOLIDATION ADJUSTMENTS	27
4.21 RELATED PARTY TRANSACTIONS	28

1 Selected consolidated figures

Financial highlights	PLN '000					EUR '000				
	01.07.2024 30.09.2024	01.01.2024- 30.09.2024	01.07.2023- 30.09.2023 ¹ (restated)	01.07.2023 30.09.2023	01.01.2023 30.09.2023	01.07.2024 30.09.2024	01.01.2024 30.09.2024	01.07.2023- 30.09.2023*(restated)	01.07.2023 30.09.2023	01.01.2023 30.09.2023
Interim consolidated statement of comprehensive income										
Net revenue from the sale of products, services, goods and materials	15,672	54,235	16,571	17,205	53,576	3,643	12,606	3,914	4,064	12,655
Cost of sales	9,535	29,622	7,933	8,567	27,187	2,216	6,885	1,874	2,024	6,422
Operating profit (loss)	-3,046	-2,165	2,054	2,465	8,714	-708	-503	485	582	2,058
Profit (loss) before tax	-4,129	-4,384	11	421	7,681	-960	-646	3	99	1,814
Profit (loss) after tax	-4,413	-4,780	406	650	7,089	-1,026	-738	96	154	1,675
Number of shares	874,799	874,799	729,000	729,000	729,000	874,799	874,799	729,000	729,000	729,000
Net profit (loss) per ordinary share (PLN/EUR)	-5.04	-5.46	0.56	0.89	9.72	-1.17	-1.27	0.13	0.21	2.30

Financial highlights	PLN '000			EUR '000		
	30.09.2024	30.06.2024	31.12.2023	30.09.2024	30.06.2024	31.12.2023
Interim consolidated statement of financial position						
Non-current assets	228,798	227,957	225,396	53,469	52,854	51,839
Current assets	55,327	69,279	96,874	12,930	16,063	22,280
Equity	192,565	196,460	198,180	45,001	45,551	45,580
Long-term liabilities	65,170	71,603	80,168	15,230	16,602	18,438
Short-term liabilities	26,390	29,173	43,922	6,167	67 64	10,102
Book value per share (equity/number of shares)	220.12	224.58	271.85	51.44	51.91	62.52

Financial highlights	PLN '000		EUR '000	
	from 01.01.2024 to 30.09.2024	from 01.01.2023 to 30.09.2023	from 01.01.2024 to 30.09.2024	from 01.01.2023 to 30.09.2023
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS				
Net cash flows from operating activities	4,948	14,793	1,150	3,494
Net cash flows from investing activities	-15,404	-9,238	-3,580	-2,182
Net cash flows from financing activities	31,508	-3,389	7,324	-800

¹ *Restated data are described in point 4.10 of this report

2 Introduction to the consolidated financial statements

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

VIGO Photonics S.A. ("Company") 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 Company provides ready-made and customised solutions, which allow to create products dedicated to a given customer's application.

The Company 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 Company 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 Company 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 Company 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 S.A. 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.

VIGO System S.A. based in Ożarów Mazowiecki was created on 20 February 2002 as a result of transformation of VIGO Photonics Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw entered in the National Court Register in the District Court for the capital city of Warsaw in Warsaw under KRS 0000110129.

VIGO Photonics Spółka Akcyjna was established by notarial deed 1459/2002 of 20 February in the Notary's Office of Krzysztof Łaski – Notary in Warsaw and was entered in the National Court Register – Register of Entrepreneurs on 21 May 2002 under KRS number 0000113394. Its duration is indefinite (it is a going concern).

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

2.2 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
Class 32.10 - Electronic tubes and other electronic components
- b. Section D, subsection DL, Division 33
Class 33.20 - Instruments and appliances for measuring, checking, navigating and similar instruments and appliances, and instruments
- c. Class 33.30 - Optical instruments and photographic equipment
Section K, Division 73
Class 73.10 - Research and development services for natural sciences and engineering.

2.3 Contact details

Name: VIGO Photonics Spółka Akcyjna
Registered office: Ożarów Mazowiecki
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

2.4 Description of VIGO Photonics Group

The Company's Group includes the following entities:

- VIGO Photonics Taiwan – a company established in 2020 as a sales office in the East Asia region. The Company has a 100% stake in VIGO Photonics Taiwan worth PLN 66 thousand. Currently, the company is in liquidation.
- VIGO Photonics Inc – a company established in 2021 as a sales office in the North American region. The Company has a 100% stake in VIGO Photonics Inc. worth PLN 470 thousand.
- 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. As at 30 June 2024, VIGO Photonics S.A. had 50% stake in VIGO Ventures ASI Sp. z o.o.o with a value of PLN 17,347 thousand.

Data from the statement of turnover and balances of VIGO Ventures ASI Sp. z o. o. and VIGO Ventures ASI Sp. z o.o. as at 30 September 2024 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	41,187	9,815	32,919	-1,547	41,307	40,168	1,139	120	105

2.5 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.

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

The Company did not publish any earnings forecasts.

2.7 The ownership structure of VIGO Photonics

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 30 September 2024 (26 November 2024), 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.	124,800	14.27%	124,800	14.27%
Józef Piotrowski	85,290	9.75%	85,290	9.75%
Investors TFI	58,178	6.65%	58,178	6.65%
OFE Allianz Polska S.A.	56,735	6.49%	56,735	6.49%
Janusz Kubrak	48,100	5.50%	48,100	5.50%
Others	501,696	57.35%	501,696	57.35%
Total	874,799	100.00%	874,799	100.00%

2.8 Governing bodies of VIGO Photonics Group

As at the date of publication of the Q3 2024 report, the Management Board consisted of:

- Adam Piotrowski – President of the Management Board
- Łukasz Piekarski – Member of the Management Board
- Marcin Szrom – Member of the Management Board.

As at the date of publication of the Q3 2024 report, the Company's Supervisory Board consisted of:

- Marek Wiechno - Chairman of the Supervisory Board (resolution of the Supervisory Board of 12 May 2023)
- 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
- Krzysztof Dziewicki – Member of the Supervisory Board (appointed on 29 June 2023)

Composition of the Audit Committee of the Supervisory Board:

- Zbigniew Więclaw – Chairman of the Audit Committee (resolution of the Supervisory Board of 19 May 2023)
- Marek Wiechno – Member of the Audit Committee
- Krzysztof Kaczmarczyk – Member of the Audit Committee.

2.9 Shareholdings by executive and non-executive directors of VIGO Photonics

As at 26 November 2024, members of the Management Board held the following shares in the Company:

- Adam Piotrowski held 474 shares (nominal value of shares: PLN 474)
- Łukasz Piekarski held 485 shares (nominal value of shares: PLN 485).

As at 15 November 2023, members of the Company's Supervisory Board held the following shares in the Company:

- 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)
- Krzysztof Dziewicki held 1,274 shares (nominal value of shares: PLN 1,274).

2.10 Reported periods

The interim condensed consolidated statement of financial position includes data for the period from 1 January 2024 to 30 September 2024. Comparative data are presented as at 31 December 2023 for the interim condensed consolidated statement

of financial position and for the period from 1 January 2023 to 30 September 2023 for the interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and condensed statement of changes in equity.

2.11 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 2023, approved for publication on 23 April 2024 and the half-yearly report for the period from 1 January 2024 to 30 June 2024, approved for publication on 24 September 2024.

These interim condensed consolidated financial statements for the nine-month period of 2024 ended 30 September 2024 were approved for publication by the Management Board on 26 November 2024.

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

The Group’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.

2.12 Significant accounting policies

Significant accounting policies applied in this report are described in detail in point 2.14 of the consolidated half-yearly financial statements drawn up as at 30 December 2024.

2.13 PLN exchange rates

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

Ref.	Description	01.01.2024- 30.09.2024	01.01.2023- 31.12.2023	01.01.2023- 30.09.2023
1.	Average exchange rate at the end of the period	4.2791	4.3480	4.6356
2.	Average exchange rate for the period	4.3022	4.5283	4.5773

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.

3 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Specification	As at 30.09.2024	As at 30.06.2024	As at 31.12.2023	As at 30.09.2023
ASSETS				
Non-current assets	228,798	227,957	225,396	231,042
Property, plant and equipment	106,052	107,861	111,908	114,273
Intangible assets	49,623	25,149	29,918	15,250
Right of use assets	3,841	3,777	3,797	3,795
Development expenditure	47,172	69,582	59,225	69,107
Deferred tax assets	7,498	7,772	7,846	21,509
Investments in jointly controlled entities	14,592	13,802	12,648	7,065
Prepayments	21	14	54	43
Current assets	55,327	69,279	96,874	36,216
Inventories	18,214	16,323	12,033	16,941
Trade receivables	10,736	18,820	15,934	13,371
Other receivables	1,617	1,168	1,905	1,165
Called up share capital			62,694	
Other financial receivables	14	15	294	40
Prepayments	896	1,062	1,208	266
Cash and cash equivalents	23,851	31,891	2,806	4,434
TOTAL ASSETS	284,125	297,236	322,270	267,258
EQUITY AND LIABILITIES				
Equity	192,565	196,460	198,180	145,784
Share capital	875	875	729	729
Share premium account	69,767	69,708	71,075	8,865
Revaluation reserve	129	129	108	105
Other capitals	126,009	125,708	128,827	128,996
FX differences arising on translation of affiliates in foreign currency	565	407	423	
Profit (loss) of the current period	-4,780	-367	-2,982	7,089
Long-term liabilities	65,170	71,603	80,168	83,562
Bank and other loans	12,911	14,591	18,803	22,771
Deferred income	51,118	55,944	60,297	59,838
Provision for pensions and similar benefits	204	204	204	204
Lease obligations	937	864	864	748
Short-term liabilities	26,390	29,173	43,922	37,912
Bank and other loans	9,519	12,865	32,530	24,629
Trade and other liabilities	2,389	2,872	2,794	3,394
Other liabilities	1,666	2,123	1,300	2,427
Lease obligations				38
Deferred income	8,865	5,834	3,172	3,076
Provision for pensions and similar benefits	2,518	2,518	2,021	2,422
Other provisions	1,432	2,960	2,105	1,898
TOTAL EQUITY AND LIABILITIES	284,125	297,236	322,270	267,258

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Specification	01.07.2024 - 30.09.2024	01.01.2024 - 30.09.2024	01.07.2023 - 30.09.2023* (restated)²	01.07.2023 - 30.09.2023	01.01.2023 - 30.09.2023
Revenue from sales	15,673	54,235	16,571	17,205	53,576
Revenue from the sale of products	15,011	52,766	15,731	16,365	51,334
Revenue from the sale of services	658	1,411	562	562	1,917
Revenue from the sale of goods and materials	3	58	277	277	324
Cost of products, goods and materials sold	9,535	29,622	7,933	8,567	27,187
Cost of production of products and services sold	9,535	29,566	7,877	8,511	27,131
Value of goods and materials sold		56	56	56	56
Gross profit (loss) on sale	6,138	24,613	8,637	8,637	26,388
Selling costs	3,516	9,725	2,694	2,283	6,954
General and administrative expenses	6,338	18,196	4,716	4,716	13,748
Other operating income	2,729	7,479	1,666	1,666	5,551
Other operating costs	2,058	6,336	838	838	2,522
Profit (loss) on operating activities	-3,052	-2,165	2,054	2,465	8,714
Financial income	-66	670			600
Financial costs	797	2,115	2,044	2,044	1,633
Gain/loss from valuation of shares using the equity method	219	773			
Profit/ loss before tax	-4,130	-4,384	11	421	7,681
Income tax	284	397	-229	-229	592
Net profit (loss) on continued operations	-4,413	-4,780	240	650	7,089
Profit (loss) after tax	-4,413	-4,780	240	650	7,089
Components of other comprehensive income:	440	304	166	166	172
Actuarial gains (losses) on defined benefit plans		21			6
Exchange differences on translation	439	283	166	166	166
Total comprehensive income	-3,973	-4,476	406	816	7,261
Net profit (loss) per share (in PLN)	-5.04	-5.46	0.33	0.33	9.72
Basic for the financial period	-5.04	-5.46	0.89	0.89	9.72
Diluted for the financial period	-5.04	-5.46	0.89	0.89	9.72

² *Restated data are described in point 4.10 of this report

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Specification	For the period:	For the period:
	from 01.01.2024 to 30.09.2024	from 01.01.2023 to 30.09.2023
	OPERATING ACTIVITIES	
Profit/ loss before tax	-4,384	7,681
Income tax	397	592
Profit/ loss after tax	-4,780	7,089
Total adjustments:	9,381	7,201
Depreciation/ amortisation	14,043	9,054
FX gains (losses)	-106	-309
Interest and profit distributions (dividends)	1,535	1,587
Profit (loss) on investing activities		17
Change in the balance of provisions	-155	393
Change in the balance of inventories	-6,181	-1,660
Change in the balance of receivables	5,684	1,828
Change in liabilities, except for bank and non-bank loans	-13	174
Change in prepayments	858	719
Change in accrued income	-7,058	-5,111
Change in lease obligations		-14
Profit (loss) of entities accounted for using the equity method	773	
Other adjustments		521
Cash from operating activities	4,997	14,882
Income tax (paid)/ returned	-49	-89
A. Net cash flows from operating activities	4,948	14,793
	INVESTING ACTIVITIES	
Inflows	3,148	12,616
Grants received	3,060	12,601
Proceeds from the sale of tangible assets	5	15
Proceeds from the sale of shares	80	
Interest received on loans granted	4	
Outflows	-18,552	-21,853
Acquisition of intangible and tangible assets	-1,237	-6,451
Expenditure on acquisition of shares	-2,717	-845
Expenditure on in-process development	-14,598	-14,518
Loans granted		-40
B. Net cash flows from investing activities	-15,404	-9,238
	FINANCING ACTIVITIES	
Inflows	62,646	6,223
Bank and other loans	997	6,223
Net proceeds from the issue	61,532	
Interest received	117	
Outflows	-31,139	-9,612
Repayment of bank and other loans	-29,299	-7,850
Interest and fees	-1,821	-1,736
Lease payments	-18	-27
C. Net cash flows from financing activities	31,508	-3,389
D. Total net cash flows	21,052	2,167
E. Balance sheet change in cash	21,045	2,175
– change in cash due to FX differences	-8	8
F. Cash at the beginning of the period	2,806	2,258
G. Cash at the end of the period	23,851	4,434

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Specification	Share capital	Share premium account	Revaluation reserve	Other capitals	Differences from revaluation	Profit (loss) of the current period	Total equity
Nine months ended 30 September 2024							
Equity as at 01.01.2024	729	71,075	108	128,827	423	-2,982	198,180
Profit (loss) of the period						-4,780	-4,780
Distribution of profit (loss) for 2023				-2,981		2,981	
Supplementary capital from the issue of series F shares	146	-1,308					-1,162
Differences from revaluation				304	142		446
Retained earnings/ loss				-138			-138
Other comprehensive income: actuarial gains/losses			21				21
Equity as at 30.09.2024	875	69,767	129	126,012	565	-4,780	192,567
Twelve months ended 31 December 2023							
Equity as at 01.01.2023	729	8,865	99	121,611		7,219	138,523
Correction of errors from previous years				-85		4	-81
Equity as at 01.01.2023 after corrections	729	8,865	99	121,526		7,223	138,442
Total changes in equity		62,209	9	78	423	-10,205	59,737
Profit (loss) of the period						-2,982	-2,982
Distribution of profit (loss) for 2022				7,223		-7,223	
Supplementary capital from the issue of series F shares		62,209					62,209
Differences from revaluation					423		423
Correction of errors from previous years				78			78
Other comprehensive income: actuarial gains/losses			9				9
Equity as at 31.12.2023	729	71,075	108	128,827	423	-2,982	198,180
Nine months ended 30 September 2023							

VIGO Photonics S.A. – Consolidated quarterly report for the third quarter of 2024

Equity as at 01.01.2023	729	8,865	99	121,611		7,219	138,524
Profit (loss) of the period						7,089	7,089
Distribution of profit (loss) for 2022				7,219		-7,219	
Other comprehensive income:							
- actuarial gains/losses			6	166			172
- exchange differences on translation							
Equity as at 30.09.2023	729	8,865	105	128,996		7,089	145,784

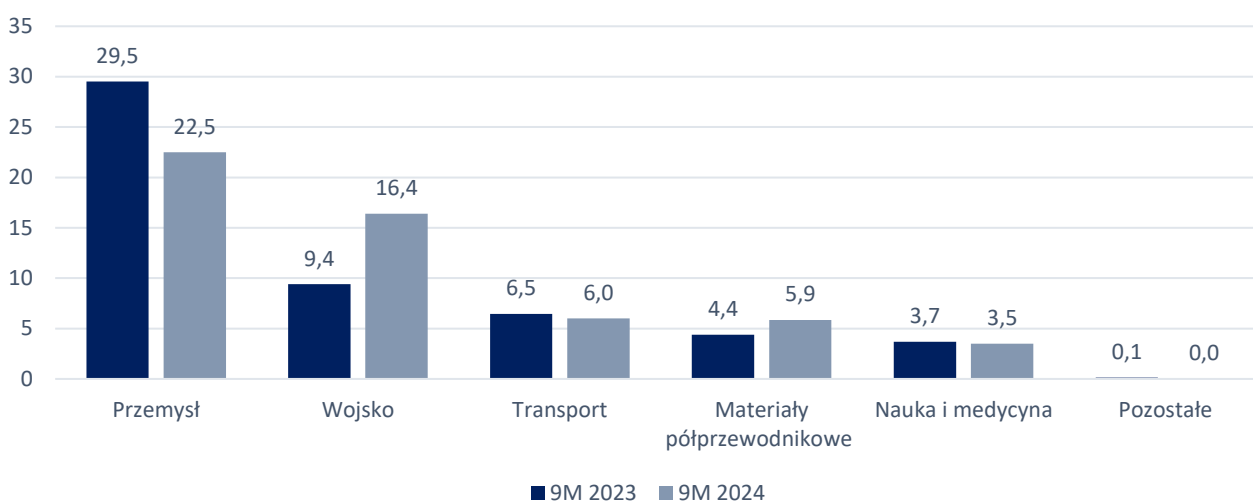
4 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4.1 Summary of activities of VIGO Photonics in the third quarter of 2024

In the third quarter of 2024, the Company posted sales revenue of PLN 15.67 million, down 5.4% on the same period of 2023. The Company's sales increased by 1.23% to PLN 54.24 million on a year-to-date basis.

In Q3 YTD Company achieved the highest growth in the military segment – up 73.97% YoY, and in the sale of semiconductor materials (up 33.43% YoY).

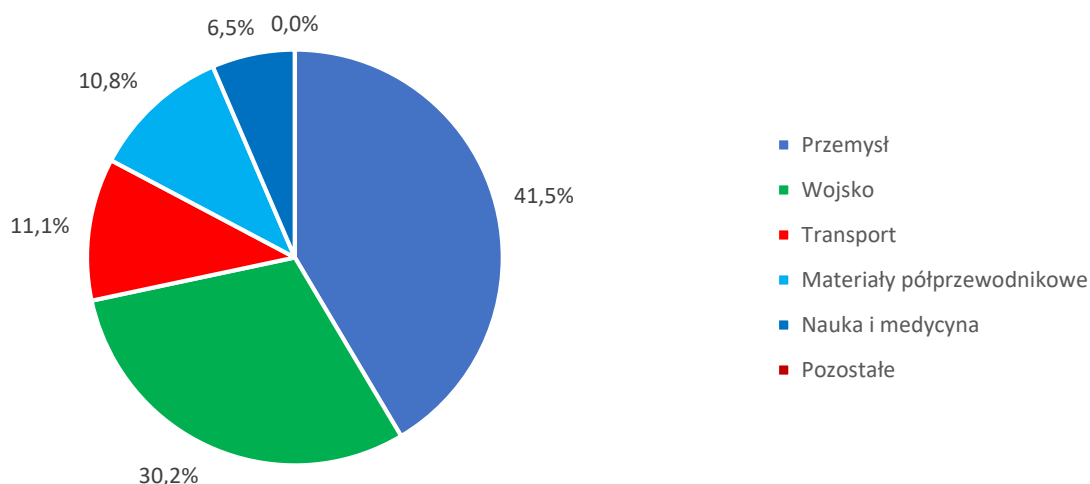
Chart1. Total sales for 9 months of 2023 and 2024 by application [PLN thousand]



The results for the 9 months of 2024 were driven by the following factors:

- The increase in revenues in the military segment caused by greater demand for the Company's products related to the increase in military spend in Poland and other European countries.
- Gradual increase in production orders in the semiconductor materials segment, which is related to the completion of development processes and customers' transition to serial production;

Chart 2 Total sales for 9 months of 2024 by application [%]



Until the end of Q3 2024, the status of implementation of significant agreements and orders was as follows:

- Agreement with a Caterpillar group company of 31 July 2023 with a value of EUR 3.7 million (information on the agreement was provided in current report No. 30/2023 of 31 July 2023) has been completed in 64.52%;
- Agreement with a PGZ group company of 29 August 2023 with a value of EUR 15.8 million (information on the agreement was provided in current report No. 31/2023 of 29 August 2023) has been completed in 2.2%;

4.1.1 Costs of core activities

For the 9 months of 2024, cost of goods and services sold reached PLN 29.6 million, up 9% than in the corresponding period of 2023, which is mainly related to:

- An increase in production and sales volume;
- An increase in amortisation costs related to the adoption of new intangible assets (technologies);
- Employment cost growth.

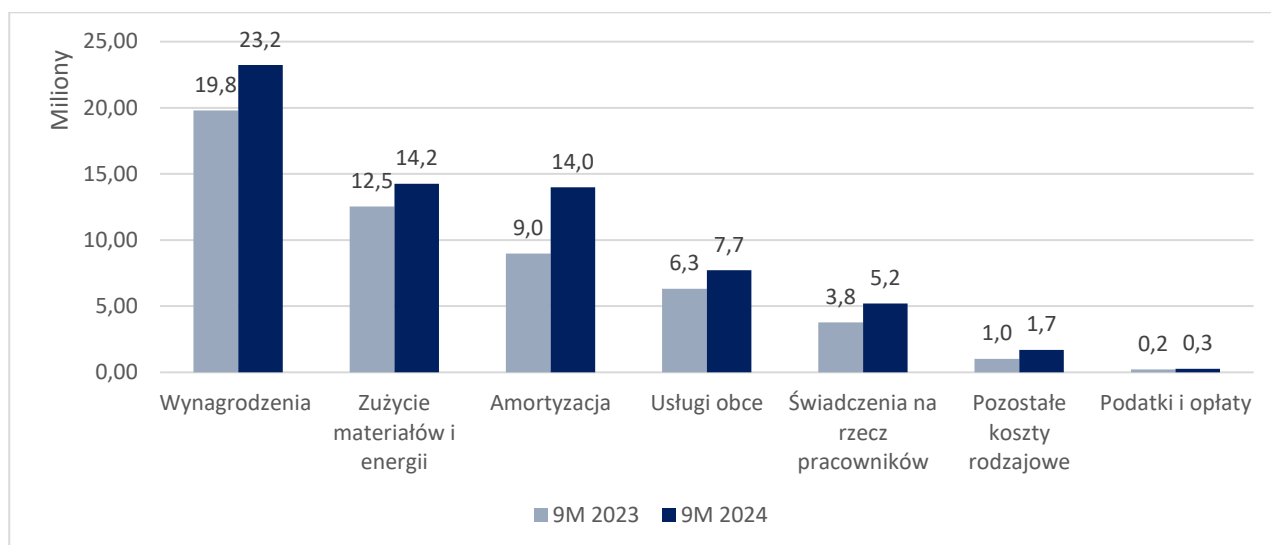
The differences between standalone and consolidated data are listed below:

Items of the statement of financial position for 01.01.2024-30.09.2024 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-1,961	-1,485
Elimination of the cost of products and services sold		-1,993
Elimination of the value of goods and materials sold	-280	
Elimination of selling costs	-1,202	
Elimination of general and administrative expenses	-3	
Elimination of other operating income	-32	
Elimination of financial costs	-169	
Elimination of financial income		-169

General and administrative expenses for the 9 months of 2024 reached PLN 18.2 million, up 32.4% YoY.

Selling costs for the 9 months of 2024 were PLN 9.73 million, up 39.8% YoY.

The Company's total costs of core activities (alongside other operating costs) for the 9 months of 2024 were PLN 63.9 million, up 26.7% YoY.

Chart 3 Costs by type [PLN m]³

4.1.2 Profit (loss)

Operating loss (EBIT⁴) for the first 9 months of 2024 amounted to PLN -2.17 million (compared to PLN 8.7 million for the first 9 months of 2023). Adjusted⁵ EBITDA⁶ reached PLN 6.78 million, down 54.5% compared to 2023. For the 9 months of 2024, net loss came in at PLN 4.78 million.

The main factors affecting the net profit change on a year-on-year basis were:

- An increase in depreciation/ amortisation costs of PLN 5 million (up 56% YoY)
- An increase in employment costs of PLN 4.84 million (up 20.5% YoY).

In order to ensure comparability of data with previous periods, the management report also contains net profit adjusted for non-recurring items (i.e. excluding the deferred tax asset) – the adjusted net profit for 9 months of 2024 was PLN 4.43 million.

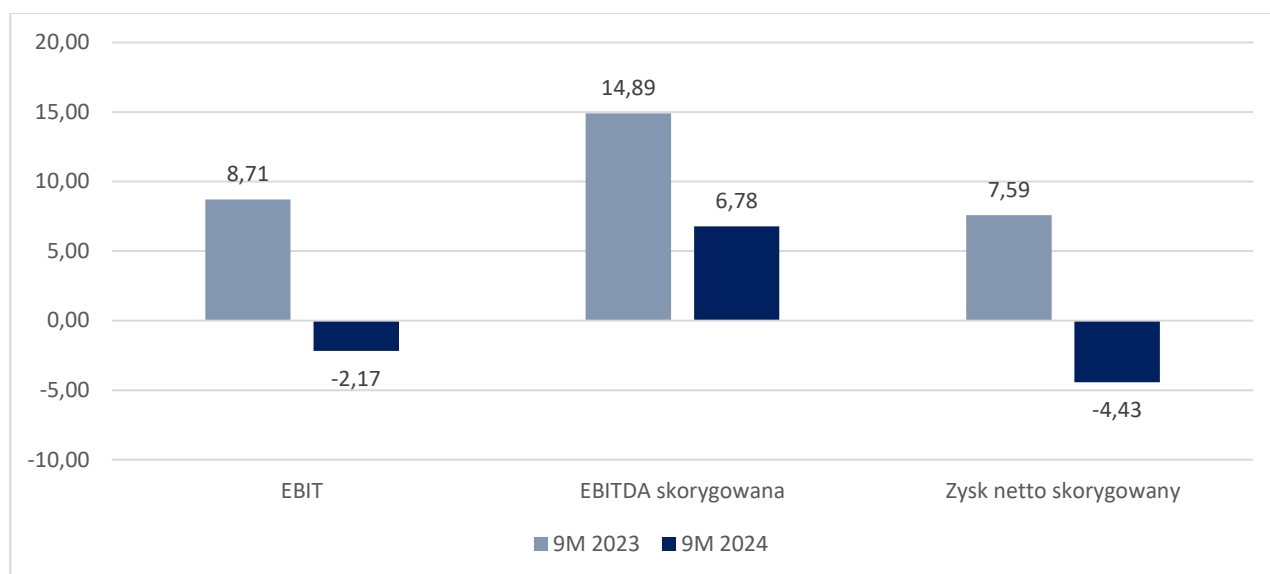
³The distribution of costs by type by category has changed compared to 2023 due to the modification of the cost mapping in an affiliate (the figures for 2023 have been recalculated in accordance with the new mapping in order to maintain comparability)

⁴ 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.

⁵ Adjusted EBITDA is the sum of the result (profit/loss) on operating activities and depreciation/ amortisation increased by the settlement of grants to tangible assets accounted for in parallel with depreciation/ amortisation.

⁶ 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 4 Financial results for the 9 months of 2023 and 2024 [PLN million]

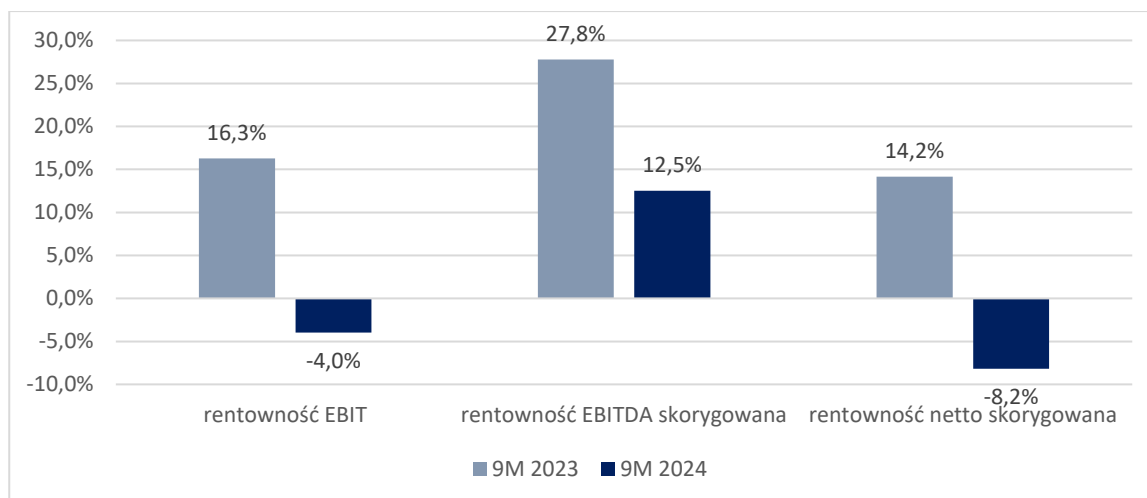


Specification (adjusted for non-recurring items)		9M 2024	9M 2023
EBIT	[PLN thousand]	-2,165	8,714
Adjusted EBITDA	[PLN thousand]	6,780	14,892
Operating profit (loss)	[PLN thousand]	-2,165	8,714
Depreciation/ amortisation	[PLN thousand]	14,043	9,023
Accounting for grants to tangible assets	[PLN thousand]	-5,098	-2 874*
Incentive scheme	[PLN thousand]	0	29
EBIT margin		-4.0%	16.3%
Adjusted EBITDA margin		12.5%	27.8%
Adjusted net profit margin		-8.2%	14.2%

(*) The adjusted EBITDA value for 2023 has been modified due to the incorrectly entered value of Accounting for grants to tangible assets.

Net profit margin (based on the adjusted result) for the 9 months of 2024 was -8.2%; adjusted EBITDA margin was 12.5%, while EBIT margin was -4%.

Chart 6 Profitability and margins earned for 9 months of 2023 and 2024 (%)



4.2 Factors affecting the Group's performance in Q3 2024 and in subsequent periods

4.2.1 Short-term outlook

Based on the current order book, the Company expects significant revenue growth in the next 4 quarters, especially in the following applications:

- Industrial, which is related to the marketing of a new family of LN2 cooled products, as well as the strong demand for gas analysis detectors, especially on the American and Asian markets;
- Military, which is related to the increase in orders from key customers from the European market, as well as ongoing development projects for customers from the American market;
- Semiconductor materials – in connection with the launch of serial production of laser structures for a European customer and the existing pipeline of development projects for other clients.

4.2.2 Long-term outlook

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

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

The Management Board identifies a number of potential business opportunities 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 adopted 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 focus was on:

- 1) Continuation of initiated 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.

In June 2021, the Company published the following strategic goals:

- 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

Due to unfavorable changes in the macroeconomic environment, the Company did not achieve its goal for 2022 and 2023.

However, a number of growth initiatives are under way that are intended to ensure a sustainable increase in sales revenues in the coming years.

2024-2026 Perspective

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

- Accelerating sales growth under development initiatives that form the core business (sales of infrared detectors and modules and semiconductor materials), by supporting operational activities throughout the value chain, in particular investments in the development of own sales structures in key markets and continued development of technologies and new products, in order to further strengthen own position as a leading supplier of mid-infrared photon detectors and a supplier of semiconductor materials for applications in photonics and microelectronics.
- Continuation of the project related to the development of infrared detector array technology for civilian and military applications and the launch of serial production of infrared detector arrays.
- Continuation of the project related to the development of infrared detector array technology for civilian and military applications and the launch of serial production of infrared detector arrays. Implementation of a project related to the development of photonic integrated circuit technologies and their subsequent implementation into serial production as part of the PIC Initiative. The key project under this initiative is HyperPIC, for which a decision was obtained from the European Commission approving public aid of EUR 102.9 million. The decision on a grant for the Group and on its final amount was taken as part of the competition procedure within the European Funds for a Modern Economy programme. On 15 May 2024, the Company's Management Board announced that the National Center for Research and Development (NCBR) had signed an agreement with the Company for co-financing the Issuer's project entitled: "HyperPIC - Photonic integrated circuits for mid-infrared applications" ("Project") under Priority II. An environment conducive to innovation Measure 2.10 IPCEI Recruitment FENG.02.10-IP.01-002/23, European Funds for a Modern Economy 2021-2027. The Project will be implemented as part of the integrated European project IPCEI ME/CT (Important Projects of Common European Interest on Microelectronics and Communication Technologies). The Issuer informed about the decision of the European Commission approving the maximum level of public aid in the project in Current Report No. 22/2023 of 12 June 2023, and about being included in the list of entities recommended for co-financing in Current Report No. 13/2024 of 23 February 2024. The aim of the project is to develop and implement the technology of photonic integrated circuits intended for mid-infrared detection, to build a complete production line of mid-infrared photonic integrated circuits and to create a complete supply chain for these systems. The project requires the development of new technologies, significant investment and operational expenditure, as well as expenditure on the commercialization of new products on a dynamic market. The total value of eligible costs in the Project is PLN 853,117,563.35, and the maximum amount of public aid is PLN 440,535,480.00, which corresponds to the so-called financial gap in the project. Eligible costs in the project include expenditure on research and development work, expenditure on the construction of a new production line and operating costs after launching the new production line. The update of eligible costs and grants expressed in PLN results from the fact that they are recalculated from the amounts expressed in EUR specified in the decision of the European Commission (approving the maximum level of public aid) at the exchange rate on the date of conclusion of the Agreement according to the average foreign exchange rate – announced by the National Bank of Poland – applicable on the date of granting the aid. The project is planned to be implemented in 2023-2029 and consists of two phases:

- R&D phase (2023-2027). The value of eligible costs in the R&D phase is PLN 146,366,042.37
- FID (First Industrial Deployment) phase (2024-2029), covering investments in a new production line and putting new products into production, including financing part of the operating costs during the deployment. The value of eligible costs in the FID phase is PLN 706,751,520.98 After the completion of the FID phase, serial production is planned to begin (post 2029), during which no public funding for the project is expected. The Company's Management Board expects that the eligible costs of the project in excess of the value of public funding will be covered from the Company's equity, from debt and/or, in particular in the FID phase, from other sources, such as a strategic project partnership and/or off-balance sheet financing in the project finance model.

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%.

4.3 Other significant information

4.4 Implementation of R&D projects

As part of the Group we implement the following R&D projects (details of individual projects are provided in the Company's Annual Report for 2023⁷):

Ref.	Project	Agreement date	Project budget for the Company [PLN thousand]	Grant for the Company	Project implementation period
1.	PEMIR - development of mid-infrared detectors using plasmonic amplification	15.03.2021	1,115	836	01.03.2021 31.01.2024
2.	MIRPIC - new transparent electrodes for VCSEL lasers	22.02.2021	472	354	01.10.2020 29.02.2024
3.	MATRIX - Integrated photonics circuit technologies for the mid-infrared range	25.05.2021	9,492	6,801	01.04.2021 31.12.2024
4.	TRIAGE - Ultra-broadband infrared gas sensor for pollution detection	01.01.2021	1,967 (EUR 420,392.25)	1,377 (EUR 294,274.58)	01.01.2021 31.08.2024
5.	Photogenic - Photonics on Germanium - New Industrial Consortium	22.06.2022	6,230 (EUR 1,331,250.00)	6,230 (EUR 1,331,250.00)	01.10.2022 30.09.2025
6.	AI-Prism - AI Powered human-centred Robot Interactions for Smart Manufacturing	23.05.2022	1,122 (EUR 239,700.00)	785 (EUR 167,790.00)	01.10.2022 30.09.2025

⁷ Available here: <https://vigophotonics.com/pl/reports/skonsolidowany-raport-roczny-za-2023-rok/>

Ref.	Project	Agreement date	Project budget for the Company [PLN thousand]	Grant for the Company	Project implementation period
7.	MINIBOT- Miniaturized Board-mountable Optical Transceiver for high data rate military satellite communications	02.12.2022	2,711 (EUR 609,098.84)	2,711 (EUR 609,098.84)	01.12.2022 30.11.2025
8.	OPMMEG – Optically- pumped magnetometer arrays for magnetoencephalography	04.11.2022	2,225 (EUR 500,000.00)	2,225 (EUR 500,000.00)	01.12.2022 30.11.2025
9.	IBAIA- Innovative environmental multisensing for waterbody quality monitoring and remediation assessment	30.11.2022	1,498 (EUR 336,625.00)	1,498 (EUR 336,625.00)	01.12.2022 30.11.2026
10.	BROMEDIR- Broadband MEMS- based infrared spectrometers: the core of a multipurpose spectral sensing photonic platform	17.11.2022	1,964 (EUR 441,375.00)	1,964 (EUR 441,375.00)	01.01.2023 30.06.2026
11.	LWIRPSBDA – Long wave detectors supported by dielectric antennas	14.06.2023	1,163	680	01.04.2023 31.03.2026

4.5 Seasonality and cyclicity of business

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

4.6 Impairment allowances

Change in inventory allowances

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 01.01.2024	1,730	156	405	2,291
Increases in the period 01.01.2024-30.09.2024:	785	93	42	919
recognition of allowances in correspondence with other operating costs	785	93	42	919
Status as at 30.09.2024	2,515	249	447	3,210
Status as at 01.01.2023	697	70	244	1,011
Increases in the period 01.01.2023-30.09.2023:	520	26	114	660
recognition of allowances in correspondence with other operating costs	520	26	114	660

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 30.09.2023	1,219	96	358	1,671

4.7 Provisions

	As at:	As at:	As at:
	30.09.2024	31.12.2023	30.09.2023
Provisions for retirement and disability severance payments	231	224	205
Provisions for holiday leaves	2,491	2,001	2,422
Total, including:	2,722	2,225	2,627
- long-term	204	204	202
- short term	2,518	2,021	2,425

Changes in provisions for pensions and similar benefits

	Provisions for retirement and disability severance payments	Provisions for holiday leaves
As at 01.01.2024	224	2,001
Provisions raised	7	490
Balance as at 30.09.2024, including:	231	2,491
- long-term	225	
- short term	6	2,491
As at 01.01.2023	187	1,950
Provisions raised	40	51
Provisions released	3	
Balance as at 31.12.2023, including:	224	2,001
- long-term	204	
- short term	20	2,001
As at 01.01.2023	187	1,950
Provisions raised	17	472
Balance as at 30.09.2023, including:	204	2,422
- long-term	201	
- short term	3	2,422

Other provisions

	As at:	As at:	As at:
	30.09.2024	31.12.2023	30.09.2023
Provision for remuneration	735	1,462	1,319
Provisions for warranty repairs and returns	648	596	580
Provision for the audit of financial statements	49	47	
Provision for probable future liabilities			1
Total, including:	1,432	2,105	1,900
- short term	1,432	2,105	1,900

Change in other provisions

	Provisions for warranty repairs and returns	Other provisions	Total
As at 01.01.2024	596	1,509	2,105
Recognised during the financial year	64	784	848
Released	12	1,509	1,521
Balance as at 30.09.2024, including:	648	784	1,432
- short term	648	784	1,432
As at 01.01.2023	584	1,416	2,000
Recognised during the financial year	164	134	298
Released	152	41	193
Balance as at 31.12.2023, including:	596	1,509	2,105
- short term	596	1,509	2,105
As at 01.01.2023	584	1,416	2,000
Recognised during the financial year	148	3	150
Released	152	99	251
Balance as at 30.09.2023, including:	580	1,320	1,900
- short term	580	1,320	1,900

Provision for employee bonuses

The Company recognised provisions (PLN 735 thousand) for remuneration related to the payment of the bonus for Q3 2024 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 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. In the reporting period, the Company recognised warranty provisions of PLN 52 thousand.

Provisions for retirement and disability severance payments, and holiday accruals

In the reporting period, the Company recognised provisions for retirement and disability severance payments, and holiday accruals of PLN 497 thousand.

4.8 Property, plant and equipment

In Q3 2024, tangible assets with a value of over PLN 1.22 million were purchased. These purchases include machinery and equipment as well as construction works related to the redevelopment of the production plant, implementation of new technologies, purchase of a new reactor, increasing the level of automation of measurements and quality control.

4.9 Court disputes

No claim payments were made in relation to court cases in the reporting period. During the third quarter of 2024 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.

4.10 Correction of errors from previous periods

The difference in consolidated revenues for the third quarter of 2023 results from the non-elimination of inventories, sales and cost of manufacture of products sold by VIGO Photonics S.A. to VIGO Photonics Corp. USA in accordance with the recommendation of the then auditing firm (presented in the table below).

Elimination of inventories	507	-507
Revenue elimination	-634	

Elimination of the cost of products and services sold	-507	-127
Elimination of selling costs	410	
Total	-224	-634

4.11 Outstanding loans and advances and breaches of credit agreements

The balance of loans outstanding as at 30 September 2024 is presented in the table below.

Bank loans as at 30.09.2024

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 289	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 770	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 750	1M EURIBOR + margin	31.03.2026
ING Bank Śląski – technological investment loan in PLN	EUR 5,950	EUR 3,425	1M EURIBOR + margin	21.06.2028
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 0	1M EURIBOR + margin	possible extension

Bank loans as at 31.12.2023

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 950	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 1,199	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 1,167	1M EURIBOR + margin	31.03.2026
ING Bank Śląski – technological investment loan in PLN	EUR 5,950	EUR 4,095	1M EURIBOR + margin	21.06.2028
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 4,357	1M EURIBOR + margin	possible extension

Bank loans as at 30.09.2023

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 1,169	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 1,284	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 1,250	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 – technological investment loan in PLN	EUR 5,950	EUR 4,293	1M WIBOR + margin	31.12.2022
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 2,243	1M EURIBOR + margin	21.06.2028

The Company has received a statement from the bank regarding breaches in active credit agreements as of 31 March 2024. Below is a description of the breached covenants:

1. the minimum level of turnover in all bank accounts in EUR maintained for the Company by ING Bank Śląski S.A., excluding the social fund and excluding transfers and currency conversions between the Company's own accounts, reversals, inflows from the purchase of receivables and loan disbursements, was lower than EUR 1,200,000.00 in each calendar month;
2. granting by the Company to a third party, including entities that have capital connections with the entity – without the prior written consent of ING Bank Śląski S.A. – loans exceeding the total amount of USD 500,000.00 per year, excluding loans from the Company Social Fund.

As at 30 September 2024, the valuation of loans in foreign currencies increased by PLN 68 thousand, with the difference being taken to financial expenses.

Other long-term liabilities

The Company has a long-term lease liability of PLN 937 thousand (2023: PLN 787 thousand).

Loans and guarantees granted

The Company did not grant any loans or guarantees to members of the Management Board or Supervisory Board.

4.12 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.

4.13 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.

4.14 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.

4.15 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

4.16 Dividend paid or declared

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

4.17 Subsequent events that might affect the results

In the presented period, no significant events took place after the balance sheet date that could affect the Group's financial results.

4.18 Contingent liabilities and contingent assets

The Company has no contingent assets. Contingent liabilities were described in detail in the Annual Report for 2023 and in the Half-Yearly Report for 2024.

4.19 Operating segments

Specification 01.01.2024-30.9.2024		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	54,719	6,995	61,714
Segment costs	Revenue from sales	48,376	5,859	54,235
	Other operating income	6,343	1,136	7,479
	including:	56,604	7,275	63,879
Segment costs	Cost of products, services and materials sold	23,718	5,904	29,622
	Selling costs	8,903	822	9,725
	General and administrative expenses	17,777	419	18,196
	Other operating costs	6,207	129	6,336
Profit (loss) after tax		-1,885	-280	-2,165
	Interest income	108	17	125
	Interest expense	1,322	788	2,110
	Significant items of income	264	281	545
	Significant items of costs	779	0	779
Profit/(loss) before tax		-3,614	-770	-4384
	Income tax	397		397
	Profit (loss)	-4,011	-770	-4781
Total assets		228,031	56,094	284,125
	Segment assets	228,031	56,094	284,125
Total liabilities		66,617	24,943	91,560
	Segment liabilities	66,617	24,943	91,560
Other segment information				
	Capital expenditure	108,762	46,913	155,675
	- tangible assets	74,788	31,264	106,052
	- intangible assets	33,974	15,649	49,623
	Depreciation/ amortisation	12,585	1,677	14,262

Specification 01.01.2023 - 31.12.2023		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	79,778	3,879	83,657
	Revenue from sales	72,222	3,173	75,395
	Other operating income	7,556	706	8,262
	including:	69,913	2,223	72,136
Segment costs	Cost of products, services and materials sold	36,753	1,729	38,482
	Selling costs	9,378		9,378
	General and administrative expenses	18,105	362	18,467
	Other operating costs	5,775	131	5,906
Segment profit/(loss)		9,767	1,656	11,423
	Profit/(loss) from continued operations before tax and financial income (costs)	9,767	1,656	11,423
	Interest expense	2,051	324	2,375
	Significant items of income	770	1,908	2,678
	Significant items of costs	428	0	428
Profit/(loss) before tax		8,054	3,240	11,294
	Income tax	12,459	1,817	14,276

Specification 01.01.2023 - 31.12.2023	Continued operations		Total
	Detection modules	Semiconductor materials	
Profit (loss) after tax	-4,405	1,423	-2,981
Total assets	263,209	58,546	330,051
Segment assets	263,209	58,546	330,051
Total liabilities	82,788	41,302	124,384
Segment liabilities	82,788	41,302	124,384
Other segment information			
Capital expenditure	101,030	40,797	141,827
- tangible assets	72,837	39,071	111,908
- intangible assets	28,192	1,726	29,918
Depreciation/ amortisation	10,821	1,560	12,381

Specification 01.01.2023-30.09.2023		Continued operations		Total
		Detection modules	Semiconductor materials	
	including:	53,901	5,226	59,127
Segment income	Revenue from sales	49,180	4,396	53,576
	Other operating income	4,720	831	5,551
	including:	46,695	3,716	50,411
Segment costs	Cost of products, services and materials sold	24,347	2,840	27,187
	Selling costs	6,649	305	6,954
	General and administrative expenses	13,177	571	13,748
	Other operating costs	2,522	0	2,522
Segment's profit/(loss).		46,695	3,716	50,411
Profit/(loss) from continued operations before tax and financial income (costs)		24,347	2,840	27,187
Interest income		6,649	305	6,954
Interest expense		13,177	571	13,748
Significant items of income		2,522	0	2,522
Significant cost items disclosed		7,204	1,510	8,714
Profit/(loss) before tax		46,695	3,716	50,411
Income tax		24,347	2,840	27,187
Profit (loss) after tax		6,649	305	6,954
Total assets		209,301	58,445	267,746
Segment assets		209,301	58,445	267,746
Total liabilities		79,383	42,091	121,474
Segment liabilities		79,383	42,091	121,474
Other segment information				
Capital expenditure		88,996	40,527	129,523
- tangible assets		75,450	38,823	114,273
- intangible assets		13,546	1,704	15,250

Specification 01.01.2023-30.09.2023	Continued operations		Total
	Detection modules	Semiconductor materials	
Depreciation/ amortisation	8,111	912	9,023

4.20 Consolidation adjustments

Items of the statement of financial position for 01.01.2024-30.09.2024 (in PLN thousand)	Dr amount	Cr amount
Elimination of investments in subordinated entities	-470	
Elimination of financial receivables	-8,992	
Elimination of trade receivables	-1,635	-197
Elimination of financial liabilities		-9,462
Elimination of trade liabilities	-197	-1,635
Total	-11,294	-11,294
Items of the statement of financial position for 01.01.2024-30.09.2024 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-1,961	-1,485
Elimination of the cost of products and services sold		-1,993
Elimination of the value of goods and materials sold	-283	
Elimination of selling costs	-1,202	
Elimination of other operating income	-32	
Elimination of financial costs	-169	
Elimination of financial income		-169
Total	-3,647	-3,647
Total consolidation adjustments	-14,941	-14,941

Items of the statement of financial position for 01.01.2023-31.12.2023 (in PLN thousand)	Dr amount	Cr amount
Elimination of investments in subordinated entities	-484	
Elimination of financial receivables	-4,920	
Elimination of trade receivables	-1,312	-294
Elimination of inventories	-98	-117
Elimination of financial liabilities		-5,404
Elimination of trade liabilities	-294	-1,311
Total	-7,107	-7,126
Items of the statement of financial position for 01.01.2023-31.12.2023 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-2,129	-2,624
Elimination of the cost of products and services sold	-20	-2,129
Elimination of the value of goods and materials sold	-264	
Elimination of selling costs	-2,361	
Elimination of financial costs	-133	

Items of the statement of financial position for 01.01.2023-31.12.2023 (in PLN thousand)	Dr amount	Cr amount
Elimination of financial income		-133
Total	-4,906	-4,887
Total consolidation adjustments	-12,013	-12,013

Items of the statement of financial position for 01.01.2023-30.09.2023 (in PLN thousand)	Dr amount	Cr amount
Elimination of loans	-5,246	
Elimination of trade receivables	-1,091	- 272
Elimination of inventories	860	-860
Elimination of financial liabilities		-5,246
Elimination of trade liabilities	-272	-1,091
Total	-5,749	-7,469

Items of the statement of comprehensive income for 01.01.2023-30.09.2023 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-1,405	-2,191
Elimination of the cost of products and services sold	- 1,124	-281
Elimination of the value of goods and materials sold		-264
Elimination of selling costs	-1,927	-37
Elimination of other operating income	-37	
Elimination of interest on loans granted	-118	-118
Total	-4,612	-2,891

4.21 Related party transactions

In the reporting period, the Company granted loans to related parties. Their carrying amount as at 30 September 2024 was PLN 8,992 thousand.

Commercial transactions with VIGO Photonics USA:

- Sale of products of PLN 1,961 thousand.
- The current costs of the period include a contractual commission on sales of PLN 1,205 thousand.
- Transport costs expense recognized in other operating income of PLN 21 thousand.
- Purchase of materials of PLN 283 thousand.

Ożarów Mazowiecki, 26 November 2024

Adam Piotrowski	Łukasz Piekarski	Marcin Szrom	Sylwia Wiśniewska-Filipiak
Management Board President	Management Board Member	Management Board Member	Chief Accountant