VIGO Photonics Group

SEMI-ANNUAL REPORT
for the period from 1 January 2025 to 30 June 2025
containing the interim condensed consolidated
financial statements of VIGO Photonics
prepared in accordance with IFRS

Ożarów Mazowiecki, 25 September 2025.

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1 Selected consolidated figures

Selected consolidated figures	PLN '000		EUR '000	
	from 01.01.2025 to 30.06.2025	from 01.01.2024 to 30.06.2024	from 01.01.2025 to 30.06.2025	from 01.01.2024 to 30.06.2024
Interim condensed consolidated statement of comprehensive income				
Net revenue from the sale of products, services, goods and materials	42,367	38,562	10,038	8,945
Cost of sales	21,840	17,889	5,174	4,150
Operating profit (loss)	-3,130	-199	-742	-46
Profit (loss) before tax	-2,344	-1,334	-555	-310
Profit (loss) after tax	-2,664	-1,447	-631	-336
Number of shares	874,799	874,799	874,799	874,799
Net profit (loss) per ordinary share (PLN/EUR)	-3.04	-1.65	-0.72	-0.38
Interim condensed consolidated statement of cash flows				
Net cash flows from operating activities	-4,066	-3,915	-963	-908
Net cash flows from investing activities	-5,223	-3,612	-1,237	-838
Net cash flows from financing activities	-5,088	36,625	-1,205	8,496

Selected consolidated figures	PLN '000			EUR '000		
	30.06.2025	31.12.2024	30.06.2024	30.06.2025	31.12.2024	30.06.2024
Non-current assets	176,160	169,110	164,589	41,529	39,577	38,161
Current assets	39,583	53,720	68,088	9,331	12,572	15,787
Equity	169,487	170,542	173,397	39,955	39,912	40,203
Long-term liabilities	26,167	27,208	33,279	6,169	7,005	7,716
Short-term liabilities	20,089	22,177	26,001	4,736	5,190	6,028
Book value per share (equity/ number of shares)	193.74	194.91	198.21	45.67	45.621	45.96

2 Introduction to the consolidated financial statements

2.1 Description of activities of VIGO Photonics Group.

VIGO Photocnics ("Group") is a technology-based manufacturing entity 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.

VIGO Photonics S.A. based in Ożarów Mazowiecki was created on 20 February 2002 as a result of transformation of VIGO System 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 System S.A. was incorporated by way of Notarial Deed No. 1459/2002 dated 20 February 2002 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 entity 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 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 entity 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

   Class 33.30 - Optical instruments and photographic equipment

c. Section K, Division 73

   Class 73.10 - Research and development services for natural sciences and engineering.

2.3 Contact details

Name:	VIGO Photonics
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 Group includes the following entities:

- VIGO Photonics Taiwan Co., Ltd. – a company established in 2020 as a sales office in the East Asia region. The Company has a 100% stake in VIGO Photonics Taiwan with a value of PLN 62 thousand. Currently, the company is being liquidated and the value of the shares has been taken to other operating costs.
- VIGO Photonics Corporation – a company established in 2021 as a sales office in the North American region. The Company has a 100% stake in VIGO Photonics Inc. with a value of PLN 445 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 the balance sheet date, the value of shares held in that company is PLN 18,226 thousand.

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 25 September 2025, 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 30 June 2025 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	55,112	10,212	38,235	6,664	55,224	53,992	1,232	113	10,809

2.5 Effects of changes in the structure of the economic entity

There were no changes in the Company’s structure during the reporting period.

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

The Management Board did not publish any earnings forecasts.

2.7 The ownership structure of VIGO Photonics

According to the knowledge of the Management Board, as at the date of submitting the interim condensed financial statements the first six months of 2024 (24 September 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	81,765	9.35%	81,765	9.35%
Investors TFI	56,990	6.51%	56,990	6.51%
OFE Allianz Polska S.A.	58606	6.70%	58,606	6.70%
Janusz Kubrak	48,100	5.50%	48,100	5.50%
Others	504,538	57.67%	504,538	57.67%
Total	**874,799**	**100.00**	**874,799**	**100.00**

2.8 Governing bodies of VIGO Photonics

On 23 June 2025, the Company’s Annual General Meeting resolved that the Supervisory Board for the new term would consist of seven members and appointed the following individuals to serve on the Supervisory Board for the new joint term commencing on that day:

- Krzysztof Kaczmarczyk
- Marcin Kubrak
- Waldemar Maj
- Małgorzata Starczewska-Krzysztoszek
- Marek Wiechno
- Zbigniew Więcław

Furthermore, on June 23, 2025, the Company received from Warsaw Equity ASI S.A. with its registered office in Warsaw (the legal successor established as a result of the transformation of Warsaw Equity ASI Sp. z o.o. with its registered office in Warsaw) and Warsaw Equity Management S.A. with its registered office in Warsaw a declaration pursuant to § 17 item 4 of the Company's Articles of Association on the appointment of Mr. Krzysztof Dziewicki to the Supervisory Board of the Issuer.

On 14 May 2025, the Company's Supervisory Board resolved that the Management Board for the new term would consist of three members and appointed the following individuals to serve on the Management Board for the new term commencing on that day:

- 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 H1 2025 report, the Company's 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 H1 2025 report, the Company's Supervisory Board consisted of:

- Krzysztof Kaczmarczyk – Chairman of the Supervisory Board;
- Zbigniew Piotr Więcław – Member of the Supervisory Board
- Waldemar Maj – Member of the Supervisory Board
- Marcin Kubrak – Member of the Supervisory Board
- Marek Wiechno – Member of the Supervisory Board
- Małgorzata Starczewska-Krzysztoszek – Member of the Supervisory Board;
- Krzysztof Dziewicki – Member of the Supervisory Board.

Composition of the Audit Committee of the Supervisory Board:

- Marek Wiechno – Chairman of the Audit Committee
- Zbigniew Więcław – Member of the Audit Committee
- Małgorzata Starczewska-Krzysztoszek – Member of the Audit Committee
- Waldemar Maj – Member of the Audit Committee.

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

As at 24 September 2025, 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 445 shares (nominal value of shares: PLN 445).

As at 24 September 2024, members of the Company's Supervisory Board held the following shares in the Company:

- Zbigniew Więcław 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 2025 to 30 June 2025. Comparative data are presented as at 31 December 2024 for the interim condensed consolidated statement of financial position and for the period from 1 January 2024 to 30 June 2024 for the

interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity.

2.11 Auditor

On 22 February 2024, the Supervisory Board selected the firm authorised to audit and perform an interim review of the financial statements for the years 2024, 2025 and 2026. The firm selected to perform this function was UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, address: 01-377 Warszawa, ul. Połczyńska 31A, entered in the list of audit firms under number 3886. The Supervisory Board made this choice having regard to guaranteeing full independence and objectivity of the selection itself as well as fulfilment of tasks by the statutory auditor. On 8 April 2024, the Company entered into an agreement with UHY ECA Spółka z ograniczoną odpowiedzialnością for the audit and review of the standalone and consolidated financial statements. The agreement was signed for a period of three years.

The remuneration of UHY ECA Sp. z o.o. will be paid separately for:

- Audit of the standalone annual financial statements for 2024 – PLN 53,000.00, for 2025 – PLN 58,000.00 and for 2026 – PLN 64,000.00
- Audit of the consolidated annual financial statements for 2024 – PLN 26,000.00, for 2025 – PLN 29,000.00 and for 2026 – PLN 32,000.00
- Interim review of the standalone financial statements as at 30.06.2024 – PLN 31,000.00, as at 30.06.2025 – PLN 34,000.00 and as at 30.06.2026 – PLN 38,000.00
- Interim review of the consolidated financial statements as at 30.06.2024 – PLN 18,000.00, as at 30.06.2025 – PLN 19,000,00 and as at 30.06.2026 – PLN 21,000.00
- Attestation service for verification of compliance with the ESEF Regulation for 2024 – PLN 9,000.00, 2025 – PLN 10,000.00 and 2026 - PLN 11,000.00;
- Attestation service for the assessment of the remuneration report for 2024 – PLN 9,000.00, 2025 – PLN 10,000.00 and 2026 - PLN 11,000.00;

2.12 Compliance with International Financial Reporting Standards

The interim condensed consolidated 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 Group'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 following standards and interpretations have been issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) but are not yet effective:

• IFRS 18: Presentation and Disclosures in Financial Statements (published on 9 April 2024) – not ratified by the EU by the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2027;

• IFRS 19: Subsidiaries without Public Accountability: Disclosures (published on 9 May 2024) – not ratified by the EU by the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2027;

• Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (published on 18 December 2024) – effective for annual periods beginning on or after 1 January 2026;

• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (published on 30 May 2024) – effective for annual periods beginning on or after 1 January 2026;

• Annual Improvements, Volume 11 (published on 18 July 2024) – effective for annual periods beginning on or after 1 January 2026.

The effective dates are the dates arising from the standards published by the International Financial Reporting Board. The effective dates of the standards in the European Union may differ from the effective dates arising from the standards and are announced upon the adoption of the standards by the European Union.

The Group is currently analysing how the introduction of the above standards and interpretations may affect the financial statements and the accounting policies applied by the Group.

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 financial statements do not contain all the information and disclosures required of annual financial statements and should be read jointly with the consolidated financial statements for the year ended 31 December 2024, approved for publication on 30 April 2025. These interim condensed standalone financial statements for the period of six months of 2025 ended 30 June 2025 were approved for publication on 25 September 2025 by the Management Board. The interim consolidated financial result may not fully reflect the achievable financial result for the financial year.

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

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the EU ("IAS 34").

These interim condensed consolidated financial statements have been subject to an interim review by the auditor. The review report is published together with this report.

2.14 Significant accounting policies

Intangible assets and development expenditure

Intangible assets and development expenditure are recognised at cost. After initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses. Development work is not measured at fair value due to the lack of an active market for unique completed development work. Intangible assets include assets with an expected economic useful life in excess of 12 months.

The Group divides intangible assets into the following groups:

- Capitalised development work
- Other intangible assets
- Right of perpetual usufruct of land

Development work is capitalised only when it jointly meets all of the following criteria:

- The ability to complete the intangible asset from a technical point of view so that it is suitable for use or sale
- The Group has the intention to complete the intangible asset and use or sell it
- Ability to use or sell the intangible asset
- The Group is able to determine how the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where it is not possible to separate the value of research expenditure from development expenditure, development work is expensed in full.

Intangible assets with an indefinite useful life are tested for impairment annually.

For the purpose of impairment testing, assets are grouped at the lowest level at which they generate cash flows independently of other assets or groups of assets (so-called cash-generating units). Assets that generate cash flows independently are tested individually.

If the carrying amount exceeds the estimated recoverable amount of the assets or cash-generating units to which the assets belong, the carrying amount is reduced to the recoverable amount. The recoverable amount is the higher of the two values: fair value less costs to sell or value in use. In determining value in use, estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks associated with the asset.

Impairment losses are recognised in the result under other operating expenses.

At subsequent balance sheet dates, indications of the possibility of reversing impairment losses are assessed. The reversal of write-downs is recognised in profit or loss under other operating income.

Other intangible assets include, in particular, the acquired software and licences.
In the case of intangible assets with indefinite useful lives, no amortisation charges are recognised, but only those assets are tested for impairment.
For intangible assets with finite useful lives, the following depreciation periods are applied:

Group	Amortisation period
Capitalised development work	3-5 years
Other intangible assets	3 years

In justified cases, based on the decision of the Management Board, supported by technology utilisation forecasts, the amortisation period of capitalised development work may be extended beyond 5 years.

Amortisation costs are charged to "Cost of goods sold", "Administrative expenses" or "Selling costs" in the statement of income, while those resulting from impairment losses are charged to "Other operating costs".

The right to use land is recognised in accordance with IFRS 16 as a lease.

Tangible assets

Tangible assets are recognised in the Company's books at cost.

Property, plant and equipment comprise tangible assets and tangible assets under construction. Property, plant and equipment include tangible assets with an expected useful economic life in excess of 12 months.

The following groups of tangible assets are distinguished:

- buildings
- technical equipment and machinery
- vehicles
- land
- furniture and equipment.

All groups of tangible assets are measured at cost and after initial recognition they are reduced by depreciation and impairment losses. The Group does not remeasure any group of tangible assets.

Straight-line depreciation is applied for all groups of tangible assets.

The following depreciation periods are applied for each group of tangible assets:

Group	Amortisation period
Buildings	40 years
Plant and machinery, including:	
laboratory equipment	20 years

Group	Amortisation period
other technical equipment	10 years
computer equipment	5 years
vehicles	5 years
furniture and equipment.	10 years

In accordance with the provisions of IAS 16, periodically, at least as at the balance sheet date, the adopted depreciation rates are reviewed, analysing whether they correspond with the economic useful lives of its tangible assets.

In the statement of comprehensive income, depreciation costs are charged to "Cost of goods sold", "Administrative expenses" or "Selling costs", while impairment losses are charged to "Other operating costs".

Non-current assets held for sale are measured in accordance with IFRS 5, i.e. at the lower of the following: the net carrying amount of the asset and its fair value less costs to sell, and are presented separately in the statement of financial position.

Investments in subsidiaries, joint ventures and associates

In accordance with IAS 27, the entity recognises investments in subsidiaries, joint ventures and associates at cost when preparing consolidated financial statements.

Inventories

Inventories are recognised at cost.

Inventories are assets held for sale in the ordinary course of business, being in the course of production for such sale or having the form of materials or supplies of raw materials consumed in the production process or in the course of providing services. The following groups are specified in this item of the statement of financial position: materials, semi-finished products and work in progress, finished products, goods, advances on deliveries.

Goods and materials are recognised at cost not higher than the net realisable sales price. The cost of inventories comprises all costs of purchase, costs of processing and other costs incurred in bringing the inventories to their present location and condition.

The FIFO method is used to measure the outflow of inventories, or in special cases when, due to the fact that customers expect to purchase finished products from one batch, the detailed price identification method is used (inventory items are not mutually interchangeable).

When the purchase price or production cost recorded in the books exceeds the realisable selling price, impairment allowances are posted. In addition, inventories are periodically tested for their continued usefulness and makes allowances based on the period in which they remain in stock. Impairment allowances are charged to costs of the period and recognised in other operating costs.

Each time, impairment is tested and impairment allowances are posted on the items that are known to be impaired and will be unusable in the continuing operations.

Loan and other receivables

Loans and receivables are measured at amortised cost using the expected credit loss model.

Impairment allowances are posted based on the default ratio. The amount of the allowance on receivables is charged to other operating costs, while the reversal of the allowance increases other operating income in the statement of comprehensive income.

The Group applies the following methodology for calculating the default ratio:

To calculate the default ratio, balances are divided into homogeneous groups based on the similarity of credit risk and past customer behaviour. The Group has one homogeneous group: receivables from customers.

For that group, the analysis is performed in the following steps:

- Step 1: defining the historical periods for which the analysis of the amount of allowances for bad debts and the age ranges is performed. It has been decided that the bad debt analysis will be conducted for the last 3 years in order to determine the overall default ratio. It was agreed that the default ratio would be determined for the following age ranges: (1) up to date (2) up to 30 days (3) 31-90 days (4) 91-180 days (5) 181-365 days and (6) over 365 days.
- Step 2: The profit of repayments from corporate customers in the last three financial years is determined. A comparison is then made between the balance of written off receivables and the balance of up-to-date receivables to determine the default ratio in the stated range.
- Step 3: An analysis is performed of the likely impact of future factors on the value of credit losses.
- Step 4: An impairment allowance is calculated using the ratio determined in Step 3.

Other financial assets

As at the balance sheet date, the Group has other financial assets classified as financial assets measured at fair value through profit or loss.

Cash and cash equivalents

Cash at bank and on hand is measured at amortised cost.

The item cash shown in the cash flow statement consists of cash in bank deposits with a maturity of three months or less, which have not been treated as investing activities.

Equity

Share capital. This is the capital contributed by the shareholders. It is stated at its nominal value, in accordance with the Articles of Association and the record in the National Court Register.

Share premium account. This heading presents the amount of the share premium.

Revaluation reserve. This heading presents, e.g. the value of capitals resulting from valuations, as shown in other comprehensive income, as well as actuarial gains and losses, presented in accordance with IAS 19.

Other capitals. This heading presents retained earnings from previous years, including undistributed profits. It also includes capital created in accordance with the provisions of Article 396 of the Commercial Companies Code.

Profit (loss) of the current period. This heading presents the result (profit or loss) of the current financial year.

Provisions

Provisions are liabilities whose amount or timing is uncertain. Provisions are recognised when it has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period to ensure that the above conditions are met and to develop the most appropriate estimate of the provision amount. Provisions are discounted where the effect is material.

Provisions are recognised at the estimated amount of expenditure required to settle the present obligation, based on the most reliable evidence available at the date of the consolidated financial statements, including the risks and uncertainties.

Financial assets and liabilities

Financial assets are classified on initial recognition as:

- Assets measured at amortised cost or
- Assets measured at fair value through profit or loss.

An asset is measured at amortised cost if the following two conditions are met: the asset is held within a business model that is designed to hold such in order to earn contractual cash flows; and, its contractual terms give rise at specified times to cash flows that are solely payments of principal and interest on the unpaid portion of the principal.

Financial assets measured at amortised cost include trade receivables with an allowance corresponding to the expected credit loss model, cash at bank and on hand and other financial assets. Gains and losses on measurement of financial assets and liabilities measured at fair value are recognised in profit or loss of the current period.

Financial assets and liabilities measured at fair value recognised in current period profit or loss include forward derivatives. Investments in investment funds are also classified as assets measured at fair value.

An asset is derecognised only when the contractual rights to the cash flows generated by the asset expire or when the financial asset together with substantially all the risks and rewards of ownership are transferred to another entity. If the Company does not transfer or retain substantially all the risks and rewards of ownership and retains control of the asset, it recognises a retained interest in the asset and a related liability for potential payments. If, on the other hand, the Company retains substantially all the risks and rewards of ownership of the transferred asset, it continues to recognise the related financial asset. On initial recognition, financial liabilities are classified into one of two categories:

- Assets measured at amortised cost or
- Liabilities measured at fair value.

Trade liabilities and bank loans are classified as financial liabilities measured at amortised cost.

Financial liabilities measured at fair value through profit or loss are recognised at fair value and the resulting gains or losses are recognised in the income statement taking into account interest paid on the financial liability.

Amortised cost is the amount at which a financial liability is measured at initial recognition, less principal repayments, plus or minus the cumulative amortisation using the effective interest rate of any difference between the initial value and the value at maturity.

The calculation of the effective interest rate includes all commissions and points paid and received by the counterparties that are an integral part of the effective interest rate, transaction costs and any other bonuses or discounts.

Financial liabilities are derecognised only when the relevant obligations of the entity are discharged, cancelled or when they expire.

Deferred income tax

The entity is a payer of the corporate income tax ("CIT"). The line item "Income tax" in the statement of comprehensive income consists of the current and deferred tax.

The current part, which is charged to the Company's profit or loss, is calculated at the end of each reporting period on the basis of the taxable amount, determined taking into account the differences between accounting profit and pre-tax profit.

The deferred part of the tax is calculated using the balance sheet method, i.e. by comparing the balance sheet value of individual asset and liability items from the statement of financial position with their tax value.

Deferred tax liabilities are recognised when the temporary differences between the tax and balance sheet values are positive, which means that in the future they will lead to an increase in the current tax charge.

Deferred tax assets arise when:

a. There are deductible temporary differences, which are temporary differences that will reduce the taxable amount in the future

b. Unused tax losses are carried forward

c. Unused tax credits are carried forward.

The Group conducts business activities in the Special Economic Zone in Ożarów Mazowiecki and for this reason posts deferred tax assets (zone exemption) on account of investment relief.

A deferred tax asset is recognised when it is probable that there will be future income against which the tax relief can be written off. Deferred tax assets are recognised in correspondence with the profit (loss) of the period in which the recognition criterion is met. Deferred tax assets are settled in correspondence with the income statement, in the amount of utilisation of the tax exemption in the specific accounting period.

Employee benefits

The Company has the following employee benefits:

- Current benefits, i.e. wages, annual leave, sick leave, bonuses, Social Fund
- Retirement severance payments.

The cost of employee benefits are recognised in the period in which the employee works for the organisation and not when the benefit is paid or payable.

Short-term employee benefits (i.e. those expected to be settled in full within 12 months after the annual period in which the service is provided) are expensed in the period in which the employee renders service. Unpaid benefit obligations are measured at undiscounted value.

Bonuses are recognised only when there is a firm legal or constructive obligation to pay them and their cost can be reliably estimated.

Social fund assets do not meet the definition of assets in the IFRS Framework because they are not controlled but only administered by VIGO Photonics and decisions on how to use them are made by the internal social committee.

Full exclusion of the fund will only be possible if the value of its assets is the same as the value of allocations and increases. In the financial statements the assets and liabilities of the fund will be offset and the surplus will be shown in the statement of financial position – usually as a component of employee liabilities. At the same time, more information on the Social Fund will be contained in the notes.

Grants received

Government grants are not recognised until there is reasonable assurance that the Group will meet the conditions attached to the grant and that the grant will be received.

For the purposes of accounting for grants, the Group applies the income approach described in IAS 20, whereby grants are recognised as income over one or more periods. Grants are recognised as income on a systematic basis over periods to ensure their commensurability with the related costs the grants are intended to compensate.

In the case of grants to assets, the Group accounts for the grant through deferred income over the depreciation period of the asset covered by the grant.

Grant proceeds are recognised under "Other operating income".

Deferred income

Apart from settled grants and investment relief concerning activity in economic zones, as described in other sections, under deferred income the entity recognises the amounts of uninvoiced revenue in relation to which the conditions for recognising such revenue have not yet been met as they are contractual liabilities. The item of contract liabilities is not distinguished due to insignificant value of prepayments.

Operating segments

An operating segment is part of the Group:

- that is engaged in a business activity that generates revenues and incur costs (including revenues and costs related to transactions with other components of the same organisation)
- whose performance is regularly reviewed by the main body responsible for making operating decisions in the entity and using such results in making decisions about resources allocated to the segment and in assessing the segment's performance
- for which separate financial information is available.

The Management Board decided to identify segments based on the criterion of differentiated products and services.

Two operating segments were identified that meet the requirements laid down in IFRS 8. These are:

- Semiconductor modules segment
- Semiconductor materials segment.

Internal reports on segment results are prepared on a monthly basis in an abbreviated version and on an extended basis in quarterly periods. The body that regularly reviews internal financial reports for the purpose of making major investment decisions is the Management Board, which is responsible for the allocation of resources.

Revenue recognition

The principal activity is the manufacture and sale of detectors and semiconductor materials. Revenue is defined as the gross inflow of economic benefits for a given period arising in the (ordinary) course of the business and resulting in an increase in equity, other than an increase in equity resulting from shareholder contributions.

Revenue is recognised in accordance with IFRS 15.

Revenue is recognised when the customer obtains control of the goods or services. The customer obtains such control when it has the ability to manage the use of the goods or services and to obtain benefits from them. However, a transfer of control under IFRS 15 may occur at a particular point in time or over time, e.g. in the course of provision of services.

In the latter case, one of the following three criteria must be met:

1. The purchaser simultaneously receives and consumes the benefits delivered as the performance obligations are met
2. The asset created or improved is controlled by the purchaser as the work progresses
3. The entity's actions do not create an asset that can be used by the entity in the alternative and the entity has a legally enforceable right to receive payment for services already rendered.

If none of these three conditions is met, the transfer of control takes take place at a specific moment in time. In this case, the following criteria can be used:

1. Currently, the entity has the right to pay for the asset
2. The purchaser has a legal right to the asset
3. Significant risks and rewards of ownership have passed to the buyer
4. The buyer has accepted the asset.

Based on the following 5-element revenue recognition process it is determined whether revenue should be spread over time or recognised once at a particular point in time.

Stage 1: Identifying contracts with customers.

The entity may recognise revenue if the sale is recognised in the form of a contract. The contract may be written, oral or may be apparent from the conduct of the parties that reveals their intentions sufficiently. In determining whether a contract with a customer has been formed, the terms of termination may be relevant. Contracts entered into simultaneously or in conjunction with other contracts may also be relevant.

Stage 2: Identifying the obligations that must be performed under the terms of the contract.

Revenue relates to the fulfilment of a promise to provide the customer with goods or services that are the subject of the sale, meeting the following cumulative conditions (§ 22 IFRS 15):

1) The customer can benefit from them independently or in combination with other resources available to the customer (i.e. the goods or services can be separated).

2) The entity's promise to transfer the goods or services to the customer can be distinguished from other promises in the contract (i.e. it stands out in the body of the contract). Example: an entity should recognise its obligations to provide products and services separately if it sells products and provides an optional service to customers under a warranty.

Stage 3: Setting the transaction price at the amount of consideration to which the entity expects to be entitled.

Depending on the nature of the sales contract, the consideration may be a fixed amount or (if it depends on the occurrence of a future event) a variable amount, depending on rebates, price discounts, refunds, incentives, performance bonuses, etc.

Stage 4: Allocating the transaction price to the individual obligations.

If the contract contains separate obligations to be fulfilled (identified in Stage 2), the transaction price should be allocated to them accordingly. The best basis for determining the individual price is the price at which the entity can sell the good or service separately.

Stage 5: Revenue recognition when the entity fulfils the obligation.

The contractual obligations are fulfilled when the entity transfers the promised goods or services to the customer, i.e. when the customer obtains control over them. The amount of revenue is the amount of consideration attributable to the obligation fulfilled. The obligation may be satisfied at a particular point in time (typically upon the delivery of goods) or over a period of time (typically with the provision of services). In the latter case, the entity should choose an appropriate method to measure the progress of the obligation being satisfied.

When preparing financial statements, revenue is recognised on the basis of INCOTERMS 2010 for those transactions where it is assessed that the revenue is recognised at a point in time. The main rule applied by VIGO is EXW, which means that the delivery is considered to have been made when the goods are made available to the buyer at a designated place, with no obligation for the seller to undertake any further steps.

Significant payment terms:

- Payment normally becomes due when risk is transferred to the buyer, standard payment terms are 30 days.
- Contracts do not contain a significant element of funding.
- The amount of remuneration is not variable and therefore the estimated variable remuneration is usually not capped.

A 1-year commercial guarantee is provided substantially corresponding to the customary product liability terms.

Revenue from the provision of services is recognised in accordance with the percentage of completion method, measuring work progress at the end of the accounting period. Under this approach, revenue is recognised in the periods in which the services are performed. The percentage of completion is determined on the basis of the actual performance of the work based on the agreed schedules. Contract costs and revenue are measured accordingly.

2.15 Date of approval of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements were approved by the Management Board on 25 September 2025.

2.16 Going concern assumption

The interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue in operation in the foreseeable future. Taking into account the overall economic and legal position of the Company, including the identified risks related to the war in Ukraine, as at the date of approval of these interim condensed consolidated financial statements, no circumstances indicating a threat to the Group's going concern have been identified.

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 Group's financial results.

2.17 Functional and presentation currency

The functional currency and presentation currency of these interim condensed consolidated 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.

2.18 Professional judgement

In the process of applying accounting policies to the items listed below, the greatest importance was attached to management's professional judgement, in addition to accounting estimates.

Allowance for overdue receivables

Loans and receivables are measured at amortised cost using the expected credit loss model.

As at 30 June 2025, the balance of allowances for overdue receivables was PLN 78 thousand, and at the end of 2024 this value was PLN 75 thousand.

As at 30 June 2025, the balance of allowances for loans granted was PLN 1,093 thousand, and at the end of 2024 this value was PLN 1,123 thousand.

As at 30 June 2025, the balance of allowances for the stock of VIGO Taiwan was PLN 62 thousand, and at the end of 2024 this value was PLN 70 thousand.

Impairment allowances are posted based on the default ratio. The amount of the allowance on receivables is charged to other operating costs, while the reversal of the allowance increases other operating income in the statement of comprehensive income.

Impairment allowance for cash

Impairment allowances were estimated for cash based on the probability of default during the contractual period, less than 3 months, determined on the basis of external ratings of the banks where the cash is held and publicly available information from rating agencies regarding the probability of default. A decision was made not to recognise any impairment allowance due to its insignificant nature.

Impairment allowances were determined individually for each balance relating to a given financial institution. External bank ratings were used to assess credit risk. The Group uses the services of two banks: ING Bank Śląski SA. and mBank S.A. The analysis showed that due to the positive rating assessment of banks, cash has a low credit risk as at the reporting date, therefore the amount of the adjustment would be insignificant.

Impairment allowance on inventories on stock

At each balance sheet date, an analysis is made for the ageing of inventories held on stock and makes an individual assessment of the price obtainable as at the balance sheet date. On that basis, it takes a decision to create an impairment allowance.

The balance of allowances on inventories on stock as at 30 June 2025 was PLN 4,050 thousand vs PLN 3,746 thousand as at the end of 2024.

Intended for sale are finished goods, previously held only as replacement products in the case of delays in the production process. This is due to the judgement of the management, who decided that in connection with the planned increase in the production volume, most of the inventories in stock will be used in the production process in the following financial year.

2.19 Estimation uncertainty

Discussed below are the key assumptions regarding the future and other key sources of uncertainty at the balance sheet date that carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of assets

At each balance sheet date, the Company assesses whether there are any indications that any of its assets may be impaired. If this is the case, the Group estimates the recoverable amount of the asset.

Valuation of provisions

Provisions for employee benefits were estimated using actuarial methods. The discount rate, the salary growth rate and the turnover rate are the key actuarial assumptions affecting provisions for employee benefits. The choice of the discount rate is related to the current situation in the treasury bond market, while the choice of planned salary increases reflects the strategy of shaping the remuneration policy in future. Further to this, the balance of provisions for employee benefits is influenced by the employee turnover rate, which depends on the historical turnover of employees.

In accordance with IAS 19, a sensitivity analysis is disclosed for each significant actuarial assumption at the end of the reporting period, showing how the liability would be affected by changes in the relevant actuarial assumptions.

Accordingly, a sensitivity analysis was performed for the following assumptions:

a. Change in the discount rate of ± 0.5 p.p.
b. Change in the growth rate of future salaries of ± 0.5 p.p.
c. Change in the employee turnover ratio of ± 0.5 p.p.

The sensitivity analysis was carried out on the assumption that all other actuarial assumptions would remain unchanged. The results of the calculations are as follows:

Item (PLN thousand)	Carrying amount	Sensitivity analysis					
		Discount rate		Salary growth rate		Turnover rate	
		- 0.5%	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	+ 0.5%
Retirement severance payments	268	251	286	251	286	257	279
Disability severance payments	34	32	36	32	36	33	35
Total	**302**	**284**	**322**	**284**	**322**	**290**	**314**

Provisions for future claims.

In the financial period, based on the professional judgment of the management, the amount of the provision is PLN 696 thousand and 0.85% of sales revenues for the last twelve months. If this level was 0.5 p.p. higher than the estimate, the provision would increase to PLN 1,105 thousand.

Deferred tax assets and liabilities

VIGO Photonics is a payer of the corporate income tax ("CIT"). The line item "Income tax" in the statement of comprehensive income consists of the current and deferred tax.

The current part, which is charged to the Company's profit or loss, is calculated at the end of each reporting period on the basis of the taxable amount, determined taking into account the differences between accounting profit and pre-tax profit.

The deferred part of the tax is calculated using the balance sheet method, i.e. by comparing the balance sheet value of individual asset and liability items from the statement of financial position with their tax value.

Deferred tax liabilities are recognised when the temporary differences between the tax and balance sheet values are positive, which means that in the future they will lead to an increase in the current tax charge.

Deferred tax assets arise when:

- There are deductible temporary differences, which are temporary differences that will reduce the taxable amount in the future
- Unused tax losses are carried forward
- Unused tax credits are carried forward.

VIGO Photonics conducts business activities in the Special Economic Zone in Ożarów Mazowiecki and for this reason posts deferred tax assets (zone exemption) on account of investment relief.

A deferred tax asset is recognised when it is probable that there will be future income against which the tax relief can be written off. Deferred tax assets are recognised in correspondence with the profit (loss) of the period in which the recognition criterion is met. Deferred tax assets are settled in correspondence with the income statement, in the amount of utilisation of the tax exemption in the specific accounting period.

Fair value of derivatives and other financial instruments

The fair value of financial instruments is based on the valuation of those instruments at the balance sheet date received from financial institutions. Other financial instruments are not measured at fair value as it is assumed that their fair value is substantially the same as their carrying amount.

Revenue recognition

Revenue is recognised on the basis of INCOTERMS 2020. The main rule applied by VIGO is EXW, which means that the delivery is considered to have been made when the goods are made available to the buyer at a designated place, with no obligation for the seller to undertake any further steps.

In accordance with IFRS 15, revenue is recognised when the customer obtains control of the goods or services. The customer obtains such control when it has the ability to manage the use of the goods or services and to obtain benefits from them. In accordance with each arrangement with customers, VIGO, on their behalf and at their request, mediates in ordering courier companies for the delivery of products. Customers themselves decide where the shipment is to be delivered. Therefore, VIGO is of the opinion that control over the goods or services always passes to the customer when VIGO acts as an intermediary in arranging transport.

Depreciation and amortisation rates.

The amount of depreciation and amortisation rates is determined on the basis of the expected economic useful life of tangible and intangible assets. Each year, the adopted periods of economic useful life are verified based on current estimates.

2.20 Unusual items

In the first half of 2025, the Group did not incur any significant expenditure on tangible assets.

2.21 Significant changes in estimates

There were no significant changes in estimates in the first half of 2025.

2.22 PLN exchange rates

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

Ref.	Description	01.01.2025 - 30.06.2025	01.01.2024 - 31.12.2024	01.01.2024 - 30.06.2024
1.	Average exchange rate at the end of the period	4.2419	4.2730	4.3130
2.	Average exchange rate for the period	4.2208	4.3051	4.3109

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[1]

	As at: 30.06.2025	As at: 31.12.2024
ASSETS		
Non-current assets	**176,160**	**166,206**
Property, plant and equipment	101,684	104,844
Intangible assets	12,892	15,042
Right of use	4,976	4,137
Development expenditure	23,420	16,854
Deferred tax assets	7,169	7,460
Investments in jointly controlled entities	21,554	17,847
Prepayments	4,465	22
Current assets	**39,583**	**53,721**
Inventories	17,951	15,776
Trade receivables	15,850	16,892
Other receivables	1,472	2,261
Other financial receivables	13	15
Prepayments	1,415	1,507
Cash and cash equivalents	2,881	17,270
TOTAL ASSETS	**215,743**	**219,927**
EQUITY AND LIABILITIES		
Equity	**169,487**	**170,542**
Share capital	875	875
Share premium	69,767	69,767
Revaluation reserve	117	132
Other capitals	99,909	104,236
FX differences arising on conversion of affiliates in foreign currency	1,484	-385
Profit (loss) of the current period	-2,664	-4,083
Long-term liabilities	**26,167**	**27,208**
Bank and other loans	7,748	10,833
Deferred income	16,161	15,055
Provision for pensions and similar benefits	265	204
Lease obligations	1,993	1,116
Short-term liabilities	**20,089**	**22,177**
Bank and other loans	7,133	8,556
Trade and other liabilities	4,001	4,579
Lease obligations	126	131
Other liabilities	2,028	1,940
Financial assets and liabilities	–	94
Deferred income	2,469	2,345
Provision for pensions and similar benefits	2,766	2,051
Other provisions	1,566	2,481
TOTAL EQUITY AND LIABILITIES	**215,743**	**219,927**

[1]Notes regarding the interim condensed consolidated financial statements are presented in point 4 of this report

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period: from 01.01.2025 to 30.06.2025	For the period: from 01.01.2024 to 30.06.2024, before restatement	For the period: from 01.01.2024 to 30.06.2024, restated
Revenue from sales	**42,367**	**38,562**	**38,562**
Revenue from the sale of products	41,206	37,755	37,755
Revenue from the sale of services	1,055	753	753
Revenue from the sale of goods and materials	106	55	55
Cost of products, goods and materials sold	**21,840**	**20,087**	**17,889**
Cost of production of products and services sold	21,840	20,031	17,833
Cost of materials sold	–	56	56
Gross profit (loss) on sale	**20,526**	**18,475**	**20,673**
Selling costs	7528	6,209	6,209
General and administrative expenses, including:	20,606	11,858	18,203
- research expenditure	8,549	–	6,345
Other operating income	7,237	4,750	7,817
Other operating costs	2,759	4,278	4,278
Profit (loss) on operating activities	**-3,130**	**881**	**-199**
Financial income	2	736	736
Financial costs	2,548	1,318	1,318
Profit (loss) on valuation of shares using the equity method	3,332	-554	-554
Profit/ loss before tax	**-2,344**	**-254**	**-1,334**
Income tax	320	113	113
Net profit (loss) on continued operations	**-2,664**	**-367**	**-1,447**
Profit (loss) after tax	**-2,664**	**-367**	**-1,447**
Components of other comprehensive income:	1,469	-136	-136
Actuarial gains (losses) on defined benefit plans	-15	21	21
Exchange differences on translation	1,484	-156	-156
Total comprehensive income	**-1,195**	**-503**	**-1,583**
Net profit (loss) per share (in PLN)	**-1.37**	**-0.42**	**-1.81**
Basic for the financial period	-1.37	-0.42	-1.81
Diluted for the financial period	-1.37	-0.42	-1.81
Net profit (loss) per share (in PLN)	**-1.37**	**-0.42**	**-1.81**
Basic for the financial period	-1.37	-0.42	-1.81
Diluted for the financial period	-1.37	-0.42	-1.81

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period: from 01.01.2025 to 30.06.2025	For the period: from 01.01.2024 to 30.06.2024, before restatement	For the period: from 01.01.2024 to 30.06.2024, restated
OPERATING ACTIVITIES			
Profit/ loss before tax	**-2,344**	**-254**	**-1,334**
Income tax	**320**	**113**	**113**
Profit/ loss after tax	**-2,664**	**-367**	**-1,447**
Total adjustments:	**-1,694**	**2,304**	**-2,542**
Depreciation/ amortisation	6,781	8,971	6,537
FX gains (losses)	-154	-1,022	-1,022
Interest and profit distributions (dividends)	545	1,178	1,178
Profit (loss) on investing activities	–	1,984	1,984
Change in the balance of provisions	-154	1,373	1,373
Change in the balance of inventories	-2,175	-4,290	-3,361
Change in the balance of receivables	1,832	-2,148	-2,148
Change in liabilities, except for bank and non-bank loans	139	931	931
Change in prepayments	119	708	512
Change in deferred income	-6 781	-4,808	-7,340
Profit (loss) of entities accounted for using the equity method	-3,332	-554	-1,167
Other adjustments	1,484	-19	-19
Cash from operating activities	**-4,038**	**2,051**	**-3,876**
Income tax (paid)/ returned	**-29**	**-39**	**-39**
A. Net cash flows from operating activities	**-4,063**	**2,012**	**-3,915**
INVESTING ACTIVITIES			
Inflows	**2,155**	**2,684**	**2,684**
Grants received	2,154	2,595	2,595
Proceeds from the sale of tangible assets	1	5	5
Repayments of loans granted	–	80	80
Interest received on loans granted	–	4	4
Outflows	**-7,375**	**-12,223**	**-6,296**
Acquisition of intangible and tangible assets	-2,083	-663	-663
Expenditure on acquisition of shares	-375	-1,708	-1,708
Expenditure on in-process development	-4,916	-9,852	-3,925
B. Net cash flows from investing activities	**-5,220**	**-9,540**	**-3,612**
FINANCING ACTIVITIES			
Inflows	**13**	**62,573**	**62,573**
Bank and other loans	13	984	984
Proceeds from the issue of shares	–	61,472	61,472
Interest received	–	117	117
Outflows	**-5,101**	**-25,948**	**-25,948**
Repayment of bank and other loans	-4,353	-24,572	-24,572
Interest	-693	-1,350	-1,350
Lease payments	-56	-26	-26
C. Net cash flows from financing activities	**-5,088**	**36,625**	**36,625**
D. Total net cash flows	**-14,375**	**29,098**	**29,098**

	For the period: from 01.01.2025 to 30.06.2025	For the period: from 01.01.2024 to 30.06.2024, before restatement	For the period: from 01.01.2024 to 30.06.2024, restated
E. Balance sheet change in cash	**-14,389**	**29,085**	**29,085**
– change in cash due to FX differences	-14	-13	-13
F. Cash at the beginning of the period	**17,270**	**2,806**	**2,806**
G. Cash at the end of the period	**2,881**	**31,891**	**31,891**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Revaluation reserve	Other capitals	Differences from revaluation	Profit (loss) of the current period	Total equity
Twelve months ended 30 June 2025							
Equity as at 01.01.2025	**875**	**69,767**	**132**	**104,236**	**-385**	**-4,083**	**170,542**
Profit (loss) of the period						-2,664	-2,664
Distribution of profit (loss) for 2024				-4,083	385		-3 698
Differences from revaluation					1,484		1,484
Retained earnings/ loss				-246		4 083	3 838
Other comprehensive income: actuarial gains/losses			-15				
Equity as at 30.06.2005	**875**	**69,767**	**117**	**99,907**	**1,484**	**-2,664**	**169,487**
Twelve months ended 31 December 2024							
Equity as at 01.01.2024	**729**	**71,075**	**108**	**128,827**	**423**	**-2,982**	**198,180**
Correction of errors from previous years				-19,675		-2,307	-21,982
Equity as at 01.01.2023 after corrections	**729**	**71,075**	**108**	**109,152**	**423**	**-5,289**	**176,198**
Total changes in equity	**146**	**-1,307**	**24**	**-4,916**	**-808**	**1,206**	**-5,655**
Profit (loss) of the period						-4,083	-4,083
Distribution of profit (loss) for 2023				-2,982		5,289	2,307
Supplementary capital from the issue of series F shares	146	-1,307					-1,161

Undistributed profit				-2,357			**-2,357**
Differences from revaluation				423	-423		0
Other comprehensive income: actuarial gains/losses			24		-385		-361
Equity as at 31.12.2024	**875**	**69,767**	**132**	**104,236**	**-385**	**-4,083**	**170,542**
Twelve months ended 30 June 2024							
Equity as at 01.01.2024	**729**	**71,075**	**108**	**128,827**	**423**	**-2,982**	**198,180**
Profit (loss) of the period						-367	-367
Distribution of profit (loss) for 2023				-2,981		2,982	
Supplementary capital from the issue of series F shares	146	-1,367					-1,221
Differences from revaluation					-15		-15
Retained earnings/ loss				-138			-138
Other comprehensive income: actuarial gains/losses			21				21
Equity as at 30.06.2024	**875**	**69,708**	**129**	**125,708**	**407**	**-367**	**196,460**

4 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4.1 Assets

4.1.1 Non-current assets

Significant tangible asset purchase and sale transactions

In the first half of 2025, expenditures were incurred on (in)tangible assets and on tangible assets under construction of PLN 1,707 thousand.

In the first half of 2025, expenditure of PLN 0.4 million was incurred on the purchase of shares in VIGO VENTURES ASI.

4.1.2 Intangible assets

Changes in intangible assets (by type groups) in H1 2025

	Completed development	Other (including computer software)	Total
Gross carrying amount as at 01.01.2025	**22,817**	**3,268**	**26,085**
Increases, due to:		57	57
- purchase		57	57
Decreases, due to:	2,545		2,545
- liquidation	2,545		2,545
Gross carrying amount as at 30.06.2025	**20,272**	**3,325**	**23,597**
Amortisation as at 01.01.2025	**8,618**	**2,425**	**11,043**
Increases, due to:	3,418	109	3,527
- amortisation	3,418	109	3,527
Decreases, due to:	3,863		3,863
- liquidation	2,545		2,545
– reclassification from development to research	1,318		1,318
Amortisation as at 30.06.2025	**8,173**	**2,534**	**10,707**
Net carrying amount as at 30.06.2025	**12,099**	**791**	**12,891**

Changes in intangible assets (by type groups) in 2024

	Completed development	Other (including computer software)	Total
Gross carrying amount as at 01.01.2024	**14,660**	**4,666**	**19,326**
Increases, due to:	24,208	502	24,710
- development projects completed and accepted	24,208		24,208
- purchase		142	142

	Completed development	Other (including computer software)	Total
- received from investment in progress		360	360
Decreases, due to:	16,051	1,900	17,951
- liquidation		186	186
- reclassification	16,051	1,714	17,765
Gross carrying amount as at 31.12.2024	**22,817**	**3,268**	**26,085**
Amortisation as at 01.01.2024	**4,594**	**2,670**	**7,264**
Increases, due to:	4,024	382	4,406
- amortisation	4,024	382	4,406
Decreases, due to:	–	627	627
- liquidation		186	186
- reclassification		441	441
Amortisation as at 31.12.2024	**8,618**	**2,425**	**11,043**
Net carrying amount as at 31.12.2024	**14,199**	**843**	**15,042**

Changes in intangible assets (by type groups) in H1 2024

	Completed development	Other (including computer software)	Total
Gross carrying amount as at 01.01.2024	**14,660**	**4,666**	**19,326**
Increases, due to:		27	27
- purchase		27	27
Decreases, due to:		187	187
- liquidation		187	187
Gross carrying amount as at 30.06.2024	**14,660**	**4,506**	**19,166**
Amortisation as at 01.01.2024	**4,594**	**2,670**	**7,264**
Increases, due to:	1,922	261	2,183
- amortisation	1,922	261	2,183
Decreases, due to:		625	625
- liquidation		187	187
- transfer to completed development		438	438
Amortisation as at 30.06.2024	**6,516**	**2,306**	**8,822**
Net carrying amount as at 30.06.2024	**8,144**	**2,200**	**10,344**

Property address	Land and mortgage register or file number	Plot area (m2) as at 30 June 2025	Value as at 30.06.2025 (PLN thousand)	Plot area (m2) as at 31 December 2024	Value as at 31.12.2024 (PLN thousand)	Plot area (m^2) as at 30.06.2024	Value as at 30.06.2024 (PLN thousand)
05-850 Ożarów Mazowiecki, ul. Poznańska 129/133	WA1P/00087633/6	1,302	363	1,302	363	1,302	363
	WA1P/00082343/1	2,750	252	2,750	252	2,750	252
	WA1P/00083348/3	4,928	2,435	4,928	2,435	4,928	2,435
	Total	**8,980**	**3,050**	**8,980**	**3,050**	**8,980**	**3,050**

The address for the above land plots is: 05-850 Ożarów Mazowiecki, ul. Poznańska 129/133

4.1.3 Finance lease

(in PLN)	As at 30.06.2025	As at 31.12.2024
Right of use	4,897,555.22	4,058,573.93
Lease liability	2,118,370.97	1,244,316.65
Financial costs of lease	62,858.29	55,592.78
Amortisation costs	93,858.97	68,296.24
Discount rate	5.88%	5.88%
Lease payments:		
Principal	62,212.77	27,450.04
Interest	62,858.29	55,592.78

4.1.4 Property, plant and equipment

Changes in property, plant and equipment (by type) in the first half of 2025

	Buildings and structures	Machinery and devices	Means of transport	Other tangible assets	Tangible assets under construction	Total
Gross carrying amount as at 01.01.2025	**45,817**	**64,853**	**2,079**	**35,146**	**3,792**	**151,659**
Increases, due to:	**791**	**689**		**167**	**398**	**1,649**
- acquisition		644		66	398	714
- settlement of tangible assets under construction	520	45		41		606
– value modification	271			60		331
Decreases, due to:	**10**	**14**			**606**	
- liquidation	10	14				24
- taking fixed assets into inventory					606	606
Gross carrying amount as at 30.06.2025	**46,598**	**65,528**	**2,079**	**35,284**	**3,584**	**153,074**

	Buildings and structures	Machinery and devices	Means of transport	Other tangible assets	Tangible assets under construction	Total
Depreciation as at 01.01.2025	**7,898**	**24,636**	**1,310**	**12,971**		**46,815**
Increases, due to:	**610**	**2,360**	**170**	**1,466**		**4,605**
- amortisation	610	2,360	170	1,466		4,605
Decreases, due to:	**10**	**14**				**24**
- liquidation	10	14				24
Depreciation as at 30.06.2025	**8,498**	**26,981**	**1,480**	**14,436**		**51,396**
Net carrying amount as at 30.06.2025	**38,100**	**38,547**	**599**	**20,848**	**3,584**	**101,684**

Changes in property, plant and equipment (by type groups) 2024

Specification (PLN thousand)	Buildings and structures	Machinery and devices	Means of transport	Other tangible assets	Tangible assets under construction	Total
Gross carrying amount as at 01.01.2024	**45,817**	**64,453**	**2,079**	**34,711**	**2,543**	**149,604**
Increases, due to:		593		455	1,932	2,980
- acquisition of tangible assets		410		315		725
- settlement of tangible assets under construction		183		140		323
- other					1,932	1,932
Decreases, due to:		193		50	683	926
- liquidation		193		50		243
- taking fixed assets into inventory					683	683
Gross carrying amount as at 31.12.2024	**45,817**	**64,853**	**2,079**	**35,146**	**3,792**	**151,659**
Depreciation as at 01.01.2024	**6,677**	**20,017**	**933**	**10,069**		**37,696**
Increases, due to:	1,221	4,800	377	2,950		9,348
- depreciation	1,221	4,800	377	2,950		9,348
Decreases, due to:		181		48		229
- liquidation		181		48		229
Depreciation as at 31.12.2024	**7,898**	**24,636**	**1,310**	**12,971**		**46,815**
Net carrying amount as at 31.12.2024	**37,919**	**40,217**	**769**	**22,175**	**3,792**	**104,844**

Changes in property, plant and equipment (by type) in the first half of 2024

	Buildings and structures	Machinery and devices	Means of transport	Other tangible assets	Tangible assets under construction	Total
Gross carrying amount as at 01.01.2024	**45,817**	**64,424**	**2,079**	**34,742**	**2,543**	**149,604**
Increases, due to:		**197**		**210**	**225**	**632**
- acquisition		197		210		407
- tangible assets under construction					225	225
Decreases, due to:		**97**		**34**		**131**
- liquidation		97		34		131
Gross carrying amount as at 30.06.2024	**45,817**	**64,524**	**2,079**	**34,918**	**2,768**	**150,105**
Depreciation as at 01.01.2024	**6,677**	**20,017**	**933**	**10,069**		**37,696**
Increases, due to:	**610**	**2,366**	**196**	**1,494**		**4,666**
- depreciation	610	2,366	196	1,494		4,666
Decreases, due to:		**85**		**34**		**119**
- liquidation		85		34		119
Depreciation as at 30.06.2024	**7,287**	**22,298**	**1,129**	**11,529**		**42,244**
Net carrying amount as at 30.06.2024	**38,530**	**42,226**	**950**	**23,388**	**2,768**	**107,861**

4.1.5 Investments in jointly controlled entities

In connection with the measurement of VIGO VENTURES ASI sp. z o.o. using the equity method, an impairment allowance was recognised on the value of the acquired shares in the amount of PLN 2.5 million.

As at 30 June 2024, VIGO VENTURES ASI was included in the standalone financial	Value of shares at purchase price (in PLN thousand)		Revaluation adjustments	Carrying amount of shares (in PLN thousand)		Percentage of shares held	Percentage of votes held As at 30.06.2025
	As at 30.06.2025	As at 30.06.2024		As at 30.06.2025	As at 30.06.2024		
VIGO VENTURES ASI	18,266	16,338	2,674	20,941	13,802	50%	50%

4.1.6 Expenditure on development projects and deferred income

VIGO Photonics is engaged in development on a number of projects, including those co-financed from the state budget and EU funds. The summary of expenditure incurred in the consolidated financial statements is presented in the table below:

Specification (in PLN thousand)	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Epitaxial structures and VCSELs	–	–	2,102
MIRPIC	1,166	662	331
Matrices	11,770	7,260	4,789
INGAAS WITH ASIC	–	–	3,807
Other	10,484	8,932	7,998
Development expenditure, including:	**23,420**	**16,855**	**19,027**
long term	23,420	16,855	19,027
short term	–	–	–

A detailed description of development is provided in Section 5.3 of the Report.

Specification (in PLN thousand)	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Property insurance	193	363	137
Invoices to be settled in the new period	930	1,082	548
Membership fees	13	6	
Advance invoices	11	78	19
Property tax	155		109
Contribution to the Company Social Benefits	169		
Grants	4,396		
Other	13		262
Prepaid expenses including:	**5,880**	**1,529**	**1,076**
long term	4,465	22	14
short term	1,415	1,507	1,062

4.1.7 Current assets

Inventories

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Materials for production	12,516	9,655	9,520
Deliveries en route	352	1,271	677
Semi-finished products and work in progress	1,302	1,056	1,140
Finished products	7,831	7,159	7,862
Gross inventories	**22,001**	**19,141**	**19,199**
Impairment allowance on inventories	4,050	3,365	2,875
Net inventories	**17,951**	**15,776**	**16,323**

Age analysis of inventories as at 30 June 2025

Specification (in PLN thousand)	Aged inventories in days					Total
	1-180	181-365	366-548	549-730	over 730	
Materials (gross)	6,531	2,059	2,132	587	1,206	12,516
Materials (allowances)		515	1,066	441	1,206	3,228
Materials, net	**6,531**	**1,544**	**1,066**	**147**		**9,289**
Semi-finished products and work in progress (gross)	871	135	56	41	199	1,302

Specification (in PLN thousand)	Aged inventories in days					Total
	1-180	181-365	366-548	549-730	over 730	
Semi-finished products and work in progress (allowances)		34	28	31	199	291
Semi-finished products and work in progress (net)	**871**	**101**	**28**	**10**		**1,011**
Finished products (gross)	869	497	227	126	187	1,907
Finished products (allowances)		124	114	94	187	519
Deviations from fixed prices	2,606	1,490	682	377	560	5,717
Finished products (net)	**3,475**	**1,863**	**795**	**409**	**560**	**7,103**
Advances on deliveries (net)	**548**					**548**
Total inventories	**11,425**	**3,508**	**1,889**	**566**	**560**	**17,951**

Age analysis of inventories as at 31 December 2024

Specification (in PLN thousand)	Aged inventories in days					Total
	1-180	181-365	366-548	549-730	over 730	
Materials (gross)	4,161	3,073	901	542	978	9,655
Materials (allowances)		768	450	407	978	2,603
Materials, net	**4,161**	**2,305**	**451**	**135**	**0**	**7,052**
Semi-finished products and work in progress (gross)	660	115	56	14	210	1,055
Semi-finished products and work in progress (allowances)		29	28	10	210	277
Semi-finished products and work in progress (net)	**660**	**86**	**28**	**4**	**0**	**778**
Finished products (gross)	1,197	378	230	100	200	2,105
Finished products (allowances)		95	115	75	200	485
Deviations from fixed prices	2,994	1,028	672	360		5,054
Finished products (net)	**4,191**	**1,311**	**787**	**385**	**0**	**6,674**
Advances on deliveries	**1,271**					**1,271**
Total inventories	**10,283**	**3,702**	**1,266**	**524**	**0**	**15,776**

Age analysis of inventories as at 30 June 2024

Specification (in PLN thousand)	Aged inventories in days					Total
	1-180	181-365	366-548	549-730	over 730	
Materials (gross)	5,377	1,954	761	698	729	9,520
Materials (allowances)		489	380	524	729	2,122
Materials, net	**5,377**	**1,466**	**380**	**175**		**7,398**
Semi-finished products and work in progress (gross)	678	178	52	201	31	1,140
Semi-finished products and work in progress (allowances)		44	26	151	31	253
Semi-finished products and work in progress (net)	**678**	**133**	**26**	**50**		**887**
Finished products (gross)	797	385	168	102	245	1,696
Finished products (allowances)		96	84	76	245	501
Deviations from fixed prices	2,896	1,399	612	369	889	6,166
Finished products (net)	**3,693**	**1,687**	**696**	**395**	**889**	**7,361**

Specification (in PLN thousand)	Aged inventories in days					Total
	1-180	181-365	366-548	549-730	over 730	
Advances on deliveries (net)	**677**					**677**
Total inventories	**10,425**	**3,286**	**1,103**	**620**	**889**	**16,323**

Change in inventory allowances

	Allowances on materials	Allowances on semi-finished products and work in progress	Allowances on goods	Total allowances on inventories
Status as at 01.01.2025	**2,603**	**277**	**484**	**3,365**
Increases, including:	**625**	**14**	**47**	**686**
- recognition of allowances in correspondence with other operating costs	625	14	47	686
As at 30.06.2025	**3,228**	**291**	**531**	**4,050**

	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, including:	**873**	**121**	**79**	**1,073**
- recognition of allowances in correspondence with other operating costs	873	121	79	1,073
Status as at 31.12.2024	**2,603**	**277**	**484**	**3,365**

	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, including:	**391**	**97**	**96**	**584**
- recognition of allowances in correspondence with other operating costs	391	97	96	584
As at 30.06.2024	**2,122**	**253**	**501**	**2,875**

Materials in stock constitute a reserve for securing technological processes and will be used in the next accounting period. Material items are held in stock for the following reasons:

- Holding items withdrawn from production by suppliers for the purposes of their maintenance service
- Holding items used for orders that appear only rarely but in large quantities
- Items which are used for infrequent orders with special parameters.

Finished products staying in stock for more than 365 days are surplus products manufactured during the minimum technological process series. They can be sold in the future if there is individual demand for them.

Due to the planned increase in production volumes, part of the inventories in stock will be consumed in the production process in subsequent years.

Finished products are kept in stock for the following reasons:

- To cater to high-volume production orders
- To have in stock individual detectors manufactured in excess as part of single orders with very specific parameters, where repetition of such special parameters occurs at intervals of several months
- As a result of manufacturing of products in larger batches in order to reduce the price for the customer, with a part of the batch being sold immediately and the rest within the following few months.

Receivables

The amount receivables is based on the standard payment terms granted to customers. In the opinion of the Management Board, there is no significant risk of non-payment of the above receivables. The amount of receivables at the end of June 2025 is PLN 1.0 million lower than at 31 December 2024.

For trade receivables (except for those that are treated individually as defaulted), a collective analysis was carried out and a simplified matrix of allowances was used in individual age ranges based on expected credit losses over the entire life of the receivable. The analysis was performed for receivables from corporate customers based on default rates determined on the basis of historical data for 2022–2024.

As a result, for trade receivables that are overdue for less than 90 days, the impairment allowance is PLN 55 thousand, while the allowance for receivables overdue for more than 90 days is PLN 23 thousand.

In 2018, in accordance with IFRS 9, an allowance for receivables in the amount of PLN 7 thousand was recorded as a difference between IAS 39 and IFRS 9.

Receivables from corporate customers	Total	Up to date	Current 1-30 days	31-90 days	91-180 days	181-365 days	Above 365 years
Balance of receivables as at 30.06.2025 (1)	**16,570**	**13,812**	**1,216**	**1,488**	**15**	**31**	**7**
Default rate (2)		0.10%	0.87%	2.05%	9.82%	23.63%	100.00%
Expected credit loss (1)*(2)	71	14	11	30	1	7	7
Total allowances	**71**	**14**	**11**	**30**	**1**	**7**	**7**

Change in impairment allowance on trade receivables

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Impairment allowance on trade receivables at the beginning of the period	**77**	**30**	**30**
Increases, including:	**123**	**247**	**125**
- allowances on overdue and disputed receivables	123	247	125
Decreases, including:	**122**	**200**	**81**
- impairment allowances used	122	200	81
Impairment allowance on trade receivables from other entities at the beginning of the period	**78**	**77**	**75**

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Net trade receivables	**16,492**	**17,972**	**19,893**
- from related parties	1,794	3,258	1,704
- from other entities	14,698	14,714	18,189

Impairment allowances	78	77	75
Gross trade receivables	**16,570**	**18,049**	**19,818**

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Other receivables, including:			
- on account of taxes	1,472	2,057	1,165
- other		219	3
Other financial receivables, gross	**1,472**	**2,276**	**1,168**
Other financial receivables – gross	**1,031**	**1,156**	**1,123**
- loans granted	1,031	1,156	1,123
Impairment allowances	**1,031**	**1,156**	**1,123**
Other financial receivables – net	**–**	-	**–**
Total other short-term receivables – net	**1,472**	**2,276**	**1,168**

Currency structure of gross short-term receivables

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
in Polish currency	**4,923**	**1,852**	**6,648**
in foreign currencies (by currency and after conversion to PLN)	**25,035**	**28,304**	**21,255**
EUR	**2,482**	2,964	**2,652**
after conversion to PLN	**10,529**	**12,667**	**11,436**
USD	**4,011**	3,813	**2,435**
after conversion to PLN	**14,505**	**16,134**	**9,819**
GBP	**172**		
after conversion to PLN	**852**		
Total short-term receivables	**29,958**	**30,652**	**27,903**

Structure of receivables

	Total	Up to date	Overdue in days				
			up to 1 month	up to 3 months	up to 6 months	up to 12 months	over 12 months
			30.06.2025				
Trade receivables	16,569	13,812	1,216	1,488	15	31	7
Impairment allowances	76	20	11	30	1	7	7
Other receivables	14,497	14,497					
Impairment allowances	1,031	1,031					
As at 30.06.2025	**29,958**	**27,258**	**1,205**	**1,458**	**14**	**24**	
			31.12.2024				
Trade receivables	16,969	13,482	2,653	625	49	160	
Impairment allowances	77	17	29	14	1	16	
Other receivables	3,432	3,432	76				
Impairment allowances	1,156	1,156					
As at 31.12.2024	**19,168**	**15,741**	**2,624**	**611**	**49**	**144**	
			30.06.2024				
Trade receivables	19,968	18,395	926	611	10	1	24
Impairment allowances	75	20	11	16	2	1	24

	Total	Up to date	Overdue in days				
			up to 1 month	up to 3 months	up to 6 months	up to 12 months	over 12 months
Other receivables	9,133	9,133					
Impairment allowances	1,123	1,123					
As at 30.06.2024	**27,903**	**26,384**	**914**	**595**	**9**	**1**	

Cash

	As at:	As at:	As at:
	30.06.2025	31.12.2024	30.06.2024
Cash at bank:			
bank PLN	1,041	4,125	30,549
bank EUR	197	2,797	50
converted into PLN	835	11,953	217
bank USD	127	291	279
converted into PLN	458	1,191	1,125
Total	**2,334**	**17,270**	**31,891**

Restricted cash:

	As at:	As at:	As at:
	30.06.2025	31.12.2024	30.06.2024
Cash received for development projects	**585**	**2,886**	**1,349**

Cash at the disposal of the entity not included in the balance sheet item

	As at:	As at:	As at:
	30.06.2025	31.12.2024	30.06.2024
Cash in the Social Fund	**556**	**154**	**401**

Financial instruments

Financial assets	Carrying amount			Fair value			Qualification category
	30.06.2025	31.12.2024	30.06.2024	30.06.2025	31.12.2024	30.06.2024	
Trade and other receivables	17,965	17,972	18,988	17,965/*	17,972/ *	19,988/*	AAC
Cash and cash equivalents	2,334	16,527	31,891	2,334/*	16,527/ *	31,891/*	AAC

**It is assumed that the fair value is close to the carrying amount – for this reason, no approach was used to measure those balance sheet items*

Financial liabilities	Carrying amount			Fair value			Qualification category
	30.06.2025	31.12.2024	30.06.2024	30.06.2025	31.12.2024	30.06.2024	
Interest bearing bank and other loans, including:	**14,881**	**19,389**	**27,456**	**14,881/***	**19,389/***	**27,456/***	

- other - short term	7,133	10,833	14,591	7,133/*	10,833/*	14,951/*	Financial liabilities measured at amortised cost.
- other - long term	7,748	8,556	12,865	7,748/*	8,556/*	12,865/*	
Trade and other liabilities	**6,121**	**4,889**	**5,177**	**6,121/***	**4,889/***	**5,177/***	

**It is assumed that the fair value is close to the carrying amount – for this reason, no approach was used to measure those balance sheet items*

During the two quarters of 2024, in terms of price change risk, credit risk, interest rate risk and liquidity risk no significant disruptions in cash flows were noted.

The Group estimates that the risk related to trade receivables is limited due to the fact that it does business only with counterparties with proven credibility. Moreover, the Group continuously monitors its collection process.

The Group believes that the risk associated with trade liabilities is limited due to the fact that it continuously tracks inflows and outflows and so it has advance knowledge about the amounts to be settled.

4.1.8 Deferred income tax

In connection with temporary differences between the value of assets and liabilities reported in the books and their tax value, the entity establishes deferred tax assets or liabilities for which it is a taxpayer. As at 30 June 2025, the Company used a deferred tax asset of PLN 291 thousand created in connection with the investment premium in the Tarnobrzeg Special Economic Zone and other temporary differences.

Income tax disclosed in the statement of comprehensive income (PLN thousand)	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Current income tax	**28**	**39**
For the financial year	28	39
Deferred income tax	**292**	**74**
Origination and reversal of temporary differences	**292**	**74**
Tax charge disclosed in the statement of comprehensive income	**320**	**113**

Deferred tax assets and liabilities affect the financial statements as follows:

PLN thousand	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Balance at the beginning of the period		
Deferred tax assets	+9,989	+8,000
Deferred tax liability	-2,498	-154
Net deferred tax at the beginning of the period	+7,460	+7,846
Change in the balance in the period affecting:	-292	-74
Profit or loss (+/-)	-292	-74
Net deferred tax at the end of the period, including	+7,169	+7,772
Deferred tax assets	**+10,096**	**+9,939**
Deferred tax liability	**-2,927**	**-2,167**

Deferred tax assets as at 30.06.2025

Temporary differences	Balance at the beginning of the period	Change	Balance at the end of the period
		Profit or loss / Equity	
Assets			
Inventories	3,365	+686	4,050
Trade receivables	76	+2	78
Investments in related parties	1,226	-133	1,093
Interest claimed	2	-1	1
Liabilities			
Provisions for employee benefits	3,792	+4	3,796
Other provisions	840	-90	749
Other liabilities	29		29
Unpaid contracts of mandate and remuneration	58	-18	40
Unpaid social security contributions	1,079	105	1,184
Total	**10,468**	**554**	**11,022**

Deferred tax liabilities as at 30.06.2025

Assets			
Property, plant and equipment	12,989	1,797	14,786
Trade receivables	29	-29	
Liabilities			
Interest calculated	300	321	621
Total	**13,318**	**1,535**	**15,407**
Tax rate		**19%**	
Deferred tax asset	1,989	+105	2,094
Deferred tax liability	-2,530	-397	-2,927
Change in the balance of deferred tax	-539	-292	-831
Investment tax credit in TSEZ	**8,000**		**8,000**
Deferred tax in the statement of comprehensive income		**-385**	

Investment tax credit in TSEZ

Deferred tax in the statement of comprehensive income	Balance at the beginning of the period	Change	Balance at the end of the period
		Profit or loss / Equity	
Assets			
Inventories	2,291	+1,074	3,365
Trade receivables	30	+30	76
Investments in related parties	1,151	+76	1,226
Interest claimed	157	-155	2
Liabilities			
Provisions for employee benefits	3,687	+105	3,792
Other provisions	643	+196	84
Other liabilities	29		29
Unpaid contracts of mandate and remuneration	80	-22	58

Unpaid social security contributions	767	+312	1,079
Total	**8,836**	**1,632**	**10,468**

Deferred tax liabilities as at 31.12.2024

Assets			
Property, plant and equipment	9,433	3,556	12,989
Trade receivables		29	29
Liabilities			
Interest calculated	225	76	300
Total	**9,658**	**3,660**	**13,318**
Tax rate		**19%**	
Deferred tax asset	1,679	+310	1,989
Deferred tax liability	-1,835	-695	-2,530
Change in the balance of deferred tax	-154	-385	-539
Investment tax credit in TSEZ	**8,000**		**8,000**
Deferred tax in the statement of comprehensive income		**-385**	

Deferred tax assets as at 30.06.2024

Temporary differences	Balance at the beginning of the period	Change	Balance at the end of the period
		Profit or loss / Equity	
Assets			
Inventories	2,291	+584	2,875
Trade receivables	30	+45	75
Investments in related parties	1,151	+42	1,192
Interest claimed	157	+39	163
Liabilities			
Provisions for employee benefits	3,687	-1,287	2,723
Other provisions	643	+66	709
Other liabilities	1,033	+249	1,282
Total	**8,836**	**+2,272**	**11,108**

Deferred tax liabilities as at 30.06.2024

Assets			
Property, plant and equipment	9,433	+1,812	11,246
Interest payable	225	-61	163
Total	**9,658**	**+1,751**	**11,409**
Tax rate		**19%**	
Deferred tax asset	1,679	+432	2,111
Deferred tax liability	-1,835	-333	-2,168
Investment tax credit in TSEZ	+8,000	-173	+7,827
Deferred tax in the statement of comprehensive income		**-74**	

4.2 Equity and liabilities

4.2.1 Provisions

Provision for pensions and similar benefits

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Provisions for retirement and disability severance payments	302	256	231
Provisions for holiday leaves	2,730	2,000	2,491
Total, including:	**3,031**	**2,256**	**2,722**
- long-term	265	204	204
- short term	2,766	2,051	2,518

Changes in provisions for pensions and similar benefits

	Provisions for retirement and disability severance payments	Provisions for holiday leaves
As at 01.01.2025	**256**	**2,000**
Provisions raised	46	730
Provisions released		
Balance as at 30.06.2025, including:	**302**	**2,730**
- long-term	265	0
- short term	36	2,730
As at 01.01.2024	**224**	**2,001**
Provisions raised	32	
Provisions released		1
Balance as at 31.12.2024, including:	**256**	**2,000**
- long-term	204	0
- short term	52	2,000
As at 01.01.2024	**224**	**2,001**
Provisions raised	7	490
Provisions released		
Balance as at 30.06.2024, including:	**231**	**2,491**
- long-term	225	
- short term	6	2,491

Other provisions

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Provision for remuneration	799	1,536	2,252
Provisions for warranty repairs and returns	696	625	660
Provision for the audit of financial statements	53	97	49
Other provisions	18	223	
Total, including:	**1,566**	**2,481**	**2,960**
- short term	1,566	2,481	2,960

Change in other provisions

	Provisions for warranty repairs and returns	Other provisions	Total
As at 01.01.2025	**625**	**1,656**	**2,281**
Recognised during the financial year	71	870	941
Released		1,656	1,656
Balance as at 30.06.2025, including:	**696**	**870**	**1,566**
- short term	696	870	1,566
As at 01.01.2024	**596**	**1,509**	**2,105**
Recognised during the financial year	64	196	260
Released	35	49	84
Balance as at 31.12.2024, including:	**625**	**1,656**	**2,281**
- short term	625	1,656	2,281
As at 01.01.2024	**596**	**1,509**	**2,105**
Recognised during the financial year	64	2,301	2,365
Released		1,509	1,509
Balance as at 30.06.2024, including:	**660**	**2,301**	**2,960**
- short term	660	2,301	2,960

Provision for employee bonuses

Provisions were recognised (PLN 797 thousand) for remuneration related to the equalisation of the bonus for Q2 2025 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

Provisions are created 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.

Provisions for retirement and disability severance payments, and holiday accruals

In the reporting period, provisions were recognised for retirement and disability severance payments, and holiday accruals of PLN 775 thousand.

4.2.2 Liabilities

The balance of loans outstanding as at 30 June 2025 is presented in the table below.

Bank loans as at 30.06.2025

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 384	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 375	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 – foreign currency technological investment loan	EUR 5,950	EUR 2,740	1M EURIBOR + margin	21.06.2028
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500		1M EURIBOR + margin	possible extension

Bank loans as at 31.12.2024

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 69	1M EURIBOR + margin	31.03.2025
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 641	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 625	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 5,950	EUR 3,197	1M EURIBOR + margin	21.06.2028
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500		1M EURIBOR + margin	possible extension of the agreement

Bank loans as at 30.06.2024

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 509	1M EURIBOR + margin	31.03.2026
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 941	1M EURIBOR + margin	31.12.2026
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 917	1M EURIBOR + margin	31.03.2026
ING Bank Śląski – foreign currency technological investment loan	EUR 5,950	EUR 3,729	1M EURIBOR + margin	21.06.2028
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 239	1M EURIBOR + margin	possible extension

Collateral for the above loans is described in section 4.2.9 of the Annual Report for 2024.

The Company has received a statement from the bank regarding breaches in active credit agreements as of 31 March 2025. In connection with the breaches, the Bank did not impose any sanctions on the Company.

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 the Bank, excluding the social fund (if any) and excluding transfers and currency conversions between the Client's

own accounts, reversals, inflows from the purchase of receivables and loan disbursements, will be not lower than EUR 1,200,000.00 in each calendar month – the level of turnover in EUR was as follows:

- in January 2025: EUR 1,076,836.89
- in February 2025: EUR 2,023,899.51
- in March 2025: EUR 512,896.91

2. The Client will not grant loans to a third party, including entities connected by capital, in excess of PLN 500,000.00 per year in total, without the prior written consent of the Bank, excluding loans from the Company Social Benefits Fund – loans were granted in the total amount of USD 2,682 thousand (as at 31/12/2024).

	As at:	As at:	As at:
	30.06.2025	31.12.2024	30.06.2024
	PLN	PLN	PLN
Short-term borrowings	7,133	8,556	12,865
Long-term borrowings	7,748	10,833	14,591
- maturing between 1 to 3 years	7,748	10,833	14,591
	14,881	**19,389**	**27,456**

Loans currency structure

	As at:		As at:		As at:	
	30.06.2025		31.12.2024		30.06.2024	
	Currency	PLN	Currency	Currency	Currency	PLN
PLN		37		24		13
EUR	3,499	14,844	4,531	19,363	10,627	47,301
		14,881		**19,389**		**47,314**

Table of credit facility movements (PLN/ EUR thousand)

Loan amount	As at 01.01.2025	+/- principal	+ / - interest paid /- accrued	+ / - valuation	As at 30.06.2025
EUR 5,800	293	-293			
EUR 3,600	2,741	-1,083	+39/-39	-28	1,630
EUR 2,000	2,671	-1,053	+43/43	-27	1,591
EUR 5,950	13,659	-1,924	+243/-243	-113	11,622
overdraft	24	-24/+37			37
Total	**19,389**				

Loan amount	As at 01.01.2024	+/- principal	+ / - interest paid /- accrued	+ / - valuation	As at 31.12.2024
EUR 5,800	4,147	-3,798	+118/-118	-57	293
EUR 3,600	5,233	-2,398	+209/-209	-76	2,741
EUR 2,000	5,096	-2,332	+225/-225	-1	2,671
EUR 5,950	17,886	+984/-4,856	+884/-884	-10	13,659
EUR 5,500	18,956	-/-18 956	+732/-1,184		
overdraft	15	+24/-15			24
Total	**51,333**	**+1,008/-32,355**	**+2,169/-2,621**	**-145**	**19,389**

Loan amount	As at 01.01.2024	+/- principal	+ / - interest paid /- accrued	+ / - valuation	As at 30.06.2024
EUR 5,800	4,147	-/-1 902	+ 92/-83	-/-50	2,204
EUR 3,600	5,233	-/-1 110	+133/-117	-/-63	4,076
EUR 2,000	5,096	-/-1 079	+142/-125	-/-63	3,971
EUR 5,950	17,886	-/-2 568	+520/-451	+766/-	16,153
EUR 5,500	18,956	+18,475/-36,389	+293/-285	-/-14	1,036

Loan amount	As at 01.01.2025	+/- principal	+ / - interest paid /- accrued	+ / - valuation	As at 30.06.2025
overdraft	15	+15/-15			15
Total	**51,333**	**+18,490/-43,063**	**+1,180/-1,061**	**+766/-190**	**27,456**

Other long-term liabilities

The Group has a long-term lease liability of PLN 1992 thousand (2024: PLN 863 thousand).

Trade and other liabilities

Specification (in PLN thousand)	30.06.2025	31.12.2024
Liabilities on account of other taxes, duties, social security and other, except for CIT, including:	**1,669**	**1,746**
Personal income tax	345	483
Social security (ZUS) contributions	1,176	1,079
PFRON [STATE FUND FOR REHABILITATION OF THE DISABLED]	41	39
Property tax	107	145
Other liabilities	**359**	**191**
Other liabilities	305	132
Liabilities towards employees on account of salaries	54	59
Total other liabilities	**2,028**	**1,941**

Currency structure of gross short-term liabilities

	As at:	As at:
	30.06.2025	31.12.2024
in Polish currency	**3,244**	**3,626**
in foreign currencies (by currency and after conversion to PLN)	**2,785**	**2,894**
EUR	491	276
after conversion to PLN	**2,082**	**1,181**
USD	195	375
after conversion to PLN	**703**	**1,541**
GBP	–	33
after conversion to PLN	**–**	**172**
Total short-term liabilities	**6,029**	**6,520**

Loans and guarantees granted

In the first half of 2025, loans of PLN 2,793 thousand were granted to related parties. No loans or guarantee were granted to members of the Management Board or Supervisory Board.

4.2.3 Deferred income

	As at:	As at:	As at:
	30.06.2025	31.12.2024	30.06.2024
Grants to tangible assets	**8,799**	**9,181**	**9,580**
Deferred income (funds received for research and development)	**9,819**	**8,190**	**10,702**
Prepayments received for future obligations	**–**	**29**	**–**
Deferred income, including:	**18,617**	**17,400**	**20,282**

	As at: 30.06.2025	As at: 31.12.2024	As at: 30.06.2024
Long term	16,161	15,055	17,620
Short term	2,456	2,345	2,662

4.3 Interim condensed consolidated statement of comprehensive income

4.3.1 Revenue structure

Structure of revenue in the consolidated financial statements

	For the period: from 01.01.2025 to 30.06.2025	For the period: from 01.01.2024 to 31.12.2024	For the period: from 01.01.2024 to 30.06.2024
Continued operations	**52,938**	**96,080**	**47,115**
Sale of goods and materials	106	58	55
Sale of products, including	41,206	76,061	37,755
- Detection modules segment	38,786	68,840	34,330
- Semiconductor materials segment	2,420	7,221	3,425
Sale of services, including:	1,055	2,191	753
- Detection modules segment	469	662	182
- Semiconductor materials segment	586	1,528	571
Total revenue from sales	**42,367**	**78,309**	**38,562**
Other operating income	7,237	14,699	7,817
Financial income	3,334	3,072	736
TOTAL revenue from continued operations	**52,938**	**96,080**	**47,115**
TOTAL revenue	**52,938**	**96,080**	**47,115**

Revenue is recognised on the basis of INCOTERMS 2020. The main rule applied by VIGO is EXW, which means that the delivery is considered to have been made when the goods are made available to the buyer at a designated place, with no obligation for the seller to undertake any further steps.

In accordance with IFRS 15, revenue is recognised when the customer obtains control of the goods or services. The customer obtains such control when it has the ability to manage the use of the goods or services and to obtain benefits from them. In accordance with each arrangement with customers, VIGO Photonics, on their behalf and at their request, mediates in ordering courier companies for the delivery of products. Customers themselves decide where the shipment is to be delivered. Therefore, control over the goods or services always passes to the customer when VIGO Photonics acts as an intermediary in arranging transport.

	For the period: From 01.01.2025 to 30.06.2025		For the period: From 01.01.2024 to 31.12.2024		For the period: From 01.01.2024 to 30.06.2024	
	PLN	%	PLN	%	PLN thousand	%
Domestic	**7,757**	**18.31**	**12,782**	**16.32**	**8,035**	**20.84**
Exports,	**34,609**	**81.69**	**65,527**	**83.68**	**30,527**	**79.16**
European	20,968	60.58	32,157	41.06	21,526	55.82
Third countries	13,642	39.42	33,370	42.61	9,002	44.18
Total	**42,367**	**100.00**	**78,309**	**100.00**	**38,562**	**100.00**

4.3.2 Operating segments

Specification 01.01.2025 - 30.06.2025		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	**45,413**	**4,191**	**49,604**
	Revenue from sales	39,354	3,013	42,367
	Other operating income	6,059	1,178	7,237
Segment costs	including:	**45,651**	**7,083**	**52,734**
	Cost of products, services and materials sold	16,920	4,920	21,840
	Selling costs	6,899	629	7,528
	General and administrative expenses	19,080	1,526	20,606
	Other operating costs	2,751	7	2,759
Segment profit/(loss)		**-238**	**-2,892**	**-3,130**
Profit/(loss) from continued operations before tax and financial income (costs)		**-238**	**-2,892**	**-3,130**
Interest income		0	2	2
Interest expense		330	222	552
Significant items of income		0	0	0
Significant items of costs		1,973	23	1,996
Share in profits (losses) of associates and joint ventures accounted for using the equity method		3,332	0	3,332
Profit/(loss) before tax		**792**	**-3,136**	**-2,344**
Income tax		320	0	320
Profit (loss) after tax		**472**	**-3,136**	**-2,664**
Total assets		**179,400**	**36,343**	**215,743**
Segment assets		179,400	36,343	215,743
Selected liabilities:				
Bank and other loans		4,533	10,347	14,881
Deferred income		16,742	1,876	18,617
Other segment information				
Investment assets		**105,275**	**32,721**	**137,996**
– tangible assets		72,606	29,078	101,684
– intangible assets		9,249	3,643	12,892
– development expenditure		23,420	0	23,420
Depreciation/ amortisation		**4,992**	**1,789**	**6,781**

Product range 01/01/2024 – 30/06/2024 (restated)		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	**39,990**	**6,389**	**46,379**
	Revenue from sales	34,565	3,997	38,562
	Other operating income	5,425	2,392	7,817
Segment costs	including:	**40,141**	**6,437**	**46,578**
	Cost of products, services and materials sold	14,515	3,373	17,889
	Selling costs	5,608	600	6,208

Product range 01/01/2024 – 30/06/2024 (restated)		Continued operations		Total
		Detection modules	Semiconductor materials	
	General and administrative expenses	15,857	2,346	18,203
	Other operating costs	4,161	118	4,278
Segment profit/(loss)		**-151**	**-48**	**-199**
Profit/(loss) from continued operations before tax and financial income (costs)		**-151**	**-48**	**-199**
Interest income		118	14	133
Interest expense		837	481	1,318
Significant items of income		398	205	603
Significant items of costs		0	0	0
Share in profits (losses) of associates and joint ventures accounted for using the equity method		-554	0	-554
Profit/(loss) before tax		-1,025	-309	-1,334
Income tax		113	0	113
Profit (loss) after tax		-1,138	-309	-1,447
Total assets		**194,451**	**38,225**	**232,677**
Segment assets		194,451	38,225	232,677
Selected liabilities				
Bank and other loans		6,419	21,037	27,456
Deferred income		16,615	3,667	20,282
Other segment information				
Capital expenditure		**100,936**	**36,297**	**137,233**
– tangible assets		75,869	31,992	107,861
– intangible assets		9,109	1,235	10,344
- development expenditure		15,958	3,070	19,028
Depreciation/ amortisation		5,035	1,502	6,537

4.3.3 Costs

Costs by nature in the consolidated financial statements

	For the period: from 01.01.2025 to 30.06.2025	For the period: from 01.01.2024 to 31.12.2024	For the period: from 01.01.2024 to 30.06.2024
Depreciation/ amortisation	6,669	13,304	6,500
Use of materials and energy	10,303	22,057	10,114
External services	7,148	11,258	5,396
Taxes and charges	167	390	158
Remuneration	22,469	28,465	19,037
Social security and other benefits	4,571	8,081	4,239
Other costs by type	1,228	2,712	1,289
Total costs by type, including:	**52,553**	**96,267**	**46,732**
Change in finished products	2,578	8,174	4,433
Selling costs (negative value)	-7,528	-13,515	-6,208
General and administrative expenses (negative value)	-20,606	-35,888	-18,202

	For the period: from 01.01.2025 to 30.06.2025	For the period: from 01.01.2024 to 31.12.2024	For the period: from 01.01.2024 to 30.06.2024
Cost of production of products and services sold	**21,840**	**38,690**	**17,889**

4.4 Impairment allowances

Impairment allowances are presented in detail in Section 4.1.7 of this report.

4.5 Settlements in respect of court cases

No settlements were made in respect of court cases. During the reporting period, VIGO Photonics was not involved in any significant court case.

4.6 Correction of errors from previous periods

During the reporting period, no corrections/ adjustments were made to the financial statements for prior years.

4.7 Consolidation adjustments

Items of the Statement of Financial Position for the period 01/01/2025-30/06/2025 (in PLN thousand)	Dr amount	Cr amount
Elimination of investments in subordinated entities	-445	
Elimination of financial receivables	-11,993	
Share capital		-445
Elimination of trade receivables	-1,794	-62
Elimination of financial liabilities		-11,993
Elimination of trade liabilities	-62	-1,795
Total	**-14,740**	**-14,740**
Items of the Statement of Comprehensive Income for the period 01/01/2025-30/06/2025 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-2,662	-3,260
Elimination of the cost of products and services sold		-2,692
Elimination of selling costs	-3,260	
Elimination of other operating income	-30	
Elimination of financial costs		-125
Elimination of financial income	-125	
Total	**-6,077**	**-6,077**
Total consolidation adjustments	**-20,372**	**-20,372**

Items of the statement of financial position for 01.01.2024-31.12.2024 (in PLN thousand)	Dr amount	Cr amount
Elimination of investments in subordinated entities	-504	
Elimination of financial receivables	-10,419	
Elimination of trade receivables	-3,258	-789
Elimination of financial liabilities		-10,924
Elimination of trade liabilities	-789	-3,258
Total	**-14,971**	**-14,971**
Total		

Items of the statement of financial position for 01.01.2024-31.12.2024 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-4,057	-2,633
Elimination of the cost of products and services sold		-4,100
Elimination of the value of goods and materials sold	-640	
Elimination of selling costs	-1,994	
Elimination of other operating income	-43	
Elimination of financial costs		-255
Elimination of financial income	-255	
Total	**-6,988**	**-6,988**
Total consolidation adjustments	**-21,959**	**-21,959**

Items of the statement of financial position for 01.01.2024-30.06.2024 (in PLN thousand)	Dr amount	Cr amount
Elimination of investments in subordinated entities	-496	
Elimination of financial receivables	-6,842	
Elimination of trade receivables	-1,704	-221
Elimination of financial liabilities		-7,338
Elimination of trade liabilities	-221	-1,704
Total	**-9,264**	**-9,264**

Items of the statement of financial position for 01.01.2024-30.06.2024 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-1,256	-1,168
Elimination of the cost of products and services sold		-1,277
Elimination of the value of goods and materials sold	-283	
Elimination of selling costs	-885	
Elimination of other operating income	-21	
Elimination of financial costs	-101	
Elimination of financial income		-101
Total	**-2,546**	**-2,546**

Items of the statement of financial position for 01.01.2024-30.06.2024 (in PLN thousand)	Dr amount	Cr amount
Total consolidation adjustments	**-11,810**	**-11,810**

4.8 Changes in the economic situation and business environment

There have been no changes in the economic situation or business environment that would affect the fair value of the Group's financial assets.

4.9 Seasonality and cyclicality of the Group's business

In its current operations, VIGO Photonics has not observed any seasonality or cyclicality of its sales performance.

4.10 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

4.11 Related party transactions

In the reporting period, loans of PLN 1,677 thousand were granted to related parties.

Commercial transactions with VIGO Photonics USA:

- Sale of products of PLN 1,287 thousand.
- Transport costs expense recognized in other operating income of PLN 21 thousand.
- The current costs of the period include a contractual commission on sales of PLN 887 thousand; materials of PLN 284 thousand were purchased and allocated to stock.
- Purchase of materials of PLN 283 thousand.

4.12 Changes in the classification of financial assets

During the period from 1 January 2025 to 30 June 2025, the Group did not make any changes in the classification of financial assets.

4.13 Dividend paid or declared

On 17 June 2024, the AGM adopted Resolution No. 10/23/06/2025 whereby it decided not to pay a dividend and to cover the loss for the 2024 financial year from the share capital in full.

4.14 Change in accounting policies

During the period from 1 January 2025 to 30 June 2025, the Group did not make any changes in its accounting policies.

4.15 Contingent liabilities and contingent assets

The Group has no contingent assets. Contingent liabilities were described in detail in the Annual Report for 2024. The Group has no other contingent liabilities than those described.

4.16 Subsequent events

On 8 September 2025, the Management Board of VIGO Photonics signed a contract for EUR 3.7 million with a company from the Caterpillar Group for the delivery of 1,600 detection modules by 28 February 2028.

Ożarów Mazowiecki, 25 September 2025.

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

5 MANAGEMENT BOARD'S REPORT ON THE GROUP'S ACTIVITIES

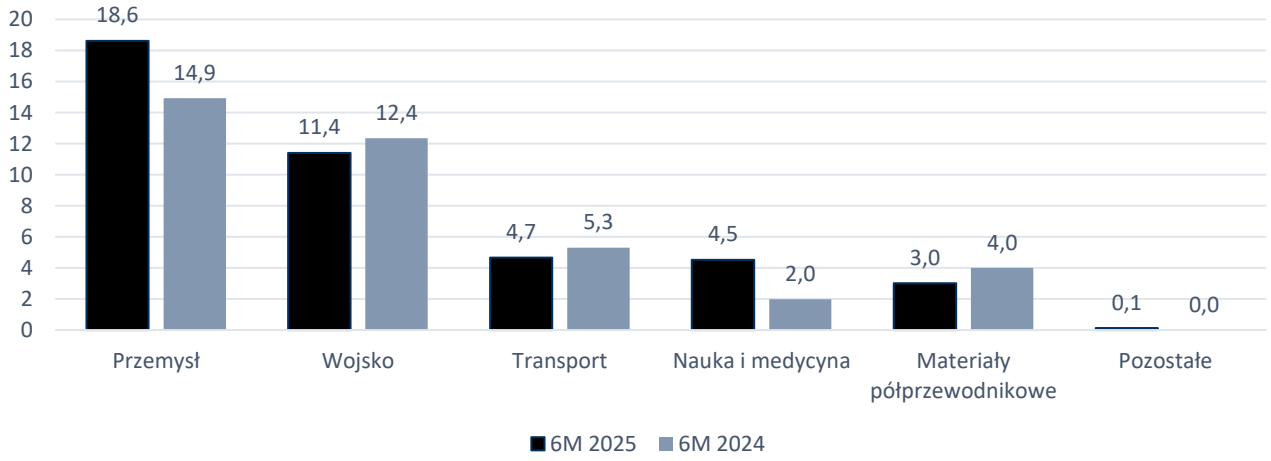
5.1 Summary of activities of VIGO Photonics in the first half of 2025

5.1.1 Revenue from sales

In the first half of 2025, the Group achieved PLN 42.4 million of consolidated sales revenues, up 9.87% YoY (including: sales of semiconductor materials of PLN 3 million, i.e. down 24.78% YoY).

The Group recorded the highest growth in the science and medical segment – 127.75% year-on-year and in the industry segment – 24.84% year-on-year.

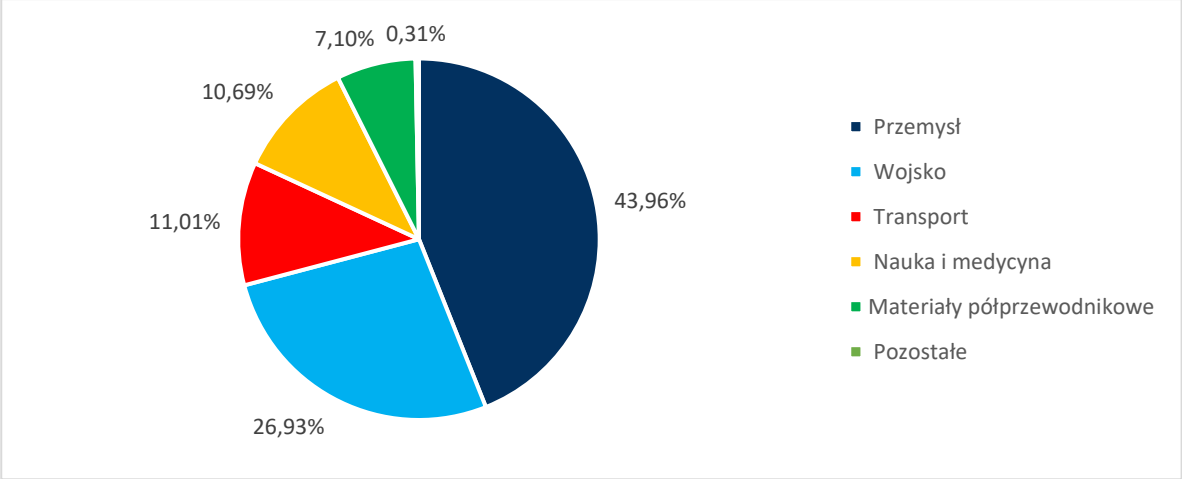
Chart1. Total sales for H1 2025 and 2024 by application [PLN million]



The H1 2025 performance was driven by the following factors:

- growing demand for the Company's products intended for military applications, particularly from Polish clients;
- an increase in demand for products from the industrial sector, particularly those related to gas analysis and leak detection;
- the introduction of a new line of low-cost detection modules to the market;
- issues with the availability of InP substrates, which led to delays in orders fulfilled within the semiconductor materials segment;

Chart 2 Total sales for H1 2025 by application [%]



5.1.2 Costs of core activities

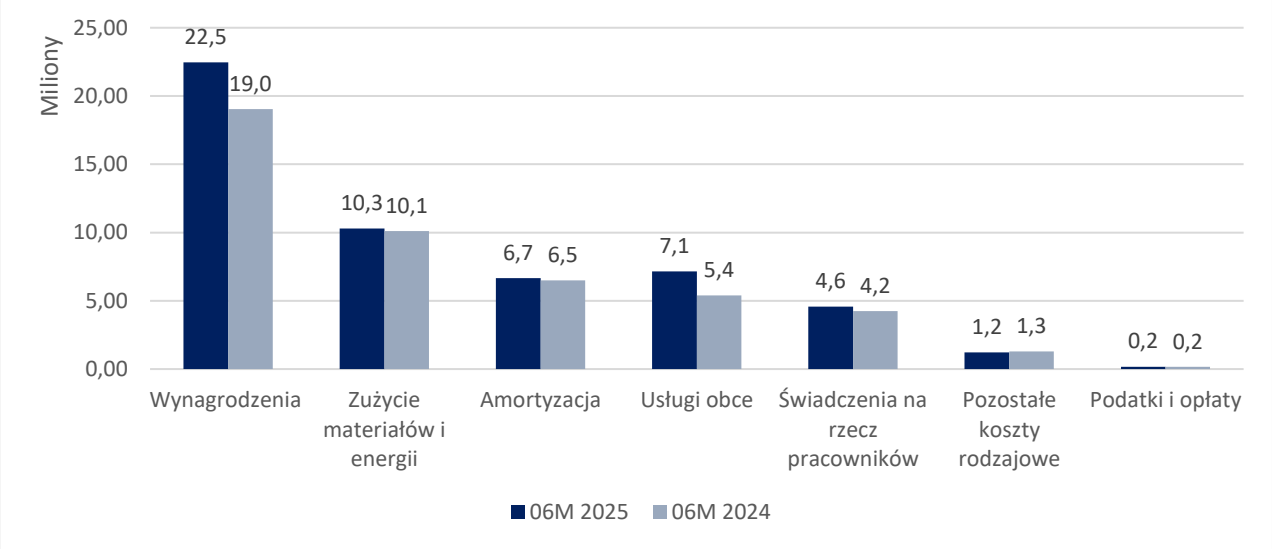
The unit cost of goods and services sold amounted to PLN 21.84 million, up 22.09% compared to the same period in 2024. This was primarily due to higher sales in H1 2025 combined with an increase in employee salaries and benefit costs.

General and administrative expenses for H1 2025 reached PLN 20.61 million, up 13.2% YoY.

Selling costs in H1 2025 were PLN 7.53 million, up 21.27% YoY.

In H1 2025, total costs of core operating activities (including other operating costs) reached PLN 52.73 million, i.e. were 13.22% higher year-on-year.

Chart 3 Costs by type [PLN million]

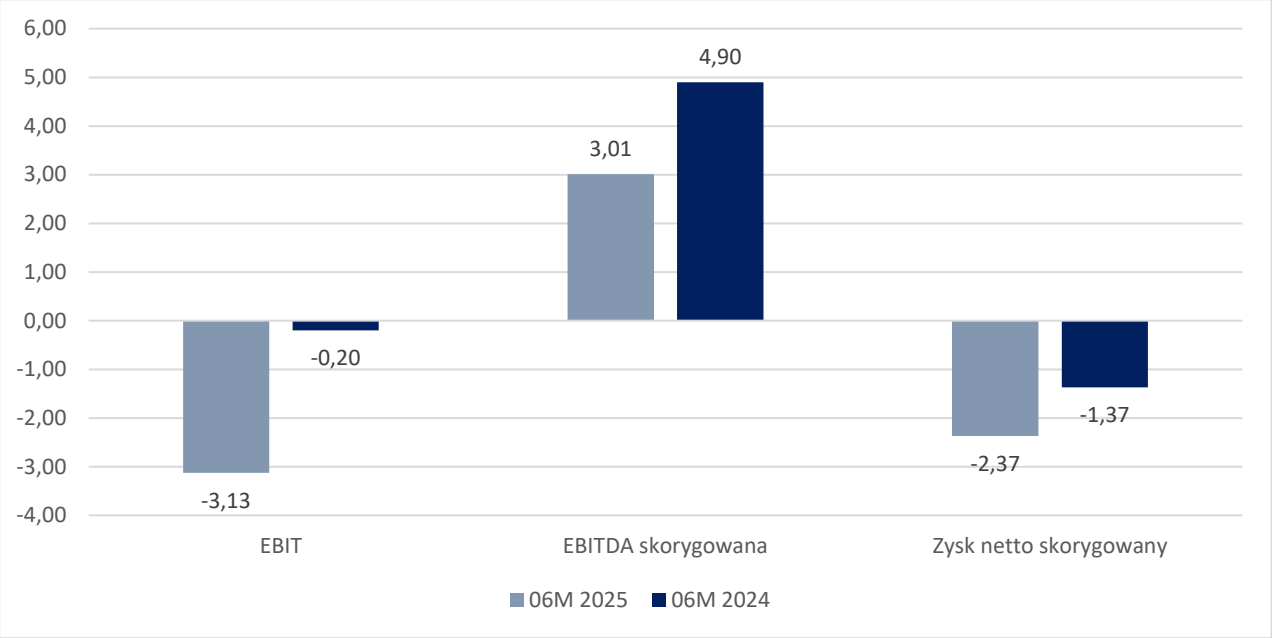


5.1.3 Profit/ loss

Operating profit (EBIT[2]) for H1 2025 was PLN -3.13 million (down 2.93% YoY). Adjusted [3]EBITDA[4] reached PLN 3.01 million and fell by PLN 1.89 million (38.5%) compared to 2024. In H1 2025, adjusted net loss came in at PLN -2.37 million.

[2] 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 Group's opinion, it represents an "alternative performance measure" (APM). The disclosed EBIT figure corresponds to operating profit/loss.
[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 Group'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.
[4]Adjusted EBITDA is the sum of the result (profit/loss) from operating activities and depreciation less the settlement of subsidies for grants and fixed assets as well as one-off events

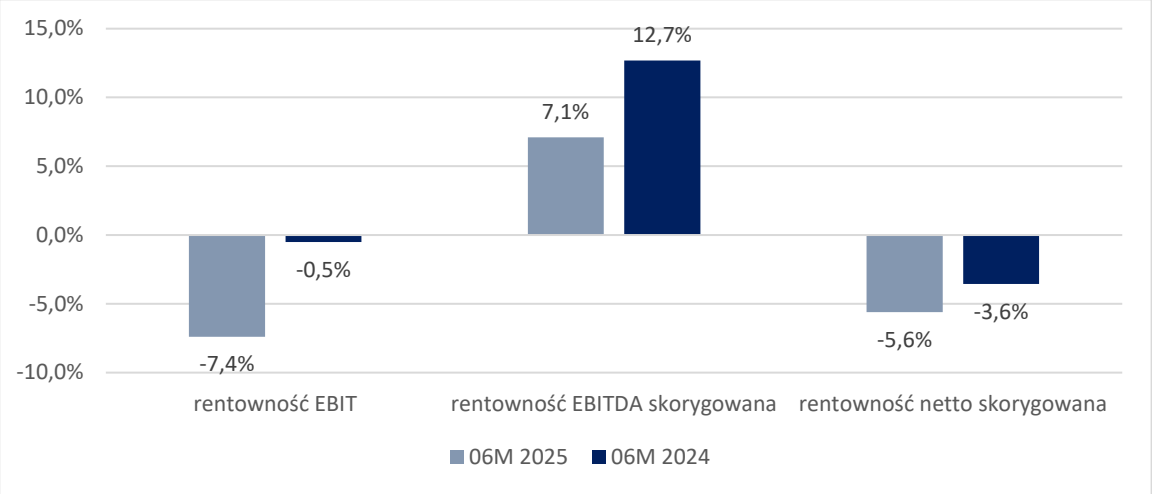
Chart 4 Financial results for H1 2025 and 2024 [PLN million]



Specification (adjusted for non-recurring items)		6M 2024	6M 2025
EBIT	**[PLN thousand]**	**-199**	**-3,130**
Adjusted EBITDA	**[PLN thousand]**	**4,895**	**3,008**
Operating profit (loss)	[PLN thousand]	-199	-3,130
Depreciation/ amortisation	[PLN thousand]	6,537	6,781
Settlement of subsidies to grants and tangible assets	[PLN thousand]	-1,462	-1,529
Incentive scheme	[PLN thousand]	0	0
Liquidation of development expenditure	[PLN thousand]	0	0
Operating costs related to the acquisition of financing	[PLN thousand]	19	109
Operating costs related to acquisitions	[PLN thousand]	0	777
EBIT margin		-0.5%	-7.4%
Adjusted EBITDA margin		12.7%	7.1%
Adjusted net profit margin		-3.6%	-5.6%

Adjusted net profit margin in H1 2025 was -5.6% and decreased by 2 percentage points compared to the same period of 2024. Adjusted EBITDA margin was 7.1% (down 5.6 pp YoY), while EBIT margin was -7.4% (down 6.9 pp YoY).

Chart 5 Margins in H1 2025 and 2024 (%)



5.2 Events related to the Group

22-23 January	Participation in the SHOT Show (USA)
28-30 January	Participation in the international SPIE Photonics West 2025 trade show (USA), featuring presentations of new products and scientific talks on HyperPIC during the accompanying conference.
28-30 January	Participation in the SPACECOM fair (USA)
3 February	Study visit to the company headquarters by Ministers from EU member states
12 February	Signing of an agreement with the National Centre for Research and Development for co-financing the project "Photonics Integrated Circuits for Free Space Optical Communication Systems (FSOC)"
26-27 February	Participation in the Joint Fires Summit (USA)
3 March	Visit of representatives of the Ministries of the Land of Barnderburg
18-19 March	Participation in the conference and scientific presentation of the 46th Freiburg Infrared Colloquium (Germany)
13 March	Signing of a letter of intent with Polski Holding Rozwoju and the companies Teldat and Ferax to develop a system for processing sensor data and generating reports on monitored individuals.
31 March – 4 April	Participation in the Hannover Messe trade fair with a presentation at the Polish Pavilion (Germany)
31 March	VIGO Photonics named the Stock Exchange Company of the Year 2024 in the "Innovation of Products and Services" category
31 March	Participation in the Warsaw University of Technology Job Fair
7 April	Signing of a contract with PCO S.A. for the supply of infrared matrices
7-9 April	Participation in the PIC International 2025 conference
10-11 April	Participation in the Job Fair at the Military University of Technology
15-17 April	Participation in the SPIE Defence+Commercial Sensing trade fair (USA)
16 April	Webinar during the online event "Infrared Imaging Summit"
6-7 May	Participation in the Defense 24 Days conference

6-7 May	Participation in the "Technology Infrastructures: A Strategic Asset for European Competitiveness", participation in the panel
8 May	Participation in the conference "International Digital Partnerships and Projects for Tech Sovereignty, Security, and Democracy"
13-15 May	Participation in the LASER-TECHNICA Poland trade fair
15 May	Signing of a letter of intent related to the purchase of assets of an American manufacturer of infrared detectors
20-22 May	Participation in the XPONENTIAL Show (USA)
26-27 May	Participation in the EUTechSovereignty2025 conference, participation in panel discussions and a study visit to the headquarters
28-30 May	Participation in the IDET fair as a visitor (Czech Republic)
2 June	Study visit of representatives of the delegation from New Zealand
3-5 June	Participation in the "Optics and Photonics Days 2025" conference (Finland)
3 June	Participation in the Smart Factory conference, participation in panel discussions
9 June	Launch of a marketing campaign for liquid nitrogen-cooled detectors
9-12 June	Participation in the annual meeting of the "RAVEN sensors - Horizon Europe project" participants
11-12 June	Participation in the Polish Security Congress
24-27 June	Participation in the Laser World of Photonics fair (Germany), presentation related to HyperPIC

5.3 Implementation of R&D projects

The Group implements the following R&D projects (details of individual projects are provided in the Company's Annual Report for 2024[5]):

Ref.	Project	Agreement date	Project budget for the Company [PLN thousand]	Grant for the Company	Project implementation period
1.	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
2.	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 31.12.2025

[5] Available here: https://vigo.com.pl/raporty/wyniki-finansowe-za-2021/

3.	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 30.06.2026
4.	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
5.	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
6.	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
7.	LWIRPSBDA – Long wave detectors supported by dielectric antennas	14.06.2023	1,163	680	01.04.2023 30.09.2026
8.	FSOC - Integrated Photonics Systems for Free Space Optical Communication Systems	10.02.2025	12,500	8,952	01.04.2025 31.03.2028
9.	BILIND – Back-Illuminated Low-Capacitance p-i-n and n-B-n InGaAs Photodetectors	08.07.2025	1,126	844	01.04.2025 30.09.2027
10.	"Interband cascade detector based on group III-V semiconductors (AIIIBV) for long-wave infrared array applications" - OPUS	01.10.2024	683	683	01.10.2024 30.09.2027
11.	RAVEN- Revolutionary Accuracy in waVeguide- and photoacoustic-ENabled atmospheric sensors	12.06.2024	1,535 (EUR 357,125.00)	1,535 (EUR 357,125.00)	01.06.2024 31.05.2028

12.	HyperPIC - Photonic Integrated Circuits for Mid-Infrared Applications	14.05.2024	1,497,166	440,535	01.10.2023 31.12.2029
13.	Cascades - Long-wavelength cascade detectors for spectroscopy and FSO	18.07.2024	13,959	9,372	01.01.2024 31.12.2026
14.	FOSMO - Development of an innovative photonic water resources monitoring system	25.08.2023	13,123	9,376	01.10.2023 30.09.2026
15.	PIONEAR- A photonic microphone with better-than-human-ear sound quality	10.12.2023	1,932 (EUR 449,375.00)	1,932 (EUR 449,375.00)	01.02.2024 31.01.2028

In 2021, the Management Board publicly presented the new VIGO Strategy for 2021–2026. In the first stage, covering the years 2021–2023, the Group focused on:

1. Continuation of development projects, including those related to photonic integrated circuit technology, III-V material detectors, semiconductor material epitaxy, and infrared sources.

2. Development of a shared technological and technical base for key initiatives through investments in R\&D and universal infrastructure.

3. Analyzing the market situation based on the outcomes of research and development projects, selecting the most promising growth initiatives, and preparing the investment plan required for their implementation.

In the second stage of the strategy, the Group focuses on commercializing research outcomes through the implementation of the following strategic initiatives:

Detectors Initiative

The purpose of the Detectors Initiative is to:

a. Improve the technologies and manufacturing processes of products based on mercury cadmium telluride (MCT). Particular attention is paid to the marketing of new products for industrial, military and space applications, in jurisdictions not covered by regulations excluding the use of mercury and cadmium in detectors. As part of the program focused on the development of MCT products, two project portfolios are being implemented. MCT+ portfolio and LN2 portfolio.
b. Expand VIGO's range of detectors was on III-V materials. In connection with the introduction of the EU RoHS Directive, the possibility of marketing goods containing substances hazardous to the environment (such as mercury) will be limited in the civil market during the next several years. Ahead of those changes, the Company has been developing detectors based on A3B5 materials, e.g.: indium and arsenic antimonides.

c. Enter the existing market of detectors operating in the so-called Short Wavelength Infrared (SWIR) range, which have the potential to be used in consumer electronics (e.g. for measurement of various compounds in the human body - e.g. measurement of glucose, alcohol or lactate levels).

As part of the implementation of the strategic objectives of the Detectors Initiative, several research and development projects are carried out, the most significant of which are:

AI-Prism, "AI Powered human-centered Robot Interactions for Smart Manufacturing" (grant agreement ID: 101058589), whereby VIGO, in cooperation with partners, including the Łukasiewicz Research Network – PIAP, will implement in its production environment a robot supported by artificial intelligence. This innovative solution is used to automate one of the production stages of unique immersion lenses. The technology and implementation are intended to facilitate the evaluation of the performance, portability, scalability and deployment of AI-powered robotic solutions on a large scale. The project is carried out in an international consortium of twenty five partners. Implementation period: 1.10.2022-30.09.2025. Total project costs: EUR 12,533,996.00, including the EU funding: EUR 9,335,578.88. The project is financed under the Horizon Europe programme.

IBAIA, "Innovative environmental multisensing for waterbody quality monitoring and remediation assessment" (grant agreement ID: 101092723), whereby innovative detection modules are developed in situ (without transporting the sample to the laboratory), operating in real time, enabling faster and more efficient monitoring of the aquatic environment. Under the project, VIGO will be involved in the development of mid-infrared transducers; the fabrication of QCL epitaxial structures and manufacture of the photonic detector, and will participate in the integration of the manufactured system. The project is carried out in an international consortium of 17 partners. Implementation period: 1.12.2022-30.11.2026. Total project costs: EUR 4,786,433.75, including the EU funding: EUR 4,786,435.00. The project is financed under the Horizon Europe programme.

LWIRPSBDA "Long wave detectors supported by dielectric antennas" The aim of the project is to develop and demonstrate a new detection device operating in high-temperature conditions (HOT – high operating temperature, 230 K in the first stage and 300 K) and in the long-wave range – 10.6 micrometers with performance exceeding currently available HgCdTe detectors. The proposed architecture of the device will allow for higher detectivity by reducing the volume of the detector, thus reducing the noise level and increasing optical coupling through the use of an amorphous silicon dielectric antenna, optimized for the longwave range (10.6 micrometers). The detector structure will be based on InAs/InAsSb type-II superlattice. The use of a dielectric antenna will increase the quantum efficiency 2.5 times for the wavelength of 10.6 micrometers. Implementation period 01.04.2023-31.03.2026. Total project costs: PLN 1,865,357.04, including a grant of PLN 1,382,257.04. The project is co-financed by the National Centre for Research and Development under the Polish-Taiwanese/Taiwanese-Polish Joint Research Call (2022).

RAVEN "Revolutionary Accuracy in waVeguide- and photoacoustic-ENabled atmospheric sensors". The project will develop the next generation of gas detection systems consisting of two miniaturised gas sensors using state-of-the-art PIC technology, one in the VIS-SWIR range and one in the MIR range. These sensors will operate in tandem over a wide wavelength range (600–3000 nm) to measure concentrations of multiple pollutants and greenhouse gases. As part of the project, VIGO is involved in tasks related to the preparation of the data processing system and the development of the MIR sensor. Project implementation period: 01.06.2024 – 31.05.2028. Total costs, EUR: EUR 4,813,147.50, including funding for VIGO EUR 357,125.00. The project is financed under the Horizon Europe programme.

CASCADES "Long-wavelength cascade detectors for spectroscopy and FSO" (contract no. FENG.01.01-IP.02-1216/23), under which VIGO Photonics will develop technology for the production of cascade infrared detectors and detection modules. The outcome of this project will be new products in the form of a family of sensors: cascade detectors made from III-V materials with a type-II superlattice active area, optimized for the long-wavelength infrared range (≥ 10.6 μm), operating without cryogenic cooling, and, based on them, detection modules – cascade detectors integrated with amplification and supporting electronics. These will be new products aimed primarily at foreign markets for manufacturers of optoelectronic systems. The project's final outcome will be the development of all stages of cascade detector technology and detection modules, with the goal of integrating them into production upon project completion. Implementation period:

01.01.2024-31.12.2026. The total project costs are PLN 13,958,559.25, of which the funding amounts to: PLN 9,371,626.00 The project is co-financed by the European Funds for Modern Economy programme.

OPUS "Interband cascade detector made of AIIIBV semiconductors for far infrared array" (contract no. UMO-2023/53/B/ST7/02340). The project is carried out in cooperation with the Military University of Technology. The project focuses on the development of an innovative photon detector operating in the long-wave infrared range (8–14 μm), designed for use in thermal imaging camera arrays. These devices enable observation in challenging conditions (darkness, fog, smoke, rain) without the need for additional lighting, and their applications span both civilian sectors (industry, medicine, construction) and military use. Currently, the most advanced systems rely on HgCdTe detectors; however, due to restrictions under the RoHS directive, it is necessary to develop a heavy-metal-free alternative. The project involves developing a new solution based on III-V group semiconductors. The total project costs are PLN 1,702,173.00, of which the funding for VIGO is PLN 682,544. The project is 100% financed by the National Science Centre.

Under the Initiative, in 2025 solutions are also being implemented that have been developed within the "Affordable Detection Module" area, a project that provides for marketing low-cost (<EUR 100) detection modules (detectors with signal amplification) for wide use in industrial and environmental protection applications.

PIC Initiative

The initiative seeks to develop optoelectronic systems for infrared range photonics. They will ultimately take the form of hybrid photonic integrated circuits PICs are photonic circuits consisting of multiple optical and electronic components with different functionalities integrated on a common (usually semiconductor) substrate. The first task in this area will be to develop a PIC operating in the 3-5.5 μm wavelength range, understood as a monolithically assembled: source (lasers), detector, optical components and electronics. Potential applications the PIC include:

- Analyses of chemical composition of gases
- Analysis of impurities in liquids
- FSO (free space optical) communications
- Medical, telemedicine and gas detection-related applications.

The Initiative builds a technology platform to enable mass production of integrated photonic circuits for the mid-infrared range, as well as entry into the market of integrated photonics circuits manufacturers, by presenting technology demonstrators to a group of key clients (mobile applications, IoT, wearables) and subsequently manufacturing pilot series for customer testing. The Initiative continues the work of the "optoelectronic systems" programme – from the Company's previous strategy.

In April 2021, the Group signed an agreement for the first project in this area: "Photonics integrated circuits technologies for MidIR", abbreviated as: **MIRPIC**, agreement no.: TECHMATSTRATEG- III/0026/2019-00. The result of the project is a product innovation in the form of specialized photonics integrated circuits (ASPICs) designed to operate in the mid-infrared range, MidIR (3-5.5 μm). The demonstrator produced as part of the project reflects typical features of integrated photonics systems, i.e. multi-channel, integration on a common substrate, electronic and optical interfaces, and packaging. The project was co-financed by the National Centre for Research and Development under the TECHMATSTRATEG programme. Implementation period: 1/04/2021-31/05/2025 Total project implementation cost: PLN 29,255,381.61, including the grant: PLN 26,564,942.41. The project was completed at the end of May 2025.

In October 2023, VIGO together with partners from the Warsaw University of Technology and the European Regional Centre for Ecohydrology of the Polish Academy of Sciences, the **FOSMO** project "Development of an innovative photonic water resources monitoring system" was started. The project seeks to develop a water monitoring system implementing newly developed reagentless photonic methods. In phase 1, laboratory measurement methods will be developed and tested, and then miniature sensor systems will implement them. As the project progresses, accessory components will be developed which, when integrated with sensors, will create multiparametric probes that are autonomous in terms of power and communication. In parallel, validation procedures will be carried out to confirm the correct operation of the designed sensors and probes. As part of the implementation of the FOSMO project, VIGO Photonics S.A. is involved in the implementation of the following tasks: development of sensors – detection systems; development of an

autonomous measurement probe and demonstration and tests of the autonomous measurement probe in the conditions of research platforms. The project is co-financed by the National Centre for Research and Development under the HYDROSTRATEG programme. Implementation period: 01.10.2023- 31.09.2026. Total cost of the project: PLN 23,962,066.25, including a grant of PLN 20,214,504.06.

In January 2023, the BROMEDIR project, "Broadband Infrared Spectrometers Based on Microelectromechanical Systems: The Foundation of a Multifunctional Photonic Platform," was launched under agreement 101092697. BROMEDIR aims to develop and test demonstrators of a system that will be able to meet the growing market demand for miniaturised sensors that can analyse many chemical parameters at the same time. For many years, simultaneous measurement of many substances has been possible thanks to the use of spectroscopy. The BROMEDIR project is developing a new generation of miniature spectrometers, currently being tested in three application areas: agriculture, hydrogen supply chain quality monitoring, and fuel quality control. VIGO's main tasks in this project are: development of a modern uncooled mid-infrared photonic detector; participation in the integration and testing of the ultra-compact FTIR spectrophotometer; participation in the validation of the FTIR spectrophotometer in appropriate environments; participation in performance evaluation and development of recommendations. Implementation period: 1.01.2023-30.06.2026. Total project costs: EUR 4,999,821.25, with 100% EU funding. The project is financed under the Horizon Europe programme.

On 12 June 2023, VIGO announced in a press release to shareholders that the European Commission had approved the maximum amount of public aid of EUR 102.9 million for the implementation of the project: **HyperPIC**. Then, on February 23, 2024, VIGO Photonics was entered on the list of entities recommended for funding. Finally, on 15 May 2024, an Agreement (No. FENG.02.10-IP.01-0005/23-00) was signed for funding for the HyperPIC project - Photonic integrated circuits for mid-infrared applications. The aim of the HyperPIC 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. 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 project is planned to be implemented in 2023-2029. The maximum amount of public aid in the project is PLN 440.5 million with a total cost of PLN 853.1 million. More detailed information about the project is available on the corporate website.

"Integrated Photonics Systems for Free-Space Optical Communication Systems" – **FSOC**, (grant agreement ID: FENG.01.01-IP.01-A0MR/24-00), under which VIGO in cooperation with partners: Warsaw University of Technology and the Łukasiewicz Research Network - Institute of Microelectronics and Photonics will develop and comprehensively research new qualitative solutions for free space optical communication (FSOC) systems based on integrated photonics solutions. This innovative solution can be used in 5G and 6G systems and networks, communication between drones, military vehicles, autonomous vehicles, and satellites. The project addresses: (1) the constantly growing demand for bandwidth, (2) Challenges in establishing new connections in highly urbanized areas (3) Flexible solutions for ad-hoc systems (deployed during disasters, catastrophes, etc.) The project is co-financed by the European Funds for Modern Economy. Implementation period: 1.04.2025-31.03.2028. Total project costs: PLN 26,593,388.60, of which EU funding amounts to: PLN 21,451,628.08

Arrays Initiative

The initiative seeks to develop technology and build competences in the manufacture of matrix detectors both cooled (thermal) and uncooled (SWIR InGaAs), epitaxy, high density processing, ROIC, hybridisation and encapsulation.

The continuation of the Matrices program aims to develop technology for the production of matrices for cooled infrared detectors. Initially, cooled arrays will be developed with technical parameters compatible with equipment already in use in industry and existing in the market; this will enable a smooth transition from the research to the production phase. In the next step, following global trends, work will focus on competing technological solutions. The ubiquity of infrared radiation finds a number of applications for its

detection. Today, the industry bases solutions in this field on components obtained from a small number of foreign suppliers.

Last year, the first contract was signed for the supply of matrices manufactured by VIGO Photonics S.A. to a commercial customer.

MOCVD Epitaxy Initiative

The Initiative seeks to develop the epitaxy of III-V semiconductor materials and produce near-infrared sources (VCSEL lasers) along with the continuous improvement of the production of epitaxial heterostructures of semiconductor compounds based on GaAs and InP by the MOCVD method, leading to beyond state-of-the-art technologies for epitaxy of: PD, ext InGaAs, PD InGaAs 1.7, QCL, VCSEL, LD, TJSC.

In 2024, in the Initiative area, the Group continued to implement projects co-financed under the Horizon Europe programme. Of those projects, the largest budget was allocated to: **Photogenic** – Photonics on Germanium - New Industrial Consortium (agreement no.: 101069490), involving the development of an innovative technology for the production of VCSEL epitaxial structures on germanium substrates. The project provides for iterative optimisation of growth using MBE and MOCVD techniques, which will result in the achievement of high crystalline quality of the produced structures with competitive parameters in relation to VCSELs produced on GaA substrates. The role of VIGO in the project is to develop a technology for the growth of VCSEL structures on germanium substrates using the MOCVD technique and extensive cooperation in the development of technologies for the production of laser devices. The project is carried out by an international consortium of seven partners. Implementation period: 1.10.2022-30.09.2025. Total project costs: EUR 4,788,752.00, 100% financed by the EU. The project is financed under the Horizon Europe programme.

The second project in the initiative, launched in 2022, is **OPMMEG**, "Optically-pumped magnetometer arrays for magnetoencephalography" (agreement number: 101099379), which involves the development of OPM (optically pumped magnetometer) arrays, which will be widely used in magnetoencephalography—a non-invasive imaging technique for studying, among other things, human brain functions. This method enables the measurement of brain activity with good spatial and temporal resolution. VIGO's main task under the project will be the development, design and epitaxy of VCSEL heterostructures, VCSEL processing and optoelectronic tests. The project is carried out in an international consortium of five partners. Implementation period: 01.12.2022-30.11.2025. Total project costs: EUR 2,483,327.50, 100% financed by the EU. The project is financed under the Horizon Europe programme.

Another project financed under the Epitaxial Initiative is **Mini-BOT** "Miniaturized board-mountable optical transceiver for high data rate military satellite communications" (agreement number: 101102948), whose main goal is to create satellite communication systems. One of the key components of the communication system will be VCSELs. Under the Mini-BOT project, VIGO Photonics S.A. is involved in the development of the configuration and interfaces of the communication module and the production and tests of the epitaxial heterostructure for VCSELs, as well as the development and assembly of the entire optoelectronic module. The project is carried out in an international consortium of five partners. Implementation period: 01.12.2022-30.11.2025. Total project costs: EUR 3,422,099.17, 100% financed by the EU. The project is co-financed by the European Commission under the European Defense Fund.

Another project under the initiative is **PIONEAR**, "A photonic microphone with better-than-human-ear sound quality," which aims to develop a proof-of-concept for an innovative miniature microphone offering sound quality surpassing that of the human ear. Potential applications include consumer electronics, hearing aids, autonomous robots and vehicles, as well as environmental monitoring. Within the project, VIGO's role is primarily focused on designing and manufacturing VCSEL structures. Project implementation period: 01.02.2024 – 31.01.2028. Total costs, EUR: EUR 2,482,745.00, including funding for VIGO EUR 449,375.00. The project is financed under the Horizon Europe programme.

At the current stage of work, the Management Board does not foresee any threats to the implementation of projects under this initiative.

5.4 Factors affecting the Group's performance in H2 2025 and in subsequent periods

5.4.1 Short-term outlook

Operating income

Based on the current order book, VIGO Photonics 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.

Operating costs

VIGO Photonics does not expect a significant increase in operating costs compared to the costs incurred in the first half of 2025.

5.4.2 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 VIGO Photonics 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.

2024-2026 Perspective

In Phase 2, the Group focuses 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.
- 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 will be taken as part of the competition procedure within the European Funds for the Modern Economy programme. The grant procedure will be available to the entities for which the European Commission has issued a positive decision regarding the eligibility for aid. The HyperPIC project will allow the Company to significantly scale its business by becoming a leading supplier of integrated mid-infrared sensor solutions.

5.5 Description of key threats and risks for the Group

The Group's business, financial performance and results have been and may in the future be adversely affected by the occurrence of any of the risk factors described below. The occurrence of even some of the following risk factors could have a material adverse effect on the Group's business, financial position and results, and could result in the loss of some or all of the invested capital. Risk factors and uncertainties other than those described below, including those of which the Group is not currently aware or which it considers immaterial, may also have a material adverse effect on the Group's business, financial condition and results, and may lead to the loss of some or all of the invested capital.

5.5.1 Business and operational factors

Risk of lower-than-expected demand for products

Market growth plans are based on various market reports and analyses, and plans of clients and partners in R&D projects. Forecasts regarding the growth of the uncooled infrared detector market are subject to relatively high uncertainty. Forecasts presented by the Group's clients may not be fully achieved both as a result of failures of ongoing projects and the adoption of erroneous assumptions or expectations, as well as due to significant changes in the global economy related to the business cycle, including the possibility of a recession or economic crisis.
As a result, the demand for the Group's products may be lower than expected.

The markets in which the Group is present may be disrupted by various macroeconomic factors (GDP growth, unemployment levels, demand, consumption, etc.), which may reduce demand for technological equipment. The Group takes countermeasures, which involve making strategic and operational decisions based on a planning process that takes into account current market data and demand for the Group's products.

This risk will be mitigated by VIGO's own research and participation in various international projects, including in cooperation with the Group's existing clients, aimed at developing new applications for infrared detectors.

Risk of losing distributors or clients

The main sales channels comprise selling products directly to clients and through distributors. The role of distributors is to conduct marketing campaigns and provide basic technical consulting.

The loss of any distributor may impair access to the market in which the distributor was active. For this reason, the loss of one or more key distributors could adversely affect the Group's financial performance, the value for shareholders and profits.

In addition, there is a risk of losing key clients, who are direct buyers of the products. Quality, economic or customer service issues may discourage partners from further cooperation. Therefore, the loss of key clients, may adversely affect financial results and reduce the Group's value for shareholders.

In order to mitigate the risk, the Group constantly searches the markets for potential new distributors, monitors the satisfaction level of its existing clients and continuously looks for new potential clients to replace any clients lost.

Supplier-related risk

The production process of the infrared detectors uses raw materials that are difficult to obtain (such as cadmium mercury telluride, gallium arsenide and indium) and can be sourced only from a limited group of suppliers that guarantee their high quality.

In 2022, the Group noted increasing problems with the supply of electronic components used in the production of detection modules (microcontrollers, integrated circuits, etc.) related to the global economic situation. The delivery times of those components have significantly increased, and the prices of available components have substantially risen. These problems affect the entire electronics industry across the world.

In the event of delays in the supply or deterioration of the quality of raw materials, the production of detectors may be temporarily suspended or delayed. Component costs can increase significantly when sourced from a brokerage market.

In the event of a prolonged supply disruption or inability to find an alternative supplier, detector production may be temporarily suspended.

The occurrence of the above risk may adversely affect financial results and reduce the value of VIGO Photonics for its shareholders.

In order to mitigate the risk, the Group continuously monitors the supply market. In order to minimise the risk of electronic component availability, VIGO Photonics increases the stock of those components and cooperates with its clients to take advantage of their market position and accelerate deliveries.

Risks related to 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 Group'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.

Competition-related risk

The high technological barriers and the high capital intensity of the technologies used make the radiation detector market a highly concentrated one. Only a few players in this market can be considered direct competitors to the Group. There is a risk that in the event of the emergence of competitors, the Group may lose part of the market and clients with whom it currently cooperates. In addition, the emergence of new competitors may lead to the spread of technologies used in the production of infrared detectors, which in turn may lower the market entry barriers. The risk will increase as the market develops.

The occurrence of the above risk may adversely affect financial results and reduce the value of VIGO Photonics for its shareholders.

The risk is neutralised through continuous development of technology, ensuring technological superiority over competitors, as well as through planned investments that will reduce the price of products on offer. In addition, VIGO Photonics continuously monitors the market in order to prepare as early as possible for the emergence of new competition.

Risk of losing key employees

Due to the high technological advancement of the products of VIGO Photonics, their manufacturing requires highly qualified personnel with many years of experience. Skills, knowledge and experience of employees are among the most important competitive advantages of VIGO. For this reason, losing a key employee may cause difficulties in the production process, delays in deliveries and deterioration of product quality and thus negatively affect the financial results and reduce the value of VIGO for its shareholders.

In order to minimise the above risk, the Group applies an attractive bonus scheme for employees and provides opportunities for upskilling and work involving unique technical matters. Employees' performance and skills are evaluated on a continuous basis. There are staff development programmes in place, and talents are promoted to managerial positions.

5.5.2 Technological risks

Risks related to research and development

Constant technological progress and developing methods of manufacturing infrared detectors call for continuous research and development. Advanced research into the development of detector production technology help improve the parameters of manufactured products.

VIGO Photonics has its own research and production laboratory, where it not only carries on development and scientific research on improving infrared detectors but also designs and manufactures detectors.

As the end result of R&D might turn out to be less satisfactory than expected, the anticipated economic benefits might differ from those assumed in the plan. Unsatisfactory R&D results might cause VIGO Photonics to lose the invested funds and its competitive position.

The occurrence of the above risk may adversely affect financial results and reduce the value of VIGO for its shareholders.

The R&D results obtained to date confirm the Group's effectiveness in improving and developing new infrared detector manufacturing technologies. Still, there is a possibility that the results of current and future R&D will not be as satisfactory as planned or in line with expectations or past experience.

Risks associated with the emergence of alternative technologies

VIGO Photonics manufactures detectors based on MOCVD and MBE technologies.

There is a risk that a new technology, alternative to those used by the Group, will emerge, which may adversely affect VIGO's financial results and reduce its value for shareholders.

The risk will be neutralised by the Group through the development of its own products and the technology for their manufacture as well as through a gradual increase in production automation, which should also translate into lower prices of the products offered.

Risk of failure or damage to equipment

VIGO uses a laboratory furnished with modern and unique equipment for doing research and manufacturing detectors. The apparatus used has been individually customised to the needs of VIGO Photonics and it is not possible to purchase it in the market.

Due to the above, in case of failure or damage to the apparatus, it cannot be replaced in a short time. The materialisation of the risk may disrupt the production or delay order processing, and thus may negatively affect VIGO's financial results and reduce its value for shareholders.

In order to minimise the impacts of the risk, spare parts are accumulated for the apparatus and stocks of semi-finished products securing possible interruptions in supply for the time of liquidation of the failure of the key apparatus. The Group limits the possibility of delays by concluding appropriate agreements with suppliers and monitoring the quality of supplies and services. The required stock levels of particular components are determined and production is planned taking into account the above risk. The Group uses only proven carriers and transfers the transport risk to clients (deliveries are primarily EXW) or procures insurance against transport damage.

5.5.3 Financial risks

Risk of losing EU grants for planned investments

The Group has extensive experience and is very successful in independently obtaining EU grants, while its management has experience in the implementation of EU projects. The technologies implemented by the Group are innovative on a global scale (which translates into the highest scores during application assessment), which is confirmed by the opinions of independent Polish scientists.

Currency risk

The Group continuously analyses fluctuations in the EUR/PLN exchange rate in order to eliminate any possible negative impact of exchange rates on the Group's financial position.

VIGO Photonics uses financial instruments to hedge its foreign exchange risk.

Credit risk

Credit risk is the risk of the Group incurring a financial loss in a situation where the client or the other party to the financial instrument defaults on its contractual obligations. Credit risk is related primarily to receivables from products sold and services provided by the Group.

Interest rate risk

Interest rate risk is mainly related to the Group's use of bank loans. Loans are based on variable interest rates which exposes the Group to the risk of changes in profit and cash flows. Due to the current level of borrowings, it is assumed that the effects of changes in interest rates will not have any significant impact on the financial results for 2024.

Liquidity risk

Liquidity risk is the risk that the Group will have difficulties meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Group's liquidity management is designed to ensure, to the greatest extent possible, that the Group always has sufficient liquidity to meet its obligations as they fall due, both in normal and emergency situations, without being exposed to unacceptable losses or to reputation risk.

The Group minimises liquidity risk through continuous debt collection, which ensures a constant inflow of cash. In addition, the Group controls and conducts activities to meet the terms and conditions of its bank loan agreements. To ensure funding for its operations, the Group relies on external financing – bank credit.

The Group's liquidity risk management tools include:

- Regular monitoring of cash needs and expenditures

- Continuous debt collection, which ensures a constant inflow of cash
- Steps designed to meet contractual conditions and covenants
- Using external sources of financing in the form of bank credit.

The Group assesses that in the context of its financial resources to the current debt, the liquidity risk is insignificant.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and stock prices will affect the Group's performance or the value of its financial instrument holdings. The objective of market risk management is to maintain and control the Group's exposure to market risk within approved parameters while seeking to optimise returns.

In the opinion of the Management Board, the market risk in relation to the Group concerns primarily exposure to the risk of changes in the PLN/EUR exchange rate as the Group trades mainly as an exporter.

5.5.4 Legal risks

Risk of restricting the sale of detectors based on mercury cadmium telluride (HgCdTe)

Under Directive 2011/65/EU of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("ROHS Directive"), certain chemicals must be phased out of electrical and electronic equipment placed on the EU market. Among the hazardous substances identified by the ROHS Directive are mercury and cadmium, which are contained in cadmium mercury telluride (HgCdTe), a basic semiconductor material for uncooled mid-infrared detectors.

Pursuant to Annex IV of the ROHS Directive, mercury and cadmium in infrared detectors are exempted from the restrictions of the Directive until the expiry of the relevant transitional periods:

- Until 21 July 2021 for medical devices
- Until 21 July 2023 for in vitro diagnostic medical devices
- Until 21 July 2024 in the case of control and measuring equipment for industrial use.

The Directive does not cover military or space applications.

The Directive provides for the possibility to apply to the European Commission for an extension of the above deadlines in the event that technical progress does not render it possible to find reliable substitutes for the above substances. In 2020, the Group applied to the EC for an extension of the transitional period for medical devices, and in 2023 it applied for extension of the transitional period for control and measuring equipment. In 2022, a consultant working for the EC recommended extending the transitional period to 2028.

In order to minimise the risk of limiting the market for HgCdTe detectors, the Group is currently conducting an extensive programme to develop III-V materials that are not subject to the restrictions of the ROHS Directive. If, by the end of the transition periods, it has not been possible to develop materials guaranteeing parameters similar to those of HgCdTe, the Group will apply to the EC for an extension of the above deadlines. It should be emphasised that the currently commercially available detectors made from III-V materials (including detectors sold by companies competing with the Group) are several times worse than detectors made from HgCdTe.

5.6 Ownership structure of VIGO Photonics S.A.

According to the knowledge of the Management Board, as at the date of submitting the interim condensed financial statements the first six months of 2025 (25 September 2025), 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	81,765	9.35%	81,765	9.35%
Investors TFI	56,990	6.51%	56,990	6.51%
OFE Allianz Polska S.A.	58606	6.70%	58,606	6.70%
Janusz Kubrak	48,100	5.50%	48,100	5.50%
Others	504,538	57.67%	504,538	57.67%
Total	**874,799**	**100.00**	**874,799**	**100.00**

Ożarów Mazowiecki, 25 September 2025.

Adam Piotrowski	Łukasz Piekarski	Marcin Szrom
Management Board President	Management Board Member	Management Board Member

6 MANAGEMENT BOARD'S STATEMENTS

Pursuant to the Regulation of the Minister of Finance of 29 March 2018 on current and financial information provided by issuers of securities (i.e. Journal of Laws of 2018, item 757), the Management Board hereby declares that, to the best of its knowledge, these consolidated financial statements and comparative data have been prepared in accordance with the accounting policies applicable to VIGO Photonics S.A. and that they give a true, fair and clear view of the financial position of the Group as well as its financial result.

The Management Board also declares that the report on the issuer's operations gives a true and fair view of the issuer's development, achievements and position, including a description of the main threats and risks.

These consolidated financial statements have been prepared in accordance with the accounting policies compliant with the International Financial Reporting Standards, including the International Accounting Standards (IASs) and Interpretations of the Standing Interpretations Committee and the International Financial Reporting Interpretations Committee, endorsed by the European Union and applicable to reporting periods beginning on 1 January 2017, and with respect to matters not regulated therein in accordance with the requirements of the Accounting Act of 29 September 1994 (i.e. Journal of Laws of 2017, item 2342) and secondary legislation issued on the basis thereof, and to the extent required by the Regulation of the Minister of Finance of 29 March 2018 on current and financial information provided by issuers of securities (i.e. Journal of Laws of 2018, item 757).

The Management Board declares that the statutory auditor responsible for interim review of the annual financial statements was selected in accordance with the applicable laws, and that the entity and auditors performing the audit met the conditions to issue an impartial and independent opinion on the audited annual financial statements, in compliance with the applicable laws and professional standards.

The Management Board of VIGO Photonics:

Ożarów Mazowiecki, 25 September 2025.

Adam Piotrowski	Łukasz Piekarski	Marcin Szrom
Management Board President	Management Board Member	Management Board Member