



VIGO Photonics Group

CONSOLIDATED ANNUAL REPORT
for the period from 1 January 2025 to 31 December 2025
containing the consolidated financial statements of the VIGO
Photonics Group prepared in accordance with IFRSs

Ożarów Mazowiecki, 23 April 2026.

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CEO's Letter to Shareholders



Dear Shareholders,

It gives me great pleasure to present to you a summary of 2025 – a year of significant achievements that further strengthened VIGO Photonics' position as a global leader in photonic technologies. **The past twelve months marked a breakthrough period for the us: we generated revenue of PLN 93 million, representing year-on-year growth of 19%.** For the first time in the Company's history, the value of newly acquired orders exceeded the strategic threshold of PLN 100 million (up 19.9% year on year), while we closed the year with an order backlog of PLN 43.1 million, an increase of more than 60% compared with 2024.

Particular emphasis should be placed on the dynamic growth of our defence-sector activities. In April, we signed a strategic framework agreement with PCO S.A., with an estimated value of approximately PLN 192 million, covering the development and production of cooled infrared detector arrays for advanced thermal imaging cameras.

Our achievements in this field were recognised with the prestigious DEFENDER award during the MSPO trade fair in Kielce for the KMW-3V camera featuring the Eagle 4 detector array. We also expanded our cooperation with the Polish defence industry through the signing of letters of intent with CRW Telesystem-Mesko regarding the development of advanced optoelectronic solutions for missile and ammunition technologies, as well as with PCO S.A. concerning the application of photonic integrated circuits (PICs) in next-generation missile guidance systems.

Within our core business of detectors and modules, we significantly expanded our product portfolio by introducing, among other innovations, five new product groups, which were presented for the first time at SPIE Photonics West 2025. **The LN₂-cooled detector product family achieved considerable commercial success, culminating in the signing of a three-year agreement with a key customer in the United States market.** At the same time, we continued to expand our high-volume sales activities, fulfilling the first serial orders for low-cost detection modules for customers in China, where they are used in mining safety systems.

We also consistently strengthened our presence in the strategically important US market. We entered 2026 with strong momentum, continuing the disciplined execution of our strategic objectives. **I am proud to announce the completion, in March this year, of the acquisition of the assets of the U.S.-based company InfraRed Associates, Inc. The transaction, valued at USD 8.4 million, significantly enhances our position in the U.S. market by providing access to manufacturing facilities, expertise in MCT technology, and a new customer base.** Establishing production capabilities in the United States also opens the way for our full participation in US defence and technology programmes.

The acquisition will enable us to leverage more effectively our existing activities in the US market, including previous investments in building our own sales team and obtaining the necessary certifications required to supply customers in the defence sector. In January this year, we once again participated in SPIE Photonics West 2026 in San Francisco, where we presented new demonstrators, including an NDIR gas detection system and the FIRE MAN Demo illustrating a fire detection solution. Our focus extended beyond the products themselves to their practical applications across industry and defence.

Turning to our financial performance, in 2025 sales revenue amounted to PLN 93.01 million, compared with PLN 78.31 million in 2024. EBITDA adjusted for grants was PLN 11.99 million, versus PLN 6.93 million a year earlier. EBIT amounted to PLN -4.12 million, compared with PLN -4.62 million in the previous year. Adjusted net result amounted to PLN -1.40 million, compared with an adjusted net result of PLN -2.39 million in 2024.

Based on our existing order backlog and the outlook across our key markets, we expect further revenue growth, particularly in the area of infrared detectors and modules, supported by the development of new product families, including LN₂-cooled detectors and low-cost detection modules. We also expect a positive contribution from our US entity, resulting from the acquisition of the assets of InfraRed Associates, Inc., as well as the execution of existing and newly secured contracts in the US market.

Finally, on behalf of the Management Board, I would like to thank our Employees for their commitment and passion, which enable us to jointly push the boundaries of technology and achieve ambitious goals. I would also like to thank the Supervisory Board for its support, and our Customers, Partners and Shareholders for their trust. We enter 2026 as a globally operating organisation, with a record order backlog and a clearly defined path of continued growth.

Yours faithfully,

Adam Piotrowski

CEO of VIGO Photonics Group

1 Consolidated financial statements**Consolidated statement of financial position as at 31.12.2025 (PLN '000)**

Item	Note	As at 31.12.2025	As at 31.12.2024, restated*	As at 01.01.2024
Assets				
Non-current assets		159,614	166,206	163,529
Property, plant and equipment	4.1.3	97,459	104,844	111,908
Intangible assets	4.1.1	15,651	15,042	12,261
Right of use	4.1.2	4,914	4,137	3,797
Expenditure on development projects – assets under construction	4.1.5	22,496	16,854	15,015
Assets on account of long-term deferred tax	4.3.4	0	7,460	7,846
Investments in jointly controlled entities	4.1.4	19,014	17,847	12,648
Prepayments	4.1.5	80	22	54
Current assets		51,305	56,799	96,825
Inventories	4.1.6	16,542	15,776	11,758
Trade receivables	4.1.7	21,781	16,892	15,934
Grant receivables	4.1.7	4,075	2,904	274
Other receivables	4.1.7	1,749	2,435	1,905
Called up share capital		0	0	62,694
Other financial receivables	4.1.7	13	15	294
Prepayments	4.1.5	1,189	1,507	1,160
Cash and cash equivalents	4.1.9	5,956	17,270	2,806
TOTAL ASSETS		210,919	223,005	260,354
Equity and liabilities				
Equity		157,185	170,716	176,198
Share capital	4.2.1	875	875	729
Share premium	4.2.2	69,767	69,767	71,075
Revaluation reserve	4.2.3	139	132	108
Other capitals	4.2.5	99,942	104,236	109,152
Differences from revaluation	4.2.5	1,557	-385	423
Profit (loss) of the current period	4.2.4	-15,095	-3,909	-5,289
Long-term liabilities		27,012	29,933	40,960
Bank and other loans	4.2.9	5,790	10,833	18,803
Lease obligations	4.1.2	1,925	1,116	864
Deferred income	4.2.14	18,259	17,780	21,089
Provision for pensions and similar benefits	4.2.8	273	204	204
Deferred tax liability	4.3.4	765	0	0
Short-term liabilities		26,722	22,356	43,196
Bank and other loans	4.2.9	11,852	8,556	32,530
Trade and other liabilities	4.2.10	5,812	4,579	2,794
Lease obligations	4.1.2	163	131	0
Other liabilities	4.2.10	1,600	1,940	1,300
Financial assets and liabilities	4.2.10	75	94	0
Deferred income	4.2.14	2,591	2,524	2,445
Provision for pensions and similar benefits	4.2.8	2,364	2,051	2,021
Other provisions	4.2.8	2,265	2,481	2,106
TOTAL EQUITY AND LIABILITIES		210,919	223,005	260,354

Consolidated statement of comprehensive income for the period 1.01.2025–31.12.2025

Specification	NOTE	1.01.2025- 31.12.2025 (PLN thousand)	1.01.2024- 31.12.2024 (PLN thousand)
Revenue from sales	4.3.1	93,012	78,309
Revenue from the sale of products	4.3.1	89,527	76,061
Revenue from the sale of services	4.3.1	3,327	2,191
Revenue from the sale of goods and materials	4.3.1	158	57
Cost of products, goods and materials sold	4.3.5	47,168	38,745
Cost of production of products and services sold	4.3.5	47,168	38,689
Value of goods and materials sold	4.3.5	0	56
Gross profit (loss) on sale		45,844	39,564
Other operating income	4.4	14,241	14,839
Selling costs	4.3.5	14,426	13,482
General and administrative expenses, including:	4.3.5	42,368	35,888
- Research costs		16,664	11,653
Other operating costs	4.5	7,409	9,482
Profit (loss) on operating activities		-4,118	-4,449
Financial income	4.6	13	1,134
Financial costs	4.7	3,116	2,089
Gain/loss from valuation of shares using the equity method	4.1.4	418	1,937
Profit/ loss before tax	4.3.4	-6,803	-3,467
Income tax	4.3.4	8,292	442
Current income tax	4.3.4	67	57
Deferred income tax	4.3.4	8,225	385
Profit (loss) after tax	4.2.4	-15,095	-3,909
Components of other comprehensive income:	4.3.3	1,565	-361
Items that will not be reclassified to the income statement in subsequent periods	4.3.3	7	24
Actuarial gains (losses) on defined benefit plans	4.3.3	7	24
Items that may be transferred to profit or loss in later periods	4.3.3	1,558	-385
FX differences arising on conversion of foreign affiliates	4.3.3	1,558	-385
Total comprehensive income		-13,530	-4,270
Basic earnings (loss) per share for the reporting period (in PLN)	4.2.7	-17.26	-4.47
Diluted earnings (loss) per share for the reporting period (in PLN)		-17.26	-4.47

Consolidated statement of changes in equity for the period from 01.01.2025 to 31.12.2025

(PLN thousand)	Share capital	Share premium account.	Revaluation reserve	Other capitals	Differences from revaluation	Profit (loss) of the current period	Total equity
Twelve months ended 31 December 2025							
Equity as at 01.01.2025	875	69,767	132	104,236	-385	-4,083	170,542
Correction of errors from previous years						174	174
Equity as at 01.01.2025, after adjustments.	875	69,767	132	104,236	-385	-3,909	170,716
Total changes in equity			7	-4,468	1,942	-11,012	-13,531
Profit (loss) of the period						-15,095	-15,095
Distribution of profit (loss) for 2024				-4,083		4,083	
Undistributed profit				-385	385		
Differences from revaluation					1,557		1,557
Other comprehensive income: actuarial gains/losses			7				7
Equity as at 31.12.2025	875	69,767	139	99,942	1,557	-15,095	157,185
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 01.01.2024, after adjustments.	729	71,075	108	109,152	423	-5,289	176,198
Total changes in equity	146	-1,307	24	-4,916	-808	1,380	-5,481
Profit (loss) of the period						-3,909	-3,909
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	-3,909	170,716

Consolidated statement of cash flows (Note 4.8)

(PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024, restated*
OPERATING ACTIVITIES		
Profit/ loss before tax	-6,803	-3,467
Income tax	8,292	442
Net profit/ loss	-15,095	-3,909
Total adjustments:	-703	-4,124
Depreciation/ amortisation	13,553	13,377
FX gains (losses)	1,508	-794
Interest and profit distributions (dividends)	1,012	1,829
Profit (loss) on investing activities	597	814
Change in the balance of provisions	173	430
Change in the balance of inventories	-765	-4,018
Change in the balance of receivables	-4,362	-1,151
Change in the balance of grant receivables	-1,171	-2,630
Change in liabilities, except for bank and non-bank loans	947	1,941
Change in prepayments	1,401	-287
Change in deferred income	-13,213	-11,707
Profit (loss) of entities accounted for using the equity method	-418	-1,938
Other adjustments	35	10
Cash from operating activities	-7,506	-7,591
Income tax (paid)/ received	-67	-53
A. Net cash flows from operating activities	-7,573	-7,644
INVESTING ACTIVITIES		
Inflows	11,282	8,396
Grants received	11,229	8,307
Proceeds from the sale of tangible assets	53	5
Repayments of loans granted		80
Interest received on loans granted		4
Outflows	-12,270	-14,381
Acquisition of intangible and tangible assets	-2,534	-2,309
Expenditure on acquisition of shares	-750	-3,261
Expenditure on in-process development	-8,986	-8,811
B. Net cash flows from investing activities	-988	-5,985
FINANCING ACTIVITIES		
Inflows	6,900	62,642
Bank and other loans	6,900	993
Net proceeds from the issue		61,532
Interest received		117
Outflows	-9,562	-34,458
Repayment of bank and other loans	-8,452	-32,328
Interest	-1,058	-2,130
Lease payments	-52	
C. Net cash flows from financing activities	-2,662	28,184
D. Total net cash flows	-11,223	14,555
E. Balance sheet change in cash, including	-11,314	14,464
– change in cash due to FX differences	-91	-91
F. Cash at the beginning of the period	17,270	2,806
G. Cash at the end of the period	5,956	17,270

2 Selected consolidated figures

Financial highlights (PLN thousand)	01.01.2025-31.12.2025		01.01.2024-31.12.2024	
	PLN	EUR	PLN	EUR
Statement of comprehensive income				
Net revenue from the sale of products, goods and materials	93,012	21,951	78,309	18,190
Cost of sales	47,168	11,132	38,745	9,000
Operating profit	-4,118	-972	-4,449	-1,033
Profit before tax	-6,803	-1,606	-3,467	-805
Net profit	-15,095	-3,562	-3,909	-908
Number of shares	874,799	874,799	874,799	874,799
Net profit per ordinary share (PLN/EUR)	-17.26	-4.07	-4.47	-1.03
Statement of financial position				
Non-current assets	159,614	37,763	166,206	38,897
Current assets	51,305	12,139	56,799	13,293
Equity	157,185	37,189	170,716	39,952
Long-term liabilities	27,012	6,391	29,933	7,005
Short-term liabilities	26,722	6,322	22,356	5,232
Book value per share (PLN/EUR)	179.64	42.50	195.10	45.66
Statement of cash flows				
Net cash flows from operating activities	-7,573	-1,787	-7,644	-1,776
Net cash flows from investing activities	-988	-233	-5,985	-1,390
Net cash flows from financing activities	-2,662	-628	28,184	6,547
EUR/PLN exchange rate	2025		2024	
Statement of financial position	4.2267		4.2730	
Statement of comprehensive income and statement of cash flows	4.2372		4.3051	

3 Introduction to the consolidated financial statements

3.1 Key information about the Group

VIGO Photonics (“the Group”) is a European technology company specialising in the manufacture of photonic detectors and detection modules operating in the mid- and long-wave infrared range. The Group also provides epitaxy services, under which it manufactures semiconductor wafers tailored to customers’ specifications. At the same time, the Group is developing new technological solutions, including infrared detector arrays intended for the Polish armed forces and photonic integrated circuits (PICs).

Products manufactured by VIGO Photonics are supplied to customers worldwide, with a particular focus on Europe, North America and Asia. The Company has been in operation since 1987 and has been listed on the Warsaw Stock Exchange since 2014. The Company’s headquarters, employing more than 200 people, are located in Ożarów Mazowiecki, while its subsidiary, VIGO Photonics Corp., operates in the United States.

VIGO Photonics operates a fully integrated, high-throughput semiconductor device manufacturing line — from the epitaxial growth of compound semiconductor materials based on Group II–VI elements (tellurium, cadmium and mercury) and Group III–V elements (indium, arsenic, gallium and antimony), through the production of chips and detectors, to their assembly and integration with electronics. Full control over every stage of the manufacturing process enables the Company to develop solutions tailored to individual customer requirements.

VIGO Photonics provides both standard and customised solutions based on its proprietary technology, enabling the development of systems dedicated to the following applications:

- **Gas analysis** – spectroscopy enabling the detection of even individual gas molecules, used, among other applications, in environmental protection and industrial processes.
- **Thermal detection** – technologies dedicated to non-contact temperature measurement, as well as the monitoring and optimisation of industrial processes.
- **Defence and security** – laser radiation detection systems and technologies supporting guidance and warning systems.
- **Rail transport safety** – systems for detecting failures in the running gear of high-speed rail vehicles, as well as fire detection systems.
- **Industry** – industrial scanners for temperature distribution analysis and industrial automation equipment.
- **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 sector** – laser communication in outer space and measurement equipment for space applications.

The high quality of VIGO Photonics’ detectors and detection modules is evidenced by the fact that they have been tested under the most demanding conditions — beyond Earth’s orbit. Since 2014, the Company’s detectors have been operating continuously aboard the Curiosity rover on Mars, where they are used as part of a NASA mission to analyse the atmosphere of the Red Planet.

The Group employs highly qualified experts and cooperates with leading research centres and scientific institutions worldwide, enabling it to maintain a high level of competitiveness and product quality.

VIGO Photonics plans to launch into production a new solution – an infrared detector array developed for the needs of the Polish armed forces. Since 2024, the Company has also been developing photonic integrated circuits (PICs), which will enable it to enter the consumer market. These advanced chips may in the future be incorporated into smartwatches, household appliances, industrial gas analysis systems and medical devices.

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

VIGO Photonics Spółka Akcyjna was formed by notarial deed No. 1459/2002 of 20 February in the Notary’s Office of Krzysztof Łaski – Notary in Warsaw and was entered in the National Court Register – Register of Entrepreneurs on 21 May 2002 under KRS number 0000113394. Its duration is indefinite (it is a going concern).

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

Due to the change of brand in 2022, the Group was renamed from VIGO System S.A. to VIGO Photonics S.A.

3.2 Contact details

Business name, name of the ultimate parent of the Group: VIGO Photonics S.A.

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

3.3 Description of VIGO Photonics Group

The Group includes the following entities:

- VIGO Photonics Taiwan;
- VIGO Photonics Corp.;
- VIGO Ventures ASI Sp. z o.o.

Decisions on material activities of Ventures ASI Sp. z o.o. require the unanimous consent of the parties sharing control. All investors jointly exercise control over the investees. Therefore, no single investor controls the investee. In the opinion of the Group's Management Board, as at 23 April 2026, there was no change in one or more elements of the joint control over VIGO Ventures ASI Sp. z o.o.

3.4 Membership of the Group's Management Board and Supervisory Board

As at 31 December 2025 and 23 April 2026, the Management Board comprised the following members:

- Adam Piotrowski – President of the Management Board (CEO), General Director
- Łukasz Piekarski – Member of the Management Board, Financial Director (CFO)
- Marcin Szrom – Member of the Management Board, Chief Operating Officer

As at 31 December 2025 and 23 April 2026, the Supervisory Board comprised the following members:

- Krzysztof Kaczmarczyk – Chairman of the Supervisory Board
- Zbigniew Więclaw – 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-Krzysztosek – Member of the Supervisory Board;
- Krzysztof Dziewicki – Member of the Supervisory Board.

As at 31 December 2025 and 23 April 2026, the Audit Committee of the Supervisory Board comprised the following members:

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

3.5 Periods presented

The consolidated financial statements include data for the period from 1 January to 31 December 2025. Comparative data are presented as at 31 December 2024 for the consolidated statement of financial position and for the period from 1 January to 31 December 2024 for the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity.

3.6 Functional and presentation currency

Items included in the consolidated financial statements are measured in the currency of the primary economic environment in which the Group operates (functional currency).

The consolidated financial statements are presented in Polish zloty (PLN), which is the Group's functional and presentation currency. Unless otherwise indicated, all amounts presented in the consolidated financial statements are stated in thousands of PLN.

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate current at the date of the transaction. Foreign exchange gains and losses on the settlement of such transactions and on the balance sheet measurement of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, unless deferred in equity, when they qualify for recognition as cash flow hedges and net investment hedges.

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

3.7 Going concern assumption

The Group's consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern for at least 12 months after the balance sheet date, i.e. until 31 December 2026.

As at the date of signing the report, the Group's Management Board does not identify any facts or circumstances that would indicate a threat to the Company's ability to continue as a going concern for a period of 12 months after the end of the reporting period as a result of the deliberate or compulsory abandonment or significant limitation of its current activities.

Up to the date of preparation of the consolidated financial statements for the period from 1 January to 31 December 2025, there were no events that were not but should have been recognised in the accounts of the reporting period. At the same time, there are no material events relating to previous years in the present financial statements.

3.8 Audit firm authorised to audit the financial statements

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. Polczyńska 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
- Assurance 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;
- Assurance 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;

3.9 Organisational or capital connections of the Group

The Group includes the following entities:

- VIGO Photonics Taiwan – a company established in 2020 as a sales office in the East Asia region. The 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 Corp. – a company established in 2021 as a sales office in the North American region. The Company has a 100% stake in VIGO Photonics Corp. with a value of PLN 443 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 18,641 thousand.

Commercial transactions with VIGO Photonics Corp. were concluded on an arm's length basis.

The Group has a 50% stake in VIGO Ventures ASI Sp. z o. o. ("VVASI"). The purpose of the investment was to create an investment vehicle to develop innovative ventures (start-ups and spin-offs) in the field of production of advanced technical devices and components. VWI's investment strategy particularly includes ventures related to photonics.

Decisions on significant activities of Vigo Ventures require a unanimous consent of the parties sharing control. In accordance with the provisions of the Articles of Association of Vigo Ventures, the Supervisory Board exercises continuous supervision over its activities in all areas of its operation. Resolutions of this supervisory body are adopted only unanimously in the presence of all its members. All investors jointly exercise control over the investee. Therefore, no single investor controls the investee because no single investor can exercise management of the investee. In view of the foregoing, the Management Board of VIGO represents that as at 31 December 2025, in its opinion, there is no change in one or more elements of joint control over Vigo Ventures. Major shareholders do not have voting rights other than those carried by their shares.

3.10 Approval of the financial statements for publication

These consolidated financial statements were approved for publication by the Management Board on 23 April 2026 and will be published on 23 April 2026.

3.11 Merger of commercial companies

During the reporting period for which the consolidated financial statements were prepared, the Group did not merge with any other business entity.

3.12 Reference to published estimates

The Group did not publish any estimates for the period presented.

3.13 Adopted accounting principles significant for the Group

3.13.1 Compliance with International Financial Reporting Standards

The consolidated financial statements were prepared for a group of entities that are related by capital. They are prepared at the level of the parent company (VIGO Photonics S.A.), the entity that exercises control over other entities from the Group. The consolidated financial statements include data of the parent company and its subsidiaries at all levels.

Consolidation of financial statements means combining the financial statements of entities belonging to the corporate group by summing up the relevant items in the financial statements of the parent company and subsidiaries/jointly controlled entities, taking into account appropriate exclusions (e.g. resulting from intragroup transactions) and consolidation adjustments.

These consolidated financial statements have been prepared in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations promulgated as regulations of the European Commission, hereinafter referred to as "EU IFRS".

EU IFRS comprise standards and interpretations accepted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and endorsed for use in the EU.

The entity applies the same accounting policies in preparing the 2025 consolidated annual financial statements as it did in preparing the 2024 annual financial statements, except for amendments to standards and new standards and interpretations endorsed by the European Union for reporting periods beginning on or after 1 January 2025.

In 2025, the Group adopted all new and endorsed standards and interpretations issued by the International Accounting Standards Board and the International Accounting Standards Interpretations Committee and approved for use in the EU, applicable to its operations and effective for reporting periods from 1 January 2025.

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 accounting policies have not changed compared to those described in the Group's annual report for 2024.

The consolidated financial statements have been prepared under the historical cost convention, except for assets qualified for fair value measurement.

The consolidated financial statements comprise the financial data of the parent company and its subsidiaries and have been prepared in accordance with EU IFRS.

3.13.2 Changes to standards or interpretations

IFRS as endorsed by the European Union do not currently differ significantly from the regulations issued by the International Accounting Standards Board (IASB), except for the amendments to standards and new standards set out below.

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The amendments introduce a requirement to disclose information that enables users of financial statements to understand the effects of a lack of exchangeability of currencies, and clarify how to assess whether a currency is exchangeable.

Effective date – annual periods beginning on or after 1 January 2025.

The above amendments to the standards did not have a significant impact on the Company's financial statements for 2025.

Standards and interpretations, and amendments to standards and interpretations endorsed by the EU but not yet effective

IFRS 9 (amendment) "Financial Instruments" and IFRS 7 (amendment) "Financial Instruments: Disclosures"

Amendments to IFRS 9 and IFRS 7:

- introduce an accounting policy option allowing an entity to derecognise a financial liability at an earlier date than the settlement date of the transaction, provided that specified criteria are met. This option applies only to financial liabilities settled through an electronic payment system. An entity that elects this accounting policy introduced by the amendment is required to apply it to all settlements made through the same electronic payment system;
- clarify the analysis of the three areas that are assessed when performing the contractual cash flow characteristics test ("SPPI test") for financial assets, and consequently affect the classification of financial assets, i.e.:
 - additional guidance has been introduced on the analysis of contractual terms that may change cash flows based on contingent events (for example, interest rates linked to ESG targets);
 - the guidance regarding "non-recourse" financial assets has been clarified. A financial asset is considered "non-recourse" if the lender has the right to receive cash flows generated solely by specified assets. In such a case, the borrower is exposed to the operational risk of the assets rather than the borrower's credit risk.
 - the guidance on contractually linked instruments has been clarified. In certain transactions, an issuer may prioritise payments using multiple contractually linked instruments that create a concentration of credit risk (so-called "tranches"). The amendments clarify, among other things, that a key distinguishing feature of contractually linked instruments compared with other financial assets with a "non-recourse" nature is a waterfall payment structure that results in a disproportionate allocation of cash shortfalls (losses) between tranches.
- introduce new disclosure requirements for:
 - equity instruments designated at fair value through other comprehensive income;
 - financial assets and financial liabilities measured at amortised cost, whose contractual terms may change cash flows due to events not directly related to changes in underlying credit risk (e.g. changes in cash flows resulting from compliance or non-compliance with ESG standards);
- for electricity contracts dependent on environmental conditions, often structured as power purchase agreements:
 - clarify the application of the "own use" exemption;

- permit the application of hedge accounting where such contracts are used as hedging instruments;
- introduce new disclosure requirements to enable users of financial statements to understand the impact of such contracts on the entity's financial performance and cash flows.

Effective date – annual periods beginning on or after 1 January 2026.

The amendments are not expected to have a material impact on the financial statements in the period of their initial application.

Annual Improvements to IFRS Standards (Volume 11)

The IASB's Annual Improvements are limited to changes that either clarify the wording of IFRS Standards or correct relatively minor unintended consequences, oversights, or conflicts between requirements contained in the Standards. The amendments included in Annual Improvements (Volume 11) relate to:

- IFRS 1 "First-time Adoption of International Financial Reporting Standards" – hedge accounting by a first-time adopter of IFRS;
- IFRS 7 "Financial Instruments: Disclosures": (1) gain or loss on derecognition; (2) disclosure of differences between fair value and transaction price; (3) credit risk disclosures;
- IFRS 9 Financial Instruments: (1) derecognition of lease liabilities; (2) transaction price;
- IFRS 10 "Consolidated Financial Statements" – determination of a "de facto agent";
- IAS 7 "Statement of Cash Flows" – cost or production cost method.

Effective date – annual periods beginning on or after 1 January 2026.

The amendments are not expected to have a material impact on the financial statements in the period of their initial application.

Standards and interpretations and amendments to standards and interpretations that issued by the IASB but not yet endorsed by the EU

IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The objective of the new standard is to enhance comparability and transparency in an entity's communication through its financial statements. The standard introduces:

- new requirements for presentation in the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses in its statement of profit or loss into one of five categories: operating, investing, financing, income tax, and discontinued operations. The first three categories are new. These categories are supplemented by requirements to present the subtotals "operating profit or loss", "profit or loss before financing and income tax", and "profit or loss".
- the concept of management-defined performance measures ("MPMs"), defined as a subtotal of income and expenses used in public communications outside the financial statements to communicate management's view of the entity's financial performance as a whole. IFRS 18 requires entities to disclose all MPMs in a single note, including: how the measure is calculated, what useful information it provides, and reconciliations to the most comparable subtotal specified by IFRS 18 or another standard;
- new requirements for aggregation and disaggregation of financial information based on identified "roles" of the primary financial statements and notes.

Effective date – annual periods beginning on or after 1 January 2027.

The introduction of the new standard will not affect the numerical amounts presented in the financial statements.

However, it will change the presentation format, which is currently under analysis by the Company.

IFRS 19 Subsidiaries Without Public Accountability: Disclosures.

IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other IFRSs.

The standard may be applied by subsidiaries that:

- do not have public accountability (i.e. their equity or debt instruments are not traded in a public market and they do not hold assets in a fiduciary capacity for a broad group of external parties);
- and have a parent or ultimate parent that prepares consolidated financial statements in accordance with IFRS, available for public use.

Effective date – annual periods beginning on or after 1 January 2027.

The standard is not applicable to the Company.

IFRS 19 Subsidiaries Without Public Accountability: Disclosures

The amendments to IFRS 19 reduce disclosure requirements in relation to new IFRS Accounting Standards and amendments issued between February 2021 and May 2024, which were fully reflected in the original issuance of IFRS 19. In particular, the Board removed disclosure objectives from the reduced disclosure requirements for those new standards and amendments, in order to avoid the impression that entities applying IFRS 19 are required to provide disclosures to the same extent as entities not applying this standard.

Effective date – annual periods beginning on or after 1 January 2027.

IAS 21 (amendment) “The Effects of Changes in Foreign Exchange Rates”

The amendments to IAS 21 clarify how entities should translate financial statements from the currency of a non-hyperinflationary economy into the presentation currency of a hyperinflationary economy, i.e.

- when an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy into a presentation currency that is the currency of a hyperinflationary economy, the entity translates those amounts, including comparative information, using the closing exchange rate as of the date of the most recent statement of financial position.
- when an entity's presentation currency ceases to be the currency of a hyperinflationary economy, while the entity's functional currency remains the currency of a non-hyperinflationary economy, the entity applies the current requirements of IAS 21 prospectively in such cases, without restating comparative information.

Effective date – annual periods beginning on or after 1 January 2027.

3.13.3 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. The Group does not measure development work 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 categories:

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

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, the Group does not recognise amortisation charges, but only regularly tests those assets for impairment.

For intangible assets with finite useful lives, the Group applies the following depreciation periods:

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 Group recognises the right to use of land in accordance with IFRS 16 as a lease.

3.13.4 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 Group distinguishes the following groups of tangible assets:

- buildings
- technical equipment and machinery
- vehicles
- 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.

The Group applies straight-line depreciation 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
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, the Group periodically, at least as at the balance sheet date, verifies the adopted depreciation rates, 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".

Borrowing costs directly related to the acquisition or production of assets that require a longer period of time to become fit for use or resale are added to the production costs of such assets until the assets are brought into use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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.

3.13.5 Leases

A lease is classified as such when, under the concluded agreement, substantially all potential rewards and risks arising from ownership of the leased asset are transferred to the lessee.

Assets used under a lease are treated as the Group's assets and measured at their fair value at the time of their acquisition, but not higher than the current value of the minimum lease payments.

The resulting liability towards the lessor is presented in the statement of financial position as leasing liabilities.

Lease payments are allocated between the interest component and a reduction of the lease liability, such that the interest rate on the outstanding liability remains constant. Financial costs are taken directly to profit or loss.

3.13.6 Investments in subsidiaries, joint ventures and associates

Associates are entities over which the parent group has no control, but over which it exercises significant influence by participating in the financial and operating policy decisions.

Investments in associates are initially recognised at cost and then measured using the equity method. At the moment of occurrence of significant influence, goodwill is determined as the difference between the purchase price of the investment and the fair value of net assets attributable to the investor. Goodwill is recognised in the carrying amount of the investment in associates.

The carrying amount of the investment in associates is increased or decreased by:

- the share of the parent group in the profit/loss of the associate;
- the share of the parent group in the other comprehensive income of the associate, resulting from such factors as revaluation of property, plant and equipment and from exchange rate differences on the translation of foreign entities. These amounts are disclosed in correspondence with the appropriate item of the "Consolidated statement of profit or loss and other comprehensive income";
- profits and losses resulting from transactions between the Group and the associate, which are excluded in proportion to the share held;
- payments received from the profit earned by the associate, which reduce the carrying value of the investment.

The financial statements of the parent Group and associates included in the consolidated financial statements using the equity method are prepared as at the same balance sheet date, i.e. 31 December.

Subsidiaries over which VIGO Photonics S.A. exercises direct control are subject to consolidation. Control is deemed to exist when VIGO Photonics S.A. or its subsidiary is exposed to, or has rights to, the variable financial results of the investee and has the ability to influence those financial results through its power over the investee.

Control over an investee is exercised only when all of the following criteria are met:

- The Group exercises power over the investee;
- The Group is exposed, or have rights, to variable returns from its involvement with the investee;
- The Group has the ability to use its power over the investee to affect the amount of its returns.

Subsidiaries are consolidated from the date the Group obtains control, and cease to be consolidated when the Group loses control over them. Balances and transactions occurring between Group entities are eliminated for consolidation purposes.

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

The Company holds investments in subsidiaries, which are accounted for in the consolidated financial statements using the full consolidation method.

3.13.7 Non-controlling interests

Non-controlling interests constitute that part of the capital in a subsidiary that cannot be directly or indirectly assigned to the parent company. As at the date of acquiring control, non-controlling interests are measured at the value of the proportional share in the fair value of the identifiable net assets of the subsidiary. On subsequent dates, the carrying amount of non-controlling interests is updated by the value of total income attributable to non-controlling shareholders. As at the balance sheet date, there were no non-controlling interests in the Group.

3.13.8 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 Group distinguishes the following groups in this item of the statement of financial position: materials, semi-finished products and work in progress, finished products, goods, advances on deliveries.

The Group recognises goods and materials in its books at cost not higher than the net realisable sales price. The cost of inventories (cost of purchase or manufacture) comprises all costs of purchase, costs of processing and other costs incurred in bringing the inventories to their present location and condition.

The Group uses the FIFO method to measure the cost of inventories.

When the purchase price or production cost recorded in the books exceeds the realisable selling price, the Group posts impairment allowances. In addition, the Group periodically tests inventories 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 the Group assesses impairment and posts allowances on the items that it knows to be impaired and will be unusable in the continuing operations.

3.13.9 Loan and other receivables

The Group measures loans and receivables at amortised cost using the expected credit loss model.

The Group posts impairment allowances 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. The Group has 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.

3.13.10 Other financial assets

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

3.13.11 Impairment of non-financial assets

The following assets are subject to an annual impairment test:

- goodwill, with the first impairment test being carried out until the end of the period in which the combination took place;
- intangible assets with an indefinite useful life and
- intangible assets that are not yet in use.

With respect to other intangible assets and tangible assets, shares in related parties and right of use assets, an assessment is made whether there are any indications that their value is impaired. If it is established that any

events or circumstances may indicate difficulty in recovering the carrying value of a given asset, an impairment test is performed.

Goodwill is allocated to those cash-generating units from which synergy benefits are expected to result from the business combination, and the cash-generating units are at least the operating segments.

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.

An impairment loss on a cash-generating unit is first assigned to goodwill. The remaining amount of the impairment loss proportionally reduces the carrying value of assets included in the cash-generating unit.

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

Goodwill impairment losses are not reversed in subsequent periods. In the case of other assets, 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.

3.13.12 Cash and cash equivalents

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

Cash presented in the consolidated statement of cash flows consists of funds in bank accounts.

At each balance sheet date, the financial position of the financial institutions the Group uses is analysed based on external ratings. If the analysis of external ratings of the banks where the cash is held always is each time positive, the cash is considered to have a low credit risk as at the reporting date. In such a case, it is assumed that the value of funds held in bank accounts as at the balance sheet date at amortised cost equals their nominal value.

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate current at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are remeasured at the end of the reporting period using the exchange rate announced by the National Bank of Poland as of the end of the reporting period, and any gains or losses arising from the remeasurement are recognised in the income statement under the item:

- other operating income and costs – in the case of commercial operations;
- financial income or costs – in the case of financial operations and leases.

Restricted cash means cash received by the Group under agreements on development co-financing signed with the National Centre for Research and Development, the European Commission and the Minister of Finance, as well as funds held in the VAT account (as part of split payment), and security deposits and performance bonds.

3.13.13 Equity

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

Share premium account. Under this heading, the Group presents 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. Under this heading, the Group presents retained earnings from previous years, including undistributed profits. The Group discloses here the capital created in accordance with the provisions of Article 396 of the Commercial Companies Code.

Profit (loss) of the current period. Under this heading, the Group presents the result (profit or loss) of the current financial year.

Own shares When purchasing own equity instruments, the amount paid, together with costs directly related to the purchase, reduces equity attributable to shareholders and is presented separately in the statement of financial position as "Own shares" until the shares are cancelled or sold.

3.13.14 Provisions

Provisions are liabilities whose amount or timing is uncertain. The Group recognises provisions 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.

The Group reviews its provisions 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. The Group discounts provisions where the effect of doing so 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.

A detailed description is provided in Section 4.2.8.

3.13.15 Financial assets and liabilities

Financial assets

As at the acquisition date, the Group measures financial assets at fair value, i.e. most often at the fair value of the consideration given. The Group includes transaction costs in the initial valuation of all financial assets, except for the category of assets measured at fair value through profit or loss. This is with the exception of trade receivables, which the Group measures at their transaction price within the meaning of IFRS 15, but this does not apply to those trade receivables whose payment terms are longer than one year and which contain a significant component financing as defined in IFRS 15.

For the purposes of valuation after initial recognition, the Group classifies financial assets other than hedging derivatives into:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income;
- financial assets measured at fair value through profit or loss and
- equity instruments measured at fair value through other comprehensive income.

These categories define the principles of valuation as at the balance sheet date and the recognition of valuation gains or losses in profit or loss or other comprehensive income. The Group classifies financial assets into categories based on the Group's business model for the management of financial assets and contractual cash flows specific to the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met (and at initial recognition the asset was not designated for measurement at fair value through profit or loss):

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The category of financial assets measured at amortised cost includes:

- loans;
- trade receivables and other receivables (except for those to which IFRS 9 does not apply);
- debt securities.

The above classes of financial assets are presented in the consolidated statement of financial position divided into long-term and short-term assets under the headings "Loans and receivables", "Trade and other receivables" and "Other financial assets". Short-term receivables are measured at the value of due payment (as the discount effects are immaterial).

Due to the immaterial amounts, the Group does not identify interest income as a separate item, but recognises it in financial income.

Impairment losses on financial assets measured at amortised cost less gains on the reversal of impairment losses are recognised by the Group in profit or loss under "Expected credit losses". Gains and losses arising from the derecognition of assets belonging to this category from the statement of financial position are recognised in profit or loss under "Profit (loss) from derecognition of financial assets measured at amortised cost". Other gains and losses relating to financial assets recognised in profit or loss, including exchange rate differences, are presented as financial income or costs.

Interest income, impairment gains and losses and exchange differences related to those assets are calculated and recognised in profit or loss in the same way as in the case of financial assets measured at amortised cost. Other changes in the fair value of those assets are recognised in other comprehensive income. When a financial asset

measured at fair value through other comprehensive income is derecognised, the accumulated gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss.

In the reporting period, the Group did not have financial assets qualifying for this valuation category.

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income and is not an equity instrument designated on initial recognition to be measured at fair value through other comprehensive income. Furthermore, in this category the Group classifies financial assets designated on initial recognition as at fair value through profit or loss because they meet the criteria set out in IFRS 9.

This category includes:

- all derivative instruments disclosed in the statement of financial position in a separate item "Derivative financial instruments", except for derivative hedging instruments recognised in accordance with hedge accounting;
- shares of companies other than subsidiary and associated groups;
- participation units and investment certificates of investment funds.

Instruments in this category are measured at fair value and the effects of the measurement are recognised in profit or loss under "Financial income" or "Financial costs", as appropriate. Gains and losses on the valuation of financial assets are determined by the change in fair value established on the basis of current prices from an active market at the balance sheet date or based on valuation techniques, if no active market exists.

Equity instruments measured at fair value through other comprehensive income include investments in equity instruments that are neither financial assets held for trading nor contingent consideration in a business combination for which, at the time of initial recognition, the Group made an irrevocable election to present subsequent changes in fair value of those instruments in other comprehensive income. The Group makes this election individually and separately in relation to individual equity instruments.

In this category, the Group recognises shares of companies other than subsidiary or associated groups, disclosed in the statement of financial position under "Other financial assets".

Cumulative gains or losses from fair value measurement previously recognised in other comprehensive income are not reclassified to profit or loss under any circumstances, including in the event of derecognition of those assets. Dividends from equity instruments included in this category are recognised in profit or loss under "Financial income: after meeting the conditions for recognising dividend income specified in IFRS 9, unless those dividends clearly constitute the recovery of part of investment costs.

Financial assets included in the categories of assets measured at amortised cost and measured at fair value through other comprehensive income due to the business model and the nature of the flows related to them are tested at each balance sheet to see if expected credit losses need to be recognised, regardless of whether there are any indications of impairment. The method of that testing and estimating allowances for expected credit losses differs for individual classes of financial assets:

For trade receivables, the Group applies a simplified approach with allowances for expected credit losses calculated for the entire life of the instrument. Allowance estimates are made on a collective basis and receivables have been grouped by past due period. Allowance estimates are based primarily on historical arrears and the link between the arrears and the actual repayment over the last 3 years, taking into account available forward-looking information.

With respect to other asset classes, in the case of instruments for which the increase in credit risk from the initial recognition was not significant or the risk is low, the Group in the first place recognises default losses for the next 12 months. If the increase in credit risk since its initial recognition has been significant, losses are recognised over the entire life of the instrument.

Financial liabilities

Financial liabilities are recognised in the following items of the statement of financial position:

- loans, other debt instruments;
- lease liabilities (outside of IFRS 9);
- trade and other liabilities;
- derivative financial instruments.

As at the acquisition date, the Group measures financial liabilities at fair value, i.e. most often at the fair value of the consideration received. The Group includes transaction costs in the initial valuation of all financial liabilities, except for the category of liabilities measured at fair value through profit or loss.

After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method, except for financial liabilities held for trading or designated as measured at fair value through profit or loss. The

category of financial liabilities measured at fair value through profit or loss includes derivative instruments other than hedging instruments. Short-term trade liabilities are measured at the amount due because of insignificant discount effects.

Gains and losses on measurement of financial liabilities are recognised in profit or loss under financial activities.

In 2025 and 2024, the Group held only financial liabilities measured at amortised cost.

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.

The Group derecognises financial liabilities only when the relevant obligations of the Group are discharged, cancelled or when they expire.

3.13.16 Deferred income tax

The Group 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.

The Group recognises deferred tax liabilities 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:

1. There are deductible temporary differences, which are temporary differences that will reduce the taxable amount in the future
2. Unused tax losses are carried forward
3. The Group carries forward unused tax credits.

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. The Group recognises deferred tax assets 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.

3.13.17 Employee benefits

The Group has the following employee benefits:

- Current benefits, including wages and salaries, annual leave, sick leave, bonuses, the Company Social Benefits Fund, life insurance, healthcare packages, sports benefits and lunch cards;
- Retirement severance payments.

The Group recognises the cost of employee benefits in the period in which the employee works for the Group 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 the Group has 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 the Group 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.

3.13.18 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.

The Group recognises grant proceeds under “Other operating income”.

In the view of VIGO Photonics, the criteria set out in IAS 20 for recognising grants may be met prior to the formal approval of a report or payment request, provided that at the reporting date there is reasonable assurance that the Group complies with the conditions of the grant and that the funds will be received. This assessment is not made automatically solely on the basis of submitted settlement documentation, but takes into account the totality of available evidence, in particular the terms of the agreement, the status of project implementation, the eligibility of costs, historical data regarding adjustments, the effectiveness of internal controls, and the limit of the recoverable amount. For each material project or cost package, VIGO Photonics prepares an internal assessment worksheet / memorandum documenting the existence of reasonable assurance at the reporting date, which serves as the basis for accounting recognition.

3.13.19 Share-based payments

The Group uses incentive programmes under which key members of the management personnel are granted options convertible to shares of the parent Group.

The value of remuneration for the work of management personnel is determined indirectly by reference to the fair value of the granted equity instruments. The fair value of options is measured on the grant date with the reservation that vesting conditions other than market conditions (i.e. meeting a pre-defined level of financial performance) are not taken into account when estimating the fair value of share options.

The cost of remuneration with a corresponding increase in equity is recognised on the basis of the best available estimates of the number of options to which rights will be acquired in a given period. When determining the number of options to which rights will be acquired, non-market vesting conditions are taken into account.

The Group adjusts these estimates if subsequent information indicates that the number of options granted differs from previous estimates. Adjustments to estimates regarding the number of options granted are recognised in profit or loss of the current period – no adjustments are made to previous periods.

After exercising options convertible into shares, the capital from the valuation of the options is transferred to share premium, reduced by the costs of issuing shares.

3.13.20 Deferred income

Apart from settled grants and investment relief concerning activity in economic zones, as described in other sections, under deferred income the Group 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 Group did not distinguish the item of contract liabilities due to insignificant value of prepayments.

3.13.21 Fair value

Fair value is the amount for which an asset could be exchanged and liability paid between knowledgeable, willing parties in an arm's length market transaction. The fair value of financial instruments traded in an active market is the market price less the costs associated with the transaction, if their amount is significant. The market price of financial assets held by the entity and the financial liabilities that the entity intends to incur is the current purchase offer submitted to the market, while the market price of the financial assets that the entity intends to purchase and the financial liabilities incurred is the current sale offer presented to the market.

The Group measures fair value using the income method (DCF).

Under income methods an enterprise is treated as an asset for which it is possible to determine the cash flows it generates. These cash flows are compared with the cost of money taking into account the time and risk of the asset (cash flows related to the asset). The income method with DCF valuation uses the main assumption that the

Group's value is based on the amount of income it can generate in the future – that is, how much cash flow it is able to generate. The DCF valuation should take into account the appropriate discounted interest rate. This income method is considered one of the most reliable ways of estimating the value of a company.

3.13.22 Operating segments

An operating segment is part of the Group:

- Engaged in business activities in connection with which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other parts of the same enterprise)
- whose performance is regularly reviewed by the main body responsible for making operating decisions in the Group 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:

- Detection 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.

3.13.23 Financial income and costs

Financial income and costs mainly include income and costs relating to:

- interest;
- revenues from participation in the profits of other entities;
- revaluation of financial instruments, excluding financial assets measured at fair value, with the effects recognised in other comprehensive income and reflected in the revaluation reserve and commodity derivatives falling within the scope of IFRS 9 Financial Instruments with remeasurement and realisation gains/losses presented in operating income/costs (where gains/losses on the underlying commodity transactions are recognised);
- exchange rate differences resulting from transactions performed during the reporting period and balance sheet valuations of assets and liabilities at the end of the reporting period, with the exception of exchange rate differences included in the initial value of the tangible asset, to the extent in which they are considered an adjustment to interest expense;
- disposal/ liquidation of financial assets;
- changes in the amount of the accrual as the cost realisation period approaches (the unwinding of discount);
- interest expense for the measurement of employee benefits in accordance with IAS 19 Employee Benefits;
- other items related to financial activities.

3.13.24 Operating costs

Operating costs are recognised in profit or loss in accordance with the matching principle. In the consolidated financial statements, the Group presents costs by origin.

3.13.25 Revenue recognition

The Group's 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 Group's business and resulting in an increase in equity, other than an increase in equity resulting from shareholder contributions.

The Group recognises revenue 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 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.

The Group uses the following 5-element revenue recognition process to determine whether revenue should be spread over time or recognised once at a particular point in time.

Stage 1: Identifying contracts with customers.

The Group 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, the Group recognises revenue 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.

The Group recognises revenue from the provision of services 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. As at the balance sheet date, the Group does not have any contracts in progress.

3.14 Significant values based on professional judgment and estimates

The Company's Management Board is required to make estimates, judgements and assumptions about the valuation amounts of individual assets and liabilities. The estimates and related assumptions are based on historical experience and other factors considered relevant. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. A change in an accounting estimate is recognised in the period in which the estimate is revised if it affects that period only, or in the current and future periods if it affects them in the same way as the current period.

The following are the key assumptions about the future and other bases for estimating uncertainties at the balance sheet date that have a significant impact on the risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year.

3.14.1 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

The Group revises its trade receivables at each balance sheet date. When determining the level of recoverability of trade receivables, account is taken of changes in their quality from the date of granting the trade credit to the date of preparing the financial statements.

During the financial period, allowances for receivables of PLN 141 thousand were recognised in accordance with IFRS 9.

Allowance for aged inventories in stock

At each balance sheet date, the Group analyses the ageing of inventories held in 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 revaluation allowance.

In the financial period, the allowances on inventories in stock were increased by PLN 4,861 thousand.

The Group releases finished goods, previously held only as replacement products in the case of delays in the production process 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.

Allowance for perpetual usufruct of land

The Group did not recognise any impairment allowance for perpetual usufruct of land. That decision was made on the basis of a valuation report received from an independent valuer determining the fair value of the right of perpetual usufruct of land.

Timing of putting development projects into use

The Group settles development costs after the financial inspection by the supervising institution. On receipt of a positive official report confirming the completion of the project, the Group settles the related expenditure.

Expenditure on development financed from cash flows are settled after obtaining a positive outcome of the project. Where the development project is unsuccessful, as soon as the Company becomes aware of this fact, the related expenditure is taken to other operating costs.

3.14.2 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 Group assesses whether there are any indications that any of its assets may be impaired. If this is the case, the Company estimates the recoverable amount of the asset. The Management Board verified the value of assets as at the balance sheet date and found no evidence of impairment.

Impairment of non-financial assets

In order to determine the value in use, the Management Board estimates the forecast cash flows and the rate at which the cash flows are discounted to the current value (see the subsection on the impairment of non-financial assets). In the process of estimating the present value of future flows, assumptions are made regarding the projected financial results. These assumptions relate to future events and circumstances. The actual realised values may differ from the estimated values, which may result in significant adjustments in the value of the Group's assets in subsequent reporting periods.

Valuation of provisions (note 4.2.8). 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 Group's 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, the Group discloses a sensitivity analysis 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:

1. Change in the discount rate of ± 0.5 p.p.
2. Change in the growth rate of future salaries of ± 0.5 p.p.
3. 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	279	297	262	262	296	289	269
Disability severance payments	31	32	30	29	32	32	30
Total	309	329	292	292	329	321	298

Provisions for future complaints. In the financial period, a provision of PLN 743 thousand was recognised for possible costs of complaints to be incurred in 2025. Based on the professional judgement of the Group management, the provision is 0.85% of the sales revenue of 2025. If this level was 0.5 p.p. higher than the estimate, the provision would increase to PLN 1,180 thousand.

Provisions for disputed liabilities. No provision for possible future liabilities was recognised in the financial period.

Deferred tax assets. In 2025, no deferred tax assets were recognised related to the investment tax credit in connection with its business activities in the Tarnobrzeg Special Economic Zone (TSEZ) or other temporary differences.

Fair value of derivatives and other financial instruments (note 4.2.12)

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. The Group uses the percentage of completion method when accounting for long-term contracts for transactions in progress for the provision of services. Under this method, the Group is required to estimate the proportion of work completed to date to the overall work to be completed.

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 Group verifies the adopted periods of economic useful life based on current estimates.

The carrying amounts of all the estimates described above and their changes during the year as well as the impact on the profit or loss are presented in the relevant notes.

3.15 Financial risk management objectives and policies

Apart from derivatives, the main financial instruments used by the Group include bank loans, cash and cash equivalents, trade and other receivables and liabilities and short-term deposits generated directly in the course of the Group's business. The main purpose of those financial instruments is to raise funds for activities of the Group's member entities.

The Group's policy is not to trade in financial instruments now or during the period covered by the audited financial statements.

The principal risks arising from the Group's financial instruments include interest rate risk, liquidity risk, currency risk and credit risk.

The Management Board reviews and approves rules for managing each of those risks – those rules are briefly discussed below. The Group also monitors market price risk relating to all its financial instrument holdings. The size of this risk during the period is shown below.

Basic risk management principles

The Management Board is responsible for establishing a risk management framework and supervising identified risks. The Group's risk management rules are designed to identify and analyse the risks to which the Group is exposed, set appropriate limits and controls and monitor risks and risk appetite. Risk management rules and systems are reviewed regularly to take account of changing market conditions and changes in the Group's business. With appropriate training and established management standards and procedures, the Group seeks to build a stimulating and constructive control environment, in which all employees understand [...] their respective roles and responsibilities.

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 companies' 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.

Other market risks relate to changes in interest rates on financial liabilities and cash and cash equivalents. Short-term trade receivables in foreign currency accounted for 86% of total trade receivables as at 31 December 2025, while short-term trade liabilities in foreign currency accounted for 52% of total trade liabilities as at that date (as at 31 December 2024: 96% and 65%, respectively).

The Group uses financial instruments to hedge its foreign exchange risk.

Currency risk

The Group continuously analyses fluctuations in the EUR/PLN exchange rate. The table below shows the estimated sensitivity of the pre-tax profit to EUR exchange rate fluctuations (assuming no hedging through financial instruments):

Year ended 31.12.2025 (PLN thousand)	Impact on net profit	Impact on equity	Impact on net profit	Impact on equity
	EUR + 10%/- 10%*		USD + 10%/-10%	
Cash		+/-174		+/-35
Loans and receivables		+/-1,717		+/-1,448
Trade liabilities		+/-207		+/-160
Bank loans		+/-1,072		
Total		+/-3,100		+/-1,643
Year ended 31.12.2024 (PLN thousand)	Impact on net profit	Impact on equity	Impact on net profit	Impact on equity
	EUR + 10%/- 10%*		USD + 10%/-10%	
Cash		+/- 1,195		+/- 63
Loans and receivables		+/- 138		+/- 1,042
Trade liabilities		+/- 115		+/- 185
Bank loans		+/- 1,936		+/- 1,936
Total		+/- 3,384		+/- 1,272

*The analysis for 2025 includes changes of 10% due to the assumption that the risk related to the possibility of fluctuations in the exchange rate of one currency in relation to another will not increase.

The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies at the balance sheet date are as follows:

Assets (in PLN thousand)	31.12.2025	31.12.2024
Currency in EUR	16,939	24,620
Currency in USD	2,110	4,009
Currency in GBP	2,750	

Liabilities (in PLN thousand)	31.12.2025	31.12.2024
Currency in EUR	1,589	20,526
Currency in USD	1,327	1,062
Currency in GBP	7	172
Currency in CHF	5	

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 had a moderate impact on the financial results for 2025.

For the purpose of interest rate sensitivity analysis, based on historical value changes and the knowledge and experience of financial markets, interest rate movements that are "reasonably possible" were (as at 31.12.2025) at -1/+1 percentage points for PLN with respect to bank loans.

PLN thousand	Impact on after-tax profit 31.12.2025 + 1p.p./- 1p.p.	Impact on on equity	Impact on pre-tax profit 31.12.2024 + 1p.p./- 1p.p.	Impact on equity
Liabilities measured at amortised cost, including				
- bank and non-bank loans received	+/- 1,072		+/- 194	
EUR	+/- 1,072		+/- 194	

Credit risk

The Management Board developed a credit policy whereby each customer's creditworthiness is assessed before payment terms and other contractual conditions are offered. In the assessment, the customer's rating by external companies and in some cases bank references are taken into account where possible. A transaction limit is set for each customer, which represents the maximum amount of a transaction for which the Management Board's approval is not required.

The Group regularly monitors the timeliness of payment of receivables, calls on customers to make payment in the event of delays and, as a last resort, proceeds to debt enforcement.

The vast majority of customers have been transacting with the Group for at least three years. Losses incurred by the Group as a result of non-payment are marginal. The Group's exposure to credit risk is mainly due to the individual characteristics of each customer. The Management Board believes that credit risk is low as its business partners are mainly reputable companies.

The largest customer in 2025 accounted for 14% (2024: 15%) of the Group's revenue. The balance due from the Group's largest customer accounts for 0% of total gross trade receivables at 31 December 2025 (31 December 2024: 4%). All receivables are repaid in accordance with written agreements. The Group does not see any material risk in this regard.

Maximum exposure to credit risk

Financial assets (in PLN thousand)	Carrying amount	
	31.12.2025	31.12.2024
Trade and other receivables	23,530	19,168
Cash and cash equivalents	5,956	17,270

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.

Liquidity risk

Specification (PLN thousand)	On demand	3 months	3 To 12 months	1 To 5 years	> 5 years
31.12.2025	7,412	528	7,439	9,651	
Interest bearing borrowings		528	7,439	9,651	
Trade and other liabilities	7,412				
31.12.2024	6,520	2,674	5,882	10,833	
Interest bearing borrowings		2,674	5,882	10,833	
Trade and other liabilities	6,520				

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

Capital management

The Group's fundamental principle of its capital management policy is to maintain a solid capital base that will buoy confidence of investors, lenders and the market at large, thus ensuring the future growth of the Group companies. Capital management risk is the failure to achieve those objectives. The Group monitors changes in the shareholding structure, capital ratios and the level of dividends paid to shareholders.

The Group's objective is to achieve return on equity at a level satisfactory to shareholders. The Management Board monitors the return on equity, which is defined as operating profit to equity. The Management Board seeks to maintain a balance between the net profitability achievable with a higher leverage and the benefits and security achieved with a solid capital position.

For the reporting period from 1 January 2025 to 31 December 2025, net profitability, calculated as net profit for the reporting period to equity less net profit, was -17% (2024: 2%). The Company's debt ratio, calculated as the ratio of total borrowings to total equity, was 20% as at 31 December 2025 (2024: 9%).

No changes in the Group's approach to capital management took place during the reporting period from 1 January 2025 to 31 December 2025.

The Group also monitors its capital position using the leverage ratio, is calculated as net debt to total equity plus net debt. The Group's net debt includes interest-bearing borrowings, trade and other liabilities, less cash and cash equivalents.

Capital management

Specification (in PLN thousand)	31.12.2025	31.12.2024
Interest bearing borrowings	17,642	19,389
Trade and other liabilities	7,412	6,520
Less cash and cash equivalents	5,956	17,270
Net debt	19,098	8,639
Equity	157,185	170,542
Total equity	157,185	193,694
Equity and net debt	176,283	179,181
Leverage	0.11	0.05

3.16 Comparability of financial data for the current and previous year

There were no significant changes to the accounting policy in 2025. At the same time, for comparability purposes, selected comparative data for 2024 have been reclassified. This reclassification is purely presentational in nature.

3.17 PLN exchange rates

In the period covered by the financial statements, the following PLN/EUR and PLN/USD exchange rates, as determined by the National Bank of Poland, were applied:

Ref.	EUR	1.01.2025 – 31.12.2025	1.01.2024 – 31.12.2024
1.	Average exchange rate of the National Bank of Poland at the balance sheet date	4.2267	4.2730
2.	Average exchange rate for the period	4.2372	4.3051
3.	Highest average exchange rate for the period	4.3033	4.4019
4.	Lowest average exchange rate for the period	4.1339	4.2499

Ref.	USD	1.01.2025 – 31.12.2025	1.01.2024 – 31.12.2024
1.	Average exchange rate of the National Bank of Poland at the balance sheet date	3.6016	4.1012
2.	Average exchange rate for the period	3.7504	3.9853
3.	Highest average exchange rate for the period	4.1904	4.1752
4.	Lowest average exchange rate for the period	3.5848	3.8117

The data of the statement of financial position were converted using the average exchange rate of the National Bank of Poland at the balance sheet date. Items of the income statement and the statement of cash flows were translated at an exchange rate that is the arithmetic average of the average exchange rates applicable on the last day of each month in the period based on information published by the National Bank of Poland.

4 Additional information and notes to the financial statements

4.1 Assets

4.1.1 Intangible assets

Changes in intangible assets (by type groups) in 2025

Specification (PLN thousand)	Completed development	Other (including computer software)	Total
Gross carrying amount as at 01.01.2025	24,711	1,388	26 099
Increases, due to:	4,975	57	5,032
- development projects completed and accepted	4,357		4,357
- purchase	523	57	580
- received from investment in progress	95		95
Decreases, due to:	2,545	–	2,545
- liquidation			–
Gross carrying amount as at 31.12.2025	2,545		2,545
Amortisation as at 01.01.2025	27,142	1 445	28 587
Increases, due to:	10,508	551	11 059
- amortisation	6,527	202	6,729
- reclassification	6,527	202	6 729
Decreases, due to:	4,852	–	4,852
- reclassification	4,852		4,852
Amortisation as at 31.12.2025	12,182	750	12 936
Net carrying amount as at 31.12.2025	14,960	681	15,651

Changes in intangible assets (by type groups) in 2024

Specification (PLN thousand)	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
- 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

Specification (PLN thousand)	Completed development	Other (including computer software)	Total
- 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

Value and area of land in perpetual usufruct (right of use)

Property address	Land and mortgage register or file number	Plot area [m2] at 31.12.2025	Plot area [m2] at 31.12.2024	Value as at 31.12.2025 (PLN thousand)	Value as at 31.12.2024 (PLN thousand)
05-850 Ożarów Mazowiecki, ul. Poznańska 129/133	WA1P/00087633/6	1,302	1,302	363	363
05-850 Ożarów Mazowiecki, ul. Poznańska 129/133	WA1P/00082343/1	2,750	2,750	252	252
05-850 Ożarów Mazowiecki, ul. Poznańska 129/133	WA1P/00083348/3	4,928	4,928	2,435	2,435
Total		8,980	8,980	3,050	3,050

4.1.2 Leases

(PLN thousand)	As at 31.12.2025	As at 31.12.2024
Right of use	5,293	4,059
Lease liability	2,088	1,247
- long-term	1,925	1,116
- short term	163	131
Financial costs of lease	124	56
Amortisation costs	71	68
Discount rate	5.88%	5.88%
Lease payments:		
principal	147	27
interest	124	56

4.1.3 Property, plant and equipment

Changes in property, plant and equipment (by type groups) 2025

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 01.01.2025	45,817	64,853	2,079	35,117	3,792	151,658
Increases, due to:	791	942	–	439	1 932	4,104
- acquisition of tangible assets		528		78		606
- settlement of tangible assets under construction	791	296		361		1,448
- other		118			1 932	2,050
Decreases, due to:	10	223	92		2,202	2,527
- liquidation	10	104	92			206
- taking fixed assets into inventory					2,202	2,202
- other		119				119
Gross carrying amount as at 31.12.2025	46,598	65,572	1,987	35,556	3,522	153,235
Depreciation as at 01.01.2025	7,898	24,636	1,310	12,971		46,815
Increases, due to:	1,230	4,704	341	2,895		9,170
- depreciation	1,230	4,704	341	2,895		9,170
Decreases, due to:	10	104	92			206
- liquidation	10	104	92			206
Depreciation as at 31.12.2025	9,118	29,236	1,559	15,866		55,779
Net carrying amount as at 31.12.2025	37,480	36,336	428	19,690	3,522	97 459

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

Specification (PLN thousand)	Buildings and structures	Machinery and devices	Means of transport	Other tangible assets	Tangible assets under construction	Total
Amortisation 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
- amortisation	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

Tangible assets and intangible assets under construction (in PLN thousands)

As at 01.01.2024	Expenditure incurred during the financial year	Settlement of expenditure						Impairment allowances	As at 31.12.2025
		Buildings, premises and civil and water engineering facilities	Technical equipment and machines	Vehicles	Other tangible assets	Intangible assets	Other		
3,792	1,932	791	220		361	115	715		3,522

As at 01.01.2024	Expenditure incurred during the financial year	Settlement of expenditure						Impairment allowances	As at 31.12.2024
		Buildings, premises and civil and water engineering facilities	Technical equipment and machines	Vehicles	Other tangible assets	Intangible assets	Other		
2,543	1,932		183		140	360			3,792

Capitalised borrowing costs (in PLN thousand)

The Group did not capitalise external financing costs in either 2025 or 2024.

Capital expenditure in 2025 and planned expenditure for 2026

In the financial year of 2025, the Group incurred capital expenditures of PLN 2.1 million for the purchase of tangible assets and intangible assets (apart from expenditures for development in progress) (in 2024: PLN 2.3 million).

In 2025, there are plans to incur capital expenditures on the purchase of tangible assets related to increasing the level of sales, expanding development activities and increasing production efficiency.

Securities on tangible assets are described in Section 4.2.9 of this report.

The Group did not incur significant capital expenditure on environmental protection in the current year. No significant expenditure on environmental protection is planned for the following year. However, Section 5.7 of the Report contains a description of numerous activities related to reducing energy and water consumption and protecting the environment.

Other information on tangible assets

The Group does not invest in real estate. As at the end of 2025, the Group had no significant non-depreciated fixed assets used under rental, lease or hire purchase agreements.

As at the balance sheet date, the Group had depreciated and still used tangible assets in the amount of PLN 14.75 million.

4.1.4 Investments in jointly controlled entities

Company name, legal form, headquarters	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
VIGO Ventures ASI Sp. z o.o. ul. Marszałkowska 126/134, 00-008 Warszawa	18,596	418	19,014	50%	50%

The data from the statement of turnover and balances of VWI for 01.01.2025–31.12.2025 are as follows (in PLN thousand):

Equity	Share capital	Other capitals	Net profit/loss	Value of assets	Non-current assets	Current assets	Value of liabilities	Value of revenues
50,033	10,351	38,846	-835	50,168	49,370	798	95	10,825

Cash	Long-term financial liabilities	Short-term financial liabilities	Depreciation/amortisation	Interest income	Interest costs	Total costs	Total revenue
208		95	6	86		9,989	10,825

The data from the standalone financial statements of VWI for 01.01.2024 - 31.12.2024 are as follows (in PLN thousand):

Equity	Share capital	Other capitals	Net profit/loss	Value of assets	Non-current assets	Current assets	Value of liabilities	Value of revenues
47,697	10,054	33,768	3,875	47,840	46,587	1,253	143	10,400

Cash	Long-term financial liabilities	Short-term financial liabilities	Depreciation/amortisation	Interest income	Interest costs	Total costs	Total revenue
364			8	77		1,945	3,172

In 2021, the Group formed VIGO Photonics Corp. (the Group's own representative office in the United States) and in 2025 granted it a working capital loan of PLN 1.2 million.

4.1.5 In-process development expenditure and prepayments

Development expenditure (in PLN thousand)	31.12.2025	31.12.2024
ARRAYS	14,701	7,260
MIRPIC		519
Other	7,795	8,932
Development expenditure, including:	22,496	16,854
long term	22,496	16,854

Other prepayments (PLN thousand)	31.12.2025	31.12.2024
- property insurance	378	363
- invoices to be settled in the new period	880	1,082
- membership fees	12	6
- advance invoices		78
Prepaid expenses:	1,270	1,529
long term	80	22
short term	1,190	1,507

A detailed description of in-process research and development is provided in Section 5.3 of the Report.

4.1.6 Inventories

Specification (in PLN thousand)	31.12.2025	31.12.2024
Materials for production	13,754	9,655
Deliveries en route	467	1,271
Semi-finished products and work in progress	1,013	1,056
Finished products	6,169	7,159
Gross inventories	21,402	19,141
Impairment allowance on inventories	4,861	3,365
Net inventories	16,542	15,776

Inventory ageing analysis for 01.01.2025-31.12.2025

Specification (in PLN thousand)	Aged inventories in days					Total
	1-180	181-365	366-548	549-730	over 730	
Materials (gross)	6,051	3,450	1,230	1,627	1,394	13,752
Materials (allowances)		864	614	1,220	1,394	4,092
Materials, net	6,051	2,585	615	407		9,660
Semi-finished products and work in progress (gross)	647	195	58	57	56	1,013
Semi-finished products and work in progress (allowances)		49	29	43	56	177
Semi-finished products and work in progress (net)	647	146	29	14		836
Finished products (gross)	978	354	436	127	189	2,084
Finished products (allowances)		88	218	96	189	591
Deviations from fixed prices	2,108	762	939	275		4,084
Finished products (net)	3,086	1,028	1,157	306		5,577
Advances on deliveries	468					468
Total inventories	10,234	3,760	1,794	725		16,542

Inventory ageing analysis for 01.01.2024-31.12.2024

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

Specification (in PLN thousand)	Aged inventories in days				over 730	Total
	1-180	181-365	366-548	549-730		
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

Change in inventory allowances

Specification (in PLN thousand)	Allowances on materials	Allowances on semi-finished products and work in progress	Allowances on finished products	Total allowances on inventories
Status as at 01.01.2025	2,603	277	484	3,365
Increases, including:	1,490		107	
- recognition of allowances in correspondence with other operating costs	1,490		107	
Decreases, including:		101		125
- reversal of allowances in correspondence with other operating income		101		125
As at 31.12.2025	4,093	176	591	1,101
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

Materials in stock constitute a reserve for securing technological processes and will be used in the next accounting period. Aging of items in material stock is caused by:

- 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 volume, securing the supply chain, and purchasing materials for stock in case they become unavailable in the future, most of the remaining stocks will be used in the process in the following 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.

The value of inventories recognised as a cost in the period is as follows:

- Recognised in the cost of production of direct materials: PLN 14,778 thousand, with indirect costs and other costs at PLN 32,390 thousand.

In the reporting period, no inventories were recognised as goods sold.

As at the balance sheet date, the Group's inventories are not subject to any pledge or lien.

4.1.7 Receivables

Specification (in PLN thousand)	31.12.2025	31.12.2024
Trade receivables	21,781	16,892
- from other entities	21,781	16,892
Impairment allowances	141	77
Gross trade receivables	21,922	16,969

Change in impairment allowance on trade receivables

Specification (in PLN thousand)	31.12.2025	31.12.2024
Impairment allowance on trade receivables at the beginning of the period	77	30
Increases, including:	343	247
- allowances on overdue and disputed receivables	343	247
Decreases, including:	279	200
- reversal of allowances, repayment of receivables	279	200
Impairment allowance on trade receivables from other entities at the beginning of the period	141	77

Change in allowances on other financial receivables

Specification (in PLN thousand)	Loan impairment allowances	Total impairment allowances on other financial receivables
Status as at 01.01.2025	1,155	1,155
Increases, including:	12	12
- recognition of allowances in correspondence with other operating costs	12	12
Decreases, including:	129	129
- reversal of allowances in correspondence with other operating income	129	129
As at 31.12.2025	1,038	1,038
Status as at 01.01.2024	1,082	1,082
Increases, including:	128	128
- recognition of allowances in correspondence with other operating costs	128	128
Decreases, including:	55	55
- reversal of allowances in correspondence with other operating income	55	55
Status as at 31.12.2024	1,155	1,155

Specification (in PLN thousand)	31.12.2025	31.12.2024
Other receivables, including:		
- on account of taxes	1,420	2,216
- on account of grants	4,075	2,904
- other	329	219

Specification (in PLN thousand)	31.12.2025	31.12.2024
Other financial receivables, gross	5,825	5,355
Other financial receivables		
- loans granted	1,038	1,171
- other	13	15
Impairment allowances	1,038	1,156
Gross financial receivables	5,839	5,180

Currency structure of gross short-term receivables (in PLN thousand)	31.12.2025	31.12.2024
in Polish currency	8,147	7,517
in foreign currencies (by currency and after conversion to PLN)	19,611	14,632
EUR	4,490	2,964
after conversion to PLN	16,952	12,667
USD	1,026	803
after conversion to PLN	3,696	3,295
GBP	1	
after conversion to PLN	3	
Total short-term receivables	28,798	23,479

Structure of receivables

Specification (in PLN thousand)	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
31.12.2025							
Trade receivables	21,922	18,675	1,452	1,279	483		33
impairment allowances	141	27	13	26	43		33
Other receivables	6,876	5,838					1,038
impairment allowances	1,038						1,038
Total	27,619	24,486	1,439	1,253	440		
31.12.2024							
Trade receivables	16,969	13,482	2,653	625	49	160	
impairment allowances	77	17	29	14	1	16	
Other receivables	6,510	5,354					1,156
impairment allowances	1,156						1,156
Total	22,246	18,819	2,624	611	48	144	

The amount of the receivables is based on the standard payment terms granted by the Group to customers. In the opinion of the Group's Management Board, there is no significant risk of non-payment of the above receivables.

4.1.8 Other financial assets

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income and is not an equity instrument designated on initial recognition to be measured at fair value through other comprehensive income. The Group classifies financial

assets designated on initial recognition as at fair value through profit or loss because they meet the criteria set out in IFRS 9.

Instruments in this category are measured at fair value and the effects of the measurement are recognised in profit or loss under "Financial income" or "Financial costs", as appropriate. Gains and losses on the valuation of financial assets are determined by the change in fair value established on the basis of current prices from an active market at the balance sheet date.

4.1.9 Cash and cash equivalents

Specification (in PLN thousand)	31.12.2025	31.12.2024
Cash at bank:		
Bank PLN	3,795	4,125
Bank EUR	411	2,797
converted into PLN	1,736	11,953
Bank USD	118	291
converted into PLN	425	1,191
Total	5,956	17,269

Restricted cash:

Specification (in PLN thousand)	31.12.2025	31.12.2024
Cash received for development projects	2,868	2,886
Total	2,868	2,886

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

Specification (in PLN thousand)	31.12.2025	31.12.2024
Cash in the Social Fund	400	154
Total	400	154

4.2 Equity and liabilities

4.2.1 Share capital (structure)

Series/issue	Type of shares	Type of share preference	Type of limitation of rights to shares	Number of shares	Nominal value of the series/issue (in PLN)	Method of capital coverage	Date of registration	Right to dividend (as of the date)
Series A	bearer shares	the shares are not preference shares	none	547,000	547,000	from the transformation of share capital	20.02.2002	in accordance with the Commercial Companies Code
Series C	bearer shares	the shares are not preference shares	none	147,000	147,000	private placement	29.09.2010	in accordance with the Commercial Companies Code
Series D	bearer shares	the shares are not preference shares	none	35,000	35,000	public issue	15.12.2014	in accordance with the Commercial Companies Code
Series F	bearer shares	the shares are not preference shares	none	145,799	145,799	public issue	15.12.2023	in accordance with the Commercial Companies Code

Series/issue	Type of shares	Type of share preference	Type of limitation of rights to shares	Number of shares	Nominal value of the series/issue (in PLN)	Method of capital coverage	Date of registration	Right to dividend (as of the date)
Total number of shares								874,799
Total share capital								874,799
Nominal value of a share (PLN)								1.00

In 2021, a conditional increase of the share capital by PLN 29,160.00 was made in connection with the Incentive Scheme described in section 4.2.8 of this report.

The capital ownership structure is presented in Section 5.8 of the Report.

4.2.2 Share premium account

Specification (in PLN thousand)	31.12.2025	31.12.2024
Share premium account	69,767	69,767
Total	69,767	69,767

4.2.3 Revaluation reserve

Specification (in PLN thousand)	31.12.2025	31.12.2024
Revaluation reserve	139	132
Total	139	132

4.2.4 Profit (loss) of the current period

Specification (in PLN thousand)	31.12.2025	31.12.2024
Profit (loss) of the current period	-15,095	-3,909
Total	-15,095	-3,909

4.2.5 Other capitals

Other equity (accumulated retained earnings and prior-year profit not distributed as dividends) is intended to preserve the ability to continue operations, taking into account planned investments, so that the Group can generate returns for shareholders and deliver benefits to other stakeholders. Conditional supplementary capital was created in connection with the incentive programme for key employees of the Group.

Specification (in PLN thousand)	31.12.2025	31.12.2024
Retained earnings	104,236	128,827
Profit/Loss of the previous year settled against the reserve capital	-4,083	-2,982
Correction of errors from previous years	174	-19,675
Undistributed profit	–	-2,357
Recognised remeasurement differences from prior periods.	-385	423
Total	99,942	104,236

Change in other capitals:

Specification (in PLN thousand)	Retained earnings	Undistributed profit	Total
01.01.2025	104,236	-385	104,025
Increases in the period	174		174

Specification (in PLN thousand)	Retained earnings	Undistributed profit	Total
Allocation of net profit from prior years to retained earnings	174		174
Decreases in the period	-4,083	-385	-4,468
Settlement of net loss 2024 from supplementary capital	-4,083	-385	-4,468
31.12.2025	100,327	-385	99,942
01.01.2024	109,152		109,159
Increases in the period	423		423
Differences from revaluation	423		423
Decreases in the period	-5,339		-5,724
Settlement of net loss 2023 from supplementary capital	-2,982		-2,982
Undistributed profit for 2023	-2,357		-2,742
31.12.2024	104,236		104,236
01.01.2025	104,236	-385	104,025

4.2.6 Amounts not payable as dividends

Specification (in PLN thousand)	31.12.2025	31.12.2024
Capital under Commercial Companies Code - 1/3 of share capital	292	292
Adjustments due to conversion from the Polish GAAP to IFRS/IAS	2,090	2,090
Share premium	69,767	69,767
Total equity	72,149	72,149
Completed development	14,436	14,203
Development expenditure	22,496	16,854
Total development not settled	36,932	31,057
Total	109,081	103,206

4.2.7 Earnings per share

Calculation of earnings per share – assumptions (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Net loss on continued operations	-15,095	-3,909
Net loss attributable to ordinary shareholders used to calculate diluted earnings per share	-15,095	-3,909
Loss presented for the purpose of calculating diluted earnings per share	-15,095	-3,909

Number of shares issued	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Weighted average number of shares used to calculate basic loss per share	874,799	874,799
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	874,799	874,799
Loss per share (in PLN)	-17.25	-4.47

To calculate basic and diluted profit/loss, the numerator was -15,095 and the denominator was 875.

Proposed profit distributions (loss cover) for the financial year:

The net loss of PLN -4,083 thousand for 2024 was fully covered from the supplementary capital.

The Management Board will make recommendations regarding the 2025 loss cover after analysing the Group's current financial situation.

4.2.8 Provisions

Specification (in PLN thousand)	31.12.2025	31.12.2024
Provisions for retirement and disability severance payments	309	255
Provisions for holiday leaves	2,327	2,000
Total, including:	2,636	2,255
- long-term	272	204
- short term	2,364	2,051

Changes in provisions for pensions and similar benefits

Specification (in PLN thousand)	Provisions for retirement and disability severance payments	Provisions for holiday leaves
As at 01.01.2025	256	2,000
Provisions raised	53	327
Provisions released		
Balance as at 31.12.2025, including:	309	2,327
- long-term	273	
- short term	36	2,327
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	205	
- short term	20	2,001
Specification (in PLN thousand)Provisions for retirement and disability severance payments	2025	2024
Present value of obligation at the beginning of the period	256	224
Current service cost	22	44
Interest expense	8	12
Actuarial gains/ losses due to changes in demographic assumptions	-23	-24
Present value of obligation at end of the period	263	256

The Group has an employee share scheme.

On 18 October 2021, the Extraordinary General Meeting adopted a resolution to create an incentive scheme for key employees of VIGO Photonics S.A.

The incentive scheme is based on the following key assumptions:

1. The aim of the Incentive Scheme is to introduce additional mechanisms to motivate members of the Management Board and key employees of the Company and its subsidiaries (excluding employees of VIGO Ventures ASI Sp. z o.o. with its headquarters in Warsaw – formerly Vigo We Innovation sp. z o.o.) to undertake activities to boost the Company's organic growth and to achieve the highest possible financial results in the long term. Moreover, the Incentive Scheme is to help create long-term ties between the Company and members of the Management Board and key employees of the Company and its subsidiaries, which will ensure a high level of professionalism in conduct of the Company's and its subsidiaries' affairs.
2. Participants of the Incentive Scheme will be granted free subscription warrants series A and B issued to their names, entitling them to take up not more than 29,160 (twenty-nine thousand one hundred and sixty) ordinary series E bearer shares with a nominal value of PLN 1.00 (one zloty) each.
3. The Incentive Scheme will be implemented in 2021-2023, in three stages (falling within each calendar year of the Incentive Scheme).

4. Participating in the Incentive Scheme will be members of the Company's Management Board and key employees of the Company and its subsidiaries (except for employees of VIGO Ventures ASI sp. z o.o. with its registered office in Warsaw – formerly Vigo We Innovation sp. z o.o.) selected by the Company's Management Board after consulting the Supervisory Board from amongst directors and deputy directors or other employees responsible for the implementation of the Company's strategic initiatives and employees of the subsidiaries holding managerial functions (except for employees of VIGO Ventures ASI sp. z o.o. with its registered office in Warsaw – formerly Vigo We Innovation sp. z o.o.)

In connection with the Incentive Scheme, the Extraordinary General Meeting (EGM) adopted resolutions on the following matters:

a) Rules of the Incentive Scheme ("Rules") and authorised and obliged the Company's Management Board and the Supervisory Board to take all actions necessary for the implementation and proper execution of the Incentive Scheme, particularly the relevant actions laid down in the Rules.

b) Issue of maximum 29,160 registered subscription warrants of series A and B, including 11,664 series A Warrants allocated to the members of the Management Board of the Company (40% of the Warrants) and 17,496 Series B Warrants allocated to the persons selected from among the Key Employees (60% of the Warrants) within three stages of the Incentive Scheme, subject to the registration of amendments to the Company's Articles of Association related to the conditional increase of the Company's share capital as a result of the issue of the Shares.

c) Disapplication of the existing shareholders' pre-emptive rights to the Warrants.

d) Conditional increase of the Company's share capital by maximum PLN 29,160 by way of an issue of the Shares, i.e. maximum 29,160 series E ordinary bearer shares with a nominal value of PLN 1.00 (one zloty) each.

e) Disapplication of the existing shareholders' pre-emptive rights to the Shares.

f) Holders of the Warrants will be entitled to: a) acquire the Shares in a number equal to the number of Warrants they hold, at the Issue Price of PLN 655.89 (six hundred and fifty-five PLN and 89/100), corresponding to the volume-weighted average price of the Company's shares on the regulated market operated by the Warsaw Stock Exchange from 1 June 2020 to 31 August 2021 with a 10% discount or b) acquire the Shares only from a part of the Warrants held, at the nominal price of the Shares of PLN 1.00 (one zloty), provided that the transfer to the Company free of charge remaining Warrants held so that they could be cancelled, determining the number of the Shares which may be acquired and at the same time the number of the Warrants which will be subject to cancellation according to the following formulas:

$$S = W \times (MP - IP) / MP$$

$$C = W - S$$

where: S - the number of Shares which the Warrant Holder may acquire at the nominal price of the Shares

W - the number of Warrants held by the Warrant Holder

MP - the market price of the Company's shares corresponding to the closing price of the Company's shares at the Warsaw Stock Exchange on the day preceding the day on which the Warrant Holder submits the Warrant Holder's Share Acquisition Statement

IP- the Issue Price C - the number of Warrants to be cancelled.

g) Amendments to § 7 of the Company's Articles of Association by adding subsection 1a - 1d (after § 7(1)) in relation to the conditional share capital increase, with the Company's Supervisory Board being authorised to determine the consolidated text of the amended Company's Articles of Association.

h) Establishment of a capital reserve of PLN 15,300,601 for the financing of the acquisition of the Company's E series shares.

i) The principles of the Company's financing of the acquisition of the Company's Shares under the Incentive Scheme.

j) EGM's consent for the Company to enter into agreements with members of the Company's Management Board in order to finance the acquisition of the Shares.

Costs recognised in the income statement for retirement and disability severance payments

Specification (in PLN thousand)	2025	2024
Current service cost	22	44
Interest expense	8	12

Total income statement	30	56
Actuarial gains/ losses due to changes in demographic assumptions	-23	-24
Total other comprehensive income	7	32

Presented below are the main assumptions adopted by the actuary at the balance sheet date to calculate the liability:

Specification	31.12.2025	31.12.2024
Discount rate (%)	5.20%	5.90%
Staff turnover rate (%)	7.20%	6.50%
Expected salary increase rate (%)	5.00%	5.60%

Sensitivity analysis for the provision recognised at the balance sheet date

Specification (in PLN thousand)	-0.50%	+0.50%
Discount rate (%)	291	241
Expected salary growth rate	291	241
Anticipated turnover rate (%)	321	245

The table shows the potential balance of the provision due to changes in the above rates.

In the time periods presented below, the following payments from the defined benefit plan are expected:

Specification (in PLN thousand)	31.12.2025	31.12.2024
Next year	37	44
Between 1 and 5 years	30	16
Above 5 years	243	2,669

Other provisions

Specification (in PLN thousand)	31.12.2025	31.12.2024
Provision for Q4 bonuses	924	1,536
Provisions for warranty repairs and returns	743	625
Provision for the audit of financial statements	107	97
Other provisions	491	223
Total, including:	2,265	2,481
- short term	2,265	2,481

Change in other provisions

Specification (in PLN thousand)	Provisions for warranty repairs and returns	Other provisions	Total
As at 01.01.2025	625	1,855	2,481
Recognised during the financial year	136	374	510
Released	18	706	724
Balance as at 31.12.2025, including:	743	1,523	2,265
- short term	743	1,551	2,265
As at 01.01.2024	596	1,509	2,105
Recognised during the financial year	64	395	459
Released	35	49	84
Balance as at 31.12.2024, including:	625	1,855	2,481
- short term	625	1,855	2,481

4.2.9 Credit agreements and long-term liabilities

Bank loans, as at 31.12.2025

Lender and loan type	Loan amount under the agreement (PLN k/ EUR k)	Loan balance (PLN k/ EUR k)	Nominal interest rate	Maturity date	Security
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 127	1M EURIBOR + margin	31.12.2026	described below
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 125	1M EURIBOR + margin	31.03.2026	described below
ING Bank Śląski - corporate FX investment loan	EUR 5,950	EUR 2,283	1M EURIBOR + margin	21.06.2028	described below
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 1,633	1M EURIBOR + margin	possible extension of the agreement	described below

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	Security
ING Bank Śląski - corporate FX investment loan	EUR 5,800	EUR 69	1M EURIBOR + margin	31.03.2025	described below
ING Bank Śląski - corporate FX investment loan	EUR 3,600	EUR 641	1M EURIBOR + margin	31.12.2026	described below
ING Bank Śląski - corporate FX investment loan	EUR 2,000	EUR 625	1M EURIBOR + margin	31.03.2026	described below
ING Bank Śląski - corporate FX investment loan	EUR 5,950	EUR 3,197	1M EURIBOR + margin	21.06.2028	described below
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500		1M EURIBOR + margin	possible extension of the agreement	described below

a. Corporate FX loan agreement for investment financing

A loan of EUR 3,600,000.00 to finance the purchase of a MOCVD epitaxial system and the implementation of technology in the production of semiconductor materials from groups III-V of the periodic table of elements, intended for the manufacture of advanced electronic and optoelectronic products. The facility is granted from the date of its availability to 31.12.2026.

The facility bears a floating interest rate determined by the Bank based on EURIBOR for 1-month interbank deposits increased by the Bank's margin.

The parties agreed on the following security:

- a) Contractual mortgage up to EUR 25,350,000.00 established on: (i) the Company's perpetual usufruct of land and freehold of the building situated on that land, located in Ożarów Mazowiecki at ul. Poznańska, entered into the land and mortgage register No. WA1P/00087633/6, (ii) the Company's perpetual usufruct right of the land and ownership of the equipment situated on that land, located in Ożarów Mazowiecki at ul. Poznańska, entered into the land and mortgage register No. WA1P/00082343/1, (iii) the Company's perpetual usufruct right of the land (and the freehold of the building currently being developed on the land) located in Ożarów Mazowiecki at ul. Poznańska, entered into the land and mortgage register No. WA1P/00083348/3. The mortgage will be established within 180 calendar days from the conclusion of the Agreement.
- b) Assignment of rights from the insurance policy of the security item described in point a).

- c) Registered pledge on machinery and equipment purchased as part of the Investment.
- d) Assignment of rights from the insurance policy of the security item described in point c).
- e) Power of attorney to use the funds held in all accounts opened and maintained by the Bank (now and in the future) in favour of the Group, denominated in PLN, EUR and USD.
- f) Group's statement on submission to debt enforcement proceedings (issued under Article 777(1)(5) of the Code of Civil Procedure) for up to EUR 5,400,000.00.
- g) other terms of the agreement are in accordance with the customary market conditions applicable to such agreements.

b. Corporate FX loan agreement for investment financing

Facility of EUR 2,000,000.00 to finance investments and refinance capital expenditures incurred. The facility is granted for the period from 29.03.2019 to 31.03.2026.

The facility bears a floating interest rate determined by the Bank based on EURIBOR for 1-month interbank deposits increased by the Bank's margin.

The parties agreed on the following security:

- a) A joint contractual mortgage up to EUR 25,350,000.00 on the perpetual usufruct right of land, together with the buildings, located in Ożarów Mazowiecki.
- b) Assignment of rights from the insurance policy of the real properties held as security.
- c) Statement on submission to debt enforcement proceedings for up to EUR 3,000,000.00.
- d) Power of attorney to use the funds held in all accounts opened and maintained by ING Bank Śląski S.A. (now and in the future), denominated in PLN, EUR and USD.
- e) Assignment of rights from the General Contractor's construction risks insurance policy – at least for the amount corresponding to the value of the General Contractor's works.
- f) Registered pledge on machinery and equipment purchased during the investment.
- g) Assignment of rights from the insurance policy for the machinery and equipment.

c. Corporate FX loan agreement for investment financing

Facility of EUR 5,950,000.00 to finance investments and refinance capital expenditures incurred. The facility is granted for the period from 29.03.2019 to 31.03.2026.

The facility bears a floating interest rate determined by the Bank based on EURIBOR for 1-month interbank deposits increased by the Bank's margin.

The parties agreed on the following security:

- a) A joint contractual mortgage up to EUR 25,350,000.00 on the perpetual usufruct right of land, together with the buildings, located in Ożarów Mazowiecki.
- b) Assignment of rights from the insurance policy of the real properties held as security.
- c) Statement on submission to debt enforcement proceedings for up to EUR 3,000,000.00.
- d) Power of attorney to use the funds held in all accounts opened and maintained by ING Bank Śląski S.A. (now and in the future), denominated in PLN, EUR and USD.
- e) Assignment of rights from the General Contractor's construction risks insurance policy – at least for the amount corresponding to the value of the General Contractor's works.
- f) Registered pledge on machinery and equipment purchased during the investment.
- g) Assignment of rights from the insurance policy for the machinery and equipment.

d. Agreement for a working capital facility (overdraft).

Facility of EUR 5,500,000.00 to finance investments and refinance capital expenditures incurred. The facility is granted for the period from 29.03.2019 with an extension option (to be amended on 21.12.2023).

The facility bears a floating interest rate determined by the Bank based on EURIBOR for 1-month interbank deposits increased by the Bank's margin.

The parties agreed on the following security:

- a) A joint contractual mortgage up to EUR 25,350,000.00 on the perpetual usufruct right of land, together with the buildings, located in Ożarów Mazowiecki.
- b) Assignment of rights from the insurance policy of the real properties held as security.
- c) Statement on submission to debt enforcement proceedings for up to EUR 3,000,000.00.
- d) Power of attorney to use the funds held in all accounts opened and maintained by ING Bank Śląski S.A. (now and in the future), denominated in PLN, EUR and USD.
- e) Assignment of rights from the General Contractor's construction risks insurance policy – at least for the amount corresponding to the value of the General Contractor's works.
- f) Registered pledge on machinery and equipment purchased during the investment.
- g) Assignment of rights from the insurance policy for the machinery and equipment.

In December 2025, loan agreements described in Note 4.15 were signed, which had not been drawn down or utilised as at the balance sheet date.

Maturity structure of borrowings

Specification (in PLN thousand)	31.12.2025	31.12.2024
	value in PLN	value in PLN
Short-term borrowings	11,852	8,556
Long-term borrowings	5,790	10,833
- maturing between 1 to 3 years	5,790	10,833
Total borrowings	17,642	19,389

Loans currency structure

Specification (in PLN thousand)	31.12.2025		31.12.2024	
	value in foreign currency	value in PLN	value in foreign currency	value in PLN
PLN		24		24
EUR	4,168	17,618	4,531	19,363
Total borrowings		17,642		19,389

Committed loans

Lender and loan type	Loan amount under the agreement (PLN k/EUR k)	Amount committed at 31.12.2025 (PLN k/EUR k)	Amount committed as at 31.12.2024 (PLN k/EUR k)
ING Bank Śląski - working capital facility (overdraft)	EUR 5,500	EUR 3,867	EUR 5,500

Table of credit facility movements in 2025 (PLN thousand)

Loan amount	as at 01.01.2025	capital	accrued interest/- accrued interest paid	valuation (decrease in liability)/- valuation (increase in liability)	as at 31.12.2025
EUR 5,800	293	-293	–	–	–
EUR 3,600	2,741	-2,162	+57/-57	-42/-	537
EUR 2,000	2,671	-2,102	+64/-64	-41/-	528
EUR 5,950	13,659	-3,894	+427/-428	-113/-	9,651

Loan amount	as at 01.01.2025	capital	accrued interest/- accrued interest paid	valuation (decrease in liability)/- valuation (increase in liability)	as at 31.12.2025
EUR 5,500	–	+6,900	+64/-64	-/+2	6,902
overdraft	24	+24/-24	–	–	24
Total	19,389	+6,924/-8,475	+612/-613	196/+2	17,642

Table of credit facility movements in 2024 (PLN thousand)

Loan amount	as at 01.01.2024	capital	accrued interest/- accrued interest paid	valuation (decrease in liability)/- valuation (increase in liability)	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

Other long-term liabilities

The Group has no long-term liabilities other than bank loans, grants and provisions.

Loans and guarantees granted

In 2025 and 2024, VIGO Photonics did not grant any loans.

4.2.10 Trade and other liabilities

Specification (in PLN thousand)	31.12.2025	31.12.2024
Trade liabilities	5,812	4,579
Liabilities on account of other taxes, duties, social security and other, except for CIT, including:	1,500	1,779
Personal income tax	450	486
Social security (ZUS) contributions	900	1,093
PFRON [STATE FUND FOR REHABILITATION OF THE DISABLED]	34	39
Property tax	–	145
VAT	75	–
Settlements with the Tax Office	38	–
Corporate income tax	3	16
Other liabilities	100	162
Liabilities towards employees on account of salaries	47	59
Other	53	103
Total other liabilities	1,600	1,941
Total trade and other liabilities	7,412	6,520

Structure of other financial liabilities

Specification (in PLN thousand)	31.12.2025	31.12.2024
Lease obligations	2,088	1,247
Loan fees	74	94
Total other financial liabilities, including:	2,162	1,341
- long-term	1,925	1,116
- short term	237	225

Currency structure of short-term liabilities

Short-term liabilities (by currency) in 2025 (in PLN thousand)	Amount
a) in Polish currency	4,475
b) in foreign currencies (by currency and after conversion to PLN)	2,937
EUR	375
after conversion to PLN	1,585
USD	1,340
after conversion to PLN	372
GBP	1
after conversion to PLN	7
CHF	1
after conversion to PLN	5
Total short-term liabilities	7,412

Short-term liabilities (currency structure) in 2024 (in PLN thousand)	Amount
a) in Polish currency	3,626
b) in foreign currencies (by currency and after conversion to PLN)	2,894
EUR	276
after conversion to PLN	1,181
USD	375
after conversion to PLN	1,541
GBP	33
after conversion to PLN	172
Total short-term liabilities	6,520

4.2.11 Social assets and Social Fund liabilities

Specification (in PLN thousand)	31.12.2025	31.12.2024
Cash	400	383
Social Fund liabilities	208	142
Allocations to the Social Fund during the financial year	608	525

4.2.12 Financial instruments

The value of financial assets presented in the statement of financial position as at 31 December 2025 relates to the following categories of financial instruments as defined in IFRS 9:

- Financial assets measured at amortised cost (AAC) – trade receivables and other receivables as well as cash and cash equivalents
- Financial assets measured at fair value through profit or loss – designated as such at initial recognition or later (AMFV) – investment in investment funds

The Group has no other categories of financial assets.

The value of financial liabilities presented in the statement of financial position as at 31 December 2025 relates to the following categories of financial instruments as defined in IFRS 9:

- Financial liabilities measured at amortised cost.

The Group has no other categories of financial liabilities.

Financial assets (in PLN thousand)	Carrying amount		Fair value		Qualification category in 2025	Qualification category in 2024
	31.12.2025	31.12.2024	31.12.2025	31.12.2024		
Trade and other financial receivables	21,794	16,892	21,794/ *	16,892/ *	AAC	AAC
Cash and cash equivalents	5,956	17,270	5,956/ *	17,270/ *	AAC	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 (in PLN thousand)	Carrying amount		Fair value		Qualification category in 2025	Qualification category in 2024
	31.12.2025	31.12.2024	31.12.2025	31.12.2024		
Interest bearing bank and non-bank loans, including:	17,642	19,389	19,389/ *	19,389/ *		
- other - short term	11,852	10,833	10,833/ *	10,833/ *	Financial liabilities measured at amortised cost.	Financial liabilities measured at amortised cost.
- other - long term	7,591	8,556	8,556/ *	8,556/ *		
Trade liabilities	5,812	4,579	5,812/ *	4,579/ *		

*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

The Group did not have any derivatives either at 31.12.2025 or at 31.12.2024

01.01.2025– 31.12.2025	Financial assets measured at amortised cost (in PLN thousand)	Financial assets measured at fair value through profit or loss (in PLN thousand)	Financial liabilities measured at amortised cost (in PLN thousand) – bank loans	Financial liabilities measured at amortised cost (in PLN thousand) - trade liabilities	Total valuation of financial instruments (in PLN thousand)
Interest income/ costs	Income:	–	Income: +444		Income: +444
	–		Costs: -1,472	Costs: -8	Costs: -1,480
Trade receivables and cash	Income: +185	–	–	–	Income: +185
	Costs: -1,024	–	–	–	Costs: -1,024
Loans granted	Income: +444	–	–	–	Income: +444
	Costs: -1,747	–	–	–	Costs: -1,747
Bank loans	–	–	–	–	–
	–	–	Costs: -862	–	Costs: -862
Trade liabilities	–	–	–	–	–
	Costs: -2	–	–	Costs: -124	Costs: -126
Total +gain/- loss	+629/-2,771	–	+444/-2,334	+/-132	+1,073/-5,237

01.01.2024– 31.12.2024	Financial assets measured at amortised cost (in PLN thousand)	Financial assets measured at fair value through profit or loss (in PLN thousand)	Financial liabilities measured at amortised cost (in PLN thousand) – bank loans	Financial liabilities measured at amortised cost (in PLN thousand) - trade liabilities	Total valuation of financial instruments (in PLN thousand)
Interest income/ costs	Income: +421 –		Income: +697 Costs: -2,045	Costs: -69	Income: +1,118 Costs: -2,114
Trade receivables and cash	Income: +702				Income: +702
Loans granted	Costs: -652				Costs: -652
Loans granted	Income: +927				Income: +927
	Costs: -467				Costs: -467
Bank loans			Income: +322 Costs: -56		Income: +322 Costs: -56
Trade liabilities				Income: +157 Costs: -148	Income: +157 Costs: -148
Total +gain/- loss	+2,050/- 1,119		+1,019/- 2,101	+157/-217	+3,226/-3,437

4.2.13 Other contingent and off-balance sheet liabilities

As at 31 December 2025, the Group had no contingent assets.

Securities related to credit agreements are described in Section 4.2.9 of this Report.

Other contingent liabilities are described below:

1. A blank promissory note for the National Centre for Research and Development (NCBiR) as collateral for the proper performance of obligations arising from the grant agreement MAZOWSZE/0032/19-00 of 21.11.2019 for the project "Production technology of innovative epitaxial structures and VCSEL laser instruments critical for the development of photonics" under the competition Path for Mazovia/2019.
2. A blank promissory note for National Centre for Research and Development (NCBiR) as collateral for the proper performance of obligations under the grant agreement MAZOWSZE/0090/19-00 of 03.12.2019 for the project "Sensors for Industry 4.0 and IoT" under the competition Path for Mazovia/2019.
3. A blank promissory note at the disposal of the Mazowieckie Voivodeship as collateral for the proper performance of obligations under the grant agreement RPMA.01.02.00-14-b451/18-00 of 28.02.2020 for the project "Multi-element infrared detectors for non-contact multifunctional diagnostics" under Measure 1.2 "Research and development activity of enterprises" of the Regional Operational Programme of the Mazowieckie Voivodeship for 2014-2020.

4. A blank promissory note securing the proper performance of obligations under the Grant Agreement for the project "Production of InGaAs sensors with integrated ASIC electronics for the range of 1.7 - 2.6 μm " (agreement No. POIR.01.01-00-0480/20-00 of 23.09.2021). The National Centre for Research and Development has the right to fill the promissory note, at any time, with the amount of grant to be returned, together with interest calculated at the rate specified for tax arrears, accrued from the date of transfer of funds to the account of the Beneficiary to the date of repayment.
5. A blank promissory note securing the proper performance of obligations under the Grant Agreement for the project "PEMIR - development of mid-infrared detectors using plasmonic amplification" no. POLTUR4/PEMIR/2/2021 of 15.03.2021. The National Centre for Research and Development has the right to fill the promissory note, at any time, with the amount of grant to be returned, together with interest calculated at the rate specified for tax arrears, accrued from the date of transfer of funds to the account of the Beneficiary to the date of repayment.
6. A blank promissory note securing the proper performance of obligations under the Grant Agreement for the project "MIRPIC - Integrated photonics chip technologies for mid-infrared" (agreement No. TECHMATSTRATEG-III/0026/2019-00 of 25.03.2021). The National Centre for Research and Development has the right to fill the promissory note, at any time, with the amount of grant to be returned, together with interest calculated at the rate specified for tax arrears, accrued from the date of transfer of funds to the account of the Beneficiary to the date of repayment.
7. A blank promissory note securing the proper performance of obligations under the Grant Agreement for the project "Polish array active in infrared for space applications" (agreement No. POIR.01.01-00-0185/20-00 of 24.05.2021). The National Centre for Research and Development has the right to fill the promissory note, at any time, with the amount of grant to be returned, together with interest calculated at the rate specified for tax arrears, accrued from the date of transfer of funds to the account of the Beneficiary to the date of repayment.
8. A blank promissory note for National Centre for Research and Development (NCBiR) as collateral for the proper performance of obligations under grant agreement HYDROSTRATEG1/000E/2022 For the project "Development of an innovative photonic water resources monitoring system" implemented as part of the 1st competition of the Government Strategic Programme Hydrostrateg "Innovations for water management and inland navigation" (agreement date: 25 August 2023).
9. A blank promissory note for National Centre for Research and Development (NCBiR) as collateral for the proper performance of obligations under the grant agreement POLTAJ10/2022/37/LWIRPSBDA/2023 of 14 June 2023 for the project "LWIR photodetector supported by dielectric antennas" (LWIRPSBDA) as part of the 10th competition under the 10th Polish-Taiwanese/Taiwanese-Polish Joint Research Call (2022).
10. A blank promissory note for the Polish Agency for Enterprise Development, (PARP) as security for the proper performance of the obligations arising from the funding agreement FENG.01.01-IP.02-1216/23 dated 18 July 2024, for the project "Long-term Cascade Detectors for Spectroscopy and FSO," under the European Funds for a Modern Economy 2021-2027 programme, Measure 1.1, SMART Track
11. A blank promissory note for the National Centre for Research and Development, as security for the proper performance of the obligations arising from the funding agreement FENG.02.10-IP.01-0005/23-00 dated 14 May 2024, for the project "HyperPIC – Photonic Integrated Circuits for Mid-Infrared Applications," acronym: HyperPIC, under Action 2.10 IPCEI II PRIORITY of the EUROPEAN FUNDS FOR THE MODERN ECONOMY PROGRAMME 2021–2027 (FENG).
12. A blank promissory note for the National Centre for Research and Development, as security for the proper performance of obligations arising from the funding agreement FENG.01.01-IP.01-A0MR/24-00 dated 18 February 2025, for the project "Photonic Integrated Circuits for Free Space Optical Communication Systems (FSOC)", acronym: FSOC, under Measure 01.01, SMART Track of the Consortium of the EUROPEAN FUNDS FOR THE MODERN ECONOMY PROGRAMME 2021–2027 (FENG).
13. A blank promissory note for the National Centre for Research and Development, as security for the proper performance of obligations arising from the funding agreement FENG.01.01-IP.01-A0MR/24-00 dated 18 February 2025, for the project "Photonic Integrated Circuits for Free Space Optical Communication Systems (FSOC)", acronym: FSOC, under Measure 01.01, SMART Track of the Consortium of the EUROPEAN FUNDS FOR THE MODERN ECONOMY PROGRAMME 2021–2027 (FENG).
14. A blank promissory note made available to the Polish Agency for Enterprise Development as security for the proper performance of obligations under a co-financing agreement.
FENG.02.25-IP.02-0188/25 of 30 December 2025 concerning the project "VIGO Photonics on the international stage: strengthening export potential in the USA and the European Union", under the European Funds for a Modern Economy 2021–2027 programme, Measure 2.25 Promotion of innovative SME brands.

15. A blank promissory note made available to the Polish Agency for Enterprise Development as security for the proper performance of obligations under the co-financing agreement FENG.02.25-IP.02-0154/24 of 25 August 2025 concerning the project "Strengthening the export potential of VIGO Photonics S.A. on international markets", under the European Funds for a Modern Economy 2021–2027 programme, Measure 2.25 Promotion of innovative SME brands.
16. On 12 September 2022, an Investment Agreement was signed between VIGO Photonics S.A. and Warsaw Equity ASI Sp. z o.o. and Wojciech Smoliński and Marek Kotelnicki and VIGO Ventures ASI Sp. z o.o. The Investment Agreement sets out the principles of investing, together with Warsaw Equity ASI Sp. z o.o., in innovative technological ventures through VVASI. VVASI is an alternative investment fund focusing on technology, new technology and industry sectors, innovations in photonics, optics, automation, robotics, photovoltaics, materials engineering sectors, as well as projects undertaken by research units, with a concentration on R&D projects that foster cost-effective production of innovative, technologically advanced devices and systems. Under the Investment Agreement, VIGO Photonics S.A. and Warsaw Equity ASI Sp. z o.o. acquired new shares in VVASI in exchange for a cash contribution of PLN 1,911,300 by both parties. Furthermore, the Partners determined the VVASI Budget until 31 December 2025 at PLN 36,182,200.00 (i.e. PLN 18,091,050.00 for each party). This budget will be paid out ad hoc as part of the implementation of VVASI's investment activities. The agreement will remain in force until completion of all Exits from the investments or until 31 December 2032. Moreover, the Investment Agreement lays down the decision-making process regarding VVASI investments (all decisions require the consent of both parties), the maximum investment size (maximum EUR 1 million or EUR 1.5 million with follow-on investments), the minimum size of shares taken up by VVASI (5%), rules for co-investment in projects by the VVASI team, rules for the incentive program for the VVASI team and rules for exiting from VVASI investments. At the same time, on 12 September 2022, an agreement was signed with Warsaw Equity ASI Sp. z o.o. and VIGO WE Innovation sp. z o.o. on the termination and expiry of the investment agreement of 9 February 2017, as amended by subsequent annexes, regarding the investment in VIGO WE Innovation sp. z o.o. Under the agreement, VIGO WE Innovation sp. z o.o. will be taken over by VVASI. Further investments in innovative technological ventures will be carried out by the parties through VVASI. The Group recognised its obligation to make a cash contribution of PLN 0.2 million to the Incubator budget as a contingent liability.
17. In the financial year ended 31 December 2025, the Company received a lawsuit filed by a current employee. The claimant's claim concerns unpaid bonus payments for the year 2021. The value of the dispute was specified by the claimant in the lawsuit at PLN 500,000, together with statutory default interest for late payment. After a thorough and careful analysis of the facts of the case and based on the legal assessment prepared by the external law firm representing the Company in these proceedings, the Management Board assesses the probability of an adverse outcome for the Company, and consequently the outflow of economic benefits, as lower than 50% (possible but not probable). Accordingly, in line with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Company has not recognised a provision for this claim in the accompanying statement of financial position, treating it as a contingent liability. As at the date of preparation of these financial statements, the proceedings are ongoing at first instance, and the final outcome of the case, the exact amount of any potential obligation, and the timing of its settlement remain uncertain. The Company does not expect to recover any amounts in connection with these proceedings from third parties.

4.2.14 Accruals and other liabilities:

Specification (in PLN thousand)	31.12.2025	31.12.2024
Grants to tangible assets	8,419	9,181
SPOWPK/2.2.1/14/0155	64	67
Technology bonus 3.2.2	8,355	9,115
Deferred income - grants - funds towards development projects	12,431	11,124
Prepayments received for future obligations		29
Deferred income, including:	20,850	20,305
Long term	18,259	17,781
Short term	2,591	2,524

4.2.15 Co-financing from public funds

The Group receives co-financing for research and development from European funds and national funds. The Group also receives grants to its fixed investments.

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

Re f.	Project	Project budget for the Company [EUR thousand]	Grant for the Company [EUR thousand]	Project implementation period
1.	BEAST	997	997	01.11.2025 - 31.10.2028
2.	MINIBOT	609	609	01.12.2022 - 30.06.2026
3.	AI-PRISM	240	168	01.10.2022 - 31.12.2025
4.	PHOTOGENIC	1,331	1,331	01.10.2022 - 30.09.2026
5.	OPMMEG	500	500	01.12.2022 - 30.11.2025
6.	IBAIA	337	337	01.12.2022 - 30.11.2026
7.	RAVEN	357	357	01.06.2024 - 31.05.2028
8.	PIONEAR	449	449	01.02.2024 - 31.01.2028
9.	BROMEDIR	441	441	01.01.2023 – 30.06.2026

Agreements under projects co-financed by the European Commission are drawn up according to a uniform template. Under the agreement, the European Commission may impose financial penalties, i.e. withholding part of the funding if the beneficiaries:

- Committed substantial errors, irregularities or fraud or otherwise seriously breached their contractual obligations, or
- Made false declarations relating to the information required under the agreement or when submitting the grant request (or failed to provide such information).

The financial penalties will range from 2% to 10% of the maximum EU contribution specified for the beneficiary. If the beneficiary is found guilty of another breach within five years from the date of the first breach, the Commission may increase the financial penalties to the 4%–20% range.

During the reporting period, the Company implemented the following projects co-financed by the Polish Agency for Enterprise Development and the National Centre for Research and Development, from European funds under the European Funds for Modern Economy Programme 2021-2027

Ref.	Project	Agreement date	Project budget for the Company [PLN thousand]	Grant for the Company	Project implementation period
1.	Cascades - Long-wavelength cascade detectors for spectroscopy and FSO	18.07.2024	13,959	9,372	01.01.2024 - 31.03.2027
2.	HyperPIC - Photonic Integrated Circuits for Mid-Infrared Applications (HYPERPIC)	14.05.2024	1,497	441	01.10.2023 – 31.12.2029
3.	FSOC - Photonics Integrated Circuits for Free Space Optical Communication Systems (FSOC)	10.02.2025	12,500	8,952	01.04.2025-31.03.2028
4.	Trade fair EXPO – “Strengthening the export potential of VIGO Photonics S.A. on international markets.”	05.08.2025	329	165	01.01.2025-31.12.2027
5.	Trade fair PHOTONICS WEST – “VIGO Photonics S.A. on the international stage: strengthening export potential in the USA and the European Union”	12.12.2025	2,078	1,122	07.03.2025-30.04.2028

The Grant Agreement provides for the following contractual penalties:

- Repayment of the funding with interest in the event of termination of the agreement.
- Repayment of the funding or consent to reduction of subsequent payments – in cases specified in the agreement such as the use of funds contrary to their purpose or in breach of procedures; use of the funds wrongly or in an excessive amount.

The Company carries out projects co-financed by the National Centre for Research and Development from domestic funds under the Strategic Programme for Scientific Research and Development "Modern Material Technologies" – TECHMATSTRATEG, the Strategic Programme HYDROSTRATEG, under the M-ERA.net programme, as well as within the framework of Polish-Turkish international cooperation. Additionally, the National Science Centre will co-finance the project under the OPUS-26 competition:

Ref.	Project	Agreement date	Project budget for the Company [PLN thousand]	Grant for the Company	Project implementation period
1.	BILIND – Back-Illuminated Low-Capacitance p-i-n and n-B-n InGaAs Photodetectors	08.07.2025	1,126	845	01.04.2025-30.09.2027
2.	LWIRPSBDA – Long wave detectors supported by dielectric antennas	14.06.2023	1,163	680	01.06.2023-30.09.2026
3.	FOSMO – "Development of an innovative photonic water resources monitoring system"	25.08.2023	13,123	9,376	01.10.2023 - 30.06.2027
4.	OPUS – "Interband cascade detector based on group III-V semiconductors (AIIIBV) for long-wave infrared array applications"	01.10.2024	683	683	01.10.2024-30.09.2027
5.	SWIRLS- Sensitive Wideband Infrared Laser Spectroscopy (SWIRLS)	01.09.2025	1,109	831	01.10.2025-30.09.2028

4.2.16 Proposed profit distributions (loss cover) for the financial year:

The net loss of PLN 3,909 thousand for 2024 was fully covered from the supplementary capital. The Management Board will make recommendations regarding the 2025 loss cover after analysing the Group's current financial situation.

The Group did not release performance forecasts for the given year.

4.3 Statement of comprehensive income

4.3.1 Net revenue from the sale of products, goods and materials by type and territory

Specification (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Continued operations	107,684	96,219
Sale of goods and materials	158	57
Sale of products, including	89,527	76,061
- Detection modules segment	83,401	68,840
- Semiconductor materials segment	6,126	7,221
Sale of services	3,327	2,191
- Detection modules segment	1,232	663
- Semiconductor materials segment	2,095	1,528
Total revenue from sales	93,012	78,309
Other operating income	14,241	14,839
Financial income, including:	431	3 071
Gain/loss from valuation of shares using the equity method	418	1,937
TOTAL revenue from continued operations	107,684	96,219
Revenue from discontinued operations	n/a	n/a

TOTAL revenue	107,684	96,219
TOTAL revenue	107,485	96,220

Specification	01.01.2025 - 31.12.2025		01.01.2024 - 31.12.2024	
	PLN thousand	%	PLN thousand	%
Domestic	16,113	17.32	12,782	16.32
Exports, including:	76,846	82.67	65,527	83.68
European Union	42,703	45.91	32,157	41.06
Third countries	34,196	36.77	33,370	42.61
Total	93,012	100.00	78,309	100.00

Percentage share of customers in total sales in the period:**01.01.2025-31.12.2025**

Ref.	Customer	Amount (PLN thousand)	Share in total sales (%)
1.	PCO	12,382	13.32
2.	A German company	11,835	12.73
3.	A company from Caterpillar Group	7,624	8.20
4.	German company II	5,822	6.26

01.01.2024-31.12.2024

Ref.	Customer	Amount (PLN thousand)	Share in total sales (%)
1.	PCO	11,859	15.14
2.	A German company	9,457	12.08
3.	A company from Caterpillar Group	6,662	8.51
4.	German company II	4,807	6.14

In 2025, no unit revenue was recognised in respect of long-term services carried out under unit price contracts.

4.3.2 Discontinued operations

No operations were discontinued in 2025.

4.3.3 Other comprehensive income

Specification (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Actuarial gains (losses) that will not be subsequently reclassified to profit or loss:	7	24
Actuarial gains on defined benefit plans	7	24
Items that may be transferred to profit or loss in later periods	1,558	-385
Exchange differences on translation	1,558	-385
Total comprehensive income attributable to non-controlling interests	1,565	-361

As a result of operating in the Tarnobrzeg Special Economic Zone (TSEZ), the tax effect of other comprehensive income is nil.

(PLN thousand)	01.01.2025- 31.12.2025			01.01.2024 - 31.12.2024		
	Amount before tax	Tax	Amount after tax	Amount before tax	Tax	Amount after tax
Actuarial gains (losses) on defined benefit plans	7		7	24		24
Exchange	1,557		1,557	-385		-385

differences on translation					
Total comprehensive income	1,564		1,564	-362	-362

4.3.4 Income tax

The tax charge includes current and deferred income tax that was not recognised in other comprehensive income or directly in equity.

Current income tax

Current tax charge is calculated based on the applicable tax regulations. The application of those regulations makes a distinction between tax profit (loss) and net book profit (loss), due to the exclusion of non-taxable income and non-deductible expenses and items of expense and income that will never be taxable. The tax charge is calculated based on the tax rates applicable in the given financial year. The current tax rate, based on regulations, is 19% (since 2004). The current regulations do not provide for differentiation of tax rates for future periods. Due to the conduct of business in the Special Economic Zone, VIGO Photonics S.A. uses income tax exemption (for income achieved accordance with the zone permit). The tax year and balance sheet year coincide with the calendar year.

Deferred income tax

Deferred tax is calculated using the balance sheet method as the tax payable or reimbursable in the future on the differences between the carrying amounts of assets and liabilities and the corresponding tax values used to calculate the tax base.

Deferred tax liability is recognised for all taxable temporary differences, while a deferred tax asset is recognised to the extent that it is probable for future taxable profits to be reduced by the identified deductible temporary differences. No asset or liability is recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time it occurs, affects neither taxable profit nor accounting profit. No deferred tax liability is recognised on goodwill that is not amortised under tax legislation.

Deferred tax is calculated using the tax rates that will apply when the asset item is realised or the liability is settled, based on legislation in force at the balance sheet date.

The value of a deferred tax asset is reviewed at each balance sheet date and if the expected future taxable profits are insufficient to realise the asset or a part thereof, it is written down.

The Management Board of VIGO Photonics estimated that the Group would not be able to use the entire deferred tax asset resulting from the investment relief in the Special Economic Zone until the end of the operation of the Special Economic Zone in Poland (31 December 2026).

The expected amount of aid to be used over those two tax years is approximately PLN 7.5 million. Due to the above, in 2024 the deferred tax asset of PLN 349 thousand was reversed. As a result, the net result for 01.01.2024-31.12.2024 was reduced by the reversed asset.

In 2024, the Group generated loss of PLN 1,933 thousand on operations in the Special Economic Zone. In 2024, the Group did not use any aid in connection with the zone exemption. The remaining aid to be used at discounted value in subsequent tax years is PLN 7.5 million as at 31 December 2024. This is an amount equal to 65% of discounted qualified expenditures on tangible assets less discounted aid to those tangible assets obtained from other sources, as well as discounted unpaid income tax from operations in the Special Economic Zone in previous years.

Income tax disclosed in the statement of comprehensive income (PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Current income tax	67	57
For the financial year	67	57
Deferred income tax	8,225	385
Origination and reversal of temporary differences	8,225	385
Tax charge disclosed in the statement of comprehensive income	8,292	443

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

PLN thousand	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Balance at the beginning of the period		

Deferred tax assets	+9,989	+15,156
Deferred tax liability	-2,498	-990
Net deferred tax at the beginning of the period	-385	14,166
Change in the balance in the period affecting:	-8,225	-385
Profit or loss (+/-)	-8,225	-385
Net deferred tax at the end of the period, including	-8,225	-385
Deferred tax assets	+239	+9,989
Deferred tax liability	-8,464	-2,498

Deferred tax assets as at 31.12.2025

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	+1,496	4,861
Trade receivables	76	+64	141
Investments in related parties	1,226	-126	1,101
Interest calculated	2	-1	1
Liabilities			
Provisions for employee benefits	3,792	-232	3,560
Other provisions	986	+261	1,247
Other liabilities	29	–	29
Unpaid contracts of mandate and remuneration	58	-11	47
Unpaid social security contributions	1,079	-193	886
Total	10,614	+1,259	11,873

Deferred tax liabilities as at 31.12.2025

Assets			
Property, plant and equipment	12,989	+3,608	16,597
Trade receivables	29	-29	–
Liabilities			
Interest calculated	300	+548	848
Total	13,318	+4,127	17,445
Tax rate	19%		
Deferred tax asset	2,017	+239	2,256
Deferred tax liability	-2,530	-784	-3,315
Change in the balance of deferred tax			
Investment tax credit in TSEZ	8,000	-7,680	320
Deferred tax in the statement of comprehensive income		-8,225	

Deferred tax assets as at 31.12.2025

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	+1,496	4,861
Trade receivables	76	+64	141
Investments in related parties	1,226	-126	1,101
Interest calculated	2	-1	1
Liabilities			
Provisions for employee benefits	3,792	-232	3,560
Other provisions	986	+261	1,247
Other liabilities	29	–	29
Unpaid contracts of mandate and remuneration	58	-11	47
Unpaid social security contributions	1,079	-193	886
Total	10,614	+1,259	11,873
Deferred tax liabilities as at 31.12.2025			
Assets			
Property, plant and equipment	12,989	+3,608	16,597
Trade receivables	29	-29	–
Liabilities			
Interest calculated	300	+548	848
Total	13,318	+4,127	17,445
Tax rate	19%		
Deferred tax asset	2,017	+239	2,256
Deferred tax liability	-2,530	-784	-3,315
Change in the balance of deferred tax			
Investment tax credit in TSEZ	8,000	-7,680	320
Deferred tax in the statement of comprehensive income		-8,225	

Deferred tax assets as at 31.12.2024

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	+1,074	3,365
Trade receivables	30	+46	76
Investments in related parties	1,151	+76	1,226
Interest calculated	157	-155	2
Liabilities			
Provisions for employee benefits	3,687	+105	3,792
Other provisions	643	+196	986
Other liabilities	29		29
Unpaid contracts of mandate and remuneration	80	-22	58
Unpaid social security contributions	767	+312	1,079
Other		-146	146
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	-540	7,460
Deferred tax in the statement of comprehensive income		-385	

Current income tax	01.01.2025-31.12.2025	01.01.2024-31.12.2024
Profit before tax	-6,803	-3,467
Revenues increasing the tax base	12,327	9,292
Revenues excluded from taxation	-30,294	-22,576
Costs increasing deductible costs	-3,776	-3,832
Non-deductible costs	32,318	24,033
Taxable income	8,560	4,620
Deductions from income, including	8,208	7,359
- activities in the TSSE	4,119	1,933
- grants received	-12,327	-9,292
Tax base	352	303
Income tax at 19% rate	67	57
Deferred income tax	8,225	385
Tax disclosed in the statement of comprehensive income	8,292	443
Effective tax rate (share of tax expense reported in the income statement in profit before tax)	0.3%	0.6%

Specification (in PLN thousand)	01.01.2025-31.12.2025	01.01.2024-31.12.2024
Profit (loss) before tax	353	303
Tax rate applied	19%	19%
Income tax at the rate	67	57
Reconciliation of income tax due to:		
Deferred income tax	8,225	385
Deferred tax assets	+239	+9,989
Deferred tax liabilities	-8,464	-2,498
Income tax	8,292	443

4.3.5 Costs by type

In 2025, the value of capitalised development costs was PLN 9.01 million, of which PLN 1.06 million related to external services and PLN 6 million to salaries and employee benefits (items of the income statement: External services and Salaries and employee benefits were reduced in 2024 by PLN 1.21 million and PLN 7.1 million, respectively).

Specification (in PLN thousand)	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Depreciation/ amortisation	13,299	13,304
Use of materials and energy	22,801	22,057
External services	17,115	11,258
Taxes and charges	340	390
Remuneration	42,508	38,465
Social security and other benefits	8,976	8,081
Other costs by type	2,077	2,678
Total costs by type, including:	107,116	96,233
Change in finished products	-3,154	-8,118
Selling costs (negative value)	-14,426	-13,482
General and administrative expenses (negative value)	-42,368	-35,888
Cost of production of products and services sold	47,168	38,745

Depreciation/ amortisation costs and impairment allowances recognised in the statement of comprehensive income

Specification (in PLN thousand)	01.01.2025- 31.12.2025	01.01.2024 - 31.12.2024
Items included in cost of sales:	9,869	10,964
Depreciation of tangible assets	4,695	5,749
Amortisation of intangible assets	5,174	5,215
Items included in selling costs	33	31
Depreciation of tangible assets	15	14
Amortisation of intangible assets	18	17
Items included in general and administrative expenses	324	2,637
Depreciation of tangible assets	139	2,464
Amortisation of intangible assets	185	173

In 2025, no amortisation was recognised that constituted part of development costs in 2025; PLN 0.2 million is amortisation of the assets that were capitalised and recognised in development expenditure in 2025, to be settled in future periods (in 2024: PLN 3.5 million and PLN 1.05 million, respectively).

The gross value of used, fully depreciated tangible assets as at 31 December 2025 is PLN 14.4 million.

Cost of employee benefits

Specification (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Remuneration	39,015	34,650
Social security and other benefits	6,515	6,484
Other employee benefits	1,624	1,202
Total costs of employee benefits, including:	47,154	42,336
Items included in cost of sales	24,542	17,902
Items included in selling costs	3,166	2,919
Items included in general and administrative expenses	19,446	21,515

4.4 Other operating income

Other operating income (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Profit on disposal of non-current assets	52	5
Settlement of subsidies	13,191	14,297
Inventory overages		1
Other sales (rent, recharged invoices)	872	482
Compensations and awards		
Impairment allowances on loans granted	126	
Other		54
Total	14,241	14,839

4.5 Other operating costs

Other operating costs (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Donations		21
Involuntary shortages of current assets	1,202	650
Allocations to warranty provisions, inventories, receivables	1,560	1,224
Liquidation of goods and materials	3,121	6,476
Liquidation of tangible assets		19
Allocation of own expenditure to unsuccessful development projects	767	725
Other cost of sales (rent, recharged invoices)	560	327
Other	192	40
Total	7,409	9,482

Income and costs related to impairment of financial assets for 2025 and 2024 were presented as other operating income and costs in respect of receivables relating to operating activities. The Group does not present expected credit losses in the financial statements due to immateriality of that item.

No impairment allowances on financial assets were recognised as financial income or costs in either period.

Recognition of impairment allowances (in PLN thousand)	01.01.2025- 31.12.2025	01.01.2024 - 31.12.2024
Receivables	141	77
Inventories	4,861	3,365
Loans granted	1,038	1,156
Expenditure on shares	62	71
Total	6,102	4,668

4.6 Financial income

Financial income (in PLN thousand)	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Excess of FX gains over FX losses		970
Interest income		164
Other	13	
Total	13	1,134

4.7 Financial costs

Financial costs (in PLN thousand)	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Interest and fees	1,054	2,089
FX differences	2,062	–
Total	3,116	2,089

4.8 Statement of cash flows

The statement of cash flows presents information about cash flows during the period, broken down into operating, investing and financing activities. The entity presents cash flows from operating, investing and financing activities in a manner most appropriate to the type of business it conducts. Classification by activity provides information that allows users to assess the impact of those activities on the entity's financial position and the amount of its cash and cash equivalents. This information can also be used to assess the relationships between different types of activities. The table below explains the inconsistencies between the balance sheet movements and the movements of those items in statement of cash flows.

Specification (in PLN thousand)	31.12.2025	31.12.2024
Cash in the balance sheet	5,956	17,270
Exchange differences on balance sheet valuation	-91	-90
Total cash and cash equivalents as presented in the statement of cash flows	5,956	17,270
Depreciation/amortisation:	13,553	13,377
amortisation of intangible assets	4,424	5,011
depreciation of tangible assets	8,929	9,347
depreciation/ amortisation – leases	71	68
depreciation/ amortisation – development expenditure	129	-1,049
Profit (loss) on investing activities results from:	597	814
Profit on disposal of non-current assets	-53	19
Impairment allowances on investments in subordinated entities	-1	-1
Allocation of own expenditure to unsuccessful development projects	767	
Impairment allowances on financial receivables	-117	71
Settlement of development in current period costs		725
The change in provisions is due to the following items:	173	430
balance sheet change in provisions for employee benefits	381	30
balance sheet change in provisions for employee benefits recognised in equity	7	24
balance sheet change in other provisions	-215	376
The change in inventories is due to the following items:	-765	-4,018
balance sheet change in inventories	-765	-4,018
The change in receivables is due to the following items:	-4,362	-1,151
change in short-term receivables arising from the balance sheet	-4,889	-1,329
change in other receivables resulting from the balance sheet	527	178
The change in short-term liabilities, except for financial liabilities, results from the following items:	947	1,942
change in short-term liabilities arising from the balance sheet	947	1,938
change in investment liabilities arising from the balance sheet		4
Change in prepayments:	-1,401	-287
change in prepayments arising from the balance sheet	-1,401	-287
Change in deferred income results from the following items:	-13,213	-11,707
change in deferred income resulting from the balance sheet	-13,213	-11,707
Profit (loss) of entities accounted for using the equity method	-418	-1,938
The value of "other adjustments" consists of the following key items:	34	9
corrections to previous years	174	-50
Reclassification of development from prior periods	-1,525	
Reclassification of deferred income from prior periods	1,385	
other		40

The amounts of interest income/costs and FX gains/losses in connection with the financial instruments held by the Group are presented in Section 4.2.12.

4.9 Other supplementary information to the consolidated financial statements for 2025:

4.9.1 Average employment in the financial year, broken down by professional groups expressed in full-time equivalents

Specification (average FTEs)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Management Board	3	3.00
Administration	19.18	26.84
Sales and Marketing Department	18.94	17.93
Purchasing & Logistics Department		14.38
IT Team	12.45	11.58
Production and Supply Chain Department	83.65	67.15
Epitax Production Department	11.83	8.00
Engineering and Technology Department	64.46	44.88
Array Technology Development Department	11.9	11.21
Production Engineering Department		14.41
Total	225.41	219.38

Specification (in persons)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Number of employees hired	20	46
Number of employees terminated	39	19
Total	-19	27

4.9.2 Consolidation adjustments

Items of the statement of financial position for 01.01.2025-31.12.2025 (in PLN thousand)	Dr amount	Cr amount
Elimination of investments in subordinated entities	-443	
Elimination of financial receivables	-13,891	
Elimination of trade receivables	-1,612	-215
Elimination of equity		-443
Elimination of financial liabilities		-13,891
Elimination of trade liabilities	-221	-1,612
Elimination of other provisions	7	
Total	-16,160	-16,160
Items of the statement of financial position for 01.01.2025-31.12.2025 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-5,158	-2,517
Elimination of the cost of products and services sold	-390	-5,217
Elimination of selling costs	-2,127	
Elimination of other operating income	-59	
Elimination of financial costs		-430
Elimination of financial income	-430	
Total	-8,164	-8,164
Total consolidation adjustments	-23,324	-23,324

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
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

4.9.3 Remuneration and transactions with members of management and supervisory bodies

Benefits paid to members of the Management Board

Specification (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
For role on the bodies	1,519,200.00	1,377,405.11
Salary under employment contract	581,086.50	621,841.42
Total	2,100,286.50	1,999,246.53

Name	Role	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Remuneration of Management Board members (PLN)			
Adam Piotrowski	Management Board President	807,432.80	813,782.84
Łukasz Piekarski	Management Board Member	647,826.40	602,839.91
Marcin Szrom	Management Board Member	645,027.30	582,623.78
Total		2,100,286.50	1,999,246.53

Remuneration of Supervisory Board members (PLN)

Name	Role	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Marek Wiechno	Supervisory Board Member	84,000.00	84,000.00
Zbigniew Więclaw	Supervisory Board Member	74,400.00	74,400.00
Krzysztof Kaczmarczyk	Supervisory Board Member	74,400.00	74,400.00
Mirosław Grudzień (until 8 July 2025)	Supervisory Board Member	35,753.33	74,400.00
Krzysztof Dziewicki	Supervisory Board Member	74,400.00	74,400.00
Marcin Kubrak	Supervisory Board Member	74,400.00	74,400.00
Waldemar Maj	Supervisory Board Member	74,400.00	74,400.00
Małgorzata Starczewska-Krzysztosek (from 9 July 2025)	Supervisory Board Member	38,853.33	
		530,606.66	530,400.00

No loans or benefits of a similar nature were granted to members of the Management Board or members of the Supervisory Board.

The Group does not have any liabilities resulting from pensions and benefits of similar nature for former members of management or supervisory bodies or former members of administrative bodies.

4.9.4 Operating segments

Specification 01.01.2025 - 31.12.2025		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	97,357	9,827	107,253
	Revenue from sales	84,790	8,223	93,012
	Other operating income	12,567	1,673	14,241
Segment costs	including:	96,875	14,496	111,372
	Cost of products, services and materials sold	36,704	10,464	47,168
	Selling costs	13,141	1,285	14,426
	General and administrative expenses	39,645	2,724	42,368
	Other operating costs	7,386	24	7,409
Segment profit/(loss)		481	-4,600	-4,119
Profit/(loss) from continued operations before tax and financial income (costs)		481	-4,600	-4,119
Interest income		0	24	24
Interest expense		659	395	1,054
Significant items of income		0	0	0
Significant items of costs		2,056	17	2,073
Share in profits (losses) of associates and joint ventures accounted for using the equity method		418	0	418
Profit/(loss) before tax		-1,816	-4,987	-6,803
Income tax		8,292		8,292
Profit (loss) after tax		-10,108	-4,987	-15,095
Total assets		174,835	36,084	210,919
Segment assets		174,835	36,084	210,919
Selected liabilities:				
Bank and other loans		9,867	7,776	17,642

Deferred income	18,516	2,334	20,850
Other segment information			
Investment assets	104,672	30,933	135,605
– tangible assets	69,803	27,655	97,459
– intangible assets	12,373	3,278	15,651
– development expenditure	22,496	0	22,496
Depreciation/ amortisation	10,171	3,380	13,551

Specification 01.01.2024 - 31.12.2024		Continued operations		Total
		Detection modules	Semiconductor materials	
Segment income	including:	80,144	12,863	93,007
	Revenue from sales	69,632	8,677	78,309
	Other operating income	10,513	4,186	14,699
Segment costs	including:	85,118	12,513	97,631
	Cost of products, services and materials sold	30,611	8,134	38,745
	Selling costs	13,059	456	13,515
	General and administrative expenses	32,173	3,715	35,888
	Other operating costs	9,274	208	9,482
Segment profit/(loss)		-4,973	350	-4,623
Profit/(loss) from continued operations before tax and financial income (costs)		-4,973	350	-4,623
Interest income		135	29	164
Interest expense		1,272	808	2,080
Significant items of income		2,584	324	2,908
Significant items of costs		9	0	9
Profit/(loss) before tax		-3,536	-104	-3,640
Income tax		443	0	443
Profit (loss) after tax		-3,979	-104	-4,083
Total assets		121,852	44,354	166,206
Segment assets		121,852	44,354	166,206
Selected liabilities:				
Bank and other loans		2,988	16,401	19,389
Deferred income		15,133	2,268	17,401
Other segment information				
Investment assets		102,112	34,629	136,741
- tangible assets		74,307	30,537	104,844
- intangible assets		10,951	4,091	15,042
- development expenditure		16,854	0	16,855
Depreciation/ amortisation		10,141	3,236	13,377

4.9.5 Statutory auditor's remuneration

Remuneration due for the financial year (in PLN thousand)	01.01.2025- 31.12.2025	01.01.2024 - 31.12.2024
- audit of the annual standalone financial statements	58	53
- audit of the annual consolidated financial statements	29	26
- interim review of the standalone financial statements	34	31
- interim review of the consolidated financial statements	19	18
- Assurance service: verification of compliance with the ESEF Regulation for 2024	10	9
- assurance service: assessment of the remuneration report for 2024	10	9
Total	160	146

4.9.6 Related party transactions

Commercial transactions with VIGO Photonics Corp. were concluded on an arm's length basis:

- Sale of products for PLN 4.1 million
- The current costs of the period included a contractual sales commission of PLN 2 million and the purchase of production materials of PLN 0.64 million.

4.10 Change in accounting policies

There were no significant changes to the accounting policy in 2025. At the same time, for comparability purposes, selected comparative data for 2024 have been reclassified. This reclassification is purely presentational in nature.

4.11 Correction of errors from previous periods

No correction of errors from previous periods were recognised in the current year.

4.12 Change in the presentation of comparative data

In the course of preparing the consolidated financial statements for the year ended 31 December 2025, the Company reclassified selected comparative data for 2024 in order to better reflect the economic substance of individual items and to improve the clarity of financial statement presentation. These changes are purely presentational in nature and had no impact on net profit or loss, total equity, or total net cash flows for 2024.

In particular:

- the item "Grant receivables" was separately disclosed within current assets;
- the presentation of deferred income was appropriately adjusted within long-term and short-term liabilities;
- in the statement of cash flows, a separate item "Change in grant receivables" was disclosed, with a corresponding adjustment to the presentation of "Change in deferred income."

Reconciliation of selected items of the consolidated statement of financial position as at 31 December 2024.

Item	Original presentation as at 31.12.2024	Restated figures	Change
Current assets	53,721	56,625	2,904
Grant receivables	0	2,904	2,904
Long-term liabilities	27,208	29,933	2,725
Deferred income – non-current	15,055	17,781	2,725
Short-term liabilities	22,177	22,356	179
Deferred income – current	2,345	2,524	179
Total assets/ equity and liabilities	219,927	222,831	2,904

The comparative data for 2024 were appropriately restated solely for presentation comparability with 2025. The restatement had no impact on total equity as at 31 December 2024.

Reconciliation of selected items of the consolidated statement of cash flows for 2024

Item	Original presentation as at 31.12.2024	Restated figures	Change
Change in deferred income	-14,197	-11,567	2,630
Change in the balance of grant receivables	0	-2,630	-2,630
Net cash flows from operating activities	-7,644	-7,644	0

The above reclassification was purely presentational and had no impact on net cash flows from operating activities or on the change in cash and cash equivalents for 2024.

4.13 Information about significant events relating to previous years and recognised in the financial statements for the financial year

No such events were reported in 2025.

4.14 Obligations arising from investment agreements

As at the balance sheet date, the Group has no significant obligations arising from investment agreements.

4.15 Other disclosures

- The Group has no branches.
- The Group does not have any liabilities resulting from pensions or benefits of similar nature towards former management or supervisory personnel or former members of administrative bodies, nor does it have any liabilities incurred in connection with those pensions.

4.16 Subsequent events

On 25 March 2026, the Management Board of VIGO Photonics S.A. announced the acquisition, completed on 24 March 2026, of assets of Infrared Associates, Inc. under an agreement dated 19 February 2026. The agreement was concluded between VIGO Photonics Inc. (a subsidiary, the "Buyer"), Infrared Associates, Inc. (the "Seller"), and Frederick Rothe and August Lucidi (the "Owners"), being the sole owners of the Seller.

VIGO Photonics S.A. acts as the "Parent Guarantee" for the performance of the Buyer's obligations.

The Company also announced that all closing conditions precedent to the transaction had been satisfied, and the transaction was completed on 25 March 2026, resulting in the effective acquisition of the relevant assets. The acquisition constitutes a key element of the Group's long-term financing and development strategy and is expected to have a material impact on the Company's future financial and operational position.

Infrared Associates, Inc., based in Stuart, FL, USA, operates globally, with particular focus on the United States, Asian, and European markets. The company operates in a segment complementary to VIGO Photonics' core business, focusing on the design, production, and sale of infrared detectors. Its products serve industrial, scientific, and defense sectors. In recent years, Infrared Associates, Inc. achieved the following financial results:

Revenue from sales USD 8,882 thousand in 2024 and USD 8,745 thousand in 2025

Adjusted operating profit (excluding transaction expenses): USD 1,440 thousand in 2024 and USD 1,503 thousand in 2025 (estimated data).

The purpose of the acquisition of assets from Infrared Associates, Inc. is to create a strong, highly competitive entity in the infrared detector market, including the United States market, and to further develop it through the implementation of long-term business objectives. The Company intends to utilise both the assets acquired under the Agreement and the existing resources of the Buyer's company. In particular, the transaction is expected to:

- increase VIGO Photonics' revenues;
- strengthen the Company's global position in the infrared detector market, particularly in the United States, including through the acquisition of the Seller's existing contracts;
- expand the Company's product offering and create additional cross-selling opportunities for both VIGO Photonics and the Seller's products;
- provide the Group with a production base in the United States.

The subject of the Agreement is the acquisition by the Buyer of a going concern constituting a organised part of the Seller's enterprise, comprising the business related to the production and supply of infrared detectors and related products. The Buyer acquires from the Seller substantially all assets used and necessary for conducting business activity.

The key categories of acquired assets include intellectual property rights, including the Seller's company name and internet domains, goodwill and going concern value, leased real estate, as well as movable assets, receivables, rights and security interests; any prepaid expenses, advances, refunds, recovery rights, set-off rights and other charges and amounts related to the acquired assets, to the extent permitted by applicable law; originals or copies of all books and records, including accounting books, financial records, customer data, customer and supplier lists, production and quality control data, R&D files, as well as strategic plans and marketing materials.

The transaction does not include the assumption of any financial debt.

The purchase price of the above-mentioned assets amounted to: USD 8,416,000 (eight million four hundred sixteen thousand United States dollars), subject to a post-closing price adjustment mechanism resulting from verification of working capital as of the closing date.

The acquisition will be financed through the debt financing described below. The Agreement is governed by the laws of the State of Delaware.

Moreover, the Management Board of the Company informs that on 18 December 2025, the following agreements were entered into:

1. Credit Facility Agreement with Powszechna Kasa Oszczędności Bank Polski S.A. as the original lender, hedging services provider, account bank and agent (the "Bank" or the "Lender"), and VIGO Photonics Corporation as guarantor, under a multi-currency credit facility agreement (the "Credit Agreement") with a total maximum commitment of USD 3,000,000.00 (acquisition loan), EUR 3,000,000.00 (investment loan), and EUR 5,000,000.00 (revolving credit facility).

The Credit Agreement is intended to finance the acquisition of assets of the U.S. company Infrared Associates, Inc., support the Group's investment activities, and refinance existing indebtedness towards ING Bank Śląski S.A.

The execution of the Credit Agreement constitutes a key element of the Company's long-term financing and development strategy, and its terms – particularly financial covenants and security packages – have a material impact on the Company's future financial and operational position.

The Credit Agreement consists of three lines:

- Acquisition loan: a term loan in USD up to USD 3,000,000.00 intended for the acquisition of assets of Infrared Associates, Inc. and payment of the purchase price through a loan granted to the guarantor, VIGO Photonics Corporation, under an acquisition loan agreement.
- Investment loan: a term loan in EUR up to EUR 3,000,000.00 intended for refinancing an existing investment loan held by the Company with ING Bank.
- Revolving credit facility in EUR up to EUR 5,000,000.00 intended for refinancing an existing revolving facility with ING Bank or financing the Company's working capital.

Interest on the above facilities will be variable, based on WIBOR plus the bank's margin. The agreement provides for a standard security package typical for debt financing, including pledges over shares held by VIGO Photonics S.A. in Vigo Ventures Alternative Investment Company sp. z o.o. and VIGO Photonics Corporation, as well as security over the Company's assets, including mortgages, registered and financial pledges, assignment of rights under contracts, guarantees, insurance, and pledges over bank account receivables.

The final maturity date for the acquisition loan and investment loan is: 5 years from the date of the Credit Agreement, while the revolving facility matures 2 years from the date of the Credit Agreement.

In the event of voluntary early repayment of the acquisition or investment loan, the Company is required to pay an early repayment fee.

2. Loan Agreement (the "Loan Agreement") entered into between VIGO Photonics S.A. as shareholder, its subsidiary VIGO Photonics Corporation as borrower, and Fundusz Ekspansji Zagranicznej 2 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (International Expansion Fund 2 Close-ended Fund) as lender, managed by PFR Towarzystwo Funduszy Inwestycyjnych S.A. The loan amount was set at up to USD 5,500,000.00. The funds will be used exclusively to finance the purchase price of the assets of Infrared Associates, Inc. The loan bears a fixed interest rate of 8.5% per annum and will be repaid in annual instalments over a 10-year period.

The agreement provides for a standard security package typical for debt financing, including pledges over shares held by VIGO Photonics S.A. in Vigo Ventures Alternative Investment Company sp. z o.o. and VIGO Photonics Corporation, as well as security over the Company's assets, including mortgages, registered and financial pledges, assignment of rights under contracts, guarantees, insurance, and pledges over bank account receivables.

The financing described above is secured by Korporacja Ubezpieczeń Kredytów Eksportowych (KUKE). The guarantees provided by KUKE are secured in the same manner as the above-mentioned credit facility and loan.

Approval of the consolidated financial statements:

Adam Piotrowski
Management Board President

Łukasz Piekarski
Management Board Member

Marcin Szrom
Management Board Member

Sylwia Wiśniewska-Filipiak
Chief Accountant

Ożarów Mazowiecki, 23 April 2026

5 Management Board's report on the Group's activities in 2025

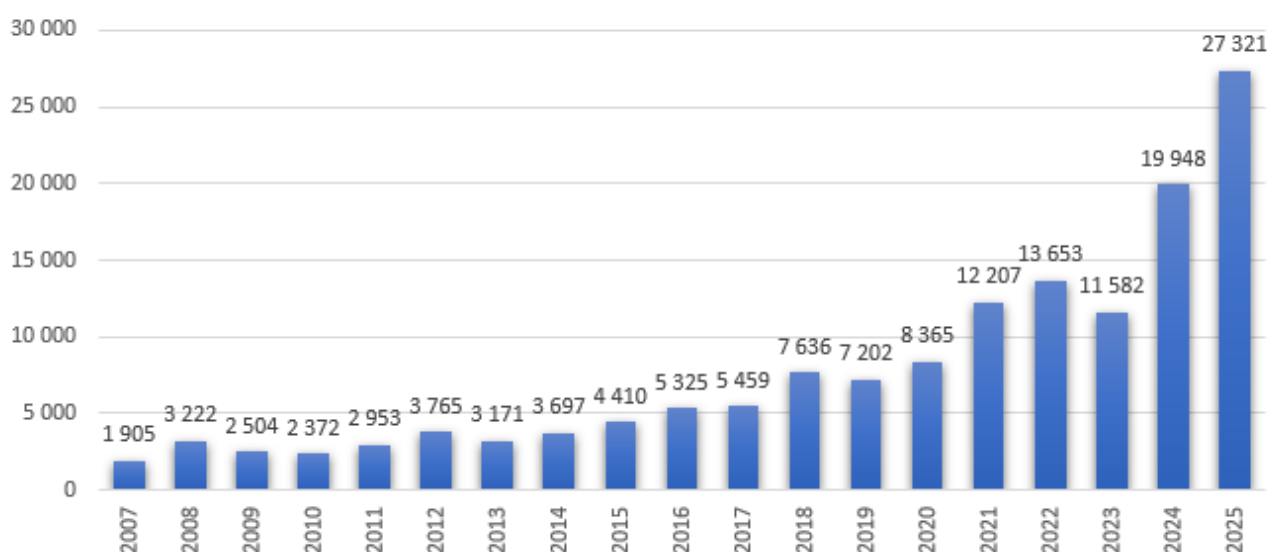
5.1 Summary of the Group's activities in 2025 together with a description of the factors and events that affected the financial results

5.1.1 Revenue from sales

Production volume

In 2025, the number of detectors sold by the Company amounted to 27,321 units, marking an increase of 36.96% compared to the previous year.

Figure 1. Sales volume of detector modules [units]



Information on basic products

In 2025, the Group achieved PLN 93.01 million in revenue from the sale of products, services, materials and goods, an increase of 18.78% (PLN 14.7 million) compared to 2024.

Sales markets

In 2025, the following categories had the largest share in the sale of products and services:

- Industrial applications (41.16% of total revenue from sales). The key contributors in this category are detectors used for gas analysers, emission monitoring systems and gas leakage detection systems, as well as systems intended for manufacturers of latest generation semiconductors.
- Transport applications (10.34% of sales) – systems for detecting failures in high-speed railways and systems for detecting fires in trains.
- Military applications (31.09% of sales) – detectors used in intelligent munitions control systems and detectors in laser-targeting warning systems.
- Scientific and medical applications (8.36% of sales)

In the segment of semiconductor materials, whose share in sales was 8.84%, the Group recorded a slight YoY decrease in sales (6.04%)

Figure 2. Sale of products and services in 2025 by target applications [%]

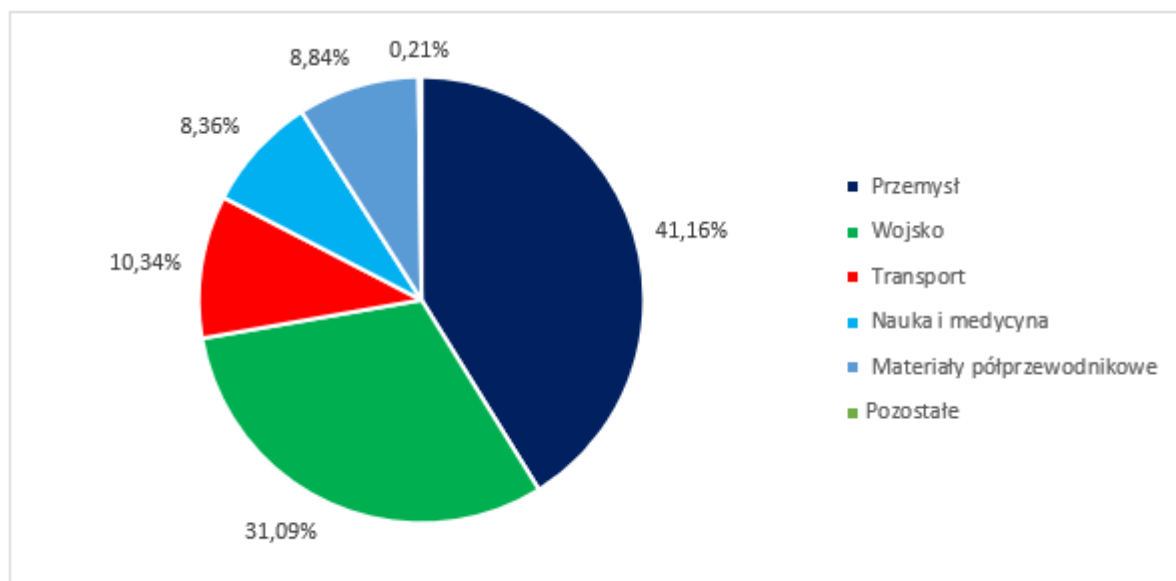
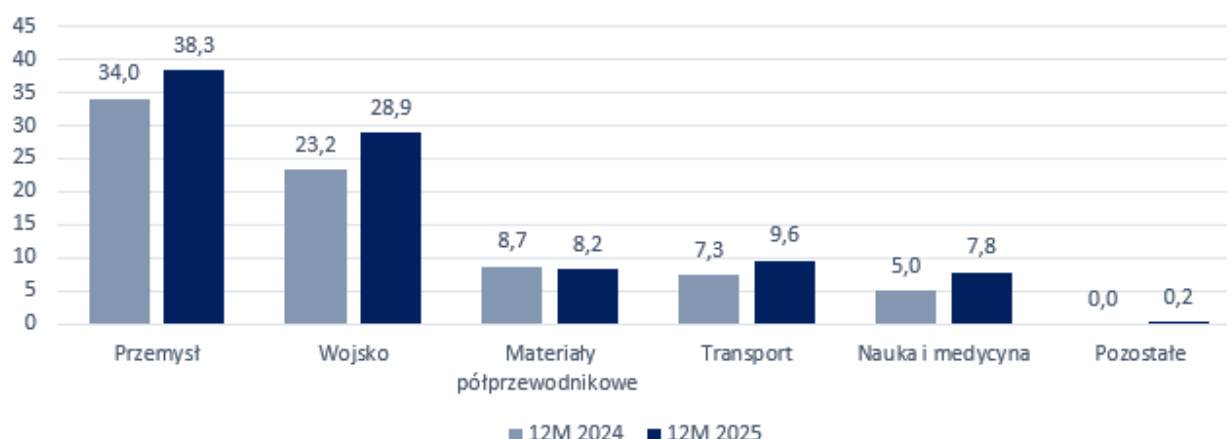
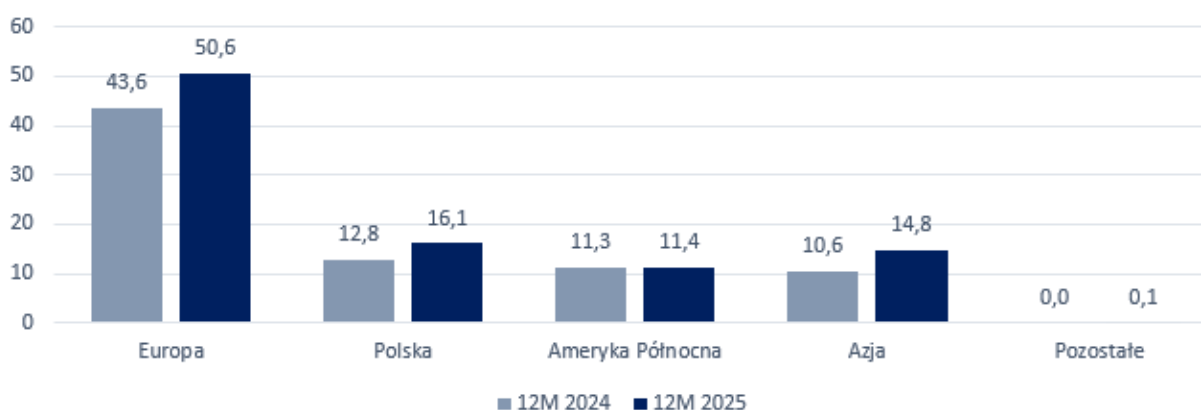


Figure 3. Group's sales in 2024 and 2025 by target applications [PLN thousand]



Compared to 2025, the Group achieved a 26.03% (PLN 3.33 million) increase in sales in the Polish market, mainly for military applications.

Figure 4. Group's sales in 2024 and 2025 by geographic markets [PLN million]



5.1.2 Operating costs

The cost of goods and services sold reached PLN 47.17 million, up 21.74% than in the corresponding period of 2024, which is mainly related to:

- an increase in production and sales volume;
- employment cost growth.

General and administrative expenses for 12 months of 2025 reached PLN 42.37 million, up 18.06% YoY. The increase is related to the inclusion of research costs and one-off costs under this line item.

Selling costs in 2025 were PLN 14.43 million, up 6.74% YoY.

In 2025, total costs of core operating activities (including other operating costs) reached PLN 111.37 million, i.e. were 14.07% higher year-on-year.

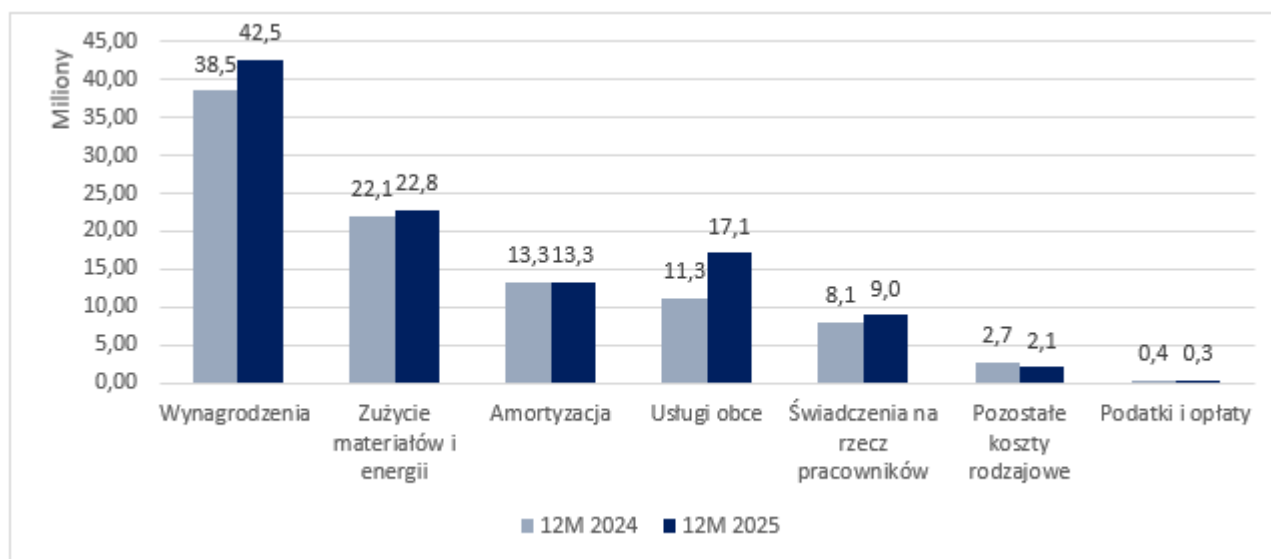
Items of the statement of comprehensive income for 01.01.2025–31.12.2025 (in PLN thousand)	Dr amount	Cr amount
Revenue elimination in the group	-5,158	-2,517
Elimination of the cost of products and services sold	-390	-5,217
Elimination of selling costs	-2,127	
Elimination of other operating income	-59	
Elimination of financial costs		-430
Elimination of financial income	-430	
Total	-8,164	-8,164

Items of the statement of comprehensive income 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

In the cost structure, the major changes concern:

- external services – an increase of 5.9 million (52.0%), mainly related to non-recurring costs of advisory services;
- employment costs – an increase of PLN 4.94 million (10.61%);
- material and energy consumption – an increase of PLN 0.7 million (3.4%).

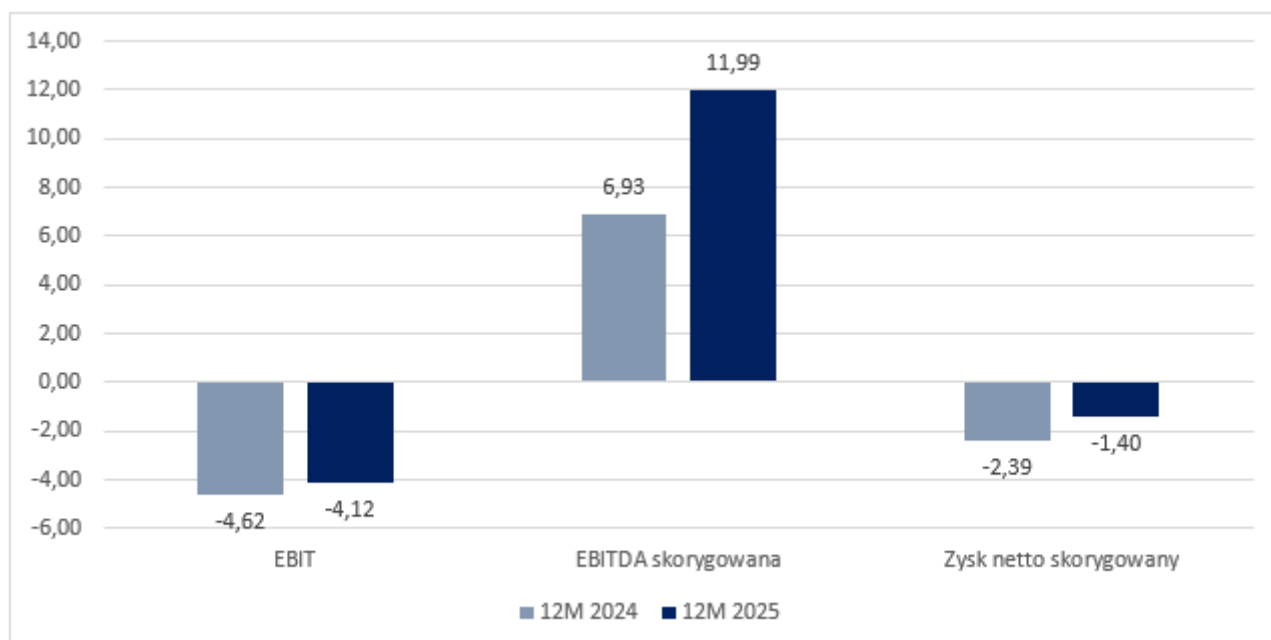
Differences in operating costs are presented in the chart below.

Figure 5. Operating costs in 2024 and 2025 by type [PLN million]¹


5.1.3 Profit/ loss

The operating loss (EBIT²) amounted to PLN -4.12 million in 2025. EBIT was higher by PLN 0.5 million compared to the previous year. Adjusted EBITDA reached PLN 11.99 million, up PLN 5.07 million (73.1%) compared to 2024. In 2025, net loss came in at PLN 15.09 million. In order to ensure comparability of data with previous periods, the management report also contains adjusted net result (i.e. without deferred tax assets and other one-offs). The adjusted net loss amounted to PLN -1.4 million, which means an increase of the adjusted net result of PLN 0.99 million compared to the previous year.

Figure 6. The Group's financial performance in 2024-2025 [PLN million]

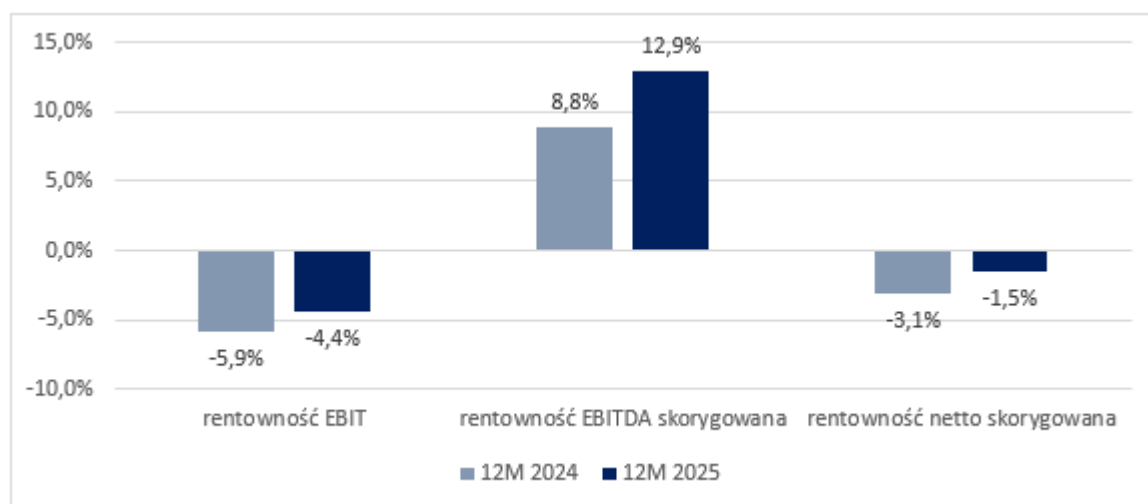


¹The distribution of costs by type by category has changed compared to 2024 due to the modification of the cost mapping in an affiliate (the figures for 2024 have been restated in accordance with the new mapping in order to maintain comparability)

Specification (adjusted for non-recurring items)		2025	2024
EBIT	[PLN thousand]	-4,119	-4,623
Adjusted EBITDA	[PLN thousand]	11,994	6,927
Operating profit (loss)	[PLN thousand]	-4,119	-4,623
Depreciation/ amortisation	[PLN thousand]	13,551	13,377
Settlement of tangible asset subsidies regarding depreciation	[PLN thousand]	-2,912	-3,133
Liquidation of development expenditure	[PLN thousand]	767	725
Operating costs related to the acquisition of financing	[PLN thousand]	112	581
Operating costs related to acquisitions	[PLN thousand]	4,297	
Operating costs related to restructuring	[PLN thousand]	277	
Operating costs related to litigations	[PLN thousand]	20	
EBIT margin		-4.4%	-5.9%
Adjusted EBITDA margin¹		12.9%	8.8%
Adjusted net profit margin		-1.5%	-3.1%

In 2025, net profit margin (based on adjusted profit) was -1.5%; adjusted EBITDA margin was 12.9%, while EBIT margin was -4.4%.

Figure 7. Margins generated by the Group in 2024-2025 (%)



5.1.4 Assessment of the Group's financial position

In the Management Board's view, the Group's financial position is positive. In 2025, the Group succeeded in limiting cost growth and improving operating performance at the EBITDA level. The Company also steadily reduced its financial indebtedness.

Thanks to the improvement in results, the Company secured financing for the acquisition of Infrared Associates' assets, which was completed in March 2026. This acquisition will enable further improvement in the Group's profitability, particularly at its subsidiary VIGO Photonics Corp. In addition, the transaction will contribute to the achievement of a number of strategic objectives, including:

- increasing revenues of the VIGO Photonics S.A. Group;

¹Adjusted EBITDA margin = (operating profit + depreciation - settlement of subsidies to tangible settled in parallel to depreciation (including subsidies to depreciation included in indirect costs of subsidised projects) + value of liquidation of expenditure on discontinued development + operating costs related to obtaining subsidies, acquisitions and restructuring)/net sales revenues.

- strengthening VIGO's global position in the infrared detector market, particularly in the United States, including through the acquisition of existing contracts of Infrared Associates;
- expanding the Company's product portfolio and creating additional cross-selling opportunities for both VIGO Photonics and Infrared Associates products;
- providing production capabilities in the United States.

In 2026, the Group will focus on ensuring effective integration of the acquired assets and on business development based on the expanded product portfolio and newly acquired customers.

Additionally, in 2026 the Group will complete the implementation of infrared matrix production, which should significantly accelerate sales growth in subsequent years.

5.1.5 Dividend policy

In accordance with the updated dividend policy announced on 16 June 2021 in current report No. 12/2021, the Group does not intend to pay dividend during Strategy implementation period (2021-2026). The final recommendation as to dividend payment will depend on a number of factors relating to the Group and its industry, including in particular the prospects for the Group's future activities, earnings and financial position, and will take account of all possible restrictions on dividend payment, liquidity ratios, expansion plans and legal requirements with respect to the above. The dividend amount recommended by the Management Board will depend on the Group's need to reinvest the generated profits in order to fund the Group's operations and support its continued robust growth.

5.1.6 Key developments in 2025 and until the date of approval of the financial statements

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 Brandenburg
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
7 July	Introduction of a catalogue in a new, digital version
14-16 July	Participation in the "25th American Conference on Crystal Growth and Epitaxy," including a scientific presentation and an exhibition booth (USA)
28-31 July	Participation in RailwayTech Indonesia as visitors (Indonesia)
5-7 August	Participation in the "Space and Missile Defense Symposium," including a promotional exhibition booth (USA)
2-5 September	33rd International Defence Industry Exhibition
9-10 September	Mirsense Conference (Germany).
9-10 September	Participation in the defence trade fair DSEI ASSIST as visitors (UK)
10-12 September	Participation in SEMICON Taiwan at the Polish Pavilion
10-12 September	Participation in CIOE in cooperation with a distributor, including a presentation during the event
24-26 September	Participation in the CEM conference on air monitoring (Slovenia)
7-8 September	Participation in the Global Photonics Economic Forum (Spain)
7-8 November	Participation in SciX at a joint booth with a customer (USA)
9 October	Participation in the CH4 Connections conference on methane emissions (USA)
8-9 October	Participation in the Photonics Days conference (Germany)
14 October	Online panel discussion on HyperPIC in cooperation with Electro Optics
14 October	Webinar at the BIO Photonics Conference
4-5 November	Participation in PIC Summit Europe as a visitor (UK)
12-14 November	Participation in Photonix Japan at the Polish Pavilion and at the distributor's booth (Japan)
18-21 November	Participation in SEMICON Europa at the Polish Pavilion

5.2 Group's development outlook

5.2.1 Short-term outlook

Operating income

Based on the current order backlog and ongoing implementation projects, the Company expects revenue growth over the next four quarters, particularly in the infrared detector and module segment. In 2026, moderate growth is anticipated in both the industrial and defence markets. This is driven, on the one hand, by the expansion of sales of new product families, including LN2-cooled detectors and low-cost detection modules, while on the other hand being subject to significant macroeconomic volatility.

The Group expects material revenues from the matrix segment only in 2027, due to the fact that in 2026 ongoing activities will continue to focus on the industrialisation and ramp-up of matrix production, while deliveries of larger volumes to PCO S.A. are expected to commence only in 2027.

5.2.2 Long-term outlook

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

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

At that time, 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 considered 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 execution of the VIGO 2026 Strategy consisted of two phases.

2021-2023 Perspective

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

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

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

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

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

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

2024-2026 Perspective

In Phase 2, the 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 HyperPIC project may allow the Company to significantly scale its business by becoming a leading supplier of integrated mid-infrared sensor solutions.

5.3 Research and Development

The Group is currently implementing the following strategic growth initiatives:

Detectors Initiative

The strategic objectives of the Detectors Initiative are:

- Further development of MCT (mercury cadmium telluride) technology, including products for industrial, defense, and space applications in non-EU markets;
- Transition towards III-V (A3B5) materials as a response to the RoHS Directive (phasing out mercury and cadmium in infrared detectors), including the development of detectors based on indium antimonide and arsenide;
- Expansion into the SWIR (short-wave infrared) range, enabling applications in consumer electronics, including medical parameter monitoring (glucose, alcohol) and military technologies;
- Optimisation through production automation (including AI-driven robotics) and cost reduction via diffractive optics technology.

Key implementation areas within the Detectors initiative include:

- Liquid nitrogen-cooled (LN2) detectors – building an offering addressing gaps in the global supply chain, with potential revenues in the range of millions of EUR;
- Low-cost detection modules – introduction of modules priced below EUR 100 for broad industrial and environmental applications;
- Cascade detectors (KASKADY Project) – development of sensors for spectroscopy and high-speed communication (FSO) without cryogenic cooling.

The following R&D projects are carried out within the Detectors initiative:

- AiPrism: automation of immersion lens production using robotics and AI;
- IBAIA: mobile modules for real-time water quality monitoring;
- LWIRPSBDA: long-wave infrared detectors with dielectric antennas for enhanced performance;
- RAVEN: miniaturised gas and pollution detection systems based on photonic integrated circuits (PIC).

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). 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 will build 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.

Key Projects within the PIC Initiative:

- HyperPIC (IPCEI): A project (budget approx. PLN 878 million) aimed at building a complete production line and supply chain for Mid-IR PIC systems in Europe. Implementation period: 2024–2029. The implementation of HyperPIC is contingent upon securing financing for the own contribution (the grant covers approx. PLN 453 million). Due to the lack of secured financing, the project is currently progressing at a slower-than-planned pace, and the disbursement of funding has been suspended. The Company is currently seeking a strategic partner that could provide adequate financing and accelerate both technology development and commercialisation.
- MIRPIC: Development of functional building blocks and a demonstrator of application-specific integrated circuits (ASPIC).
- FSOC: Development of multi-channel transmitter-receiver systems for free-space optical communication (frequencies above 2.5 GHz).
- FOSMO & BROMEDIR: Miniaturisation of sensors and spectrometers for water quality monitoring, agriculture, and fuel and hydrogen quality control.

Arrays Initiative

The Initiative (now fully funded from own sources) seeks to develop technology and build competences in the manufacture of array detectors both cooled (thermal) and uncooled (SWIR InGaAs), epitaxy, high density processing, ROIC, hybridisation and encapsulation.

The project carried out as part of the Initiative aims to develop technology for the production of cooled infrared detector arrays. 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. The industry relies on components sourced from a limited number of foreign suppliers for solutions in this field.

MOCVD Epitaxy Initiative

The strategic objective of the Initiative is to master the production of advanced semiconductor heterostructures (including GaAs- and InP-based structures) using the MOCVD method. The Initiative enables VIGO to enter the global market of epitaxial layer suppliers and finished laser devices for the following sectors:

- medical (brain imaging);
- defence and space (satellite communications);
- consumer electronics (intelligent sensors and audio systems).

The key products developed within the Initiative include epitaxial structures for VCSEL lasers, laser diodes (LD), and quantum cascade lasers (QCL). The goal is to develop “beyond state-of-the-art” structures, including pioneering domestic work on single-mode lasers.

Key R&D Projects within the Initiative:

- Photogenic: development of an innovative VCSEL growth technology on germanium substrates (instead of traditional GaAs), aiming to provide competitive advantage and high crystal quality.
- OPMMEG: use of VCSEL lasers in magnetometer arrays for magnetoencephalography (MEG) – a non-invasive and highly precise method of brain activity imaging.
- Mini-BOT: development of miniaturised optical modules for high-bandwidth military satellite communications (project funded by the European Defence Fund).

PIONEAR: development of a photonic microphone with sensitivity exceeding the human ear. Applications include hearing aids, autonomous robotics, and biochemical and pressure sensors.

At the current stage, in the Management Board’s view, there are no risks to achieving the objectives of the above Initiatives.

The full list of implemented projects is available at: <https://vigophotonics.com/pl/o-nas/projekty-badawcze/>.

5.4 Risk factors and threats to the Group's operations and development

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 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 the invested capital.

5.4.1 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 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, investment level, 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 Group's value 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, the Group 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, its impact on the Group's activities and financial results has been assessed. The Group decided to suspend the sale of its products to Russia and Belarus. The suspension of sales to Russia did 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. In 2024, the certification of a new supplier was successfully completed. 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.

Risk related to the war in the Middle East

In connection with the war in Iran, the Company does not identify any material risks to its operating activities, apart from a potential increase in energy costs.

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 Group's value for its shareholders.

The risk is neutralised by the Group 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, the Group 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 Group's products, 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 the Group 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.

The Group has been preparing for a generational shift in the company for several years now. Senior employees are gradually replaced by younger ones. Their training is conducted jointly with technical universities around the world. The generational shift is an ongoing process that does not affect the continuity of the Company's business.

5.4.2 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.

The Group 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 the Group to lose the invested funds and its competitive position.

The occurrence of the above risk may adversely affect financial results and reduce the Group's value 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

The Group manufactures detectors based on MOCVD technology and is currently investing in the start of manufacturing detectors based on MBE technology. The MOCVD and MBE technologies are at an early stage of development and, in the

opinion of the Management Board, the current R&D will significantly improve the parameters of infrared detectors manufactured using these technologies.

Nonetheless, there is a risk that a new technology, alternative to the one used by VIGO will emerge, which may adversely affect the Group'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

The Group uses a laboratory furnished with modern and unique equipment for doing research and manufacturing detectors. The apparatus used has been individually customised to the Group's needs 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 the Group's financial results and reduce its value for shareholders.

In order to minimise the impacts of the risk, the Group accumulates spare parts 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 Group determines the required stock levels of particular components and plans production taking into account the above risk. The Group purchases only proven carriers and transfers the transport risk to clients (deliveries are primarily EXW) or procures insurance against transport damage.

5.4.3 Financial risks

Risk of losing EU grants for planned investments

The implementation of investments and R&D projects with EU grants implies a number of additional obligations for the Group, especially in the area of procurement and selection of suppliers and contractors. Failure to meet the stringent requirements may cause the Company to lose some or all of the grants. The loss of grants would mean the need to return the grants received, and expenses would have to be funded from equity.

The Group has extensive experience and is very successful in independently obtaining EU grants, while the Group's 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.

Risk of not fully utilising the EU funding allocated to the HyperPIC project

One of the projects being implemented by the Company is the HyperPIC project, which concerns the development of photonic integrated circuit technologies. The aim of the project is to develop and implement the technology of photonic integrated circuits intended for mid-infrared detection, to build a complete production line of mid-infrared photonic integrated circuits and to create a complete supply chain for these systems. The project requires the development of new technologies, significant investment and operational expenditure, as well as expenditure on the commercialization of new products on a dynamic market.

In May 2024, the Company signed a funding agreement with the National Centre for Research and Development (NCBR) for the implementation of the project. The funding amount is approximately PLN 454 million. The funding amount is approximately PLN 454 million.

One of the conditions precedent to the disbursement of the funding is securing financing for the Company's own contribution to the project (exceeding the amount of the grant itself). Due to the lack of secured financing, project implementation is progressing more slowly than initially planned, and there is a risk that the granted funding may not be utilised in full.

In order to mitigate this risk, the Company is currently seeking a strategic partner or investor who could provide an adequate level of financing and support both technology development and its subsequent commercialisation.

Other financial risks

Other financial risks and the objectives and principles of risk management are described in Section 3.14 of the Report.

5.4.4 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.

5.5 Human capital

Human capital remains one of the most important assets of VIGO Photonics S.A., enabling the Company to pursue its ambitious objectives related to the development of technologies and customer solutions, as well as the achievement of its business goals, while also constituting a key factor in operational and cost efficiency.

In 2025, optimisation measures were undertaken with respect to the employment structure, aimed at aligning the cost base with the assumptions regarding improved profitability and anticipated market conditions. At the same time, these measures resulted from the implementation of changes in the organisational structure, intended to increase operational efficiency, streamline decision-making processes, and improve the utilisation of resources. The implemented changes are designed to strengthen VIGO's ability to effectively execute its business objectives and support further growth in 2026. In addition, responsibilities within the Sales and Marketing Department were reorganised to ensure an appropriate level of resources and competencies aligned with the market segments offering the highest growth potential.

In 2025, the Company also succeeded in maintaining the significantly reduced employee turnover rate achieved in 2024, which, in the context of the optimisation measures undertaken, demonstrates employees' high level of employee engagement and confidence in the Group's actions.

In 2025, we also implemented improvements to the management system for key objectives and performance indicators in response to the strategic goals defined by the Management Board. These changes contributed significantly to increased accountability for the Group's results and enhanced team efficiency, as reflected, among other things, in the revenue level achieved in 2025.

Number of women/ men	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Women	73	76
Man	144	160
other	no data	no data
Total	217	236

Contract type	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Fixed-term contract	21	53
Open-ended contract	196	181
Total	217	234

Managerial/ other positions	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
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Management Board	3	3
Managers	27	27
Others	187	206
Total	217	236

Positions across the Group's departments	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Engineering and Technology Department	65	61
Sales and Marketing Department	20	21
Epitax Production Department	18	8
Production and Supply Chain Department	69	61
Support Departments	45	85
Total	217	236

5.6 Average employment in the financial year by professional categories (in FTEs)

Specification (average FTEs)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Management Board	3	3
Administration	19.18	26.84
Sales and Marketing Department	18.94	17.93
Purchasing & Logistics Department		14.38
IT Team	12.45	11.58
Production and Supply Chain Department	83.65	67.15
Epitax Production Department	11.83	8
Engineering and Technology Department	64.46	44.88
Array Technology Development Department	11.9	11.21
Production Engineering Department		14.41
Total	225.41	219.38

Specification (in persons)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Number of employees hired	20	46
Number of employees terminated	39	19
Total	-19	27

5.7 Environmental protection and health and safety

The principles of the environmental policy of VIGO Photonics S.A. include, in particular, conducting activities in accordance with the applicable laws and standards on environmental protection and permitted conditions for use of environmental resources, taking into account the sustainability requirements by balancing economic and environmental considerations.

Accordingly, the key environmental goals identified at the Group include the rational management of raw materials, materials and energy as well as the prevention of pollution. Adverse environmental impact is prevented by implementing technological and technical as well as organisational and procedural measures. The implemented measures are periodically checked and evaluated in order to confirm compliance with relevant laws and standards as well as industry-specific regulations.

The Group implements sustainable development projects involving the reduction of utilities consumption. The implemented measures include, in particular, reduction of energy and water consumption, reduction of the amount of industrial wastewater, prevention and reduction of the amount of industrial waste, reduction of gas and dust emissions into the air from energy and technological sources as well as rational management of raw materials and materials, including chemical substances and mixtures.

In order to ensure compliance with environmental regulations and requirements, the Group cooperates with business partners, third party experts and industry organisations. The Management Board provides resources, training, equipment and other support to support the implementation of the environmental policy by employees at all levels of the VIGO's organisation structure, in line with the assignment of tasks and responsibilities.

Consumption in 2025	Q1	Q2	Q3	Q4	Total
water [m3]:	1,339	1,035	855	1,131	4,360
thermal energy [GJ]	1,100	684	656	1,059	3,500
electricity [MWh]	945	849	836	864	3,494

Consumption in 2024	Q1	Q2	Q3	Q4	Total
water [m3]:	1,138	770	819	1,028	3755
thermal energy [GJ]	1,057	666	653	968	3,343
electricity [MWh]	883	827	828	875	3,412

5.7.1 Water

Water is very important for Vigo Photonics' manufacturing process. The water consumption for production is monitored daily. In the case of excessive consumption, the building administrator receives a notification from the BMS system. In 2025, the total water consumption for sanitary and technological purposes 4,360 m³.

As consumption increases, systems are being installed to reuse water in the most water-intensive production centre. With the implementation of new projects for water reuse, future consumption is expected to fall compared to current consumption.

The Company's operations do not affect the condition of surface or underground water. Water for all buildings is taken from the municipal water supply system.

The Group undertakes actions aimed at limiting water consumption, such as taking care of the condition of the water and wastewater infrastructure and immediate elimination of faults and leaks.

5.7.2 Energy

The main energy type consumed during production is electricity. It is used both the production equipment and the infrastructure system of the Company's buildings. In 2025, we recorded an increase in electricity consumption due to higher production volumes of our products.

The Company does not use fossil fuels for heating. It does not have its own heating furnaces. One of the Company's buildings is heated from the district heating system. The other two buildings are heated by geothermal heat pumps. This consists of 60 deep boreholes of approximately 100 m each.

Thermal energy from the district heating network is used to maintain proper conditions in production rooms throughout the year. Thermal energy from the district heating network is also used to heat one of the buildings owned by VIGO. Heating is available during the cold months. Once the outside temperature increases, the heating system is switched off.

5.7.3 Thermal energy

Thermal energy from the district heating network is used to maintain proper conditions in production rooms throughout the year. Thermal energy from the district heating network is also used to heat one of the buildings owned by the Group. Heating is available during the cold months. Once the outside temperature increases, the heating system is switched off.

5.7.4 Electricity

The Group uses electricity supplied by five low-voltage lines from a leased MV substation. The energy supplied powers both the production machinery and building equipment. The Company is gradually replacing lighting sources with LEDs with much lower energy consumption. The machine park is also being upgraded.

5.7.5 Wastewater

The Group holds a water permit to discharge a mixture of domestic and industrial wastewater into the municipal sewer system. The permit obligations are being continuously monitored. To this end, physical and chemical analyses of sewage quality are carried out once a quarter. No excesses have been recorded so far.

Rainwater and snowmelt, after being pre-treated in a separator of oil-derivative substances, are discharged from the Group's premises to an underground tank with a capacity of 200 m³, and then to the municipal rainwater drainage system. This solution prevents pollutants from entering into the ground.

5.7.6 Waste

The Group generates municipal waste and hazardous waste within its industrial plants and beyond, as well as other waste types related to its operations. In 2025, 5,088 kg of hazardous waste was generated in connection with the operation of the plants, an increase compared with the previous year. The Group conducts selective collection of packaging waste from paper and cardboard, glass and plastics.

All waste is transferred to authorised collection stations for recovery or disposal. Waste is collected only by entities holding the required waste management licences. Waste is transported by companies authorised for its collection and transport.

Where required, waste records are kept in accordance with the Waste Act.

In July 2023, the Group obtained a positive decision to produce hazardous waste in its plants for a period until July 2032.

5.7.7 Emission into the air

As a result of technological processes, the Group emits gaseous and particulate substances into the air. There are no air quality standards or reference values for most pollutants emitted.

In July 2022, the Group obtained a positive decision for the emission of gases and dust into the air for a limited period until June 2032.

5.7.8 Noise

The Group's operations do not generate noise above the permissible values set out in the Regulation of the Minister of the Environment of 14 June 2007 on permissible noise levels in the environment (Journal of Laws of 2014, item 112).

5.7.9 Biodiversity

According to the master plan, Group's premises are located in the area of production facilities and warehouses – Tarnobrzeg Special Economic Zone EURO-PARK WISŁOSAN. These are urbanised areas. They are not covered by any form of nature conservation and are not adjacent to protected areas. For this reason, the Group's activities do not affect the biodiversity of the neighbouring areas.

5.7.10 Occupational health & safety

The Company complies with Polish regulations on occupational health and safety. Employee safety is one of the cornerstones of the Company. By caring about our people's safety, we promote stable development of the Company. This is evidenced by the fact that no accidents involving employees have been observed at the Company for over 25 years. The Company's premises, working rooms and workstations meet the requirements of the Polish law. Employees are provided with appropriate personal protective equipment and the premises are equipped with top class safety devices. The Company conducts regular audits in the area of occupational health and safety and fire protection.

In addition to basic training required by law, the Company's employees attend additional training courses, obtaining relevant certificates or qualifications. The awareness of employees regarding potential hazards helps minimise those hazards to a large extent. Training and sharing information about potential dangerous situations with employees strengthens the sense of safety.

5.7.11 Corporate governance

Since the date of admission of the Company's shares to trading on the regulated market, i.e. since 21 November 2014, the Management Board of VIGO Photonics S.A, appreciating the importance of corporate governance principles to ensure transparency of internal relations and the Company's relations with the outside world, in particular with current and future shareholders, in pursuance of the obligation under §29 (3) of the Stock Exchange Rules, applies the principles of corporate governance defined by the Stock Exchange S.A., adopted in Resolution No. 13/1834/2021 of 29 March 2021 by the Stock Exchange Board – "Good Practices of Companies Listed on the WSE 2021" (Good Practices 2021, DPSN2021). The consolidated texts of the above documents are publicly available at: www.corp-gov.gpw.pl under the "Regulations" tab.

The Company published a list of applicable Good Practices on 30 July 2021, which is available on the Company's website. Out of the published good practices, the Company does not apply the following:

INFORMATION POLICY AND COMMUNICATION WITH INVESTORS

1.3. The Company integrates ESG factors in its business strategy, including in particular:

1.3.1. environmental matters, including measures and risks related to climate change and sustainable development;

The Company does not apply the above principle.

The Company's current strategy does not include ESG matters.

1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.

The Company does not apply the above principle.

The Company's current strategy does not include ESG matters. In its activities, the Company places great emphasis on employee matters, respect for their rights, care about working conditions and equal opportunities for employee development.

1.4. In order to ensure proper communication with stakeholders on the adopted business strategy, the Company publishes on its website information about its strategic direction and measurable goals objectives, including in particular long-term goals, planned activities and progress vs goals, using financial and non-financial metrics.

The Company does not apply the above principle.

Information on the Company's strategy is published on the Company's website. The Company plans to publish on its website information on the progress towards implementation of its strategic goals. The principle followed because the Company's current strategy does not include the ESG matters.

1.4.1. Explain how climate change considerations are integrated into the decision-making processes of the company and its group entities, highlighting the resulting risks;

The Company does not apply the above principle.

The Company's strategy does not include references to climate change considerations, although the Company publishes in its financial reports basic metrics concerning the environmental impact of its business.

1.4.2. Present, among other things, the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of achieving the equality target.

The Company does not apply the above principle.

So far, the Company's strategy has not included ESG matters, including those related to equal pay for women and men.

MANAGEMENT BOARD AND SUPERVISORY BOARD

2.1. The Company should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The Company does not apply the above principle.

The Company does not have a diversity policy and does not ensure a 30% diversity in respect of women and men on the Management Board and Supervisory Board. The Company places great emphasis on equal treatment irrespective of gender, beliefs or origin and the basic criteria for the selection of candidates for particular positions are professional skills and experience relevant to the Company's current needs. The current membership of the Supervisory Board and Management Board is diverse in terms of education, expertise, age and professional experience.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The Company does not apply the above principle.

The General Meeting elects members of the Supervisory Board, while the Supervisory Board elects members of the Management Board. The main factors taken into account by these bodies in electing members of the Management and Supervisory Boards are the Company's current needs and its long-term interest. The current membership of the Supervisory Board and Management Board is diverse in terms of education, expertise, age and professional experience.

2.7. The exercise of functions by members of the Company's management board in the bodies of entities outside the Company requires the consent of the supervisory board.

The Company does not apply the above principle.

The Company's current internal regulations do not provide for the obligation to obtain the consent of the supervisory board for a member of the management board to perform functions in bodies of non-Group entities.

2.11.6. information on the extent to which the diversity policy is implemented in relation to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.

The Company does not apply the above principle.

The Company does not have a diversity policy and does not ensure a 30% diversity in respect of women and men on the Management Board and Supervisory Board. The Company places great emphasis on equal treatment irrespective of gender, beliefs or origin and the basic criteria for the selection of candidates for particular positions are professional skills and experience relevant to the Company's current needs. The current membership of the Supervisory Board and Management Board is diverse in terms of education, expertise, age and professional experience.

INTERNAL SYSTEMS AND FUNCTIONS

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

The Company does not apply the above principle.

The head of the company's internal audit reports organisationally to a member of the management board.

3.7. Principles 3.4–3.6 also apply to entities within the company's group that are material to the company's business, if they have designated persons to perform these tasks.

Not applicable.

The entities in the company's group do not have separate internal audit, risk management and compliance functions. As the activities of those entities develop, the principles corresponding to those for the company will be applied.

GENERAL MEETING AND RELATIONS WITH SHAREHOLDERS

4.13. A resolution on a new issue of shares with exclusion of pre-emptive rights, which at the same time grants the pre-emptive right to subscribe for the new issue shares to selected shareholders or other entities, may be adopted if at least the following conditions are met:

- a) the Company has a reasonable, economically justifiable need to raise capital urgently, or the share issue is connected with reasonable, economically justifiable transactions, such as, inter alia, a merger with or acquisition of another company, or the shares are to be subscribed under an incentive scheme adopted by the Company;
- b) the persons to whom preemptive right will be given will be identified according to objective general criteria;
- c) the share subscription price is reasonably related to the current price of the shares in that company or is determined as a result of a market-based book-building process.

In July 2021, the Company reported derogation from the above principle.

However, on 18 October 2021, the Company's General Meeting adopted the Rules of the incentive scheme of VIGO Photonics for key employees and the Management Board, which comply with the above principle, and the acquisition price for the shares remains in a reasonable relation to the quotations of the Company's shares from the period preceding the adoption of the scheme.

REMUNERATION

6.3. If one of the company's incentive programmes is a managerial options programme, then the realisation of the options programme should be conditional on the fulfilment by the entitled persons, within a period of at least three years, of predetermined, realistic and appropriate financial and non-financial and sustainable development objectives for the company, and the price set for the acquisition of shares by the entitled persons or the settlement of the options may not differ from the value of the shares at the time of the adoption of the programme.

In July 2021, the Company reported derogation from the above principle.

However, on 18 October 2021, the Company's General Meeting adopted the Rules of the incentive scheme of VIGO Photonics for key employees and the Management Board, which comply with the above principle, and the acquisition price for the shares does not deviate from the share price noted in the period preceding the adoption of the scheme.

6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The Company does not apply the above principle.

The Company's remuneration policy and the adopted resolutions of the Company's General Meeting do not differentiate the remuneration of members of the Supervisory Board in terms of their roles on the Supervisory Board committees, including the audit committee.

5.7.12 Corporate giving and sponsorship activities

Due to the scale of its operations and the nature of its market and clients, the Group does not engage in intensive corporate giving or sponsorship activities. The Group engages only in sponsoring events related to the Group's business, i.e. events related to the photonics, optics and optoelectronics industry.

5.7.13 Internal control and risk management system

The Management Board is responsible for the Group's internal control system and its effectiveness in the process of drafting financial statements.

The Chief Accountant has oversight over preparation of the financial statements and financial reports of the Group. At the same time, she is responsible for the organisation of the work related to the preparation of financial statements and keeps track of changes required by external laws and regulations concerning stock exchange reporting requirements.

The financial function has access to information on the current position the Company by means of individual access codes to specific modules of the IT and accounting & financial system. The data for the financial statements and the financial statements themselves are prepared by the Group's Accounting Department. The preparation of the financial statements is supervised by the Management Board Member – Chief Financial Officer of the Company. Every month, after book-closing, members of the Group's Management Board receive and scrutinise management information reports with key financial data.

The financial data that are the basis for financial statements and financial reports come from the accounting and financial system that records transactions in accordance with the Group's accounting policy based on International Accounting Standards and International Financial Reporting Standards. Once ready, financial statements are submitted to the Management Board for final verification. The annual and half-yearly financial statements are subject to an independent audit and interim review, respectively, by the statutory auditor. Audit results are submitted to the Management Board and the Supervisory Board. The auditor's report is also submitted to the General Meeting.

5.7.14 Shareholders holding, directly or indirectly, significant interests

Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting:

- at the balance sheet date:

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%
OFE Allianz Polska	56,990	6.51%	56,990	6.51%
Investors TFI	58,606	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

- as at the date of publication of the annual report:

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%
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Investors TFI	58,606	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

The shares of VIGO Photonics S.A. are ordinary bearer shares. Each share carries one vote at the Group's General Meeting. Shareholders of series A, C, D and F shares have rights resulting from the holding of those shares and provided for by generally applicable laws, including the right to dividends, pre-emptive rights and the right to claim surplus assets in the event of liquidation of the Group.

There are no special rights, privileges or limitations attached to the Group's shares that are not inherently linked to the nature of the rights, privileges and restrictions incorporated in ordinary bearer shares. No special rights, privileges or restrictions are provided for in the Group's Articles of Association.

The Articles of Association provide for personal entitlements of shareholders:

- S Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (S Closed-End Non-Public Assets Investment Fund) has a personal entitlement in the form of the right to appoint and remove 1 (one) member of the Group's Supervisory Board as long as it holds shares in the Group representing not less than 14% of the Group's share capital. Supervisory Board members are appointed and removed by submitting a written statement to the Company, which is effective on its delivery to the Company.
- Józef Piotrowski has a personal entitlement in the form of the right to appoint and remove 1 (one) member of the Supervisory Board of the Group for as long as he holds shares in the Group representing not less than 10% of the Group's share capital. This personal entitlement vested in Józef Piotrowski by virtue of the Articles of Association will be vested in Adam Piotrowski (son of Józef Piotrowski) in the event that Józef Piotrowski transfers to Adam Piotrowski the shares in the Group representing not less than 10% of the Group's share capital. Supervisory Board members are appointed and removed by submitting a written statement to the Company, which is effective on its delivery to the Company.

If the interest of S Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych in the Group's share capital is less than 14% or the interest of Józef Piotrowski or Adam Piotrowski in the Group's share capital is less than 10%, respectively, then the members of the Supervisory Board will be appointed and removed by the General Meeting.

If the above-mentioned individuals with personal entitlements do not exercise their right to appoint a member of the Supervisory Board by means of a written statement within 30 (thirty) days from the date of expiry of the mandate of the member of the Supervisory Board appointed by each of them, respectively, the relevant member of the Supervisory Board will be appointed by the General Meeting, subject to the right of the individuals with personal entitlement to remove the members of the Supervisory Board so appointed in the specified manner or to convene the General Meeting in order to appoint a member of the Supervisory Board.

The Articles of Association of the Group do not provide for any limitations as to the exercise of voting rights nor do they provide that, with the cooperation of the Group, capital rights attached to securities are separate from the holding of securities. With respect to the Group, limitations on the exercise of voting rights can only result from generally applicable laws.

To the Management Board's best knowledge, no restrictions have been imposed on the transfer of ownership of the Group's shares.

5.7.15 Rules for appointing and removing members of supervisory and managing bodies, and their powers

The Supervisory Board consists from 5 (five) to 7 (seven) members appointed by the General Meeting for a joint term of three years. The term of office of the first Supervisory Board members expires after a period of 2 (two) full financial years running from the Group registration date.

The number of Supervisory Board members for a given term of office is determined by the General Meeting; this also applies if the Supervisory Board is elected by voting in separate groups pursuant to Article 385 of the Commercial Companies Code.

Supervisory Board members elect from among themselves the Chairman of the Supervisory Board and may elect from among themselves a Deputy Chairman or persons performing other functions.

If the number of Supervisory Board members for a given term of office falls below 5 (five) members as a result of the expiry of mandates of certain Supervisory Board members (for a reason other than removal) and the General Meeting has the right to appoint new Supervisory Board members to replace them, the remaining members of the Supervisory Board may, for the purpose of supplementing the Supervisory Board to a five-member composition, will appoint new Supervisory Board members by way of co-option. Members of the Supervisory Board will be co-opted by delivery to the Company of a written statement by all members of the Supervisory Board on the appointment of a member of the Supervisory Board.

Should the mandate of a Supervisory Board member having the status of an independent member of the audit committee expire, the co-opted member of the Supervisory Board should meet the independence criteria referred to in Article 129 Section 3 of the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017 and have qualifications in accounting or auditing.

Members of the Supervisory Board appointed by co-option hold office until their appointment is approved by the next General Meeting or their successors are elected.

Following the co-option of members of the Supervisory Board, the Supervisory Board convenes a General Meeting to approve the member appointed by co-option or to elect their successor.

Supervisory Board members may be co-opted if the number of Supervisory Board members is at least two.

The Supervisory Board exercises constant supervision over the Group's activities in all areas of its operations.

The duties of the Supervisory Board include in particular:

1. examining and reviewing financial statements and the Management Board's report on the Group's activities in terms of their compliance with the books and documents and with the actual state of affairs.
2. Submitting to the General Meeting an annual written report on the activities referred to in point 1), together with a brief assessment of the Group's operations, including an assessment of the internal control system and the system of managing the Group's significant risks.
3. Examining Management Board's proposals concerning distribution of profits and loss cover.
4. Appointing an auditor to audit and review the Group's financial statements, as well as approving the terms of the agreement with the auditor and approving termination of such agreement by the Group.
5. Appointing and removing members of the Management Board and determining the terms and conditions of their remuneration and employment.
6. Considering and issuing opinions on matters to be covered by resolutions of the General Meeting.
7. Granting consent to the acquisition and disposal of real estate, perpetual usufruct and interests in real estate.
8. Granting consent for the Group to carry out, outside the budget approved by the Supervisory Board, any disposals of rights (in particular sale, encumbrance with a limited property right or other third-party right, donation, or any legal act resulting in the termination of a right), as well as any obligations exceeding PLN 6,000,000.00 (six million złoty) on a single-transaction basis. The obligation to obtain consent also applies to contracting liabilities with one entity relating to recurring or continuous services if the total value of the resulting services exceeds PLN 6,000,000.00 (six million) in the financial year.
9. Approving the Group's annual budgets and any amendments to them.
10. Granting consent for the Group to conclude a material agreement with a related entity, i.e. an agreement whose value is not less than PLN 2,000,000.00 (two million). The above obligation does not apply to customary transactions entered into on market terms within the ordinary business of the Group with a subsidiary in which the Group holds a majority stake as well as activities provided for in the Group's budget approved by the Supervisory Board.
11. Appointing committees.
12. Considering other matters delegated to the Supervisory Board by resolution of the General Meeting, by law or by the Articles of Association, or proposed by the Management Board.

From the date of admission of the Company's shares to trading on the regulated market operated by the Warsaw Stock Exchange, if the Supervisory Board consists of more than five persons, the Supervisory Board will appoint an audit committee composed of at least three of its members, of which at least one member should meet the conditions of independence within the meaning of Article 129 Section 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and have qualifications in accounting or auditing.

The Company complies with the regulations on the appointment, composition and operation of the audit committee, including on the fulfilment by its members of the independence criteria and the requirements to have knowledge and skills in the industry in which the Company operates and in accounting or auditing.

The tasks of the Audit Committee include in particular:

- Monitoring the financial reporting process, including issuing opinions on the accounting policy adopted by the Company and the principles of preparing financial statements.
- Discussing annual, semi-annual and quarterly financial statements with the Company's governing bodies.
- Monitoring the performance of financial audit activities, including discussing the results of the audit of the annual financial statements.
- Presenting recommendations to the Supervisory Board regarding the selection of the Company's statutory auditor and his remuneration.

- Monitoring the independence of the statutory auditor and the entity authorised to audit financial statements, including issuing opinions on the scope of any additional work contracted to the statutory auditor by the Management Board.
- Monitoring the effectiveness of the risk management system that has a significant impact on the Company.
- Monitoring the effectiveness of the Company's internal control system, including the effectiveness of remedial actions.
- Monitoring the compliance of the Company's operations with laws and regulations.
- Issuing opinions on significant financial information published by the Company.

In 2025, the Audit Committee performed the tasks of the audit committee provided for in the applicable regulations.

The Supervisory Board may appoint from among its members commissions, investigation teams or committees, both permanent and temporary ones to look into specific issues – defining their organisation, modus operandi and detailed powers – provided that the subject matter of the work of a given commission, team or committee falls within the remit of the Supervisory Board.

During the period from 1 January 2025 to 8 July 2025, the Audit Committee was composed of:

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

From 9 July 2025 to 31 December 2025, the composition of the Audit Committee was as follows:

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

All of the Audit Committee members listed above met the statutory criteria for independence during the period in which they served on the Audit Committee.

The following is an indication of the Audit Committee members' fulfilment of the criterion of having knowledge and skills in the area of accounting or auditing and the manner in which these were acquired:

- Marek Wiechno: in 2003 graduated from the Warsaw School of Economics, followed by numerous courses and trainings in Management, HR, Corporate Finance, Accounting including IFRS/IAS and Taxes. He runs his own business under the name MAWAR Marek Wiechno. He is a management board member of the following companies: DEM Sp. z o.o., PROMO Sp z o.o., POL T and T Sp. z o. o. He has many years of practical experience in business management.
- In 1997 he received a Master's degree at the Faculty of Management, the University of Warsaw. In 2010, he completed MBA studies at the University of Illinois. He started his professional career in 1997-1999 in Westdeutsche Landesbank Polska S.A. as Risk Manager. Then, from 2000 to 2003, he was Financial Controller of Transaction Banking and Treasury Department at Citibank S.A. For over a decade he has continued his career at Bank Handlowy Head of the Transaction Banking Strategy and Planning Office (2003 - 2009), Chief Financial Officer of Transaction Banking for Citigroup's Central and Eastern Europe Region (2010 - 2013), Head of Liquidity Management and Business Analysis in the Corporate Banking Sector (2013 - present).
- Małgorzata Starczewska-Krzysztosek Economist (PhD in Economics), lecturer specialising in issues relating to companies and banks, primarily in the areas of finance and strategy. Analyst specialising in economic processes and economic regulations, as well as their impact on business operations. Experienced Chief Economist at an employers' organisation, responsible, among other things, for the economic analysis of draft laws and regulations, cooperation with the Sejm, the Senate, and government administration institutions, as well as macroeconomic and microeconomic analyses.
- Waldemar Maj Founding Partner of Metropolitan Capital Solutions, with many years of experience in strategic advisory and M&A transactions. Investor in technology startups and member of the supervisory boards of, among others, Alior Bank, PZU Życie, VIGO, Creotech, and Hycom. Previously, he served as Vice President of the Management Boards of PKN Orlen and Bank BGŻ, as well as Management Board President of DZ Bank Polska, where he was responsible for restructuring and development strategy. Graduate of Harvard Business School and PhD in Physics from the Polish Academy of Sciences.

The description regarding the fulfillment by the members of the Audit Committee of the criterion of having knowledge and skills in the field of business in which the Company operates, with an indication of the manner of acquiring the same, is as follows:

1. Marek Wiechno: has knowledge and skills in the industry in which the Company operates acquired through many years of service on the Company's Supervisory Board.
2. Zbigniew Więclaw: has knowledge and skills in the industry in which the Company operates acquired through many years of service on the Company's Supervisory Board.
3. Małgorzata Starczewska-Krzysztozek Economist (PhD in Economics), lecturer specialising in issues relating to companies and banks, primarily in the areas of finance and strategy. Analyst specialising in economic processes and economic regulations, as well as their impact on business operations. Experienced Chief Economist at an employers' organisation, responsible, among other things, for the economic analysis of draft laws and regulations, cooperation with the Sejm, the Senate, and government administration institutions, as well as macroeconomic and microeconomic analyses.
4. Waldemar Maj: Founding Partner of Metropolitan Capital Solutions, with many years of experience in strategic advisory and M&A transactions. Investor in technology startups and member of the supervisory boards of, among others, Alior Bank, PZU Życie, VIGO, Creotech, and Hycom. Previously, he served as Vice President of the Management Boards of PKN Orlen and Bank BGŻ, as well as Management Board President of DZ Bank Polska.

Two Audit Committee meetings were held in 2025: on 9 May 2025 and 8 September 2025.

5.7.16 Policy on the selection of the audit firm for the audit of the financial statements

The policy for the selection of an audit firm to carry out the audit of the financial statements of VIGO Photonics Group was adopted by a resolution of the Audit Committee of 6 October 2017. The audit firm selection policy lays down the rules for the selection of the audit firm. According to the Group's Articles of Association, Supervisory Board's duties include appointing an auditor to audit and review the Group's financial statements, as well as approving the terms of the agreement with the auditor and approving termination of such agreement by the Group. In turn, the Audit Committee recommends to the Supervisory Board the selection of an audit firm to audit the financial statements and review the interim financial statements of the Group. The Group's Management Board is required to inform the Polish Financial Supervision Authority (KNF) if the audit firm is selected by a body other than the body approving the financial statements.

The Audit Committee makes a recommendation to the Supervisory Board in which it:

- Indicates the audit firm to which it proposes to entrust the statutory audit.
- Represents that the recommendation is free from influence by third parties.
- States that the Group has not entered into agreements containing clauses that would limit the choice of audit firm to certain categories or lists of audit firms pursuant to Article 66 Section 5a of the Accounting Act.

When the selection referred to above does not concern the extension of the audit agreement, the recommendation of the Audit Committee includes:

- At least two options for the selection of the audit firm together with a rationale and
- An indication of the Audit Committee's reasonable preference for one of the options.

In selecting an audit firm, the Group is not required to follow the procedure referred to in Article 130(3)(2) of the Act on Statutory Auditors. If the decision of the Supervisory Board concerning the selection of the audit firm deviates from the recommendation of the Audit Committee, the Supervisory Board must justify the reasons for not following the recommendation of the Audit Committee and communicate that justification to the General Meeting. The audit firm is selected in the fourth quarter of the year preceding the year for which the audit and interim review of the Group's half-yearly financial statements will be conducted. The Group's Management Board concludes an agreement on the audit and interim review of the financial statements with the audit firm for a minimum period of two years. No statutory audits of annual financial statements or interim reviews of half-yearly financial statements may be delegated to subcontractors of the audit firm. The Management Board announces the selection of the audit firm in the Group's current report.

All proposals of audit firms concerning:

- Performance of audits and interim reviews
- Non-audit services provided by those audit firms, received by the Group, will be forwarded to the Audit Committee.

The Audit Firm Selection Policy governs the following procedure for the selection of audit firms.

The Group's Management Board, on the basis of the Audit Committee's guidelines, sends a Request for Proposal to the selected entities, provided that those entities meet the statutory requirements concerning the rotation of the entity authorised to conduct the audit and other requirements resulting from generally applicable laws and the Group's internal regulations.

The Group's Management Board, responding to the queries of the audit firm authorised to participate in the selection procedure, prepares documentation which will enable them to learn about the Group's operations and conducts direct negotiations with the interested bidders.

Following negotiations, the Management Board forwards the collected proposals to the Audit Committee.

The Audit Committee analyses and evaluates the proposals and presents a Recommendation to the Supervisory Board, in accordance with the principles laid down in Point I of the Policy. The audit firm is selected by the Supervisory Board.

In the event that the Supervisory Board selects an entity other than the one preferred by the Audit Committee, the Supervisory Board is required to justify its selection in accordance with the principles set out in the Policy.

The main points of the Audit Firm Selection Policy are:

- Ensuring high quality statutory audits
- Experience of the audit firm
- Prevention of conflicts of interest
- Audit firm rotation
- Audit fees

The Policy elaborates on the above assumptions for the selection of the audit firm:

Ensuring high quality statutory audits

The Audit Oversight Committee provides quality assurance of statutory audit by audit firms that audit public interest entities and audit firms are required to have an internal quality control system for assessing whether the auditor or key audit partner could reasonably have reached the opinions and findings expressed in drafts of those reports.

The Audit Committee uses the following sources of knowledge about the firm making the proposal:

- Information contained in the proposal
- Annual transparency report (Article 13 of Regulation 537/2014) posted on the audit firm's website, in particular:
 - a) A description of the internal quality control system
 - b) A statement by the management board on the effectiveness of the internal quality control system
 - c) The date of the last quality assurance system inspection by the Audit Oversight Committee
 - d) A list of public interest entities for which the auditor performed statutory audits in the previous financial year
 - e) A statement on the policy applied to ensure independence, including confirmation that an internal check of compliance with the independence rules has been carried out
 - f) A statement of its policy on continuing professional development
 - g) Information on the income achieved

- h) A description of the policy of the statutory auditor or audit firm concerning the rotation of key audit partners and employees.
- The findings or conclusions arising from the inspection of the audit firm contained in the annual report of the Audit Oversight Committee referred to in Article 90(5) of the Act on Statutory Auditors which may influence the choice of the audit firm.

Experience

The Audit Committee reviews:

- A list of the public-interest entities for which the audit firm has carried out statutory audits during the completed financial year
- A statement on the audit firm's policy on continuing education of statutory auditors contained in the offer and the annual transparency report.

Prevention of conflicts of interest

The audit firm must make a statement on its independence assurance practices, which must also include a confirmation of the internal review of independence compliance accompanying the transparency report.

The audit firm will:

- Provide the Audit Committee, annually, with a written confirmation that the audit firm and the statutory auditors conducting the statutory audit are independent of the audited entity.
- Discuss with the Audit Committee the threats to its independence and the safeguards applied to mitigate those threats.

Audit firm rotation

In order to address the risks arising from familiarity with the entity ("excessive familiarity") and thus to reinforce the independence of auditors and audit firms, audit firm must be rotated.

The transparency report describes the audit firm's policy on rotation of key auditors and employees.

When selecting the audit firm, the Audit Committee ensures that the following principles are not violated:

- The first audit agreement is concluded with the audit firm for a period of not less than two years with the possibility of renewal for further periods of at least two years (Article 66(5) of the Accounting Act)
- The maximum duration of uninterrupted engagements for statutory audits carried out by the same audit firm or an audit firm affiliated with such an audit firm, or any member of the network operating in the countries of the European Union to which such audit firms belong, must not exceed five years (Article 134(1) of the Act on Statutory Auditors)
- The key statutory auditor may not conduct the statutory audit in the Company for more than five years (Article 134(2) of the Act on Statutory Auditors)
- The key statutory auditor may again conduct a statutory audit in the Company after a period of at least three years from the completion of the last statutory audit (Section 134(3) of the Act on Statutory Auditors)
- Neither the audit firm nor any member of its network operating within the Union shall undertake a statutory audit of the same public interest entity within a consecutive period of four years (Article 17(3) of Regulation 537/2014).

Audit fees

Remuneration for carrying out statutory audits for the Group must not be contingent.

Contingent remuneration means remuneration for audit engagements calculated on a predetermined basis linked to the outcome or effect of a transaction or the result of work performed. Remuneration will not be considered contingent if it has been determined by a court or a competent authority.

The level of fees received from one audited entity and the structure of the fees could compromise the independence of the audit firm.

Where audit fees from a single client, including its subsidiaries, are significant, a specific procedure involving the Audit Committee should be established to ensure audit quality.

If an audit firm becomes overly dependent on a single client, the Audit Committee should decide, with proper justification, whether the audit firm can continue to conduct the statutory audit.

Prohibition of the provision of non-audit services

Neither the audit firm that carries out the statutory audit of the Group nor any member of the network to which the statutory auditor or audit firm belongs may provide the audited Group, its parent undertaking or its controlled undertakings within the European Union, directly or indirectly, with any prohibited non-audit services during the following periods:

- from the beginning of the audited period to the issuance of the audit report and
- in the financial year immediately preceding the period referred to above

in respect of the services listed in point (g) of the second paragraph of Regulation 537/2014 (legal services including giving general legal advice, negotiating on behalf of the audited entity and acting as an advocate in dispute resolution).

Prohibited services are those listed in paragraph 3 of Article 5 of Regulation 537/2014 in conjunction with the audit of the Financial Statements.

The Policy on the provision of permitted non-audit services by the audit firm for VIGO Photonics S.A. was adopted by a resolution of the Audit Committee of 6 October 2017.

The key matters covered by the above Policy are:

- Catalogue of conditionally permitted services
- Conditions for performing services.

The catalogue of conditionally permitted services included in the above Policy coincides with the catalogue of services listed in Article 136(2) of the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017 (Journal of Laws of 2017, item 1089).

According to the Policy, the conditions for the performance of permitted services are:

- Approval of the services after analysis of threats to the audit firm's independence. Provision of conditionally permitted services is possible only to the extent not related to the Group's tax policy, after an assessment of threats and safeguards of independence (statement of the audit firm) referred to in Articles 69-73 of the Act on Statutory Auditors is performed by the Audit Committee and the provision of such services is approved by the Audit Committee.
- Limits on the remuneration for permitted services. Pursuant to Article 4(2) of Regulation 537/2014, where an audit firm provides non-audit services other than those referred to in Article 5(1) of Regulation 537/2014 (prohibited) to the Group for a period of at least three consecutive financial years, the total remuneration for such services is limited to a maximum of 70% of the average remuneration paid in the last three consecutive financial years for the statutory audit of the audited entity.

Management Board

The powers and modus operandi of the Management Board are defined by the Commercial Companies Code, the Group's Articles of Association and Terms of Reference of the Management Board.

The Management Board consists of 2 (two) to 3 (three) members, including the President of the Management Board, who are appointed and removed by the Supervisory Board. The number of members of the Management Board for a given term of office is determined by the Supervisory Board. The term of office of the Management Board members is joint and lasts 3 (three) years.

The Management Board manages the Group's affairs and represents it before third parties.

The Management Board is responsible for all matters related to the management of the Group's affairs not reserved for other governing bodies of the Group by law or the Articles of Association.

The authority to represent and bind the Group is vested in two Management Board members acting together.

Disposing of a right or incurring of an obligation with a value exceeding PLN 6,000,000.00 (six million) requires the consent of the Supervisory Board expressed in the form of a resolution. This obligation applies also to liabilities relating to recurring or continuous services if the value of the resulting services exceeds PLN 6,000,000.00 (six million) in the financial year. This obligation does not apply to the performance of activities provided for in the Group's budget approved by the Supervisory Board.

Resolutions of the Management Board are adopted by a simple majority of votes cast. In the case of an equal number of votes, the President of the Management Board has the casting vote.

Resolutions of the Management Board may be adopted if all members of the Management Board have been duly notified of the meeting.

Members of the Management Board may participate in the adoption of resolutions of the Management Board by casting their vote in writing through another member of the Management Board. The casting of a vote in writing may not apply to matters placed on the agenda at the meeting of the Management Board.

Resolutions of the Management Board may be adopted in writing or using means of direct remote communication. A resolution is valid if all members of the Management Board have been notified of the contents of the draft resolution.

The President of the Management Board convenes and chairs meetings of the Management Board. The President of the Management Board may authorise other members of the Management Board to convene and chair meetings of the Management Board.

Without the consent of the Supervisory Board, members of the Management Board may not engage in competitive business or participate in a competitive company as a partner in a civil law partnership, a partnership or as a member of a body of a company, or participate in another competitive legal person as a member of its body. This prohibition also includes participation in a competitive company, in the event that a member of the Management Board holds at least 10% (ten per cent) shares in it or has the right to appoint at least one member of the Management Board.

The Management Board has no individual right to decide on the issue or buyback of the Group's shares.

5.7.17 General Meeting and its powers

The General Meeting operates on the basis of the Commercial Companies Code and the Group's Articles of Association.

General Meetings may be held as an Annual General Meeting or Extraordinary General Meeting.

General Meetings are held either at the Group's registered office or in Warsaw.

The Annual General Meeting should take place within six months after the end of each financial year.

The Extraordinary General Meeting is convened in cases specified in the provisions of the Commercial Companies Code or the Articles of Association as well as when the entities or bodies authorised to convene General Meetings deem it appropriate.

A General Meeting may be cancelled. The date of the General Meeting may also be changed. The General Meeting is cancelled and its date is changed in the same manner as prescribed for the calling of the General Meeting.

If the notice of the General Meeting includes information on the possibility for shareholders to participate in the General Meeting using electronic communication means, the Group must ensure that the shareholders can participate in the General Meeting using electronic communication means.

Detailed rules for holding the General Meeting using electronic communication means are defined by the Management Board. The Management Board publishes the rules on the Group's website. The rules should enable:

- 1) Real-time streaming of the General Meeting
- 2) Two-way communication in real time so that shareholders are able to speak during the General Meeting from a location other than the venue of the meeting
- 3) Exercise of the voting right by a shareholder in person or by proxy during the General Meeting, outside the venue of the General Meeting, using electronic communication means.

The General Meeting is valid irrespective of the number of shares represented at it unless the Commercial Companies Code provides otherwise.

Each share carries one vote at the General Meeting.

The pledgee or usufructuary has no voting rights attached to shares or the interim certificate.

A resolution of the General Meeting is required for matters reserved by the provisions of the Commercial Companies Codes, other legal provisions or the Company's Articles of Association.

Resolutions of the General Meeting are adopted by an absolute majority of votes cast, unless the provisions of the Commercial Companies Code or the Articles of Association provide otherwise.

The powers of the General Meeting include in particular:

- 1) Considering and approving the Management Board's report on the Company's activities and the financial statements for the previous financial year and granting a vote of approval for members of the Company's bodies for the performance of their duties.
- 2) Making decisions of remedying a loss caused in formation of the Company or in exercise of management or oversight.

- 3) Adopting resolutions on the distribution of profit or loss cover.
- 4) Determining the date and time of dividend payment.
- 5) Appointing and removing members of the Supervisory Board.
- 6) Disposing of and leasing the enterprise or its organised part; encumbering the company's assets.
- 7) Issuing convertible or priority bonds and issuing subscription warrants as referred to in Article 453 § 2 of the Commercial Companies Code.
- 8) Buying back own shares in the case referred to in Article 362 § 1 Section 2 of the Commercial Companies Code and authorising their buyback in the case referred to in Article 362 § 1 Section 8 of the Commercial Companies Code.
- 9) Merging or dividing the Company unless a resolution of the Company is not required by the Commercial Companies Code.
- 10) Winding up/ liquidating the Company.
- 11) Transforming the Company.
- 12) Establishing the rules for remunerating members of the Supervisory Board, including the rules for granting separate remuneration for those members who were assigned to permanent individual exercise of supervision duties.
- 13) Amending the Company's Articles of Association.
- 14) Approving the Terms of Reference of the Company's Supervisory Board amendments to the Terms of Reference of the Company's Supervisory Board.
- 15) Increasing or decreasing the share capital, subject to the rights vested in the Company's other governing bodies in this regard.
- 16) Adopting resolutions on cancelling the Company's shares.
- 17) Establishing capital reserves and other special purpose funds.
- 18) Examining matters submitted by the Supervisory Board, Management Board or shareholders.
- 19) Dealing with other matters reserved for the General Meeting by law or the Articles of Association.

Acquiring and disposing of real estate, perpetual usufruct or interests in real estate do not require a resolution of the General Meeting.

The General Meeting may adopt its terms of reference detailing the procedure for organising and conducting its meetings. The terms of reference may be adopted, amended or repealed only by an absolute majority of votes cast in favour of the relevant resolution. The current version of the Terms of Reference of the General Meeting Regulations was adopted by a resolution dated 17 January 2023.

5.7.18 Personal and organisational changes in the Company

In 2025, no changes occurred in the composition of the Supervisory Board. Accordingly, the composition of the governing bodies presented in this report differs from the composition disclosed in the report for the previous year. These changes result from resolutions adopted in 2025 and have been reflected in the National Court Register (KRS).

The changes that took place in the membership of the Supervisory Board in 2025 are described in Section 3.4 of this report.

The membership of the governing bodies is described in Section 3.4 of this Report.

5.7.19 Remuneration and transactions with members of management and supervisory bodies

Specification (in PLN thousand)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
For role on the bodies	1,519,200.00	1,377,405.11
Salary under employment contract	581,086.50	621,841.42
Total	2,100,286.50	1,999,246.53

Name	Role	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
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Remuneration of Management Board members (PLN)

Adam Piotrowski	Management Board President	807,432.80	813,782.84
Łukasz Piekarski	Management Board Member	647,826.40	602,839.91
Marcin Szrom	Management Board Member	645,027.30	582,623.78
Total		2,100,286.50	1,999,246.53

Remuneration of Supervisory Board members (PLN)

Name	Role	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Marek Wiechno	Supervisory Board Member	84,000.00	84,000.00
Zbigniew Więclaw	Supervisory Board Member	74,400.00	74,400.00
Krzysztof Kaczmarczyk	Supervisory Board Member	74,400.00	74,400.00
Mirosław Grudzień (until 8 July 2025)	Supervisory Board Member	35,753.33	74,400.00
Krzysztof Dziewicki	Supervisory Board Member	74,400.00	74,400.00
Marcin Kubrak	Supervisory Board Member	74,400.00	74,400.00
Waldemar Maj	Supervisory Board Member	74,400.00	74,400.00
Małgorzata Starczewska-Krzysztosek (from 9 July 2025)	Supervisory Board Member	38,853.33	
		530,606.66	530,400.00

No loans or benefits of a similar nature were granted to members of the Management Board or members of the Supervisory Board.

Members of the Supervisory Board do not receive any remuneration, rewards or other benefits resulting from the Group's equity-based incentive or bonus programmes.

5.7.20 Any agreements with members of the Management Board providing for compensation in the event of their resignation or removal

In the employment contract concluded with a Management Board member is terminated by the Company, the Management Board member is entitled to a severance pay equal to his/her 6-month remuneration. The severance pay may not be claimed if the contract is terminated due to the employee's breach of duties, committing a crime or due to other reasons constituting grounds for summary termination of the contract.

5.7.21 Shares held by members of management and supervisory bodies

As at 31 December 2025, the Group's share capital was PLN 874,799.00, divided into 874,799 shares with a nominal value of PLN 1.00 each. All shares forming the Group's share capital were fully paid up.

As at 31 December 2025, members of the Group's Management Board held the following shares in the Group:

- Adam Piotrowski – President of the Management Board, held 474 shares (nominal value of shares: PLN 474)
- Łukasz Piekarski – Member of the Management Board, held 445 shares (nominal value of shares: PLN 445)

As at 31 December 2025, members of the Group's Supervisory Board held the following shares in the Group:

- Zbigniew Więclaw held 12,000 shares (nominal value of shares: PLN 12,000)
- Krzysztof Dziewicki held 1,274 shares (nominal value of shares: PLN 1,274).

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

No agreements between shareholders (including insurance, cooperation, or collaboration agreements) are known.

5.7.22 Rules for changing the Group's Articles of Association

The rules for amending the Company's Articles of Association are governed by the Commercial Companies Code. Amendments to the Articles of Association require a resolution of the General Meeting and an entry into the official register.

5.7.23 Court or arbitration proceedings

In the financial year ended 31 December 2025, the Company received a lawsuit filed by a current employee. The claimant's lawsuit concerns unpaid bonus payments for the year 2021. The value of the dispute was specified by the claimant in the lawsuit at PLN 500,000, together with statutory default interest for late payment. After a thorough and careful analysis of the facts of the case and based on the legal assessment prepared by the external law firm representing the Company in these proceedings, the Management Board assesses the probability of an adverse outcome for the Company, and consequently the outflow of economic benefits, as lower than 50% (possible but rather improbable). Accordingly, in line with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Company has not recognised a provision for this claim in the accompanying statement of financial position, treating it as a contingent liability. As at the date of preparation of these financial statements, the proceedings are ongoing at first instance, and the final outcome of the case, the exact amount of any potential obligation, and the timing of its settlement remain uncertain. The Company does not expect to recover any amounts in connection with these proceedings from third parties.

5.7.24 Changes in the basic principles of managing the Group

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-Krzysztosek
- Marek Wiechno
- Zbigniew Więclaw
- Krzysztof Dziewicki

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.

By Resolution No. 4/09/7/2025 dated July 9, 2025, the Supervisory Board appointed the Company's Audit Committee for the term of office of the Supervisory Board in the following composition:

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

As at 31 December 2025 and 23 April 2026, the Supervisory Board comprised the following members:

- Krzysztof Kaczmarczyk – Chairman of the Supervisory Board
- Zbigniew Więclaw – 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-Krzysztosek – Member of the Supervisory Board;
- Krzysztof Dziewicki – Member of the Supervisory Board.

As at 31 December 2025 and 23 April 2026, the Management Board of the Company comprised the following members:

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

As at 31 December 2025 and 23 April 2026, the Audit Committee of the Supervisory Board comprised the following members:

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

5.8 Share capital and ownership structure

5.8.1 Group's shareholders

Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting:

- at the balance sheet date:

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%
OFE Allianz Polska	56,990	6.51%	56,990	6.51%
Investors TFI	58,606	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

- as at the date of publication of the annual report:

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%
OFE Allianz Polska	56,990	6.51%	56,990	6.51%
Investors TFI	58,606	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

The total number and value of all the Group's shares is presented in Section 4.2.1 of this Report.

As at the date of approval of these financial statements for publication, the Management Board is not aware of any agreements that might result in future changes in the proportion of shares held by the existing shareholders.

During the financial year, the Group did not issue new securities and did not acquire any own shares.

5.9 Other supplementary information to the Management Report for 2025:

5.9.1 Audit agreement and audit firm's remuneration

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. Polczyńska 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, VIGO 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
- Assurance 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;
- Assurance 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;

The audit firm and members of the auditing team meet the conditions for preparing an impartial and independent audit report on the annual financial statements in accordance with applicable laws, professional standards and professional ethics.

The Company complies with the applicable laws related to the rotation of the audit firm and the key statutory auditor and the mandatory cooling off period.

VIGO has an auditor selection policy in place as well as a policy on the provision for VIGO of non-audit services by the audit firm, including services conditionally excluded from the range of prohibited services.

On 22 February 2024, the Audit Committee adopted a resolution on recommending to the Supervisory Board an audit firm to audit the annual financial statements and review the interim financial statements.

Pursuant to § 4(1)(8) of the Terms of Reference of the Audit Committee, the recommendation included a justification and two options for the audit engagement, and the Audit Committee expressed a preference for one of them. The Audit Committee stated that its recommendation was free from any third party influence and that no clause of any kind had imposed on it that would restrict the body selecting the audit firm for the purpose of carrying out the statutory audit of the financial statements to certain categories or lists of audit firms.

To carry out the audit of the annual financial statements and interim review the interim financial statements of the Company for the years 2024–2026, the Audit Committee recommended the audit firm UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, address: 01-377 Warszawa, ul. Polczyńska 31A, entered in the list of audit firms under number 3886.

The recommendation was preceded by a detailed analysis of the proposals and transparency reports of the audit firms with particular attention paid to the system of control and monitoring of the auditor's and the firm's independence introduced at the audit firm, in particular whether any non-audit services are provided to VIGO by the audit firm.

5.10 Group's main investments

In financial year 2025, the Group incurred capital expenditure on the purchase of tangible and intangible assets in the amount of PLN 2.1 million (in 2024: PLN 2.3 million).

The Group's investments were related both to the construction of a new production plant and the purchase of machinery for the manufacture of products as well as the replacement of the old infrastructure with a modern one. A detailed description of the progress of the investment programme is provided in Section 5.2 of the Report.

The Group incurred bank loans to finance 80% of the net investment, as described in detail in Section 4.2.9 of this Report.

5.10.1 Other disclosures

On 28 June 2024, VIGO Photonics received a license granted by the Minister of Internal Affairs and Administration to conduct the following business activities (published in Current Report No. 24/2024):

- production of the types of ammunition (without filling them with explosives) specified in paragraph 13 – 30 – Part III Types of weapons and ammunition – BA of the annex to the Regulation of the Council of Ministers of 17 September 2019 on the classification of types of explosives, weapons, ammunition and products and technologies for military or police use, the production of or trade in which requires a license (Journal of Laws of 2019, item 1888, hereinafter referred to as the "Regulation");
- manufacture of products for military or police purposes specified in the following items: WT III – WT V (elements, components, parts, equipment), WT II, WT VI – WT XII, WT XIII sec. 1 – 2 and WT XIV sec. 1 – 4 and sec. 8 – 12 – Part IV – Types of products and technologies for military or police purposes – WT of the Annex to the Regulation;
- trade in the types of ammunition (without filling them with explosives) specified in sections 13-30 of Part III - Types of weapons and ammunition - BA - of the Annex to the Regulation;
- trade in products for military or police purposes specified in the following items: WT II – WT XII, XIII sections 1 – 2 and WT XIV sections 1 – 4 and sections 8 – 12 - Part IV - Types of products and technologies for military or police purposes - WT of the Annex to the Regulation;
- trade in technology for military or police purposes specified in item WT XIII sections 3-4 - Part IV - Types of products and technologies for military or police purposes - WT of the Annex to the Regulation. The licence was granted for 50 years.

Adam Piotrowski

Management Board President

Łukasz Piekarski

Management Board Member

Marcin Szrom

Management Board Member

Ożarów Mazowiecki, 23 April 2026

6 Management Board's statements

STATEMENT

of the Management Board regarding the preparation of the annual consolidated financial statements and the Management Board's report on the activities of the VIGO Photonics Group

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, as amended), the Group's 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 Group's Management Board also declares that the report on the Group's activities gives a true and fair view of the Group'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 (IFRSs), including the International Accounting Standards (IASs) and Interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Union (EU) 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 2021, item 217, as amended) 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, as amended).

The Group's Management Board declares that the statutory auditor responsible for audit of the annual financial statements of the Group 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 S.A.:

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

Ożarów Mazowiecki, 23 April 2026