



poLight ASA Quarterly Report



2021

KEY EVENTS IN THE QUARTER

- poLight received a follow-up purchase order related to the Honeywell EX30 barcode scan engine
- Good progress on customer cases – both in consumer and professional markets
- The positive development in smartphone market continues
- First design-win for a web camera application (after the reporting date)

Øyvind Isaksen, CEO of poLight ASA:

“Activity at poLight is at an all-time high. We are busy providing customer support, delivering products and preparing to expand our capacity. The atmosphere is extremely positive. After the first quarter reporting date, we achieved another design-win related to a web camera application – another new application for our unique TLens®. Step by step we are building a platform of various reference cases which will future-proof the company. Although we have recently made considerable progress, there is no doubt that we are facing challenging times in many respects. Not only are we at an early stage of commercialisation/ramp-up, the general supply chain situation in the industry is leading to component and capacity shortages. Fortunately, we have a well-functioning, worldwide organisation, which is well able to address every challenge constructively. The organisation has also been further strengthened during the quarter. Interesting times!”

Key figures

(in NOK million)

	Q1 2021	Q1 2020	FY 2020
Revenue	1.5	0.5	3.0
Gross profit	1.2	0.5	2.3
EBITDA	-20.2	-16.1	-39.2
Net cash flows used in operating activities	-11.2	-22.2	-42.6
Net increase (decrease) in cash and cash equivalents	-8.7	-22.7	3.8

MANUFACTURING, PRODUCT DEVELOPMENT AND MARKETS

Manufacturing and operations

poLight works primarily with two categories of sub-contractor – the MEMS/wafer supplier (STMicroelectronics (ST)) and assembly partners. While ST produces the wafers/actuator, the assembly partners assemble the complete product. The polymer (*i.e.* lens material) is produced at poLight Headquarters.

poLight works with two partners on the assembly side, and pilot production is ongoing at both sites. One of the partners has already been qualified. However, because the production line has been moved to a different factory for cost optimisation reasons, a requalification process is underway.

ST is processing the latest order from poLight, and wafers are planned to be delivered throughout the year. A new purchase order has been issued to secure material for 2022.

Product Development

The majority of R&D resources have been used to support ongoing customer projects during the quarter, both smartphone related and for other application areas. Typically, this activity will involve advising on how to integrate TLens® for particular designs (*e.g.* add-in), carrying out requested additional reliability testing, performance evaluations at the system level, improvement activities, etc. In addition, there is ongoing development activity related to a larger-aperture TLens, which is partly externally financed. Further ongoing pre-projects relate to designing an Optical Image Stabilization (OIS) solution for folded/telephoto cameras. The solution is being presented to and discussed with potential customers.

Markets

Customer-related activities continued at a high level in the first quarter. poLight is actively engaged in several segments. This includes consumer market devices, such as smartphones, wearables, accessories as well as a wide range of professional applications, such as barcode readers, medical devices and enterprise-focused augmented reality. Interest in our solutions remains high, and the company continues to make progress on several projects with potential customers in these segments. TLens® technology is increasingly being recognised by a broad range of potential customers. Over time, it is expected that this will develop into a diversified revenue base for poLight.

Consumer market

During the quarter, poLight made progress in positioning TLens®, and its technology platform more generally, in new consumer markets, such as smartphones, wearables and accessories. Some of the augmented reality cases being explored in the enterprise/professional market may evolve into a more consumer-oriented product over time.

Tuneable optics, such as TLens®, are attracting more and more attention in the smartphone market. The new camera module concept, based on add-in TLens design, is attracting attention. This camera module concept has the potential to become the mainstream solution for selfie cameras. Testing and design optimisation has been continuing during the quarter, with the OEM, camera module supplier and poLight working in close cooperation. The promising results have led to the commencement of market release discussions. New camera module suppliers, motivated by other OEMs and market information in general, are starting to prepare themselves for similar designs based on TLens®. In the longer term, efforts are underway to use poLight's technology platform to realise new products for improved back-camera solutions, such as making a TLens with larger aperture, improved telephoto/folded camera systems, etc.

After the reporting date for the first quarter 2021, poLight was awarded a design-win for a web camera application from Maxhub. The initial feedback from the market has been positive and the projected sales volume seems to be increased, although it is still expected to be low-volume device. Given the current increase in video conferencing, this is an important showcase for the company. The market potential is significant.

End-user sales of high-end smartwatches continue to be negatively impacted by the Covid-19 situation. New releases are expected to cut costs and will probably use cheaper AF solutions. poLight needs to position itself for the time when the market has normalised, and consumers once again have an appetite for high-end watches. Additionally, more advanced smartwatch platforms will help the customer to take advantage of the technical attributes TLens offers. The add-in design concept has also created considerable interest in the smartwatch market segment, and can help to differentiate the TLens®-based solution from VCM.

At the end of the quarter, poLight's TLens had been used in 28 Proof-of-Concept (PoC) projects related to the consumer market (14 ongoing and 14 completed). poLight's judgement is that the add-in project mentioned in previous quarterly reports has moved from PoC to project during the quarter.

Industrial/professional market

During the quarter, the company received a follow-up order from Honeywell related to the Extended FlexRange™ EX30 2D Scan Engine for warehouse and distribution centre operations. So far poLight has received positive feedback from the customer.

poLight is involved in other barcode cases at different stages of maturity. The company will continue to actively explore this important market, which is expected to be an important gross margin contributor in the longer term.

TLens® is currently being considered for use in next generation augmented reality (AR) headsets by key market participants, and testing/prototype building is continuing. TLens low power consumption, and compactness, is being highlighted as one of its key technical benefits. While the AR market is still at an early stage, with low volumes mainly targeting the enterprise/professional market, many key opinion leaders believe it could be the next high-volume consumer product. The AR cases poLight is involved in, for which market release is expected towards the end of 2021 or mid-2022, relate to the enterprise/professional market.

The company is also exploring other cases within the industrial segment, such as machine vision and sensors.

At the end of the quarter, poLight's TLens was used in 19 PoCs related to the industrial market, either ongoing (7) or completed (12). Four customer projects have now been established: two AR (professional use) case and two barcode cases.

Other applications

The TLens technology continues to be of interest for a range of other applications, such as medical (5 PoCs, of which 1 has been completed). One completed PoC case progressed to a customer project last quarter.

FINANCIAL REVIEW

Profit and loss

(in NOK million)

	Q1 2021	Q1 2020	FY 2020
Revenue	1.5	0.5	3.0
Cost of sales	-0.3	-0.1	-0.7
Research and development expenses 1)	-9.2	-5.5	-20.4
Sales and marketing expenses	-1.3	-2.3	-5.4
Operational / supply chain expenses	-2.5	-3.5	-8.0
Administrative expenses	-8.4	-5.3	-7.7
EBITDA	-20.2	-16.1	-39.2
Share option plan expense	1.1	0.7	3.7
Accrued social securities on share option plan	6.9	0.3	2.0
EBITDA ex share options	-12.2	-15.1	-33.5
Depreciation and amortisation	-3.0	-3.1	-12.1
EBIT ex share options	-15.3	-18.1	-45.7

1) R&D expenses, net of government grants (see details of grants in Note 8)

Revenue of NOK 1.5 million in the first quarter reflects deliveries of TLens and ASICs for commercial use, and services and deliveries of TLens and ASICs for customer development projects.

R&D expenditures, net of government grants, amounted to NOK 9.2 million, compared with NOK 5.5 million in the first quarter of 2020. The rise is attributable to increased use of internal and external resources on R&D projects, including customer development projects.

Sales and marketing expenses came to NOK 1.3 million in the first quarter (NOK 2.3 million). Operational/supply chain expenses totalled NOK 2.5 million (NOK 3.5 million). The decrease in sales and operational expenses is due to the diversion of resources to customer development projects, classified as R&D.

Administration expenses totalled NOK 8.4 million in the quarter (NOK 5.3 million). The rise is attributable to accrued employer's national insurance contributions (NICs) relating to the share option plan, whereof NOK 5.5 million has been recognised as administration expenses.

EBITDA totalled NOK -20.2 million (NOK -16.1 million). The increased loss is attributable to accrued employer NICs relating to the share option plan, amounting to NOK 6.9 million, offset by a decrease in salary and other expenses of NOK 2.2 million.

Share option plan expenses amounted to NOK 1.1 million in the first quarter (NOK 0.7 million), and accrued employer NICs amounted to NOK 6.9 million (NOK 0.3 million). The increase in accrued employer NICs is mainly attributable to the increase in poLight's share price in the period.

Depreciation and amortisation amounted to NOK 3.0 million in the quarter (NOK 3.1 million).

Balance sheet

(in NOK million)	Q1 2021	Q1 2020	FY 2020
Intangible assets	41.1	51.4	43.6
Inventories	8.9	9.0	9.2
Cash and cash equivalents	68.4	50.9	77.2
Total equity	110.1	110.4	128.8
Total current liabilities	23.0	9.9	12.9
Total non-current liabilities	0.0	0.4	0.0
Total equity and liabilities	133.1	120.7	141.8

As at 31 March 2021, total assets came to NOK 133.1 million, compared with NOK 120.7 million as at 31 March 2020 and NOK 141.8 million as at 31 December 2020.

Intangible assets amounted to NOK 41.1 million as at 31 March 2021, compared with NOK 51.4 million as at 31 March 2020, reflecting amortisation during the year, and NOK 43.6 million as at 31 December 2020. As at 31 March 2021, polight had cash and cash equivalents totalling NOK 68.4 million, compared with NOK 50.9 million as at 31 March 2020 and NOK 77.2 million as at 31 December 2020.

Total current liabilities amounted to NOK 23.0 as at 31 March 2021, compared with NOK 9.9 million as at 31 March 2020 and NOK 12.9 million as at 31 December 2020. The increase is attributable to accrued employer NICs relating to the share option plan rising from NOK 2.0 million as at 31 December 2020 to NOK 8.9 million as at March 2021.

Cash flow

(in NOK million)	Q1 2021	Q1 2020	FY 2020
Net cash flow used in operating activities	-11.2	-22.2	-42.6
Net cash flow used in investing activities	-0.2	-0.2	-0.2
Net cash flow from/(used in) financing activities	2.7	-0.3	46.6
Net increase/decrease in cash and cash equivalents	-8.7	-22.7	3.8

Net cash flow used in operating activities totalled NOK -11.2 million in the first quarter, compared with NOK -22.2 million used in in the same period of 2020. The decrease is attributable to working capital changes and reduced operating expenses.

Net cash flow from financing activities totalled NOK 2.7 million (NOK -0.3 million) and reflected proceeds from exercise of employee share options.

The net decrease in cash and cash equivalents came to NOK 8.7 million for the quarter, compared with a decrease of NOK 22.7 million in the same period of 2020.

RISK FACTORS AND COVID-19

The Covid-19 pandemic had a negative impact on sales of smartwatch phones using polight's TLens® in 2020. This trend continued into 2021. On the other hand, the company has been able to penetrate other market segments, such as the barcode and accessory markets (web cam), as well as strengthen its opportunity pipeline in the smartphone market.

Although the pandemic has had no other significant impact on operations so far, it has made it more challenging to follow up our partners. It has also worsened the shortage of components and capacity in the sector. All employees are working normally, and none have been temporarily or permanently laid off as a direct consequence of the pandemic situation. The pandemic may also have led to some delays in customer qualification programmes.

For the next 12 months, the Group's principal source of liquidity will still be cash generated from financing, equity and/or debt, in addition to net cash flows generated from sales. Consequently, any shortfall of cash generated from operations will have to be covered through additional financing in order to safeguard the Group's ability to continue as a going concern. According to current plans, the Group's cash deposits will fund activities through 2021. In order to continue poLight's plan for the commercialisation of the TLens technology in 2021/2022, additional capital is required. Management and the Board of Directors are focused on the Group's liquidity requirements and are evaluating alternatives, such as the issue of additional equity and/or debt. Based on the Group's track record of raising funds and in light of the positive developments achieved in the past year, it is expected that the capital markets will be receptive to the issue of equity sufficient to meet liquidity requirements and support ongoing operations and expansion plans under current conditions. poLight's ability to continue as a going concern is dependent upon the success of these efforts. However, there is a risk that, when needed, adequate sources of funds may not be available, or available at acceptable terms and conditions.

Management believes that poLight will be successful in attracting the capital necessary to meet its current obligations and continue as a going concern. Accordingly, these consolidated financial statements have been prepared on the assumption that both the Group and the parent company are going concerns, and management confirms that this an appropriate assumption.

OUTLOOK

The company continued to make progress during the quarter. It received a follow-up barcode order, continued to make progress on smartphone projects, and is seeing other customer opportunities maturing in several segments. This is exemplified by the design-win for a web camera application after the reporting date.

There is still much to be done in all parts of the value chain, and success will not be achieved without a determined effort. Priority is currently being given to customer integration projects for existing products and securing a robust supply chain. poLight is also working to develop new product concepts based on our established technology platform/IP, though these efforts will progress more slowly due to the diversion of resources to ongoing customer integration projects, which will hopefully secure new design-wins. To improve progress on important longer-term endeavours and cater for increasing activity, poLight is seeking to strengthen its organisation and has hired three new employees since the start of the year.

The progress described above gives grounds for growing confidence in the continued commercialisation of poLight's technology and diversified future revenue streams, based on the use of TLens[®] technology in various market segments.

According to current plans, the Group's cash deposits will fund activities through 2021.

FORWARD LOOKING STATEMENTS

This report contains statements regarding the future. In particular, the section "*Outlook*" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to the Group's activities described in the section "*Risk factors and Covid-19*" above and in poLight's Annual Report for 2020, including the section "*Risks and risk management*" in the Board of Directors' Report.

CONDENSED INTERIM FINANCIAL STATEMENTS

Interim condensed consolidated statement of income

NOK 000	Note	Q1 2021	Q1 2020	FY 2020
Sale of goods		823	428	2 590
Rendering of services		722	107	429
Revenue		1 545	536	3 019
Cost of sales		-314	-61	-698
Gross profit		1 230	475	2 321
Research and development expenses net of governmental grants	7,8	-9 219	-5 507	-20 432
Sales and marketing expenses		-1 301	-2 264	-5 419
Operational / supply chain expenses		-2 505	-3 498	-7 972
Administrative expenses	12	-8 409	-5 327	-7 734
Operating result before depreciation and amortisation (EBITDA)		-20 204	-16 122	-39 237
Depreciation and amortisation	9	-3 032	-3 052	-12 132
Operating result (EBIT)		-23 236	-19 174	-51 369
Net financial items	6	225	-95	417
Loss before tax		-23 011	-19 269	-50 952
Income tax expense		-7	1	-203
Loss for the period		-23 018	-19 269	-51 155
Attributable to:				
Equity holders of the parent		-23 018	-19 269	-51 155
Non-controlling interests		0	0	0
Earnings per share:				
Basic, attributable to ordinary equity holders of the parent (NOK)		-2.54	-2.37	-5.93
Diluted, attributable to ordinary equity holders of the parent (NOK)		-2.54	-2.37	-5.93

Interim consolidated statement of other comprehensive income

NOK 000	Note	Q1 2021	Q1 2020	FY 2020
Loss for the period		-23 018	-19 269	-51 155
Other comprehensive income				
Exchange differences on translation of foreign operations		-39	291	212
Income tax effect		0	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-39	291	212
Total comprehensive income for the period, net of tax		-23 057	-18 978	-50 943
Attributable to:				
Equity holders of the parent		-23 057	-18 978	-50 943
Non-controlling interests		0	0	0

Interim consolidated statement of financial position

NOK 000	Note	Q1 2021	Q1 2020	FY 2020
ASSETS				
Property, plant and equipment		937	1 209	839
Intangible assets	9	41 079	51 365	43 646
Right-of-use assets		645	1 625	964
Total non-current assets		42 661	54 199	45 448
Inventories		8 852	8 967	9 166
Trade and other receivables		8 727	6 399	6 040
Prepayments	8	4 421	299	3 897
Cash and cash equivalents		68 417	50 870	77 209
Total current assets		90 417	66 534	96 312
Total assets		133 077	120 733	141 761
EQUITY AND LIABILITIES				
Share capital		1 826	1 623	1 810
Share premium		683 411	678 862	680 229
Reserves		1 001	1 115	1 040
Retained earnings		-576 178	-571 173	-554 239
Equity attributable to equity holders of the parent		110 060	110 427	128 840
Non-controlling interests		0	0	0
Total equity		110 060	110 427	128 840
Lease liabilities		0	440	0
Total non-current liabilities		0	440	0
Trade and other payables	10	21 242	7 160	10 684
Current lease liabilities		586	1 262	1 048
Provisions	11	1 189	1 444	1 189
Total current liabilities		23 018	9 866	12 921
Total liabilities		23 018	10 307	12 921
Total equity and liabilities		133 077	120 733	141 761

Interim consolidated statement of changes in equity

NOK 000	Note	Attributable to equity holders of the parent					Non-controlling interest	Total equity
		Share capital	Share premium	Retained earnings	Translation reserve	Total		
As at 1 January 2020		1 623	632 682	-506 755	827	128 378	0	128 378
Loss for the period				-19 269		-19 269	0	-19 269
Other comprehensive income					291	291	0	291
Total comprehensive income		0	0	-19 269	291	-18 978	0	-18 978
Equity-settled share-based payment				1 027		1 027	0	1 027
As at 31 March 2020		1 623	632 682	-524 996	1 118	110 427	0	110 427
As at 1 January 2021		1 810	680 229	-554 239	1 040	128 840	0	128 840
Loss for the period				-23 018		-23 018	0	-23 018
Other comprehensive income					-39	-39	0	-39
Total comprehensive income		0	0	-23 018	-39	-23 057	0	-23 057
Share options exercised		16	3 188			3 204		3 204
Transaction costs			-6			-6	0	-6
Equity-settled share-based payment				1 079		1 079	0	1 079
As at 31 March 2021		1 826	683 411	-576 178	1 001	110 060	0	110 060

Interim consolidated statement of cash flows

NOK 000	Note	Q1 2021	Q1 2020	FY 2020
Operating activities				
Profit / loss (-) for the period		-23 011	-19 269	-50 952
Adjustments for:				
Depreciation and impairment of property, plant and equipment and right-of-use assets		465	481	1 842
Amortisation and impairment of intangible assets	9	2 567	2 571	10 290
Net finance income		-225	95	-417
Equity-settled share-based payment transactions		1 079	1 027	3 672
Other items related to operating activities		219	-120	-473
Changes in unrealised net foreign exchange rate differences/fluctuations		73	187	221
Changes in working capital:				
Increase (-) in trade and other receivables and prepayments		-546	396	-2 902
Decrease (+) in inventories		314	-1 239	-1 439
Increase (+) in trade and other payables	10	10 558	-3 154	1 655
Changes in provisions and government grants		-2 665	-3 235	-4 718
Interest received	6	19	95	851
Interest paid	6	-11	-21	-68
Income tax paid		-7	-52	-196
Net cash flows used in operating activities		-11 170	-22 238	-42 633
Investing activities				
Purchase of property, plant and equipment		-247	-153	-226
Net cash flows used in investing activities		-247	-153	-226
Financing activities				
Proceeds from issue of ordinary shares		0	0	50 000
Proceeds from exercise of share options		3 204	0	738
Transaction costs on issue of shares		-6	0	-3 005
Payment of lease liabilities		-462	-305	-1 119
Net cash flows from/(used in) financing activities		2 736	-305	46 614
Net increase in cash and cash equivalents		-8 681	-22 697	3 755
Effect of exchange rate changes on cash and cash equivalents		-112	104	-9
Cash and cash equivalents at the start of the period		77 209	73 463	73 463
Cash and cash equivalents at the close of the period		68 417	50 870	77 209

Notes to the condensed interim consolidated financial statements

1 General

poLight ASA is a public limited liability company. It was founded in 2005 and is incorporated and domiciled in Norway. The address of its registered office is Kongeveien 77, N-3188 Horten, Norway.

poLight offers a new autofocus lens, which "replicates" the human eye, for use in devices such as smartphones, wearables, barcode readers, machine vision systems and various types of medical equipment. poLight's TLens® enables better system performance and new user experiences due to benefits such as extremely fast focus, small footprint, no magnetic interference, low power consumption and constant field of view. For more information, visit www.polight.com.

2 Basis of preparation

The interim condensed consolidated financial statements for the quarter ended 31 March 2021 are unaudited and have been prepared in accordance with IAS 34. These interim condensed consolidated financial statements do not include all the information required for the full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2020.

These interim consolidated financial statements have been prepared on a historical cost basis, are presented in Norwegian kroner (NOK) and all values are rounded to the nearest thousand (NOK 000), except when otherwise indicated.

3 Accounting policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with the consolidated financial statements for the year ended 31 December 2020.

4 Significant accounting judgements, estimates and assumptions

Management makes accounting judgements on development costs. Key significant estimates are made regarding impairment of intangible assets and share option plans, described in the Consolidated Financial Statements for the year ended 31 December 2020.

5 Specification of operating expenses by nature

<i>(in NOK 000)</i>	Q1 2021	Q1 2020	FY 2020
Employee benefits expense	14 906	11 666	36 190
Depreciation, amortisation and net impairment losses	3 032	3 052	12 132
Other operating expenses	6 529	4 931	5 367
Total operating expenses	24 467	19 649	53 689

6 Financial items

<i>(in NOK 000)</i>	Q1 2021	Q1 2020	FY 2020
Net foreign exchange gain (loss)	104	-285	-235
Interest income	133	213	782
Interest expense on lease liabilities	-11	-21	-69
Financial expenses	-1	-2	-61
Net financial items	225	-95	417

7 Research and development expenses

(in NOK 000)	Q1 2021	Q1 2020	FY 2020
Employee benefits expense	4 419	3 295	14 825
Other operating expenses	7 465	2 878	14 553
Government grants	-2 665	-666	-8 946
Capitalised	0	0	0
Total	9 219	5 507	20 432

8 Government grants

(in NOK 000)	Q1 2021	Q1 2020	FY 2020
Net receivables at the start of the period	5 014	1 809	1 809
Grants received	0	0	-8 637
Grants repaid ¹⁾	0	2 897	2 897
Released to the statement of profit and loss	2 665	666	8 946
Net receivables at the close of the period	7 679	5 372	5 014

- 1) In Q1 2020, poLight repaid NOK 2.9 million in grants related to advance payments for projects in 2019, due to lower expenditures than planned.

9 Intangible assets

(in NOK 000)	Q1 2021	Q1 2020	FY 2020
At the start of the period	43 646	53 936	53 936
Additions — internal development	0	0	0
Additions	0	0	0
Amortisation	-2 567	-2 571	-10 290
At the close of the period	41 079	51 365	43 646

Since the company was founded in 2005, it has raised (gross) NOK 715 million in equity and received significant government grants to develop the TLens® technology from its patents. poLight consider its operations to constitute a single cash generating unit (CGU), the TLens® technology platform. Indicators of impairment of the TLens® technology have been reviewed, and none identified.

10 Trade and other payables

(in NOK 000)	Q1 2021	Q1 2020	FY 2020
Trade payables	3 003	1 137	1 442
Other payables	9 300	5 737	7 195
Accrued employer NICs relating to share option plan	8 940	286	2 046
At the close of the period	21 242	7 160	10 684

11 Related party transactions

polLight ASA is the ultimate parent company. None of the shareholders of polLight ASA has control of the company. As at 31 March 2021, the largest shareholder was Investinor AS, which owned 19.7 per cent of the shares.

Intercompany agreements are entered into with all the group subsidiaries. All sales by the subsidiaries are made to parent company. All transactions are performed on an arm's length basis. No transactions have been undertaken with other related parties for the relevant financial period.

12 Claims

On 14 September 2018, the Norwegian Tax Administration for South Norway (Skatteetaten Sør-Norge) excluded polLight ASA from the Norwegian VAT Register and claimed repayment of refunded VAT, with effect from 1 January 2013, totalling NOK 13.6 million. The Norwegian Tax Administration claimed that the company was not capable of being profitable and did not therefore qualify as a "business" pursuant to the Norwegian laws and regulations regarding VAT. In September 2018, the decision was appealed, and the Tax Appeals Board (Skatteklagenemda) received the documents needed to adjudicate the matter in February 2019. The entire claim was paid in 2018, except the additional associated taxes of NOK 1.2 million that will not be payable until a final decision is made.

On 28 August 2020, the tax authorities decided to re-register polLight ASA in the VAT Register with effect from July 2020 on ordinary terms. The receivable of NOK 8.2 million was recognised in the third quarter 2020, whereof NOK 7.6 million as a reduction of administrative expenses. The cash proceeds from this ruling were received in the fourth quarter 2020. If the company's appeal case is successful, the remaining monetary outcome is estimated to be NOK 11.9 million. Interest from the date of the decision in 2018 is not included in the estimate. This has not yet been reflected in the financial statements.

13 Events after the balance sheet date

No events have occurred after the balance sheet date that have a material effect on the financial statements.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

polLight uses the following alternative performance measures for interim and annual financial reporting, in order to provide a better understanding of the Group's underlying financial performance:

EBITDA	Earnings before interest, taxes, depreciation and amortisation.
EBITDA ex share options	EBITDA excluding share option plan expense incl. social securities
EBIT	Earnings before interest and taxes

