

poLight ASA Interim Report

Quarterly Report



KEY EVENTS IN THE FOURTH QUARTER

- Wootix announced the commercial launch of its SEBI RT1000 Development Kits using TLens® (2 October).
- Transcend Vivoscope announced it is to offer turnkey miniature two-photon imaging systems equipped with poLight tunable optics (5 October).
- Thorlabs announced that its Mini2P Imaging System will leverage poLight ASA's TLens® for optimal neurological imaging (7 October).
- Three commercial companies with Mini2p solutions showcased their products at the SfN Neuroscience '24 conference.
- poLight ASA confirmed the use of poLight TLens® in two new handheld barcode products (8 October).
- Purchase order - worth NOK 344,000, related to the release of the barcode products announced 8 October, received 24 October.

Post Q4

- Purchase order worth NOK 729,000 to supply TWedge® wobulator evaluation kits to a top tier consumer OEM customer for an AR application (13 February).
- Participated at CES 2025 in Las Vegas January 7-10 and SPIE AR|VR|MR 2025 in San Francisco from January 28-29

Dr Øyvind Isaksen, CEO of poLight ASA:

"Another quarter with low revenue but continuing high market activity. Promising customer interactions are underway in all our prioritised market segments. In particular, our customer engagements in the AR/MR market segment continue to develop positively, despite some cases being delayed or cancelled due to a lack of market maturity or changes in our customers' strategies. At CES 2025 in Las Vegas, we could see more and more OEMs starting to position themselves with various solutions in this space. This is clearly a sign that the AR/MR market is maturing. Although many of the glasses being launched are equipped with fixed-focus cameras, our customer interactions indicate that more advanced solutions, including the use of auto focus (AF), are on several technology roadmaps for smart glasses as well as AR- and MR- glasses.

During the fourth quarter, poLight relocated its Norwegian HQ from Skoppum to Tønsberg. The move was motivated by circumstances beyond our control, but we are very happy with our new premises, close to public transportation and in a more urban location in Norway's oldest town.

In January, we participated both at CES in Las Vegas and SPIE AR/MR in San Francisco. At CES, we rented a suite for the first time. There, we arranged many meetings, showed various OEM products using the TLens® and held a demonstration of poLight's TWedge® technology. Overall, we had a lot of high-quality customer interactions, and it turned out to be a very efficient way to meet partners and customers from all over the world. Even our long-term investor, LHH AS, visited our suite (see picture of Bjørnar and Liv Høgseth trying on smart-glasses using TLens®). At SPIE we had a booth in the AR/MR section, and had many relevant customer interactions and successful demos. During the customer interactions at both CES and SPIE, it was confirmed that poLight's technology and products have many potential applications in a variety of segments, which multiple customers plan to use/explore. High-volume business, however, is still some years ahead of us, as mentioned in previous quarterly reports.

Important positioning work needs to continue at full force to be able to seize the business opportunities ahead of us. In addition to AR/ME cases, other consumer opportunities, including laptops, webcams, smartphones and smartwatches, are also being explored. At the same time, we continue to build poLight's pipeline in the industrial space.



It has been very demanding and has taken a lot of time to get to where we are today, and there is still a way to go before we can claim to have “delivered”. However, the opportunity pipeline we have established so far motivates us to keep pushing forward to deliver value to our all-important shareholders. Thanks for your unstinting support!”

Key figures

(in NOK million)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	1.2	5.1	9.6	22.5
Gross profit	-0.1	3.0	1.0	12.2
EBITDA	-29.3	-26.3	-95.1	-78.8
EBITDA ex share options	-25.6	-19.3	-90.4	-68.8
Net cash flows used in operating activities	-11.7	-17.8	-69.2	-94.6
Net increase/decrease in cash and cash equivalents	-13.5	-18.0	51.6	30.4

MANUFACTURING, PRODUCT DEVELOPMENT AND MARKETS

Manufacturing and operations

poLight primarily works with two categories of subcontractors – a MEMS supplier and assembly partners, in addition to various component suppliers. The MEMS partner supplies the wafer comprising the actuators (*i.e.* “eye muscles”), while the assembly partners assemble the finished product. The polymer (*i.e.* lens material) is produced at poLight’s headquarters.

During the quarter, deliveries to AR/MR customers, industrial and healthcare customers have been the main contributor to revenue, with AR/MR as the largest segment.

At the assembly partner, further yield improvement activities are ongoing, and the company is continuing its efforts to optimise the setup and organisation in the Philippines.

No new MEMS wafers were ordered, manufactured or delivered during the quarter, as inventory is considered to be sufficient.

Product development/technology

Development activity has intensified during 2024. The activities in the fourth quarter related to both TLens® and TWedge®.

The TLens®-related activities include new reference designs, a bigger aperture and new ways of realising add-in designs. For TWedge®, the focus was to produce technical samples for customers and further develop the technology platform.

In the fourth quarter, considerable efforts were devoted to developing camera reference designs in dialogue with important players in the ecosystem. This comprises various camera solutions for AR/MR, smartphones, laptops, webcams and barcode/machine vision systems. This activity is important to be able to present solutions to the market and make it easier for our customers to adapt TLens®-based solutions.

The company’s efforts to expand the autofocus (AF) portfolio to include a larger aperture, and thereby support bigger image sensor formats, continued during the quarter. This is a challenging project, which is still at an early stage. The focus has been to study various concepts and engage in early-stage prototyping. The first customer interactions are ongoing and some specific applications are being explored. It remains unclear if and when these solutions will be ready for market release, as it will depend on the results and specifications of the prototypes built this coming year and the level of interest from potential lead customers.

Interest in our TWedge® technology is good, and several OEMs have ordered improved TWedge® technical samples for assessment. The aim is to attract lead customers who will be willing to contribute financially to the product’s further development. Several customer interactions took place during the quarter. The market remains somewhat undefined and customers are still at an early stage of assessing how the TWedge® can be used, what specifications are required and how it can be integrated. poLight aims to engage with one or more lead customers, with a view to designing a specifically tailored version. The lessons learnt from this first deployment will eventually be used to create a standard poLight product when the market is more defined. In the meantime, poLight will continue to further develop the TWedge® technology platform to enable more functions and applications.

Several other important activities are ongoing. These relate more to the continuous enhancement of the current product portfolio and to supporting key customers in their assessment of TLens® for their application areas.

Two customers who currently use TLens® have received a patent infringement claim and a lawsuit has been filed. poLight’s assessment of the claim is that the use of TLens® does not infringe any of the patents mentioned. This assessment is shared by patent experts the company has conferred with. In order to support its customers, poLight has engaged legal advisers in the jurisdiction of the claim.

Markets

poLight is actively engaged in several market areas. This includes consumer applications, such as smartphones, augmented/mixed reality (AR/MR), laptops, webcams, smartwatches and other accessories, as well as a broad range of professional applications, such as enterprise AR/MR, barcode/machine vision and scientific-related products. In addition, the automotive and healthcare markets are being monitored, although these are not currently being given a high priority, as the need for autofocus is likely some years away. There are also other factors to consider, specifically relating to the need for a bigger aperture TLens® for the automotive market and a smaller TLens® related to the medical/endoscope market.

Consumer market

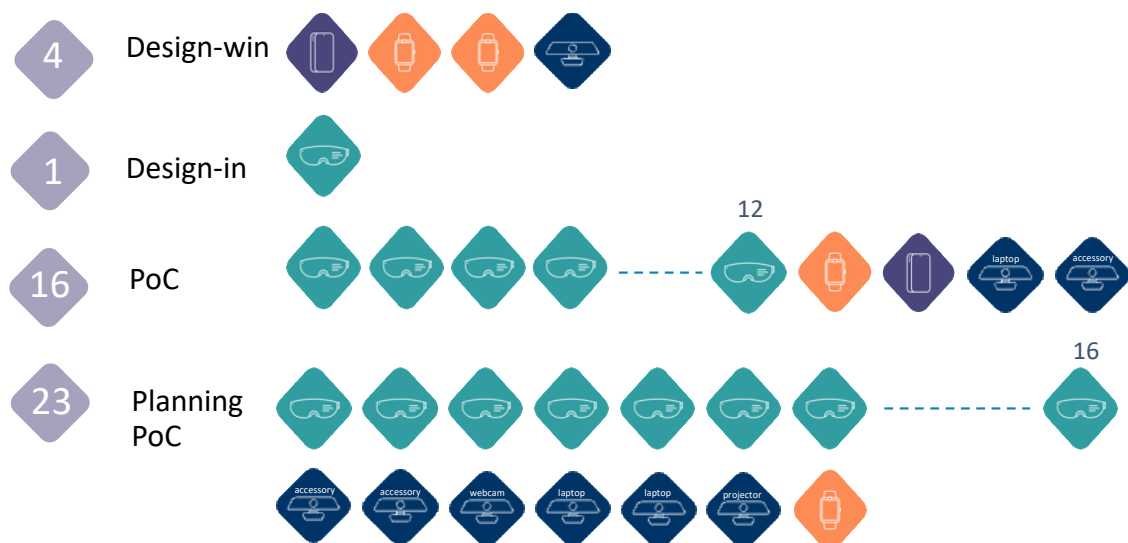
The main activity in the quarter related to augmented/mixed reality (AR/MR), laptop, webcam, smartphone and smartwatch applications.

On the AR/MR side in general, the level of activity and interest is high. As mentioned earlier, this market is still in a definition phase, so changes in customer priorities may occur from quarter to quarter. A noticeable change in the pipeline from the previous quarter is that number of planned PoCs has increased from seven to 16 – which is clearly a positive sign. Furthermore, some of the consumer-related PoCs are maturing and real product possibilities are under discussion.

In addition to AR/MR related consumer cases, the company is exploring the laptop, webcam, smartphone and smartwatch markets, as well as various consumer accessories. The traditional consumer market (e.g. smartphones) is challenging, but there are certain consumer application areas and trends that may open up attractive business opportunities. poLight continues to be persistent in relation to the consumer market and has embarked on several development projects to enable less costly integration of TLens® and broaden the company's offering to cover wider application areas. Not least, it is investing in reference designs at the camera module level, which target various consumer applications.

Table 1 below illustrates the activities in the consumer market segment. A potential TWedge® product is included in the numbers given in Table 1 for PoCs (six) and planned PoCs (five).

Table 1 Overview of consumer related activities, also including AR/MR. Both for TLens® and TWedge®



Augmented/mixed reality (AR/MR)

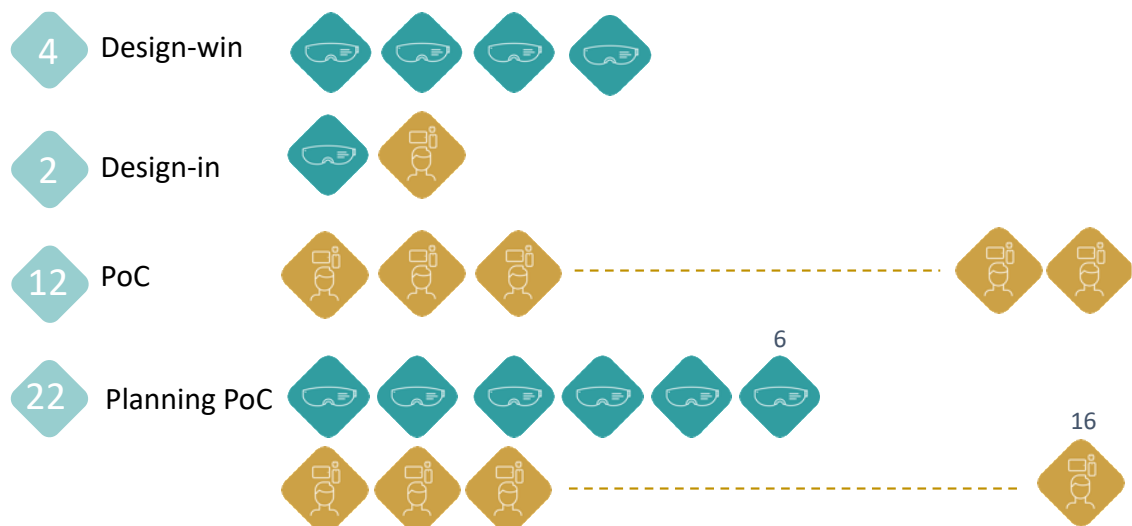
TLens® is being considered and tested by several important AR/MR market players. The TLens® technology's low power consumption, insensitivity to gravity, temperature stabilisation (often referred to as athermalisation), high speed and compactness stand out as key technical benefits.

The ecosystem, the technology and the market in general still need to mature before massive deployment of consumer products will occur. Key players are, however, of the opinion that this will develop into an important consumer market. With TLens® AF solutions now being used in four commercially available AR/MR products, polLight has built a strong foundation for becoming the preferred AF solution for such applications. The current use cases are directed at the professional/enterprise market, which is why present volumes are low. Nevertheless, potential consumer-oriented opportunities are growing in number and becoming increasingly mature. The AR/MR market segment will be key for polLight.

With respect to TWedge®, major consumer AR/MR OEMs have started testing the prototypes for various applications. The strategy is to continue building appetite by selling technical samples, and to learn from the market about its needs, applications and required specifications. The objective is to obtain a lead customer's commitment to supporting further product development and trigger mass production. Due to the lack of maturity in the market and key pieces of technology, the timing is uncertain. In the meantime, customer interactions will continue and the TWedge® technology platform will be further developed to offer more functionality and cover broader application areas.

Table 2 illustrates the activity in the AR/MR market segment, also including the consumer cases and TWedge®.

Table 2 Overview of the AR/MR related activities. Also includes TWedge®. Green icon - enterprise, brown - consumer.



Since the previous quarter, two enterprise design-in cases have been cancelled, due to a strategic decision taken by the customer. However, one new enterprise case moved from PoC to design-in, so there is a net reduction of one design-in compared with the last quarter. The number of planned PoCs increased to 22, up from 14 the quarter before. A potential TWedge® product is included in the numbers given above for PoCs (six) and planned PoCs (eight).

Industrial/barcode/machine vision

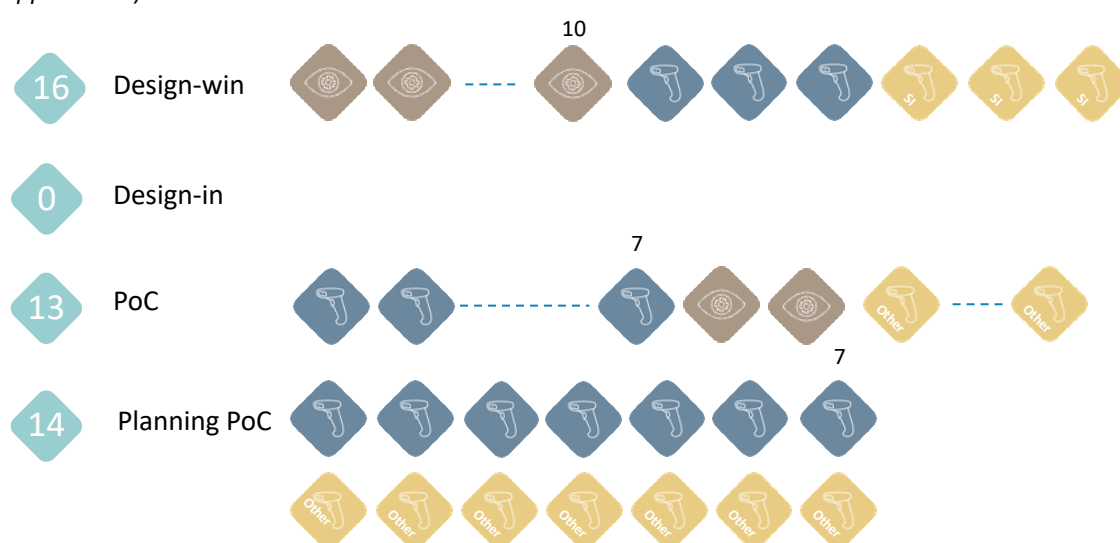
It will take time to develop this market, and doing so will require entry into some broader application areas. An increasing customer pipeline is, however, a clearly positive sign. In the barcode/machine vision market, six companies

currently use TLens® in a total of 13¹ different commercially available products (design-wins). All the products are still shipping to customers and are expected to do so for several more years.

See Table 3 for an overview of the activity within the Industrial market segment.

During the quarter, on 8 October, an existing customer confirmed that TLens® was to be used in two new handheld barcode products. On 24 October, a purchase order worth NOK 344,000, was received in connection with the barcode products announced on 8 October. On 2 October, Woptix released to market a wavefront phase camera, the SEBI RT1000, which uses TLens®.

Table 3 Overview of the Industrial market segments (mainly barcode and machine vision, but also some other applications).



Healthcare

The company continues to support selected opportunities in the healthcare market segment. The partnership polLight has developed with the Kavli Institute at the Norwegian University of Science and Technology (NTNU) and the contribution the company has made to the development of the Mini2P microscope² have led to several similar projects.

In addition to engaging directly with research labs, the company is involved with three commercial companies. All of these have now released commercially available solutions to the market, two of which were announced during the fourth quarter: Transcend Vivoscope (5 October) and Thorlabs (7 October). All three companies were represented and showcased their Mini2p solutions at the SfN Neuroscience 24 conference (5-9 October). Mini2P technology is still in its early stages and scientists are learning more about the technology and how it can impact their research.

In addition to the activity related to Mini2P, polLight is engaged in some commercial endoscope cases. In the short/medium term, however, the company does not foresee any commercial breakthrough for this application, as the trend is still to use low-resolution sensors, with no clear need for autofocus. This may change over time.

Currently, the company has four design-wins (all related to Mini2P) and 14 ongoing PoCs, of which 11 relate to Mini2P – typically universities/research labs.

¹ Now counting each model from the different suppliers as a design-win.





² An open-source miniature two-photon microscope brain explorer for fast high-resolution calcium imaging in freely moving mice.

Automotive

During the quarter, the company engaged in one PoC, while two others are in the planning stage. Going forward, this market segment may have a need for autofocus technology, and TLens® is one of the solutions being evaluated. The market is potentially significant but will most likely require a new revision of TLens®. To that end, development has started, as explained in the “Product Development/Technology” section of this report.

Table 4 presents a summary of the activity for the various segment, compared with the previous quarter (in parentheses) is illustrated.

Table 4 Overview of customer activity in the various segments.

		Design-win	Design-in	Completed PoC	Ongoing PoC	Planning PoC
Consumer		4 (4)	0 (0)	40 (38)	4 (5)	7 (5)
Augmented/Mixed Reality		4 (4)	2 (3)	21 (20)	12 (14)	22 (14)
Industrial		16* (16)	0 (0)	42 (40)	13 (15)	14 (16)
Other (medical, automotive)		4 (4)	0 (0)	13 (13)	15 (15)	6 (13)
* Now counting each model from the different suppliers as design-win. 10 (7) design-win's if not. Number in () represents last quarter		28 (28)	2 (3)	116 (111)	44 (49)	49 (48)

FINANCIAL REVIEW

Profit and loss

(in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	1.2	5.1	9.6	22.5
Change in obsolescence provision	-1.1	0.0	-6.4	-1.4
Cost of sales	-0.2	-2.2	-2.2	-8.9
Gross profit	-0.1	3.0	1.0	12.2
Research and development expenses ¹⁾	-8.3	-10.4	-32.3	-34.6
Sales and marketing expenses	-4.4	-5.9	-16.3	-17.7
Operational / supply chain expenses	-6.1	-4.8	-23.5	-16.7
Administrative expenses	-10.4	-8.2	-24.0	-22.0
EBITDA	-29.3	-26.3	-95.1	-78.8
Share option plan expense	3.4	2.9	10.0	8.1
Accrued employer's NICs re. share option plan	0.3	4.1	-5.3	1.9
EBITDA ex share options	-25.6	-19.3	-90.4	-68.8
Depreciation and amortisation	-2.7	-2.5	-10.5	-9.7
EBIT ex share options	-28.3	-21.8	-100.9	-78.5

1) R&D expenses, net of government grants (see details of grants in Note 9)

Q4 2024

(Figures for Q4 2023 in parentheses)

Revenue totalled NOK 1.2 million in Q4 2024 (NOK 5.1 million), which reflects deliveries of TLens® and ASICs of NOK 0.7 million and NRE of NOK 0.5 million.

The cost of sales came to NOK 0.2 million (NOK 2.2 million). However, an increased provision for inventory obsolescence of NOK 1.1 million (NOK 0 million) resulted in a gross loss for the period of NOK 0.1 million (NOK 3 million). poLight has a general policy for determining the provision based on age. As a general rule, one-year-old wafers and units prompt a 10 per cent provision, while the provision for two-year-old and three-year-old wafers and units is 20 per cent and 30 per cent respectively. Specific inventory has also been written down further in special circumstances where value impairment is considered higher than the rules-based approach.

R&D expenditure, net of government grants, amounted to NOK 8.3 million (NOK 10.4 million). The main difference from Q4 2023 was NOK 1.5 million more soft funding received and NOK 0.5 million less external cost.

Sales and marketing expenses came to NOK 4.4 million in Q4 2024 (NOK 5.9 million). The difference compared with Q4 2023 is the cost of resources from other departments working on specific customer projects that were running at the end of 2023. Operational/supply-chain expenses totalled NOK 6.1 million (NOK 4.8 million), where the cost increase is related to strengthening of the team within Project and Data Management.

Administrative expenses totalled NOK 10.4 million in the quarter (NOK 8.2 million), reflecting increased provision for legal expenses related to the patent infringement claims mentioned earlier in the report and higher salary costs due to strengthening of the finance team.

EBITDA was negative at NOK 29.3 million in Q4 2024 (negative at NOK 26.3 million). The decrease in EBITDA is mainly attributable to the lower sales revenues and increased provision for inventory obsolescence contributing to a gross loss in the quarter.

Share option plan expenses amounted to NOK 3.4 million in Q4 2024 (NOK 2.9 million).

NOK 0.3 million in accrued employer's NICs was recognised in the quarter, while in Q4 2023, NOK 4.1 million in accrued employer's NICs was recognised. The company pays employer's NICs on the difference between the share's current market value and the option's strike price on the date of exercise.

Depreciation and amortisation, which primarily relate to intangible assets, totalled NOK 2.7 million in the quarter (NOK 2.5 million).

Balance sheet

(in NOK million)

	FY 2024	FY 2023
Property, plant and equipment	9.6	9.2
Intangible assets	10.3	17.6
Right-of-use assets	10.2	2.9
Inventories	62.4	70.1
Receivables and prepayments	4.7	8.8
Cash and cash equivalents	166.8	114.8
Total assets	264.0	223.4
Total equity	234.9	199.5
Total current liabilities	19.2	21.9
Total non-current liabilities	10.0	2.0
Total equity and liabilities	264.0	223.4

As at 31 December 2024, total assets came to NOK 264.0 million, compared with NOK 223.4 million as at 31 December 2023.

Property, plant and equipment totalled NOK 9.6 million as at 31 December 2024, compared with NOK 9.2 million as at 31 December 2023. At the reporting date, intangible assets totalled NOK 10.3 million, compared with NOK 17.6 million as at 31 December 2023, reflecting amortisation during the year.

At period-end, right-of-use assets amounted to NOK 10.2 million, compared with NOK 2.9 million as at 31 December 2023. The increase is attributable to the signing of a new lease for the company's HQ in Tønsberg starting in the quarter. The new lease comprises 720 square metres of lab facilities, including a clean room, and offices, and has a duration of 10 years with two options to extend for periods of five years each. The determined value of the right-to-use assets and the corresponding liability is NOK 10.2 million.

Inventories decreased by NOK 1.1 million during the fourth quarter to end at NOK 62.4 million on 31 December 2024. The entire reduction in value is attributable to the increased provision for obsolescence, which amounted to NOK 21.4 million at the close of the quarter (NOK 14.9 million as at 31 December 2023).

As at 31 December 2024, polLight had cash and cash equivalents totalling NOK 166.8 million, compared with NOK 114.8 million as at 31 December 2023. The rights issue in Q2 2024 generated NOK 124.0 million in net proceeds (Rights Issue in Q2 2023: NOK 125.8 million).

Total current liabilities amounted to NOK 19.2 million as at 31 December 2024, compared with NOK 21.9 million as at 31 December 2023.

Cash flows

<i>(in NOK million)</i>	Q4 2024	Q4 2023	FY 2024	FY 2023
Net cash flows used in operating activities	-11.8	-17.8	-69.2	-94.6
Net cash flows used in investing activities	-1.5	0.1	-2.4	0.0
Net cash flows from/(used in) financing activities	-0.3	-0.3	123.2	125.0
Effect of exchange rate changes on cash and cash equivalents	0.1	0.0	0.3	0.2
Net increase/decrease in cash and cash equivalents	-13.4	-18.0	52.0	30.5

Q4 2024

The net cash outflow from operating activities totalled NOK 11.8 million in Q4 2024 (NOK 17.8 million). The decrease in cash outflow is largely attributable to positive working capital changes offset by the lower revenues leading to a gross loss in the quarter. The working capital changes in the fourth quarter consisted of decreased receivables of NOK 4.4 million, increased payables of NOK 2.2 million and received government grants of NOK 2.4 million.

The net decrease in cash and cash equivalents totalled NOK 13.4 million for the quarter, compared with a net decrease of NOK 18 million in the same period in 2023.

RISK FACTORS

The risk related to current tensions between China and Taiwan mentioned in previous quarterly reports has been mitigated by relocating all assembly and testing activity from Taiwan to the Philippines.

poLight does not have any operations, customers or direct suppliers in Russia or Ukraine. The war in Ukraine has therefore not had any direct consequences of significance for the Group's operations, other than the general impact of the war on the global situation. The same goes for the increased tension in the Middle East. The conflict between Israel and several other countries in the region does not affect poLight's operations, suppliers or customers other than its impact on global stability in general. The escalation of tariffs on global trade is closely monitored to assess both direct and indirect risk posed to the Group's operations. As of the time of writing this report, the matter is still unresolved and does create some uncertainty regarding future growth and the adoption of new technology.

The Group's TLens® technology and products derived from this technology are involved in different qualification tests for various applications by potential customers. There is no guarantee that the TLens® products (or other products produced by the Group) will meet the various parameters set by potential customers (e.g. aperture size, optical power, size, non-lead content etc.), or by parties testing the Group's products at a later time. If the Group's products do not meet such parameters, the Group may be required to implement changes to its products or may not be able to enter into commercial agreements with potential customers. Any requirement to implement changes to the Group's products may involve a delay in the commercialisation of the Group's technology and may also entail significant costs that may not be recovered. Furthermore, there is no guarantee that changes to the Group's products will be sufficient to satisfy the demands of the Group's potential customers. Failure to enter into commercial agreements will have a material adverse effect on the Group's revenues, profitability and financial position.

To protect its intellectual property rights (IPR), poLight relies on a combination of patents, copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions. IPR constitutes one of poLight's key assets and poLight actively seeks to protect its products and technologies in the markets and geographic regions in which it operates, and elsewhere as deemed relevant. In its use of IPR, poLight faces several risks. For example, third parties may illegally copy or utilise poLight's IPR, third parties may (with or without merit) claim that poLight's use of IPR infringes the IPR of that third party, or the IPR of others may limit poLight's freedom to operate.

Over the next 12 months, the Group's principal source of liquidity will remain cash generated from financing, equity and/or debt, in addition to net cash flows generated from sales. In May 2024, the company carried out a partially underwritten rights issue that generated NOK 124 million in net proceeds. 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

Although the ongoing market activity did not translate into substantial revenues in the fourth quarter, there is still good reason to be optimistic about future developments. Throughout the year, the company received numerous confirmations that it is well positioned with respect to several promising market segments representing significant business potential.

poLight is becoming increasingly well-known with reputable customers and other players in the ecosystem praising its technology and solutions. Key design-win references have been achieved in all prioritised market areas. poLight is also implementing important technology programmes aimed at future-proofing the company. The manufacturing setup is gradually being optimised and, not at least, the organisation is highly competent, capable and motivated for what lies ahead. Furthermore, the company is yet to actively explore several market segments and fully develop the technology platform, both of which have the potential to open up a wide range of business opportunities.

By working hard, being persistent and consistently taking a market and customer-oriented approach, poLight's progress will continue going forward.

FORWARD-LOOKING STATEMENTS

This report contains statements regarding the future. In particular, the “Outlook” section 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” above and in poLight’s Annual Report for 2023, 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	Q4 2024	Q4 2023	FY 2024	FY 2023
Sale of goods		736	3 040	7 586	20 099
Rendering of services		491	2 107	2 038	2 412
Revenue		1 227	5 147	9 624	22 511
Change in obsolescence provision		-1 078	-4	-6 409	-1 410
Cost of sales		-248	-2 181	-2 208	-8 939
Gross profit		-99	2 962	1 007	12 162
Research and development expenses net of governmental grants	6,9	-8 338	-10 360	-32 323	-34 616
Sales and marketing expenses		-4 433	-5 871	-16 305	-17 712
Operational / supply chain expenses		-6 076	-4 849	-23 542	-16 684
Administrative expenses		-10 371	-8 182	-23 950	-21 971
Operating result before depreciation and amortisation (EBITDA)		-29 317	-26 300	-95 113	-78 821
Depreciation and amortisation	8	-2 653	-2 506	-10 489	-9 670
Operating result (EBIT)		-31 969	-28 806	-105 602	-88 492
Net financial items	7	2 245	1 349	6 956	3 223
Loss before tax		-29 724	-27 457	-98 646	-85 269
Income tax expense		-52	-110	-139	-220
Loss for the period		-29 776	-27 567	-98 785	-85 489
Attributable to:					
Equity holders of the parent		-29 776	-27 567	-98 785	-85 489
Earnings per share:					
Basic, attributable to ordinary equity holders of the parent (NOK)		-0.23	-0.42	-0.94	-1.40
Diluted, attributable to ordinary equity holders of the parent (NOK)		-0.23	-0.42	-0.94	-1.40

Interim consolidated statement of other comprehensive income

NOK 000	Note	Q4 2024	Q4 2023	FY 2024	FY 2023
Loss for the period		-29 776	-27 567	-98 785	-85 489
Other comprehensive income					
Exchange differences on translation of foreign operations		67	-88	155	151
Income tax effect		0	0	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		67	-88	155	151
Total comprehensive income for the period, net of tax		-29 709	-27 655	-98 630	-85 338
Attributable to:					
Equity holders of the parent		-29 709	-27 655	-98 630	-85 338

Interim consolidated statement of financial position

NOK 000	Note	31.12.2024	31.12.2023
ASSETS			
Property, plant and equipment		9 559	9 239
Intangible assets	8	10 306	17 580
Right-of-use assets		10 241	2 915
Total non-current assets		30 106	29 735
Inventories		62 431	70 089
Trade and other receivables	9	3 792	8 194
Prepayments		953	626
Cash and cash equivalents		166 752	114 788
Total current assets		233 927	193 697
Total assets		264 033	223 432
EQUITY AND LIABILITIES			
Share capital		5 185	2 648
Share premium		225 373	194 503
Reserves		1 436	1 281
Retained earnings		2 889	1 108
Total equity		234 882	199 541
Interest-bearing loans and borrowings		369	0
Lease liabilities		9 615	1 951
Total non-current liabilities		9 984	1 951
Trade and other payables	10	14 116	19 757
Interest-bearing loans and borrowings		57	0
Current lease liabilities		663	1 182
Provisions	12	4 331	1 000
Total current liabilities		19 167	21 940
Total liabilities		29 151	23 891
Total equity and liabilities		264 033	223 432

Interim consolidated statement of changes in equity

NOK 000	Note	Attributable to equity holders of the parent				Total
		Share capital	Share premium	Retained earnings	Translation reserve	
As at 1 January 2023		2 078	145 785	1 699	1 130	150 692
Loss for the period				-85 489		-85 489
Other comprehensive income					151	151
Total comprehensive income		0	0	-85 489	151	-85 338
Issue of ordinary shares		568	147 931			148 500
Share options exercised		2	285			287
Transaction costs			-22 702			-22 702
Equity-settled share-based payment				8 101		8 101
Allocation to retained earnings			-76 796	76 796		0
As at 31 December 2023		2 648	194 503	1 108	1 281	199 541
As at 1 January 2024		2 648	194 503	1 108	1 281	199 541
Loss for the period				-98 785		-98 785
Other comprehensive income					155	155
Total comprehensive income		0	0	-98 785	155	-98 630
Issue of ordinary shares		2 536	143 846			146 382
Share options exercised		0	0			0
Transaction costs			-22 419			-22 419
Equity-settled share-based payment				10 008		10 008
Allocation to retained earnings			-90 556	90 556		0
As at 31 December 2024		5 185	225 373	2 889	1 436	234 882

Interim consolidated statement of cash flows

NOK 000	Note	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating activities					
Profit / loss (-) before tax		-29 724	-27 457	-98 646	-85 269
Adjustments for:					
Depreciation of property, plant and equipment and right-of-use assets		834	687	3 214	2 396
Amortisation of intangible assets	8	1 819	1 819	7 275	7 275
Net finance income		-2 245	-1 349	-6 956	-3 223
Equity-settled share-based payments		3 427	2 929	10 008	8 101
Gain on disposal of property, plant and equipment		0	-14	0	-14
Other non-cash items		-4 231	-2 290	-404	-807
Changes in unrealised net foreign exchange rate differences/fluctuations		-68	-63	-162	-18
Changes in working capital:					
Decrease (+) in trade and other receivables and prepayments		4 400	-850	3 905	-2 374
Decrease (+) in inventories		1 046	-457	7 658	-24 512
Increase (+) in trade and other payables	10	4 299	5 901	-5 641	-2 723
Changes in provisions and government grants	12	2 216	-252	3 502	2 497
Interest received	7	6 603	3 812	7 431	4 518
Interest paid	7	-105	-60	-256	-259
Income tax paid		-52	-110	-139	-220
Net cash flows used in operating activities		-11 782	-17 756	-69 213	-94 631
Investing activities					
Proceeds from sale of property, plant and equipment		0	392	0	392
Purchase of property, plant and equipment		-1 480	-277	-2 402	-387
Net cash flows used in investing activities		-1 480	115	-2 402	6
Financing activities					
Proceeds from issuance of ordinary shares		0	0	146 382	148 500
Proceeds from exercise of share options		0	0	0	287
Transaction costs on issue of shares		0	0	-22 419	-22 702
Payment of lease liabilities		-257	-318	-1 128	-1 089
Proceeds from borrowings		0	0	474	0
Repayment of borrowings		-5	0	-48	0
Net cash flows from/(used in) financing activities		-262	-318	123 261	124 996
Net increase/decrease in cash and cash equivalents		-13 525	-17 959	51 647	30 371
Effect of exchange rate changes on cash and cash equivalents		135	-25	317	169
Cash and cash equivalents at the start of the period		180 141	132 772	114 788	84 249
Cash and cash equivalents at the close of the period		166 752	114 788	166 752	114 788

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 Innlaget 5, 3185 Skoppum, Norway.

poLight offers patented, state-of-the-art tunable optics technology, leveraging its proprietary polymer and piezo MEMS technology. Founded in 2005, its first product TLens® replicates "the human eye" experience in autofocus cameras used in applications such as AR/MR devices, smartphones, wearables, webcams and other consumer devices, industrial barcode scanners and machine vision systems, and healthcare applications. With over 160 granted patents, poLight's technology delivers extremely fast focus, small footprint, ultra-low power consumption, no magnetic interference, and constant field of view, enabling better imaging system performance and new user experiences compared to alternative technologies. poLight is based in Tønsberg, Norway, with employees in Finland, France, UK, US, China, Taiwan the Philippines and Japan. For more information, please visit <https://www.polight.com>.

2 Basis of preparation

The interim condensed consolidated financial statements for the quarter ended 31 December 2024 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 Group's full annual financial statements and should be read in conjunction with the consolidated financial statements for 2023.

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 2023.

4 Significant accounting judgements, estimates and assumptions

Management makes accounting judgements on development costs. Key significant estimates are made regarding impairment of intangible assets, inventory obsolescence and the accounting for share option plans, described in the consolidated financial statements for the year ended 31 December 2023.

5 Specification of operating expenses by nature

<i>(in NOK 000)</i>	Q4 2024	Q4 2023	FY 2024	FY 2023
Employee benefits expense ¹⁾	21 269	22 986	70 401	68 725
Depreciation and amortisation	2 653	2 506	10 489	9 670
Other operating expenses	7 948	6 276	25 720	22 258
Total operating expenses	31 870	31 767	106 610	100 653

1) Including consultants engaged on long-term contracts

6 Research and development expenses net of governmental grants

(in NOK 000)	Q4 2024	Q4 2023	FY 2024	FY 2023
Employee ¹⁾ benefits expense	7 108	7 375	24 895	25 743
Other operating expenses	2 733	3 238	9 646	10 990
Government grants	-1 503	-253	-2 217	-2 117
Total	8 338	10 360	32 323	34 616

1) Including consultants engaged on long-term contracts

7 Financial items

(in NOK 000)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net foreign exchange gain (loss)	-149	-33	-404	-1 020
Interest income	2 506	1 449	7 431	4 518
Finance income	0	0	211	0
Interest expense on debts and borrowings	-1	0	-4	0
Interest expense on lease liabilities	-106	-60	-252	-259
Financial expenses	-4	-7	-25	-16
Net financial items	2 245	1 349	6 956	3 223

8 Intangible assets

(in NOK 000)	Q4 2024	Q4 2023	FY 2024	FY 2023
At the start of the period	12 124	19 399	17 580	24 855
Amortisation	-1 819	-1 819	-7 275	-7 275
At the close of the period	10 306	17 580	10 306	17 580

polight's operations constitute one single cash generating unit (CGU) for impairment assessment purposes, the TLens[®] technology platform. Indicators of impairment of the TLens[®] technology have been assessed, and none identified.

9 Government grants

(in NOK 000)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net receivables at the start of the period	2 831	1 864	2 117	4 614
Grants received	-2 388	0	-2 388	-4 614
Grants earned	1 503	252	2 217	2 117
Net receivables at the close of the period	1 946	2 117	1 946	2 117

10 Trade and other payables

(in NOK 000)	31.12.2024	31.12.2023
Trade payables	6 571	5 893
Other payables ²⁾	7 017	8 025
Accrued employer's NICs on share option plan	527	5 839
At the close of the period	14 116	19 757

2) Accrued employer's NICs on salary, withholding taxes and accruals for incurred expenses

11 Related party transactions

poLight ASA is the ultimate parent company. None of the shareholders of poLight ASA have control of the company. As at 31 December 2024, the largest shareholder was Investinor Direkte AS, which owned 11.32 per cent of the company's shares.

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

12 Provisions

Two customers of poLight have received a patent infringement claim, and a lawsuit has been filed. Although poLight and its local and domestic legal advisors assess that the use of TLens® does not infringe any of the patents mentioned, legal expenses will still incur, and an accrual has been made to reflect the legal strategy discussed.

13 Events after the reporting date

No significant events have occurred after the reporting date that have a material effect on the financial statements.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

poLight 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. changes in accrued employer's NICs
EBIT	Earnings before interest and taxes
EBIT ex share options	EBIT excluding share option plan expense incl. changes in accrued employer's NICs

