poLight ASA Interim Report

Quarterly Report

Q1-2025

KEY EVENTS IN THE FIRST QUARTER

- Existing machine vision/barcode customer launched 5 new products and placed a purchase order worth approximately NOK 1,000,000 (announced 24 March).
- TWedge® purchase orders from consumer OEMs, worth approximately NOK 1,300,000, were received during the quarter. The largest was announced 13 February.
- Transcend Vivoscope placed an NRE purchase order, worth EUR 32,000, in connection with a revision of the Mini2p solution.
- AR/MR activities continued to develop positively.
- A project to develop lead-free TLens® was launched. Samples will be available by end of 2025.
- Participated at CES 2025 in Las Vegas, 7–10 January, and SPIE AR|VR|MR 2025 in San Francisco, 28–29 January.

Post Q1

- poLight ASA - Enters Into Strategic Investment Agreement with Q Technology Group Backed by U.S. Top Tier Consumer Electronics OEM (see announcement from 15 April)

Dr Øyvind Isaksen, CEO of poLight ASA:

“Revenue in the first quarter of 2025 was up on both the previous quarter and the same quarter last year. We maintained a high level of market activity, engaging in multiple customer projects and participating at CES 2025 and SPIE AR/MR. Both the AR/MR and Industrial market segments have shown positive development.

We are convinced that poLight´s products, and our technology platform in general, will enable numerous business opportunities in several market segments. Strategically, the AR/MR market is one of the most important, as this emerging market will have many uses cases where our TLens® and TWedge® technology platforms could solve various pain points for smart-glasses, MR headsets and future advanced AR glasses. Due to technology constraints, a high adoption rate for advanced AR glasses is likely some years ahead, but smart-glasses and MR headsets are already shipping in good volumes. Smart-glasses, in particular, could potentially see strong growth in the next few years. Although fixed-focus cameras are currently being used in smart-glasses, and are most common in MR headsets, our market engagement indicates that trends in camera specifications and use cases will likely trigger the need for autofocus (AF). This will open up many business opportunities for us, and important positioning work is ongoing. We are engaged in several PoCs, many of which are progressing well, and we are in the process of entering into next-phase project discussions. Furthermore, several OEMs are planning to start testing and qualifying our technology.

In sum, we have a lot of opportunities and hard work ahead of us, but our interactions with many top-tier customers motivate us to keep pushing forward and deliver value to our all-important shareholders. Thanks for your unstinting support!”

Key figures

(in NOK million)	Q1 2025	Q1 2024	FY 2024
Revenue	3.8	1.3	9.6
Gross profit	1.3	-1.1	1.0
EBITDA	-25.2	-18.8	-98.1
EBITDA ex share options	-23.8	-22.5	-93.4
Net cash flows used in operating activities	-30.6	-19.2	-69.2
Net increase/decrease in cash and cash equivalents	-30.8	-19.6	51.6

MANUFACTURING, PRODUCT DEVELOPMENT AND MARKETS

Manufacturing and operations

poLight primarily works with two categories of subcontractors – assembly partners and a MEMS supplier – 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 Industrial being the largest segment followed by AR/MR.

At the assembly partner, activity focused on deliveries to barcode customers, in addition to further yield improvement activities and efforts to advance the manufacturing data setup.

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

Product development/technology

Most of the activities started in 2024 continued into 2025. Good progress was made in the first quarter of the year – both related to TLens® and TWedge®.

The TLens®-related activities during the quarter include new reference designs (for AR/MR applications, laptop and industrial machine vision), development of a bigger-aperture TLens® and the launch of the lead-free TLens® project. For TWedge®, the focus was to produce technical samples for customers and further develop the technology platform.

With respect to reference design activities for the AR/MR and industrial machine vision segments, the company is in discussions with key players in the market/ecosystem. This could position the company to meet the upcoming need for AF in various AR/MR applications satisfying the requirements for different tier OEMs, and gain a stronger foothold in the machine vision segment by offering, together with a partner, a standard solution that would enable faster scaling.

The bigger-aperture TLens® project is progressing, and various actuation concepts are being simulated and prototyped. It is a challenging project, and further work is needed to understand what level of performance can be achieved and judge the potential market fit. It is, however, an important project to further develop the TLens® concept and related IP.

Some major OEMs prefer not to use products containing lead. Today’s TLens® uses pzt, which contains a small amount of lead, although well within permitted limits. To improve poLight´s market opportunities, the company has launched a project to replace pzt with a different piezo material. The first design/performance simulations are being carried out, and partner selection has been concluded. Potentially, the first samples of a lead-free TLens® will be delivered and characterised towards the end of the year.

In 2024, a patent infringement claim was filed against two poLight customers, and legal proceedings have commenced. Although poLight and its local and domestic legal advisors consider that the use of TLens® does not infringe any of the patents mentioned, resolving the matter will require legal expenses for poLight and a provision has been made to reflect the legal strategy and expected outcome of these legal claims. Although the costs involved and the final outcome of these claims are uncertain, the provisions made so far reflect management’s best estimate. Further provisions affecting future accounting periods should not be required under current scenarios. Since the publication of the company's Q4 report, the provision has been increased by NOK 3,000,000 to reflect the now expected remaining legal fees.

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® for the medical/endoscope market.

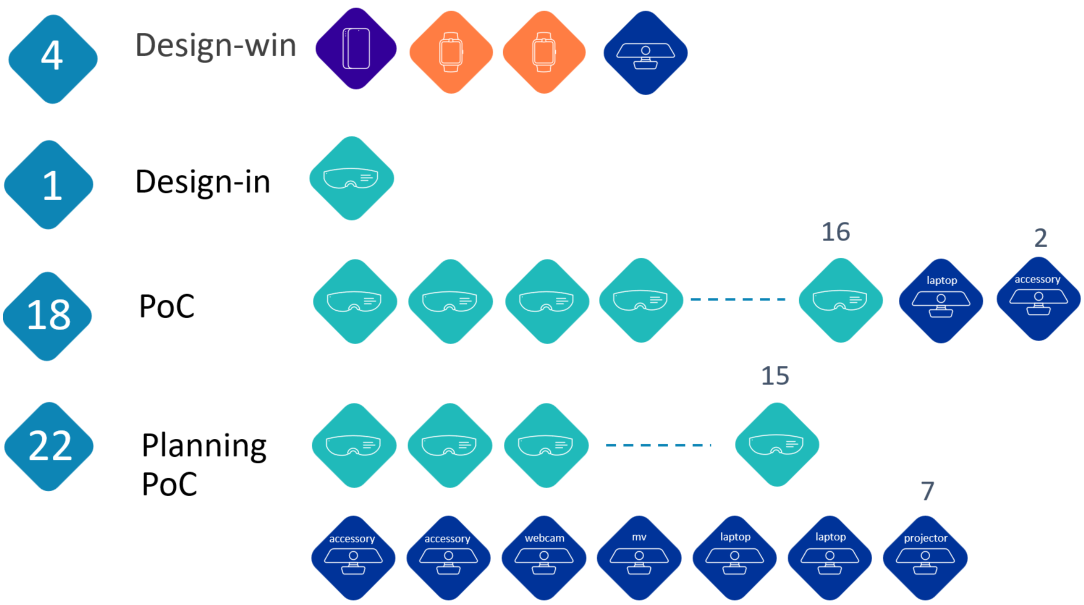
Consumer market
The main activity in the quarter related to augmented/mixed reality (AR/MR), and some preparation work related to the laptop and webcam markets.

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. It is still early days for advanced AR-glasses, and new technology will have to be developed before these products will ship in large volumes. Smart-glasses and MR headsets, on the other hand, are starting to gain good traction in the market – especially smart-glasses. CES 2025 was a clear indication of this trend, and poLight is actively positioning its offering for these applications. As of today, these glasses and headsets mainly use fixed-focus cameras, but camera specification trends, AI and future use cases may change this situation. Some of the consumer-related PoCs are maturing and 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) remains 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, investing in reference designs at the camera module level, targeting various consumer applications, will ease adoption by different tier OEMs.

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 (nine) and planned PoCs (four).

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



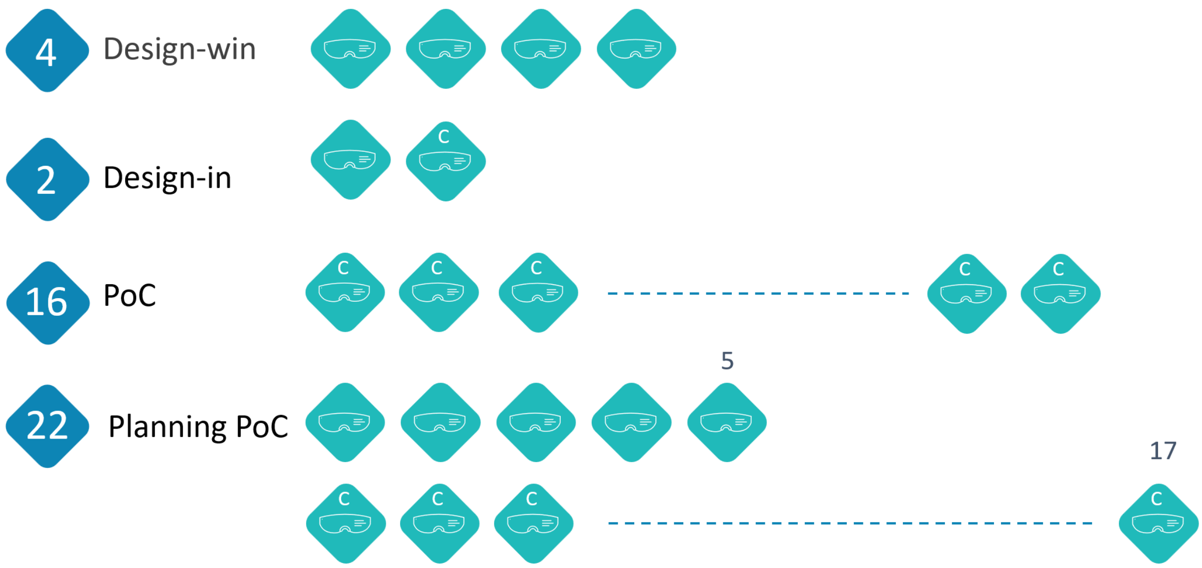
Augmented/mixed reality (AR/MR)
TLens® is being considered and tested by several important AR/MR market players. The TLens® technology's low power consumption, insensitivity to gravity, temperature stabilisation (often referred to as athermalisation), high speed and compactness stand out as key technical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

The ecosystem, the technology and the market in general still need to mature before mass deployment of consumer AR-glasses will occur. Having said that, smart-glasses (consumer) and MR headsets are starting to build some good traction, and more and more players are launching/planning to launch such products. With TLens® AF solutions now being used in four commercially available enterprise AR/MR products, poLight 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 poLight.

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. In the first quarter, for example, purchase orders worth approximately NOK 1,300,000 were received. The functionality and specification of a potential TWedge® wobulation product is starting to be understood. A potential TWedge® product not only improves the resolution, but could also be a solution to other pain points. Still, the objective is to obtain a lead customer's commitment to support further product development and trigger mass production.

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

Table 2 Overview of the AR/MR related activities. Also includes TWedge®. C = consumer



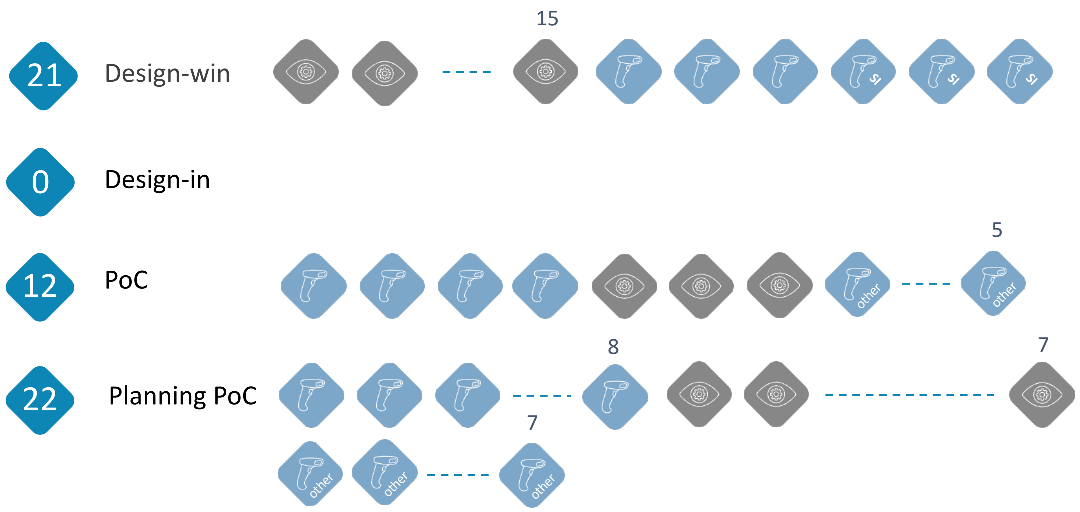
Since the previous quarter, the number of PoCs increased to 16, up from 12 the quarter before. A potential TWedge® product is included in the numbers given above for PoCs (nine) and planned PoCs (seven).

Industrial/barcode/machine vision

It will take time to develop this market, but the number of design-wins is increasing step by step. In the first quarter, an existing customer announced that they had launched five new product variants using TLens®, two of which replace existing products using TLens®. poLight is, together with a lens partner, considering development of a standard machine vision solution. The target is to have a joint release of this product this year and start shipping commercial units next year. The first prototypes have already been sold. This offering could potentially become an important contribution to this market segment. In the barcode/machine vision market, six companies represent 18 design-wins, of which 15 products are still shipping.

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

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 poLight 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 microscope[1] have led to several similar projects, and three commercial companies are now offering a standard, turn-key Mini2P solution.

During the quarter, one of our Mini2p customers ordered new samples, worth approximately NOK 400,000, in order to develop a new coating that expands the useable wavelength spectrum. This activity may lead to a new version of the Mini2p.

In addition to the activity related to Mini2P, poLight 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 16 ongoing PoCs, of which 12 relate to universities/research lab activities.

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

Automotive
There was no activity in this sector during the first quarter. The status is therefore unchanged from the quarter before, with one PoC in progress, 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 of a bigger-aperture TLens® 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)	41 (40)	2 (4)	7 (7)
Augmented/Mixed Reality	4 (4)	2 (2)	23 (21)	16 (12)	22 (22)
Industrial	21 (16)	0 (0)	46 (42)	12 (13)	22 (14)
Other (medical, automotive)	4 (4)	0 (0)	14 (13)	17 (15)	4 (6)
Number in ( ) represents last quarter	***33 (28)***	***2 (2)***	***124 (116)***	***47 (44)***	***55 (49)***

FINANCIAL REVIEW

Profit and loss

(in NOK million)	Q1 2025	Q1 2024	FY 2024
Revenue	3.8	1.3	9.6
Change in obsolescence provision	-1.9	-2.3	-6.4
Cost of sales	-0.6	-0.1	-2.2
Gross profit	**1.3**	**-1.1**	**1.0**
Research and development expenses [1)]	-9.0	-7.9	-32.3
Sales and marketing expenses	-5.0	-4.5	-16.3
Operational / supply chain expenses	-5.7	-5.6	-23.5
Administrative expenses	-6.8	0.3	-27.0
EBITDA	**-25.2**	**-18.8**	**-98.1**
Share option plan expense	1.9	2.2	10.0
Accrued employer's NICs re. share option plan	-0.5	-5.8	-5.3
EBITDA ex share options	**-23.8**	**-22.5**	**-93.4**
Depreciation and amortisation	-2.7	-2.7	-10.5
EBIT ex share options	**-26.4**	**-25.1**	**-103.9**

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

Q1 2025

(Figures for Q1 2024 in parentheses)
Revenue totalled NOK 3.8 million in Q1 2025 (NOK 1.3 million), which reflects deliveries of TLens® and materials to customer development projects.

The cost of sales came to NOK 0.6 million (NOK 0.1 million) and together with an increased provision for inventory obsolescence of NOK 1.9 million (NOK 2.3 million) resulted in a gross profit for the period of NOK 1.3 million (NOK -1.1 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. From time to time, specific inventory has also been written down further in circumstances where value impairment of that inventory is considered higher than the rules-based approach.

R&D expenditure, net of government grants, amounted to NOK 9.0 million (NOK 7.9 million). The main difference from Q1 2024 was NOK 2.0 million more personnel related cost offset by NOK 0.3 million less external cost and NOK 0.6 million soft funding earned.

Sales and marketing expenses came to NOK 5.0 million in Q1 2025 (NOK 4.5 million). The difference compared with Q1 2024 is mainly related to NOK 0.4 million increased travel cost related to increased presence at conferences. Operational/supply-chain expenses totalled NOK 5.7 million (NOK 5.6 million), with no significant total change compared with Q1 2024.

Administrative expenses totalled NOK 6.8 million in the quarter (NOK 0.3 million), reflecting in part higher salary costs due to strengthening of the finance team, but the main difference from Q1 2024, is a significantly lower reversal of employer's national insurance contributions (NICs) on share options compared to Q1 2024 (see below for further details).

EBITDA was negative at NOK 25.2 million in Q1 2025 (negative at NOK 18.8 million), mainly attributable to the abovementioned difference in reversal of NICs.

Share option plan expenses amounted to NOK 1.9 million in Q1 2025 (NOK 2.2 million). NOK 0.5 million in accrued employer's NICs was reversed in the quarter (NOK 5.8 million in reversed accruals in Q1 2024). 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, primarily related to intangible assets, totalled NOK 2.7 million in the quarter which is the same level as Q1 2024.

Balance sheet

(in NOK million)	**Q1 2025**	**Q1 2024**	**FY 2024**
Property, plant and equipment	9.0	9.3	9.6
Intangible assets	8.5	15.8	10.3
Right-of-use assets	10.0	2.5	10.2
Inventories	59.9	67.8	62.4
Receivables and prepayments	9.6	6.5	4.7
Cash and cash equivalents	135.8	95.3	166.8
Total assets	**232.8**	**197.2**	**264.0**
Total equity	207.3	181.4	231.9
Total current liabilities	15.7	14.0	22.2
Total non-current liabilities	9.8	1.8	10.0
Total equity and liabilities	**232.8**	**197.2**	**264.0**

As at 31 March 2025, total assets came to NOK 232.8 million, compared with NOK 197.2 million as at 31 March 2024.

Property, plant and equipment totalled NOK 9.0 million as at 31 March 2025, compared with NOK 9.3 million as at 31 March 2024. At the reporting date, intangible assets totalled NOK 8.5 million, compared with NOK 15.8 million as at 31 March 2024, reflecting amortisation during the year.

At period-end, right-of-use assets amounted to NOK 10.0 million, compared with NOK 2.5 million as at 31 March 2024. The increase is attributable to the signing of a new lease for the company's HQ in Tønsberg starting in Q4 2024.

Inventories decreased by NOK 2.5 million during the first quarter to end at NOK 59.9 million on 31 March 2025. Of the decrease, NOK 1.9 million was attributable to the increase in provision for obsolescence, while NOK 0.6 million was cost of goods sold. At the close of the quarter, the provision for inventory obsolescence amounted to NOK 23.3 million at the close of the quarter (NOK 21.4 million as at 31 December 2024).

As at 31 March 2025, poLight had cash and cash equivalents totalling NOK 135.8 million, compared with NOK 95.3 million at the end of Q1 2024 and NOK 166.8 million as at 31 December 2024. 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 15.7 million as at 31 March 2025, compared with NOK 14.0 million as at 31 March 2024 and NOK 22.2 million as at 31 December 2024.

Cash flows

(in NOK million)	Q1 2025	Q1 2024	FY 2024
Net cash flows used in operating activities	-30.6	-19.2	-69.2
Net cash flows used in investing activities	0.0	-0.6	-2.4
Net cash flows from/(used in) financing activities	-0.2	0.2	123.3
Effect of exchange rate changes on cash and cash equivalents	-0.2	0.1	0.3
Net increase/decrease in cash and cash equivalents	**-31.0**	**-19.5**	**52.0**

Q1 2025

The net cash outflow from operating activities totalled NOK 30.6 million in Q1 2025 (NOK 19.2 million). The increase in cash outflow is largely attributable to increased working capital. The working capital changes in the first quarter consisted of increased receivables of NOK 4.7 million, decreased payables of NOK 2.7 million, and reduced provision due to invoices received related to the legal expenses of NOK 3.8 million.

The net decrease in cash and cash equivalents totalled NOK 31.0 million for the quarter, compared with a net decrease of NOK 19.5 million in the same period in 2024.

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 being closely monitored to assess both the direct and indirect risks this poses for the Group's operations. As of the time of writing this report, it is still uncertain how the increased tariffs, particularly between China and the USA, will affect poLight's operation. The direct effect is limited, but it could disrupt the value chain of US OEMs, given that many camera module manufacturers are located in China. It also creates some uncertainty regarding future growth, particularly in the consumer market, and the speed of 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. On 15 April 2025, the company announced a signed investment agreement with Q Technologies Group for a private placement of NOK 171.5 million gross proceeds which will be proposed to the AGM on 21 May 2025. 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

Given the market position poLight is in, its efforts to establish a presence in multiple market segments, and ongoing initiatives to improve and future-proof the offering and technology platform, as well as continue to develop the organisation, it is evident that the company has many opportunities for growth and that these are becoming more visible quarter by quarter.

To be successful and capitalise on these opportunities, the single most important factor is the development of the AR/MR market. Although the company has other high-volume market opportunities, the current perception is that the technology fit for poLight´s technology is most obvious for the AR/MR market.

The company is actively seeking a strategic position/relationship with major players in this space, both on the OEM side and the module integrator side. The feedback is promising, and many players are in active dialogue with the company and express a great deal of interest in both TLens® and TWedge®. Patience and hard work are still needed, while other shorter term market opportunities are being explored.

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	Q1 2025	Q1 2024	FY 2024
Sale of goods		3 686	861	7 586
Rendering of services		163	419	2 038
Revenue		**3 849**	**1 279**	**9 624**
Change in obsolescence provision		-1 884	-2 277	-6 409
Cost of sales		-648	-90	-2 208
Gross profit		**1 317**	**-1 088**	**1 007**
Research and development expenses net of governmental grants	6,9	-9 006	-7 899	-32 323
Sales and marketing expenses		-4 975	-4 535	-16 305
Operational / supply chain expenses		-5 656	-5 598	-23 542
Administrative expenses		-6 847	289	-26 950
Operating result before depreciation and amortisation (EBITDA)		**-25 167**	**-18 831**	**-98 113**
Depreciation and amortisation	8	-2 682	-2 668	-10 489
Operating result (EBIT)		**-27 849**	**-21 499**	**-108 602**
Net financial items	7	1 491	1 031	6 956
Loss before tax		**-26 358**	**-20 468**	**-101 646**
Income tax expense		0	0	-139
Loss for the period		**-26 358**	**-20 468**	**-101 785**
Attributable to:				
Equity holders of the parent		-26 358	-20 468	-101 785
Earnings per share:				
Basic, attributable to ordinary equity holders of the parent (NOK)		-0.20	-0.31	-0.97
Diluted, attributable to ordinary equity holders of the parent (NOK)		-0.20	-0.31	-0.97

Interim consolidated statement of other comprehensive income

NOK 000	Note	Q1 2025	Q1 2024	FY 2024
Loss for the period		**-26 358**	**-20 468**	**-101 785**
Other comprehensive income				
Exchange differences on translation of foreign operations		-178	115	155
Income tax effect		0	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**-178**	**115**	**155**
Total comprehensive income for the period, net of tax		**-26 536**	**-20 353**	**-101 630**
Attributable to:				
Equity holders of the parent		-26 536	-20 353	-101 630

Interim consolidated statement of financial position

NOK 000	Note	Q1 2025	Q1 2024	31.12.2024
ASSETS				
Property, plant and equipment		9 019	9 280	9 559
Intangible assets	8	8 487	15 762	10 306
Right-of-use assets		9 982	2 471	10 241
Total non-current assets		**27 489**	**27 513**	**30 106**
Inventories		59 901	67 790	62 431
Trade and other receivables	9	8 479	6 157	3 792
Prepayments		1 134	383	953
Cash and cash equivalents		135 757	95 330	166 752
Total current assets		**205 271**	**169 659**	**233 927**
Total assets		**232 759**	**197 172**	**264 033**
EQUITY AND LIABILITIES				
Share capital		5 185	2 648	5 185
Share premium		222 373	194 503	222 373
Reserves		1 258	1 396	1 436
Retained earnings		-21 527	-17 161	2 889
Total equity		**207 289**	**181 386**	**231 882**
Interest-bearing loans and borrowings		355	474	369
Lease liabilities		9 439	1 322	9 615
Total non-current liabilities		**9 794**	**1 796**	**9 984**
Trade and other payables	10	11 417	11 619	14 116
Interest-bearing loans and borrowings		57	0	57
Current lease liabilities		678	1 372	663
Provisions	12	3 525	1 000	7 331
Total current liabilities		**15 677**	**13 991**	**22 167**
Total liabilities		**25 470**	**15 787**	**32 151**
Total equity and liabilities		**232 759**	**197 172**	**264 033**

Interim consolidated statement of changes in equity

		Attributable to equity holders of the parent				
NOK 000	Note	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Total**
As at 1 January 2024		**2 648**	**194 503**	**1 108**	**1 281**	**199 541**
Loss for the period				-20 468		-20 468
Other comprehensive income					115	115
Total comprehensive income		0	0	-20 468	115	-20 353
Equity-settled share-based payment				2 198		2 198
As at 31 March 2024		**2 648**	**194 503**	**-17 162**	**1 396**	**181 386**
As at 1 January 2025		**5 185**	**222 373**	**2 889**	**1 436**	**231 882**
Loss for the period				-26 358		-26 358
Other comprehensive income					-178	-178
Total comprehensive income		0	0	-26 358	-178	-26 536
Equity-settled share-based payment				1 943		1 943
As at 31 March 2025		**5 185**	**222 373**	**-21 527**	**1 258**	**207 289**

Interim consolidated statement of cash flows

NOK 000	Note	Q1 2025	Q1 2024	FY 2024
Operating activities				
Profit / loss (-) before tax		-26 358	-20 468	-101 646
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets		864	849	3 214
Amortisation of intangible assets	8	1 819	1 819	7 275
Net finance income		-1 491	-1 031	-6 956
Equity-settled share-based payments		1 943	2 198	10 008
Gain on disposal of property, plant and equipment		-28	0	0
Other non-cash items		1 025	933	-404
Changes in unrealised net foreign exchange rate differences/fluctuations		8	-19	-162
Changes in working capital:				
Increase (-) in trade and other receivables and prepayments		-4 304	2 279	3 905
Decrease (+) in inventories		2 530	2 299	7 658
Decrease (+) in trade and other payables	10	-2 700	-8 138	-5 641
Changes in provisions and government grants	12	-4 371	0	6 502
Interest received	7	707	150	7 431
Interest paid	7	-239	-54	-256
Income tax paid		0	0	-139
Net cash flows used in operating activities		**-30 595**	**-19 183**	**-69 213**
Investing activities				
Proceeds from sale of property, plant and equipment		28	0	0
Purchase of property, plant and equipment		-67	-595	-2 402
Net cash flows used in investing activities		**-40**	**-595**	**-2 402**
Financing activities				
Proceeds from issuance of ordinary shares		0	0	146 382
Transaction costs on issue of shares		0	0	-22 419
Payment of lease liabilities		-160	-283	-1 128
Proceeds from borrowings		0	474	474
Repayment of borrowings		-14	-5	-48
Net cash flows from/(used in) financing activities		**-174**	**186**	**123 261**
Net increase/decrease in cash and cash equivalents		-30 809	-19 592	51 647
Effect of exchange rate changes on cash and cash equivalents		-186	133	317
Cash and cash equivalents at the start of the period		166 752	114 788	114 788
Cash and cash equivalents at the close of the period		**135 757**	**95 330**	**166 752**

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 March 2025 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 2024.

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 2024.

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 2024.

5 Specification of operating expenses by nature

(in NOK 000)	**Q1 2025**	**Q1 2024**	**FY 2024**
Employee benefits expense [1)]	19 022	11 677	70 401
Depreciation and amortisation	2 682	2 668	10 489
Other operating expenses	7 462	6 066	28 720
Total operating expenses	**29 167**	**20 411**	**109 610**

1) *Including consultants engaged on long-term contracts*

6 Research and development expenses net of governmental grants

(in NOK 000)	Q1 2025	Q1 2024	FY 2024
Employee [2)] benefits expense	7 236	5 286	24 895
Other operating expenses	2 334	2 613	9 646
Government grants	-565	0	-2 217
Total	**9 006**	**7 899**	**32 323**

1) Including consultants engaged on long-term contracts

7 Financial items

(in NOK 000)	Q1 2025	Q1 2024	FY 2024
Net foreign exchange gain (loss)	129	-41	-404
Interest income	1 605	1 129	7 431
Finance income	0	0	211
Interest expense on debts and borrowings	-1	0	-4
Interest expense on lease liabilities	-238	-54	-252
Financial expenses	-4	-2	-25
Net financial items	**1 491**	**1 031**	**6 956**

8 Intangible assets

(in NOK 000)	Q1 2025	Q1 2024	FY 2024
At the start of the period	10 306	17 580	17 580
Amortisation	-1 819	-1 819	-7 275
At the close of the period	**8 487**	**15 761**	**10 306**

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)	Q1 2025	Q1 2024	FY 2024
Net receivables at the start of the period	1 946	2 117	2 117
Grants received	0	0	-2 388
Grants earned	565	0	2 217
Net receivables at the close of the period	**2 511**	**2 117**	**1 946**

10 Trade and other payables

(in NOK 000)	Q1 2025	Q1 2024	FY 2024
Trade payables	4 052	4 105	6 571
Other payables [3)]	7 364	7 512	7 017
Accrued employer's NICs on share option plan	0	2	527
At the close of the period	**11 417**	**11 619**	**14 116**

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 March 2025, the largest shareholder was Investinor Direkte AS, which owned 10.42 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

On 15 April 2025, the company announced a private placement by Q Technology Group, resulting in gross proceeds of NOK 171.5 million with a subsequent offering to existing shareholders that could result in additional NOK 51.4 million, if fully subscribed. No other 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

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