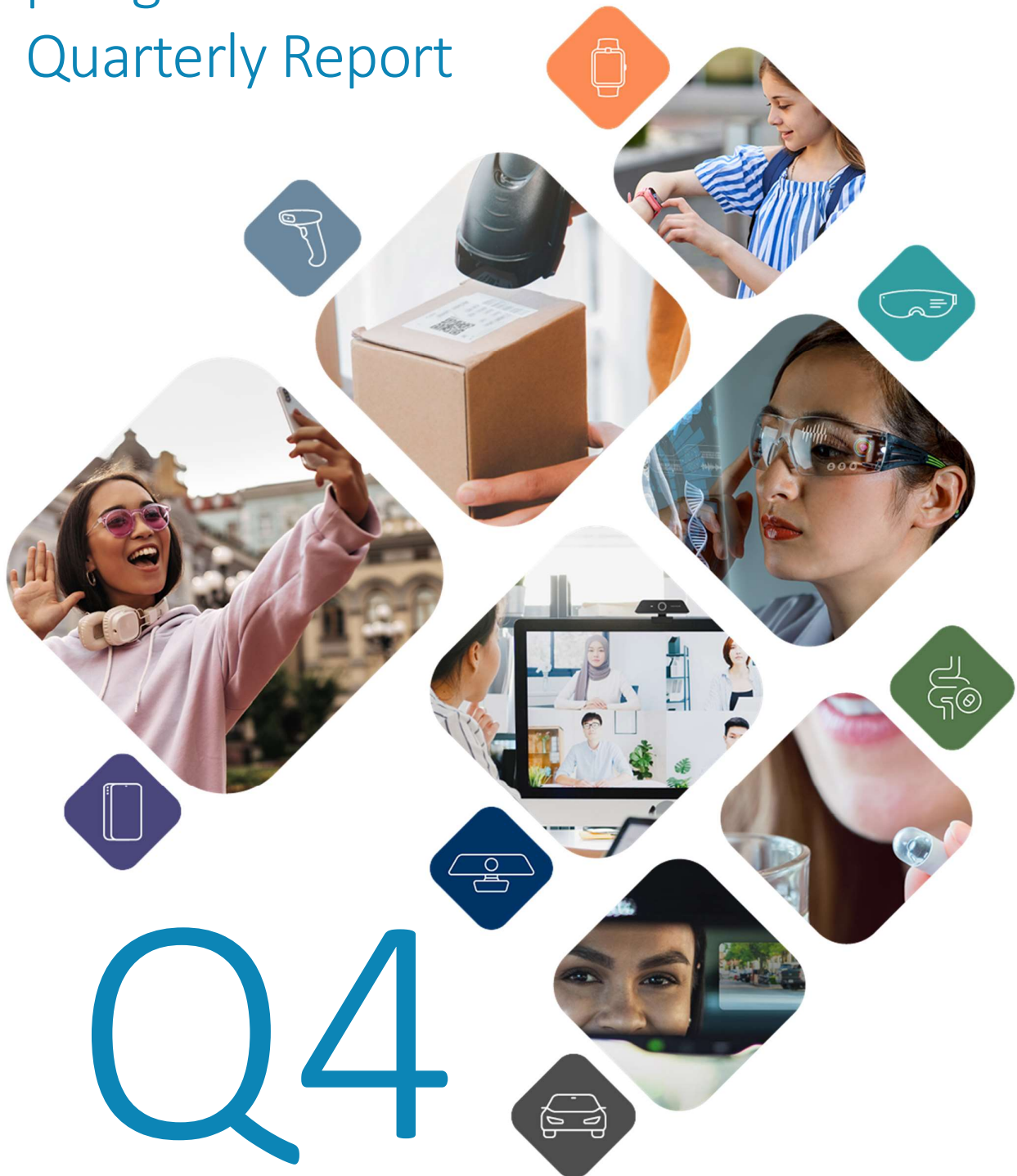




poLight ASA Quarterly Report



Q4

2021

KEY EVENTS IN THE QUARTER

- Design-win from first augmented reality (AR) customer
- Design-win for barcode manufacturing line applications
- poLight won the VAT appeal case (NOK 12 million cash effect in January 2022)
- Subsequent Share Issue raised gross proceeds of approximately NOK 12.8 million
- Opportunity pipeline strengthened
- Follow-up order related to the scan engine EX30 received in January 2022

Øyvind Isaksen, CEO of poLight ASA:

“High activity on several customer cases during the quarter resulted in two design-wins and good progress on several Proof of Concept (PoC) projects. The opportunity pipeline is promising. The design-win related to the augmented reality (AR) product is of strategic importance for the company. The activity and opportunity pipeline we see in this market segment is impressive. The technical attributes of TLens®, its speed, compactness, low power consumption and no gravity sensitivity, are viewed as key for AR applications.

Smartphone-related activity remains high. Together with our customers, we are expending a lot of effort and resources to mature cases and qualify TLens® for commercial use. This is a very demanding process. We have made encouraging progress during the quarter, even though there are hurdles still to be overcome. Making our supply chain ready for various applications is also demanding. Most of our available resources are currently engaged in the above-mentioned efforts. We are therefore strengthening our organisation in order to handle the predicted increase in activity, both with respect to supporting and maturing customer cases and handling technical and supply chain challenges.

After a long process, we finally won our VAT appeal case, with a NOK 12 million in cash-effect. The company disagreed with the decision to exclude the company from the VAT register. Winning this case has taken us all a lot of time and effort, which came on top of everything else we needed to do. I am therefore delighted that these resources are now free to focus on the company’s further development.

The organisation is working hard under a lot of pressure, so I would like to take this opportunity to thank the entire poLight team. We are all very motivated to doing everything possible to further develop a world-class tuneable optics company and create shareholder value.”

Key figures

(in NOK million)	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	3.9	1.2	10.0	3.0
Gross profit	2.6	0.9	6.2	2.3
EBITDA	-5.7	-10.0	-42.4	-39.2
EBITDA ex share options	0.6	-8.6	-31.2	-33.5
Net cash flows used in operating activities	-16.6	-1.7	-49.5	-42.6
Net increase/decrease in cash and cash equivalents	-6.2	-2.0	80.6	3.8

MANUFACTURING, PRODUCT DEVELOPMENT AND MARKETS

Manufacturing and operations

poLight works primarily with two categories of sub-contractors – a MEMS/wafer supplier (ST Microelectronics (ST) in Italy) and assembly partners. While ST produces the wafers/actuators, the assembly partners assemble the complete product. The polymer (*i.e.* lens material) is produced at poLight's headquarters.

poLight collaborates with two assembly partners in Asia. During the quarter, production has been ongoing at only one of the suppliers. The focus has been on yield-improvement initiatives and securing supplies for existing and new customer projects. The targeted monthly assembly capacity is planned to exceed 1 million towards the end of 2022. Material flow (*e.g.* wafers) and final test capacity is planned accordingly. Push out–pull in is continuously evaluated depending on the market situation and capacity availability.

ST is currently processing a significant backlog of wafers ordered by poLight, which is scheduled to be delivered by the end of 2022. Important projects designed to improve the optical performance of the TLens[®] have progressed well during the quarter.

Lead time and capacity constraints in the industry remain challenging and require long-term commitments regarding materials and capacity.

Product development / technology

During the quarter, all R&D resources have been used to support ongoing customer projects and operational activities related to final test equipment and yield-improvement processes. On customer-related projects, the focus has been to support aspects of TLens[®] integration, running and analysing reliability tests for smartphone cases, and implementing product improvements.

Markets

Customer-related activities continued at a high level in the fourth quarter. poLight is actively engaged in several segments. This includes consumer market devices, such as smartphones and accessories, as well as a broad range of professional applications, such as barcode readers, medical devices and augmented reality (AR). 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 wide range of potential customers. Over time, this is expected to develop into a diversified revenue base for poLight.

Consumer market

The new camera module concept, based on add-in TLens[®] design, is continuing to attract strong interest. This camera module concept has the potential to become a widely used solution for selfie cameras, and may represent a route to the main camera (back camera) for TLens[®]. During the quarter, several Proof of Concept (PoC) projects, with OEMs and camera module (CM) vendors, made progress. Customers show a strong willingness, and significant investments have been made to qualify the use of TLens[®]. Customer requirements are stringent and significant amount of company resources has been allocated to these cases.

The Maxhub web camera has received good feedback, but no new purchase orders have been received since April 2021. The company is currently exploring other applications in the same segment.

At the close of the quarter, poLight's TLens is being used in 11 ongoing Proof-of-Concept (PoC) projects relating to the consumer market, while 24 have been completed – a total of 35 projects. AR consumer-oriented cases account for four of the ongoing and two of the completed PoCs. Eight PoCs are in the planning stage.

Augmented Reality (AR) market

During the quarter, it was announced that the company had received a design-win confirmation, and first mass production purchase order, related to an augmented reality (AR) product from an unnamed customer. The product is expected to be released to market in 2022.

Currently, TLens[®] is being considered by several other market players for use in next generation augmented reality (AR) headsets, and testing/prototype building is continuing. TLens' low power consumption, no gravity sensitivity, high speed, and compactness are highlighted as key technical benefits. Currently, the company is engaged in 2 projects (design-ins) and 9 ongoing PoCs. In addition, 4 OEMs are considering starting PoCs. The ongoing projects (design-ins) are all related to professional use cases, *i.e.* low volume, and have the potential to conclude in 2022. Four of the ongoing PoCs target the consumer market (*i.e.* higher volume). The use case for TLens[®] mainly relates to world-facing cameras, but the company is also involved in a laser display application.

The augmented reality (AR) market is entering a very important phase, and poLight expects to see several companies releasing new AR products in the coming years. Most of the initial customer cases relate to the professional/enterprise market, so the initial volumes are relatively low. However, it is expected that over time AR devices will address the consumer market, prompting a significant increase in demand. However, this is likely to be some years down the road.

Industrial market

During the quarter, the company announced a design-win award for a barcode reader product. The product is designed for dynamic collection of barcodes in high-speed manufacturing pipelines and was released to selected customers end of 2021. TLens[®] is now used in three available products. Feedback from existing customers has been good, and the company received another follow-up order related to EX30 in January 2022.

The company is currently involved in 2 projects (design-ins) and 6 ongoing PoCs (of which 2 are for barcode applications), while as many as 9 OEMs are planning PoCs (4 of which are barcode related). poLight will continue to actively explore this important market, which is expected to be a significant gross margin contributor in the longer term.

Other applications

In other application areas, we have currently achieved 1 design-win (Kavli Institute for Systems Neuroscience and Centre for Neural Computation, a microscope for internal use), while 1 design-in related to a compact surgical device planned is due to be released to market in 2022. In addition, there are 5 ongoing PoCs and 8 planned PoCs.

The medical/science area is currently the area of highest activity within this grouping. In addition to some surgical equipment cases, several cases like Kavli's are now maturing. In total, this activity, supplying stacked TLens[®] to microscope applications, has so far contributed purchase orders worth approximately NOK 1.5 million, of which approximately NOK 0.6 million is reported as revenue as per Q4-21. The company sees this activity primarily as important for brand building and as a contribution to important research.

FINANCIAL REVIEW

Profit and loss

(in NOK million)	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	3.9	1.2	10.0	3.0
Cost of sales	-1.3	-0.4	-3.9	-0.7
Research and development expenses ¹⁾	-6.6	-5.3	-25.4	-20.4
Sales and marketing expenses	-3.3	-1.1	-7.2	-5.4
Operational / supply chain expenses	-2.7	-1.3	-9.1	-8.0
Administrative expenses	4.3	-3.0	-6.9	-7.7
EBITDA	-5.7	-10.0	-42.4	-39.2
Share option plan expense	1.6	1.3	4.4	3.7
Accrued employer's NICs re. share option plan	4.7	0.1	6.9	2.0
EBITDA ex share options	0.6	-8.6	-31.2	-33.5
Depreciation and amortisation	-2.9	-3.0	-11.9	-12.1
EBIT ex share options	-2.3	-11.6	-43.1	-45.7

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

Total revenue of NOK 3.9 million in Q4 2021 (NOK 1.2 million in Q4 2020) reflects deliveries of TLens® and ASICs for commercial use and evaluation kits, deliveries of TLens® and ASICs for customer development projects.

R&D expenditures, net of government grants, amounted to NOK 6.6 million, compared with NOK 5.3 million in Q4 2020. The increase is attributable to increased use of internal resources on R&D projects, such as customer development projects and final test methodology development.

Sales and marketing expenses came to NOK 3.3 million in Q4 2021 (NOK 1.1 million), mainly due to increased resource usage and share option expenses. Operational/supply chain expenses totalled NOK 2.7 million (NOK 1.3 million) and reflect an increase in mass production-related activities at assembly lines.

As a result of the positive outcome of the VAT appeal, approx. NOK 12 million was recognised as a cost reduction in the line for administrative expenses. As a result, administrative expenses show a negative expense of NOK 4.3 million in the quarter. In the Q4 2020, administrative expenses totalled NOK 3.0 million. See Note 12 for further details.

EBITDA totalled NOK -5.7 million (NOK -10.0 million).

Share option plan expenses amounted to NOK 1.6 million in Q4 (NOK 1.3 million), while accrued employer's national insurance contributions (NICs) amounted to NOK 4.7 million (NOK 0.1 million). The company pays employer's NICs on the difference between share's market value and the option's strike price, at the date of exercise. The increase in accrued employer NICs is mainly attributable to the increase in polight's share price in the period.

Depreciation and amortisation primarily related to intangible fixed assets totalled NOK 2.9 million in the quarter (NOK 3.0 million).

Balance sheet

(in NOK million)

	FY 2021	FY 2020
Property, plant and equipment	2.4	0.8
Intangible assets	33.4	43.6
Right-of-use assets	4.8	1.0
Inventories	16.8	9.2
Receivables and prepayments	23.5	9.9
Cash and cash equivalents	157.8	77.2
Total equity	213.4	128.8
Total current liabilities	21.3	12.9
Total non-current liabilities	3.9	0.0
Total equity and liabilities	238.7	141.8

As at 31 December 2021, total assets amounted to NOK 238.7 million, compared with NOK 141.8 million as at 31 December 2020. The Subsequent Share Issue carried out in the quarter raised NOK 12.8 million in gross proceeds, increasing both equity and cash.

At the balance sheet date, intangible assets totalled NOK 33.4 million, compared with NOK 43.6 million as at 31 December 2020, reflecting amortisation during the period. As at 31 December 2021, poLight had cash and cash equivalents of NOK 157.8 million, compared with NOK 77.2 million as at 31 December 2020.

At the close of the period, right-of-use assets amounted to NOK 4.8 million, compared with NOK 1.0 million as at 31 December 2020. The increase is attributable to a new lease for the company's headquarters in Horten, which was signed in the second quarter. A corresponding liability was recognised in the second quarter, increasing both current and non-current liabilities.

At the balance sheet date, total current liabilities amounted to NOK 21.3 million, compared with NOK 12.9 million as at 31 December 2020. The rise is mainly attributable to an increase in accrued employer's NICs relating to the share option plan, which rose from NOK 2.0 million as at 31 December 2020 to NOK 8.9 million as at 31 December 2021.

Cash flow

(in NOK million)

	Q4 2021	Q4 2020	FY 2021	FY 2020
Net cash flow used in operating activities	-16.6	-1.7	-49.5	-42.6
Net cash flow used in investing activities	-1.2	0.0	-2.1	-0.2
Net cash flow from/(used in) financing activities	11.6	-0.2	132.3	46.6
Net increase/decrease in cash and cash equivalents	-6.2	-2.0	80.6	3.8

The net cash flow used in operating activities totalled NOK -16.6 million in Q4 2021, compared with NOK -1.7 million in Q4 2020. In 2020, poLight was re-registered in the VAT register and VAT settlements backdated to 1 July 2017 of NOK 8.2 million were received in the fourth quarter 2020 (see note 12 for additional information).

The net cash flow from financing activities in Q4 2021 totalled NOK 11.6 million (NOK -0.2 million). This reflected gross proceeds of NOK 12.8 million from the Subsequent Share Issue carried out in the quarter.

The net decrease in cash and cash equivalents came to NOK 6.2 million for the quarter, compared with a decrease of NOK 2.0 million in the same period in 2020.

RISK FACTORS AND COVID-19

The risk factors associated with the Covid-19 pandemic relate mainly to the supply chain and an inability to move employees/competence between Europe and Asia. This latter has been offset by strengthening the local organisation in Asia. Supply chain-related risk means that the company needs to plan for material and capacity far in advance of specific customer demands. The pandemic may also have led to some delays in customer qualification programmes.

The Group's TLens® technology, and products derived from this technology, is involved in various qualification tests with the TLens® product family for various applications by potential customers. There can be no assurance that the TLens® products (or other products produced by the Group) will meet the performance parameters set by the potential customers, or by parties testing the Group's products at a later time. If the Group's products do not meet such performance 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 imply a delay in the commercialisation of the Group's technology and may also entail significant costs that may not be recovered. Furthermore, there can be no assurance 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.

Over 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. 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 is an appropriate assumption.

OUTLOOK

During the quarter, the company achieved two design-wins and made overall good progress in all the market segments being explored. The opportunity pipeline is developing positively, with developments in the AR space being considered particularly promising. Smartphone customers and the company put considerable effort into maturing cases and qualifying TLens® for commercial use. This is a very demanding process. Encouraging progress has been made during the quarter, even though there are hurdles still to be overcome. Making our supply chain ready for various applications is also demanding. Most of our available resources are currently engaged in the above-mentioned efforts. We are therefore strengthening our organisation in order to handle the predicted increase in activity, both with respect to supporting and maturing customer cases and handling technical and supply chain challenges.

Tunable optics are gaining increased attention, and poLight is one of the key players in this important technology space. The focus area going forward will continue to be smartphone, augmented reality (AR) and barcode applications.

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	Q4 2021	Q4 2020	FY 2021	FY 2020
Sale of goods		3 906	1 056	8 683	2 590
Rendering of services		0	188	1 350	429
Revenue		3 906	1 244	10 032	3 019
Cost of sales		-1 311	-382	-3 851	-698
Gross profit		2 595	862	6 182	2 321
Research and development expenses net of governmental grants	7,8	-6 552	-5 337	-25 360	-20 432
Sales and marketing expenses		-3 291	-1 111	-7 224	-5 419
Operational / supply chain expenses		-2 742	-1 333	-9 139	-7 972
Administrative expenses	12	4 311	-3 038	-6 868	-7 734
Operating result before depreciation and amortisation (EBITDA)		-5 679	-9 957	-42 409	-39 237
Depreciation and amortisation	9	-2 949	-3 011	-11 923	-12 132
Operating result (EBIT)		-8 629	-12 968	-54 332	-51 369
Net financial items	6	760	338	944	417
Loss before tax		-7 869	-12 630	-53 388	-50 952
Income tax expense		13	-182	-93	-203
Loss for the period		-7 856	-12 812	-53 481	-51 155
Attributable to:					
Equity holders of the parent		-7 856	-12 812	-53 481	-51 155
Non-controlling interests		0	0	0	0
Earnings per share:					
Basic, attributable to ordinary equity holders of the parent (NOK)		-0.76	-1.42	-5.65	-5.83
Diluted, attributable to ordinary equity holders of the parent (NOK)		-0.76	-1.42	-5.65	-5.83

Interim consolidated statement of other comprehensive income

NOK 000	Note	Q4 2021	Q4 2020	FY 2021	FY 2020
Loss for the period		-7 856	-12 812	-53 481	-51 155
Other comprehensive income					
Exchange differences on translation of foreign operations		-1	-82	-5	212
Income tax effect		0	0	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-1	-82	-5	212
Total comprehensive income for the period, net of tax		-7 858	-12 894	-53 486	-50 943
Attributable to:					
Equity holders of the parent		-7 858	-12 894	-53 486	-50 943
Non-controlling interests		0	0	0	0

Interim consolidated statement of financial position

NOK 000	Note	2021	2020
ASSETS			
Property, plant and equipment		2 356	839
Intangible assets	9	33 378	43 646
Right-of-use assets		4 778	964
Total non-current assets		40 512	45 448
Inventories		16 836	9 166
Trade and other receivables	8	22 078	6 040
Prepayments		1 456	3 897
Cash and cash equivalents		157 810	77 209
Total current assets		198 180	96 312
Total assets		238 691	141 761
EQUITY AND LIABILITIES			
Share capital		2 077	1 810
Share premium		813 632	680 229
Reserves		1 035	1 040
Retained earnings		-603 335	-554 238
Equity attributable to equity holders of the parent		213 409	128 840
Non-controlling interests		0	0
Total equity		213 409	128 840
Lease liabilities		3 934	0
Total non-current liabilities		3 934	0
Trade and other payables	10	19 906	10 684
Current lease liabilities		942	1 048
Provisions	12	500	1 189
Total current liabilities		21 349	12 921
Total liabilities		25 282	12 921
Total equity and liabilities		238 691	141 761

Interim consolidated statement of changes in equity

		Attributable to equity holders of the parent						
		Share capital	Share premium	Retained earnings	Translation reserve	Total	Non-controlling interest	Total equity
NOK 000	Note							
As at 1 January 2020		1 623	632 682	-506 755	827	128 378	0	128 378
Loss for the period				-51 155		-51 155	0	-51 155
Other comprehensive income					212	212	0	212
Total comprehensive income		0	0	-51 155	212	-50 943	0	-50 943
Issue of ordinary shares		182	49 818			50 000		50 000
Share options exercised		5	734			738		738
Transaction costs			-3 005			-3 005	0	-3 005
Equity-settled share-based payment				3 672		3 672	0	3 672
As at 31 December 2020		1 810	680 229	-554 238	1 040	128 840	0	128 840
As at 1 January 2021		1 810	680 229	-554 238	1 040	128 840	0	128 840
Loss for the period				-53 481		-53 481	0	-53 481
Other comprehensive income					-5	-5	0	-5
Total comprehensive income		0	0	-53 481	-5	-53 486	0	-53 486
Issue of ordinary shares		251	137 553			137 803	0	137 803
Share options exercised		17	3 380			3 397		3 397
Transaction costs			-7 530			-7 530	0	-7 530
Equity-settled share-based payment				4 385		4 385	0	4 385
As at 31 December 2021		2 077	813 632	-603 335	1 035	213 409	0	213 409

Interim consolidated statement of cash flows

NOK 000	Note	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating activities					
Profit / loss (-) for the period		-7 869	-12 630	-53 388	-50 952
Adjustments for:					
Depreciation and impairment of property, plant and equipment and right-of-use assets		382	440	1 654	1 842
Amortisation and impairment of intangible assets	9	2 567	2 571	10 269	10 290
Net finance income		-760	-338	-944	-417
Equity-settled share-based payroll expense		1 600	1 273	4 385	3 672
Other items related to operating activities		588	-362	937	-473
Changes in unrealised net foreign exchange rate differences/fluctuations		16	93	21	221
Changes in working capital:					
Increase (-) in trade and other receivables and prepayments		-11 965	6 485	-11 332	-2 902
Increase (-) in inventories		-4 587	380	-7 669	-1 439
Increase (+) in trade and other payables	10	5 246	2 312	9 223	1 655
Changes in provisions and government grants		-2 242	-2 438	-2 954	-4 718
Interest received	6	558	514	585	851
Interest paid	6	-93	-13	-203	-68
Income tax paid		-23	-36	-129	-196
Net cash flows used in operating activities		-16 582	-1 749	-49 546	-42 633
Investing activities					
Purchase of property, plant and equipment		-1 242	0	-2 142	-226
Net cash flows used in investing activities		-1 242	0	-2 142	-226
Financing activities					
Proceeds from issue of ordinary shares		12 804	0	137 803	50 000
Proceeds from exercise of share options		193	0	3 397	738
Transaction costs on issue of shares		-1 093	0	-7 530	-3 005
Payment of lease liabilities		-318	-231	-1 355	-1 119
Net cash flows from/(used in) financing activities		11 586	-231	132 315	46 614
Net increase in cash and cash equivalents		-6 239	-1 981	80 627	3 755
Effect of exchange rate changes on cash and cash equivalents		-18	-174	-26	-9
Cash and cash equivalents at the start of the period		164 066	79 364	77 209	73 463
Cash and cash equivalents at the close of the period		157 810	77 209	157 810	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 Innlaget 230, N-3185 Skoppum, 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 December 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 the accounting for 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>	Q4 2021	Q4 2020	FY 2021	FY 2020
Employee ¹⁾ benefits expense	17 212	8 153	46 866	36 190
Depreciation, amortisation and net impairment losses	2 949	3 011	11 923	12 132
Other operating expenses	-8 938	2 666	1 726	5 367
Total operating expenses	11 224	13 830	60 514	53 689

1) Including consultants engaged on long-term contract

6 Financial items

(in NOK 000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Net foreign exchange gain (loss)	-151	222	-134	-235
Interest income	1 035	163	1 365	782
Interest expense on lease liabilities	-93	-14	-203	-69
Financial expenses	-31	-33	-84	-61
Net financial items	760	338	944	417

7 Research and development expenses

(in NOK 000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Employee ²⁾ benefits expense	5 506	4 274	19 500	14 825
Other operating expenses	2 599	5 479	17 747	14 553
Government grants	-1 553	-4 416	-11 886	-8 946
Capitalised	0	0	0	0
Total	6 552	5 337	25 360	20 432

2) Including consultants engaged on long-term contract

8 Government grants

(in NOK 000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Net receivables at the start of the period	5 727	5 289	5 014	1 809
Grants received	0	-4 690	-9 621	-8 637
Grants repaid ³⁾	0	0	0	2 897
Released to the statement of profit and loss	1 553	4 415	11 886	8 946
Net receivables at the close of the period	7 280	5 014	7 280	5 014

3) In 2020, polLight 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)	Q4 2021	Q4 2020	FY 2021	FY 2020
At the start of the period	35 944	46 217	43 646	53 936
Additions — internal development	0	0	0	0
Additions	0	0	0	0
Amortisation	-2 567	-2 571	-10 269	-10 290
At the close of the period	33 377	43 646	33 377	43 646

polLight'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 reviewed, and none identified.

10 Trade and other payables

(in NOK 000)

	FY 2021	FY 2020
Trade payables	4 518	1 442
Other payables	6 490	7 195
Accrued employer's NICs on share option plan	8 898	2 046
At the close of the period	19 907	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 December 2021, the largest shareholder was Investinor Direkte AS, which owned 17.14 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 to the Tax Appeals Board (Skatteklagenemda). The entire claim was paid in 2018, except the additional associated taxes of NOK 1.2 million.

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.

On 16 December 2021, the Tax Appeals Board issued a final decision and upheld the appeal. NOK 12.4 million was recognised in the fourth quarter 2021, whereof NOK 11.6 million as a reduction of administrative expenses and NOK 0.8 as financial income. The outstanding amount was received in January 2022.

13 Events after the balance sheet date

No significant 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. 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

