

The logo for CondAlign features three black dots of varying sizes to the left of the word "CondAlign". "Cond" is written in a light green, rounded sans-serif font, while "Align" is in a bold, black, rounded sans-serif font.

CondAlign

Financial Statements 1st half of 2021 (unaudited)

9.9.2021

Income statement

Balance sheet

Notes to the financial statements

Income statement (unaudited)

Income statement	1st half 2021	1st half 2020	whole 2020
Revenue	142 827	588 547	772 016
Total operating income	142 827	588 547	772 016
Capitalized internal development costs	-3 311 658	-2 032 863	-7 184 362
Personnel expenses	5 631 529	2 557 240	7 022 003
Depreciations and amortization	1 2 601 174	1 885 673	3 788 267
Other operating expenses	4 346 465	1 984 231	6 412 926
Total operating expenses	9 267 510	4 394 282	10 038 834
Operating profit	-9 124 684	-3 805 735	-9 266 818
Fin. income and expenses			
Other interest income	55 374	466	14 503
Other financial income	13 696	27 863	31 709
Other interest expenses	3 626 219	402 098	1 066 773
Other financial expenses	20 327	6 765	9 118
Net finance	-577 475	-380 533	-1 029 680
Result before taxes	-9 702 159	-4 186 268	-10 296 498
Tax on ordinary result	0	0	0
Annual net profit	-9 702 159	-4 186 268	-10 296 498
Brought forward			
Brought forward	-9 702 159	-4 186 268	-10 296 498
Net brought forward	-9 702 159	-4 186 268	-10 296 498



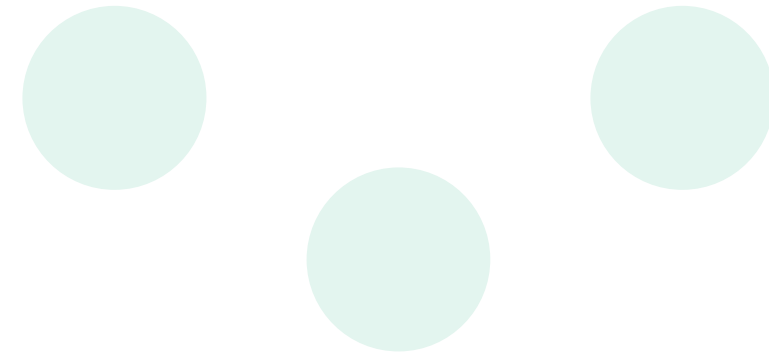
Balance sheet (unaudited)

Assets		30.06.2021	30.06.2020	31.12.2020
Fixed assets				
Intangible assets				
Research and development	1	8 378 035	7 148 865	8 571 633
Patents and similar rights		3 672 818	3 186 249	3 558 612
Total intangible assets		12 050 853	10 335 114	12 130 245
Tangible assets				
Leased assets	1	6 881 803	0	7 331 220
Equipment and other movables	1	2 001 102	761 529	625 527
Total tangible assets		8 882 905	761 529	7 956 747
Financial fixed assets				
Investments in subsidiaries		30 000	0	30 000
Total financial fixed assets		30 000	0	30 000
Total fixed assets		20 963 758	11 096 643	20 116 992
Current assets				
Debtors				
Accounts receivables		41 917	0	0
Other short-term receivables		3 635 354	3 499 971	1 947 579
Total receivables		3 677 270	3 499 971	1 947 579
Cash and bank deposits		51 796 443	71 642	268 748
Total current assets		55 473 713	3 571 613	2 216 327
Total assets		76 437 471	14 668 256	22 333 319

Equity and liabilities	Note	30.06.2021	30.06.2020	31.12.2020
Paid-up equity				
Share capital	2	1 362 078	893 049	893 049
Other paid-up equity	2	66 880 215	4 472 339	3 173 403
Total paid-up equity		68 242 293	5 365 388	4 066 452
Retained earnings				
Uncovered loss	2	-9 702 159	-4 186 268	-5 824 159
Total retained earnings		-9 702 159	-4 186 268	-5 824 159
Total equity		58 540 134	1 179 120	-1 757 707
Liabilities				
Other long-term liabilities				
Convertible debt	3	4 630 944	3 120 000	4 120 000
Liabilities to financial institutions	3	2 994 946	3 033 343	3 033 343
Other long term liabilities	4	6 881 803	0	7 331 220
Total of other long term liabilities		14 507 692	6 153 343	14 484 563
Current debt				
Liabilities to financial institutions		0	4 790 730	4 173 082
Trade creditors		1 575 751	1 328 087	2 326 124
Tax payable		0	0	0
Public duties payable		585 422	299 526	419 726
Other current debt		1 228 471	917 451	2 687 530
Total current debt		3 389 645	7 335 793	9 606 463
Total liabilities		17 897 337	13 489 136	24 091 026
Total equity and liabilities		76 437 471	14 668 256	22 333 319

Statement of changes in cash

	1st half 2021	whole 2020
Cash flows from operating activities		
Loss before tax	-9 702 159	-10 296 498
Ordinary depreciation	2 601 174	3 788 267
Change in accounts receivable	-41 917	246 714
Change in accounts payable	-744 712	1 193 739
Change in other accrual items	-2 986 799	-1 616 943
Net cash flows from operating activities	-10 874 412	-6 684 721
Cash flows used in investment activities		
Development expenditure	-3 447 940	-10 285 502
Cash flows from financing activities		
Proceeds from issue of share capital	70 000 000	7 417 460
Net change of bank overdraft	-4 173 082	-625 255
Net change of long-term liabilities	23 130	10 184 555
Net cash flows from financing activities	65 850 047	16 976 760
Net change in cash flow	51 527 695	6 537
Cash and equivalents start of period	268 748	262 211
Cash and equivalents end of period	51 796 443	268 748
Net change cash and equivalents	51 527 695	6 537



Notes

Principles

The interim report is prepared in accordance with the same accounting principles as the financial statements from the previous financial year

Note 1 – Assets

	Machinery	Leased machinery	Patents	R&D	Market	TOTAL
Cost 2021-01-01	1 342 574	7 331 220	5 518 413	21 613 475	269 753	36 075 435
Year's additions	1 533 288	295 000	290 290	1 328 751	0	3 447 329
Accum depreciaton 2021.06.30	-874 760	-744 417	-2 142 930	-14 564 191	-262 708	-18 589 006
Carrying amounts 2021-06-30	2 001 102	6 881 803	3 665 773	8 378 035	7 045	20 933 758
Lifetime / linear	5 y	5 y	15 y	5 y	3 y	3 -15 y
Depreciation this period	158 324	744 417	169 046	1 522 349	7 038	2 601 174
Gross additions 2021	1 533 288	295 000	290 290	3 671 182	0	5 789 760
Reduction due to public funding				-1 268 513		-1 268 513
Reduction due to SkatteFUNN (R&D)				-1 073 918		-1 073 918
Net additions 2021	1 533 288	295 000	290 290	1 328 751	0	3 447 329

Development expenses are capitalized to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified. Otherwise, such expenses are expensed on an ongoing basis. Major part of the capitalized development is personnel costs from employees or cooperating subcontractors. It is expected that future earnings from license agreements will be significantly above the development costs.

Note 2 – Equity

Shareholders	Number of shares	Ownership
NORSK INNOVASJONSKAPITAL III AS	8 535 330	62,66 %
PRO AS	577 690	4,24 %
SKIPS AS TUDOR	240 000	1,76 %
SAAMAND AS	227 701	1,67 %
DJERV HOLDING AS	217 650	1,60 %
RAVI INVESTERING AS	196 800	1,44 %
LINDVARD INVEST AS	193 800	1,42 %
FRANSSON INVEST AS	192 546	1,41 %
GH HOLDING AS	190 000	1,39 %
LUBELL HOLDING AS	170 400	1,25 %
Topp 10	10 741 917	78,86 %
other shareholders	2 878 863	21,14 %
Total	13 620 780	100,00 %

The nominal value of the shares is NOK 0.10 and all shares have equal voting rights.

	Share capital	Other paid-up equity	Not registered	Loss brought forward	TOTAL
Equity 2020-12-31	893 049		3 173 403	-5 824 159	-1 757 707
Loan converted	19 029	3 154 374	-3 173 403		0
New capital	450 000	69 550 000			70 000 000
Transfer		-5 824 159		5 824 159	0
Result period				-9 702 159	-9 702 159
Equity 2021-06-30	1 362 078	66 880 215	0	-9 702 159	58 540 134

Notes

Subscription rights

The Company has issued independent subscription rights to the buyers of convertible loans in the Company. The subscription rights are independent and were granted to the buyers in convertible loans (ref Note 3).

	Subscription rights (#)	Purchase rate (NOK)	Expiry date
Subscription rights	90 000	16,67	31/12/2021
Subscription rights	224 572	11,67	01/02/2022

Shares options

The company has issued share options to senior employees and related parties as follows:

	Options #	Strike price (NOK)	Expiry date
Options for employees	352 832	2,83	1)
Options for employees	211 707	2,83	2)
Options for employees	97 710	11,10	2)
Options for employees	347 850	10,57	01.07.2022
Options for employees	565 500	13,33	01.07.2024
Options for boardmembers	363 600	16,67	01.07.2024
Options for gen. manager	408 500	16,67	01.07.2024
	2 347 699		

1) Expires at the earliest of (i) an application for admission o listing of the Company or a company that controls the Company's shares on Euronext Growth Oslo, and (ii) 30.03.2022

2) Expires no later than 1 year after the Company's main owner Norsk Innovasjonskapital III AS has been dissolved in accordance with the Norwegian Companies Act, Chapter 16

Note 3 – Long-term debt

In January 2021, NOK 1 150 000 was received in a convertible loan from Norsk Innovasjonskapital III AS. This has an interest rate of 7%. The company exercised its right to early redemption in March 2021.

The Company has a bank overdraft of NOK 5 000 000, which is currently undrawn.

Norsk Innovasjonskapital III AS is guarantor for a total of NOK 12 000 000, and CondAlign AS pays a guarantee fee of 5% p.a. to the guarantor.

	Convertible loans	Accumulated interest	DnB growth guarantee	Other leasing obligations	Total
Balance pr 31.12.2020	4 120 000	296 712	3 033 343	7 331 220	14 781275
Year's additions				295 000	295 000
Year's payments			-38 397	-744 417	-782814
Interest rates 2021		214 232			214 232
Balance pr 30.06.2021	4 120 000	510 944	2 994 946	6 881 803	14 507 693
Due next year			400 000	1 309 403	
Total due for more than 5 years			633 343		

Convertible loans:

	Denomination	Accumulated interest as of 30.06.2021	Conversion rate	Due date
Convertible loans	1 500 000	80 137	500	31.12.2021
Convertible loans	2 620 000	430 807	350	01.02.2022

The subscription rights (ref note 2) are independent and were granted to buyers in convertible loans.

Notes

Note 4 - Leasing obligations

In 2020, the company entered into a leasing agreement for its new roll-to-roll machine with a minimum lease period of 60 months (5 years). Reduced leasing costs have been agreed until April 2021.

A new leasing agreement of NOK 295,000 was signed in June 2021. This agreement also runs over 60 months (5 years).

Future rent:

Year	Nominal	Present value
2021	873 948	863 324
2022-2026	6 885 350	5 988 575

The company has the opportunity for the rights of the leased objects transferred free of charge after the contract period.

