



**Financial Statements Q3 2021 (Unaudited)**

**Income statement**

**Balance sheet**

**Notes to the financial statements**

**Oslo**

**17.11.2021**

# Revenue statement (Unaudited)

<b>Income statement</b>	<b>Note</b>	<b>Q3 '21</b>	<b>Q3 '20</b>	<b>YTD '21</b>	<b>YTD '20</b>	<b>FY '2020</b>
<i>(Figures in NOK thousands)</i>						
Revenue		105	146	248	734	772
<b>Total operating income</b>		<b>105</b>	<b>146</b>	<b>248</b>	<b>734</b>	<b>772</b>
Capitalized internal dev. costs		-1,363	-1,693	-4,675	-3,726	-7,184
Personnel expenses		3,683	2,117	9,315	4,674	7,022
Depreciations and amortization	1	1,374	950	3,975	2,835	3,788
Other operating expenses		1,482	1,605	5,829	3,589	6,413
<b>Total operating expenses</b>		<b>5,176</b>	<b>2,979</b>	<b>14,443</b>	<b>7,373</b>	<b>10,039</b>
<b>Operating profit</b>		<b>-5,071</b>	<b>-2,833</b>	<b>-14,196</b>	<b>-6,639</b>	<b>-9,267</b>
<b>Fin. income and expenses</b>						
Other interest income		34	0	89	0	15
Other financial income		12	3	26	30	32
Other interest expenses	3	265	148	891	550	1,067
Other financial expenses		501	2	521	8	9
<b>Net finance</b>		<b>-720</b>	<b>-147</b>	<b>-1,298</b>	<b>-528</b>	<b>-1,030</b>
<b>Result before taxes</b>		<b>-5,791</b>	<b>-2,980</b>	<b>-15,493</b>	<b>-7,167</b>	<b>-10,296</b>
Tax on ordinary result		0	0	0	0	0
<b>Annual net profit</b>		<b>-5,791</b>	<b>-2,980</b>	<b>-15,493</b>	<b>-7,167</b>	<b>-10,296</b>
<b>Brought forward</b>						
Brought forward		-5,791	2,980	-15,493	-7,167	-10,296
<b>Net brought forward</b>		<b>-5,791</b>	<b>2,980</b>	<b>-15,493</b>	<b>-7,167</b>	<b>-10,296</b>



# Balance sheet (Unaudited)

<b>Assets</b>	<b>Note</b>	<b>30.09.2021</b>	<b>30.09.2020</b>	<b>31.12.2020</b>
<i>(Figures in NOK thousands)</i>				
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Research and development	1	8,350	6,772	8,572
Patents and similar rights	1	3,767	3,318	3,559
<b>Total intangible assets</b>		<b>12,117</b>	<b>10,090</b>	<b>12,130</b>
<b>Tangible assets</b>				
Leased assets	1	6,537	0	7,331
Equipment and other movables	1	2,915	694	626
<b>Total tangible assets</b>		<b>9,452</b>	<b>694</b>	<b>7,957</b>
<b>Financial fixed assets</b>				
Investments in subsidiaries		30	0	30
<b>Total financial fixed assets</b>		<b>30</b>	<b>0</b>	<b>30</b>
<b>Total fixed assets</b>		<b>21,599</b>	<b>10,783</b>	<b>20,117</b>
<b>Current assets</b>				
<b>Debtors</b>				
Accounts receivables		105	0	0
Other short-term receivables		2,930	3,771	1,948
<b>Total receivables</b>		<b>3,035</b>	<b>3,771</b>	<b>1,948</b>
<b>Cash and bank deposits</b>		<b>45,774</b>	<b>178</b>	<b>269</b>
<b>Total current assets</b>		<b>48,809</b>	<b>3,949</b>	<b>2,216</b>
<b>Total assets</b>		<b>70,408</b>	<b>14,733</b>	<b>22,333</b>

<b>Equity and liabilities</b>	<b>Note</b>	<b>30.09.2021</b>	<b>30.09.2020</b>	<b>31.12.2020</b>
<i>(Figures in NOK thousands)</i>				
<b>Paid-up equity</b>				
Share capital	2	1,362	893	893
Other paid-up equity	2	66,880	4,472	3,173
<b>Total paid-up equity</b>		<b>68,242</b>	<b>5,365</b>	<b>4,066</b>
<b>Retained earnings</b>				
Uncovered loss	2	-15,493	-7,167	-5,824
<b>Total retained earnings</b>		<b>-15,493</b>	<b>-7,167</b>	<b>-5,824</b>
<b>Total equity</b>		<b>52,749</b>	<b>-1,801</b>	<b>-1,758</b>
<b>Liabilities</b>				
<b>Other long-term liabilities</b>				
Convertible debt	3	4,725	5,720	4,120
Liabilities to financial institutions	3	2,880	3,033	3,033
Other long term liabilities	3	6,537	0	7,331
<b>Total of other long term liabilities</b>		<b>14,142</b>	<b>8,753</b>	<b>14,485</b>
<b>Current debt</b>				
Liabilities to financial institutions		0	4,916	4,173
Trade creditors		1,805	1,376	2,326
Tax payable		0	0	0
Public duties payable		541	337	420
Other current debt		1,171	1,152	2,688
<b>Total current debt</b>		<b>3,517</b>	<b>7,780</b>	<b>9,606</b>
<b>Total liabilities</b>		<b>17,659</b>	<b>16,534</b>	<b>24,091</b>
<b>Total equity and liabilities</b>		<b>70,408</b>	<b>14,733</b>	<b>22,333</b>

# Statement of changes in cash (Unaudited)

Statement of changes in cash	Q3 '21	Q3 '20	YTD '21	YTD '20	FY '2020
<i>(Figures in NOK thousands)</i>					
<b>Cash flows from operating activities</b>					
Loss before tax	-5,791	-2,980	-15,493	-7,167	-10,296
Ordinary depreciation	1,374	950	3,975	2,835	3,788
Change in accounts receivable	-63	0	-105	247	247
Change in accounts payable	229	48	-515	269	1,194
Change in other accrual items	589	2,600	-2,398	245	-1,617
<b>Net cash flows from operating activities</b>	<b>-3,663</b>	<b>618</b>	<b>-14,537</b>	<b>-3,570</b>	<b>-6,685</b>
<b>Cash flows used in investment activities</b>					
Development expenditure	<b>-2,004</b>	<b>-637</b>	<b>-5,452</b>	<b>-2,229</b>	<b>-10,286</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital	0	0	70,000	4,244	7,417
Net change of bank overdraft	0	125	-4,173	118	-625
Net change of long-term liabilities	-356	0	-333	1,353	10,185
<b>Net cash flows from financing activities</b>	<b>-356</b>	<b>125</b>	<b>65,494</b>	<b>5,715</b>	<b>16,977</b>
<b>Net change in cash flow</b>	<b>-6,022</b>	<b>107</b>	<b>45,505</b>	<b>-84</b>	<b>7</b>
Cash equivalent start of period	51,796	72	269	262	262
Cash equivalent end of period	45,774	178	45,774	178	269
Net change cash and equivalents	<b>-6,022</b>	<b>107</b>	<b>45,505</b>	<b>-84</b>	<b>7</b>

# 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

(Figures in NOK thousands)

	Leased					TOTAL
	Machinery	machinery	Patents	R&D	Market	
<b>Cost 01.01.2021</b>	<b>1,343</b>	<b>7,331</b>	<b>5,518</b>	<b>21,613</b>	<b>270</b>	<b>36,075</b>
Year's additions	2,622	295	473	2,062	0	5,452
Accum depreciaton 30.09.21	-1,050	-1,089	-2,227	-15,325	-266	-19,958
<b>Carrying amounts 30.09.21</b>	<b>2,915</b>	<b>6,537</b>	<b>3,764</b>	<b>8,350</b>	<b>4</b>	<b>21,569</b>
Lifetime / linear	5 y	5 y	15 y	5y	3 y	3 - 15 y
<b>Depreciation this period</b>	<b>333</b>	<b>1,089</b>	<b>254</b>	<b>2,289</b>	<b>11</b>	<b>3,975</b>

Gross additions per year	2,622	295	473	5,278	0	8,668
Reduction due to public funding				-1,774		-1,774
Reduction due to SkatteFUNN				-1,442		-1,442
<b>Net additions</b>	<b>2,622</b>	<b>295</b>	<b>473</b>	<b>2,062</b>	<b>0</b>	<b>5,452</b>

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. The 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 %
<b>Topp 10</b>	<b>10 741 917</b>	<b>78,86 %</b>
other shareholders	2 878 863	21,14 %
<b>Total</b>	<b>13 620 780</b>	<b>100,00 %</b>

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

(Figures in NOK thousands)

	Share capital	Other paid-up equity	Not registered	Loss brought forward	TOTAL
<b>Equity 31.12.2020</b>	<b>893</b>		<b>3,173</b>	<b>-5,824</b>	<b>-1,758</b>
Loan converted	19	3,154	-3,173	0	0
New Capital	450	69,550		0	75,000
Transfer	0	-5,824		5,824	0
Result period	0			-15,493	-15,493
<b>Equity 30.09.2021</b>	<b>1,362</b>	<b>66,880</b>	<b>0</b>	<b>-15,493</b>	<b>52,749</b>

# 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 (#)	Strike price (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
	<b>2 347 699</b>		

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.

(Figures in NOK thousands)

	Convertible loans	Accumulated interest	DnB growth guarantee	Other leasing obligations	Total
<b>Balance pr 31.12.2020</b>	<b>4 120</b>	<b>297</b>	<b>3 033</b>	<b>7 331</b>	<b>14 781</b>
Year's additions				295	295
Year's payments			-153	-1 089	-1 243
Interest rates 2021		308			308
<b>Balance pr 30.09.2021</b>	<b>4 120</b>	<b>605</b>	<b>2 880</b>	<b>6 537</b>	<b>14 142</b>
Due next year			400	1 309	
Total due for more than 5 years			633		
<b>Convertible loans:</b>					
	Denomination	Accumulated interest as of 30.09.2021	Conversion rate	Due date	
Convertible loans	1 500 000	117 945	16.67	31.12.2021	
Convertible loans	2 620 000	486 920	11.67	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:

<b>Year</b>	<b>Nominal</b>	<b>Present value</b>
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.

