



# CondAlign

**Financial Statements Q2 2022**

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**(Unaudited)**

**Oslo**

**26.08.2022**

# Operational update

## **Reducing time to market for our customers**

Due to strong market interest and specific requests from customers, CondAlign is qualifying internal and third-party manufacturing capability for direct product sales. This will enable access to new market segments and faster scaling of product delivery and revenues. The internal manufacturing is based on CondAlign's existing roll-to-roll manufacturing equipment.

## **Announcing product line**

The first product "E-Align" is available and has been approved for use by the first customer, revolutionizing electronic assembly. E-Align is based on the CondAlign technology. First application areas include connection of flexible batteries and smart tags, addressing the IoT (Internet of Things) market. A long-term delivery agreement has been signed, and the first purchase order is executed. CondAlign is working with several other selected customers for product qualification in order to build order-book and revenues.

## **Securing delivery capacity**

CondAlign has an internal capacity to deliver limited volumes of products to customers. To allow customers scaling beyond the initial volumes, CondAlign has signed a letter of intent with a large volume roll-to-roll contract manufacturer (CMO). This allows CondAlign to leverage existing manufacturing capacity, QA/QC competency and infrastructure for supply chain and delivery. This strategy reduces the required investments and shortens the time to market for CondAlign and our customers.

# Operational update

## **Advancing customer development projects**

Through a signed Frame Cooperation Agreement with Tactotek, CondAlign and Tactotek will work together to develop, test, and qualify the CondAlign film for use in Tactotek products. Tactotek is addressing both the consumable electronics market and automotive electronics market with their technology.

In the fast-growing electric vehicles market, CondAlign is positive about the joint development of a cost-efficient thermal interface material (TIM) with a major global supplier.

## **Expanding the Organization**

To strengthen the company's technology industrialization, Arve Austad has been employed as CTO to drive the development of the CondAlign products. Arve will take over the role from Rita Glenne who will continue as Senior Advisor and remain a Board member in CondAlign.

Arve Austad has held multiple leadership roles in international technology companies, leading large engineering organizations and industrializing high-technology products for global markets. Arve's R&D leadership experience spans from FLIR unmanned aerial systems, US semiconductor giant Texas instruments and Chipcon in both R&D Management and Leadership roles. Arve Austad holds a Master from the Norwegian University of Science and Technology (NTNU) specializing in Robotics.

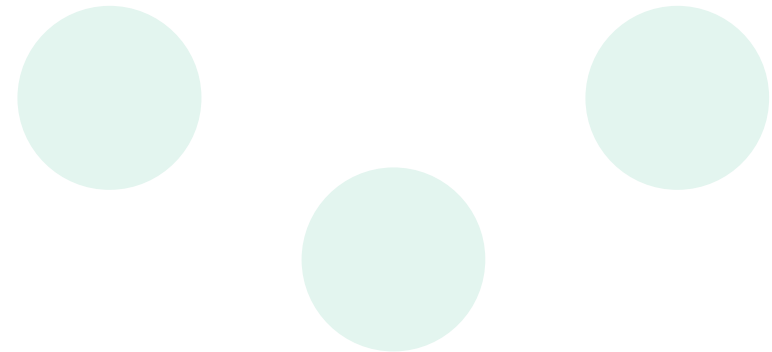
# Financial summary

The accounts for 2Q 2022 show a negative net profit of NOK 4.0m, compared to negative net profit of NOK 5.7m in 2Q 2021.

Year-to-date net profit is negative NOK 9.2m compared to negative NOK 9.7m for the same period 2021. Capitalized internal costs were NOK 2.9m in Q2 2022 up from NOK 2.0m in the same period in 2021.

The Company has a comfortable cash position of NOK 28.3m at the end of 2Q 2022. The Company has an undrawn credit facility of NOK 5.0m. Total liabilities at the end of the period equals NOK 11.1m including accrued interest and leasing obligations.

The total equity is NOK 44.4m with an equity ratio of 80.0%.



# Revenue statement (Unaudited)

## Income statement

(Figures in NOK thousands)

	Q2 '22	Q2 '21	YTD '22	YTD 21	FY '2021
Revenue	223	42	327	143	467
<b>Total operating income</b>	<b>223</b>	<b>42</b>	<b>327</b>	<b>143</b>	<b>467</b>
Capitalized internal	-2 906	-1 961	-5 398	-3 312	-6 468
Personnel expenses	2 711	3 303	6 642	5 632	13 322
Depreciations and	1 430	1 662	2 853	2 601	5 571
Other operating expenses	2 852	2 510	5 204	4 345	8 555
<b>Total operating expenses</b>	<b>4 087</b>	<b>5 514</b>	<b>9 301</b>	<b>9 266</b>	<b>20 980</b>
<b>Operating profit</b>	<b>-3 864</b>	<b>-5 472</b>	<b>-8 973</b>	<b>-9 123</b>	<b>-20 513</b>
<b>Fin. income and expenses</b>					
Other interest income	0	-55	0	-55	108
Other financial income	-3	-13	-4	-14	29
Other interest expenses	131	264	273	626	1 153
Other financial expenses	4	18	6	20	537
<b>Net finance</b>	<b>-132</b>	<b>-214</b>	<b>-275</b>	<b>-577</b>	<b>-1 552</b>
<b>Result before taxes</b>	<b>-3 996</b>	<b>-5 686</b>	<b>-9 248</b>	<b>-9 701</b>	<b>-22 065</b>
Tax on ordinary result	0	0	0	0	0
<b>Annual net profit</b>	<b>-3 996</b>	<b>-5 686</b>	<b>-9 248</b>	<b>-9 701</b>	<b>-22 065</b>
<b>Brought forward</b>					
Brought forward	-3 996	-5 686	-9 248	-9 701	-22 065
<b>Net brought forward</b>	<b>-3 996</b>	<b>-5 686</b>	<b>-9 248</b>	<b>-9 701</b>	<b>-22 065</b>



# Balance sheet (Unaudited)

<b>Assets</b>	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>31.12.2021</b>
<i>(Figures in NOK thousands)</i>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Research and development	10 128	8 378	8 166
Patents and similar rights	4 347	3 673	3 966
<b>Total intangible assets</b>	<b>14 475</b>	<b>12 051</b>	<b>12 132</b>
<b>Tangible assets</b>			
Leased assets	5 462	6 882	6 186
Equipment and other movables	2 629	2 001	3 029
<b>Total tangible assets</b>	<b>8 091</b>	<b>8 883</b>	<b>9 215</b>
<b>Financial fixed assets</b>			
Investments in subsidiaries	30	30	30
<b>Total financial fixed assets</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Total fixed assets</b>	<b>22 596</b>	<b>20 964</b>	<b>21 377</b>
<b>Current assets</b>			
<b>Debtors</b>			
Accounts receivables	103	42	100
Other short-term receivables	4 444	3 636	4 489
<b>Total receivables</b>	<b>4 548</b>	<b>3 678</b>	<b>4 589</b>
<b>Cash and bank deposits</b>	<b>28 330</b>	<b>51 796</b>	<b>40 487</b>
<b>Total current assets</b>	<b>32 878</b>	<b>55 475</b>	<b>45 076</b>
<b>Total assets</b>	<b>55 473</b>	<b>76 438</b>	<b>66 454</b>

<b>Equity and liabilities</b>	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>31.12.2021</b>
<i>(Figures in NOK thousands)</i>			
<b>Equity</b>			
<b>Paid-up equity</b>			
Share capital	1 407	1 362	1 362
Other paid-up equity	52 228	66 880	70 034
<b>Total paid-up equity</b>	<b>53 635</b>	<b>68 242</b>	<b>71 396</b>
<b>Total retained earnings</b>	<b>-9 248</b>	<b>-9 701</b>	<b>-22 065</b>
<b>Total equity</b>	<b>44 387</b>	<b>58 541</b>	<b>49 331</b>
<b>Liabilities</b>			
<b>Other long-term liabilities</b>			
Convertible debt	0	4 631	2 620
Liabilities to financial institutions	2 134	2 995	2 726
Other long term liabilities	5 946	6 882	6 298
<b>Total of other long term liabilities</b>	<b>8 080</b>	<b>14 508</b>	<b>11 644</b>
<b>Current debt</b>			
Liabilities to financial institutions	0	0	0
Trade creditors	1 181	1 575	2 172
Tax payable	0	0	0
Public duties payable	424	362	869
Other current debt	1 401	1 452	2 438
<b>Total current debt</b>	<b>3 006</b>	<b>3 389</b>	<b>5 479</b>
<b>Total liabilities</b>	<b>11 086</b>	<b>17 897</b>	<b>17 123</b>
<b>Total equity and liabilities</b>	<b>55 473</b>	<b>76 438</b>	<b>66 454</b>

