

The logo for CondAlign features three black dots of varying sizes to the left of the word "CondAlign". "Cond" is written in a light teal color, and "Align" is written in a bold black font. The dot above the 'i' in "Align" is also light teal.

CondAlign

Financial Statements Q3 2022

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(Unaudited)

Oslo
15.11.2022

Operational update

Breakthrough on Thermal Interface Materials through extended cooperation with Saint-Gobain

CondAlign and Saint-Gobain Tape Solutions have entered into an agreement to develop next generation Thermal Interface Materials (TIM) for the electric vehicle and electronics markets. Following the recent completion of successful stage (Work package) I and II proof of concept studies, the parties now take the collaboration to a next level for the development of thermally conductive adhesives and TIM pads for thermal management in EV batteries and electronics applications. Saint Gobain is a global industrial group with €44.2 billion in sales in 2021, 166.000 employees and locations in 76 countries.

Advancing product roadmap to address market needs

CondAlign has decided to qualify and enter the market with the electrically conductive film E-Align100. With E-Align100, CondAlign addresses the fast-growing flexible electronics market. Following E-Align100, CondAlign will qualify E-Align25 for a more demanding market within RFID and smart labels.

Growing customer interaction

CondAlign is currently executing multiple application testing projects with customers, targeting sales of the CondAlign products E-Align100 and E-Align25. Customers are currently in qualification phase in product applications. CondAlign has continued its good development on customer interaction and attended multiple conferences and executed direct customer meetings and is experiencing a strong interest and high growth in number of leads for the CondAlign products. In the flexible electronics market, CondAlign have executed initial purchase order from customer BeFC - a disruptive company offering disposable batteries applicable across multi-billion dollar markets.

Securing capacity for deliveries

CondAlign has signed a Letter of Intent with the French company AdHex with the intent to negotiate and sign a contract manufacturing agreement (CMO) for production of electrically conductive film (E-Align). This is a key step for CondAlign and enables delivery of large volumes of the E-Align product to customers globally with limited investments.

Continued work with global display manufacturer

Condalign will continue to work with display applications, using E-Align as a replacement for the conventional bonding methods in displays, including those using microLEDs. A specific feasibility study performed with a large global display manufacturer where the aim was to integrate CondAlign's technology into their display system has shifted towards exploring the utilization of our E-Align products for use in assembly of displays and end products.

Financial summary

The accounts for 3Q 2022 show a negative net profit of NOK 8.1m, compared to negative net profit of NOK 5.1m in 3Q 2021 due to a planned scale up of activities.

Year-to-date net profit is negative NOK 17.0m compared to negative NOK 14.4m for the same period 2021. Capitalized internal costs were NOK 0.6m in Q2 2022 up from NOK 1.4m in the same period in 2021.

The Company has a cash position of NOK 21.7m at the end of 3Q 2022. The Company has an undrawn credit facility of NOK 5.0m. Total liabilities at the end of the period equals NOK 10.5m including accrued interest and leasing obligations.

The total equity is NOK 35.1m with an equity ratio of 77.0%.

Revenue statement (Unaudited)

Income statement	Q3 '22	Q3 '21	YTD '22	YTD 21	FY '2021
<i>(Figures in NOK thousands)</i>					
Revenue	38	105	365	248	467
Total operating income	38	105	365	248	467
Capitalized internal development	-624	-1,363	-6,022	-4,675	-6,468
Personnel expenses	5,270	3,683	11,912	9,315	13,322
Depreciations and amortization	1,653	1,374	4,507	3,975	5,571
Other operating expenses	1,812	1,483	7,016	5,829	8,555
Total operating expenses	8,113	5,177	17,413	14,443	20,980
Operating profit	-8,075	-5,072	-17,048	-14,195	-20,513
Fin. income and expenses					
Other interest income	0	-34	0	-89	108
Other financial income	-12	-12	-16	-26	29
Other interest expenses	127	265	400	891	1,153
Other financial expenses	3	501	9	521	537
Net finance	-118	-720	-393	-1,298	-1,552
Result before taxes	-8,193	-5,792	-17,441	-22,065	-22,065
Tax on ordinary result	0	0	0	0	0
Annual net profit	-8,193	-5,792	-17,441	-22,065	-22,065



Balance sheet (Unaudited)

Assets	30.09.2022	30.09.2021	31.12.2021
<i>(Figures in NOK thousands)</i>			
Fixed assets			
Intangible assets			
Research and development	9,158	8,350	8,166
Patents and similar rights	4,532	3,767	3,966
Total intangible assets	13,690	12,117	12,132
Tangible assets			
Leased assets	5,087	6,537	6,186
Equipment and other movables	2,443	2,915	3,029
Total tangible assets	7,530	9,452	9,215
Financial fixed assets			
Investments in subsidiaries	30	30	30
Total financial fixed assets	30	30	30
Total fixed assets	21,251	21,599	21,377
Current assets			
Debtors			
Accounts receivables	0	105	100
Other short-term receivables	2,581	2,930	4,489
Total receivables	2,581	3,035	4,589
Cash and bank deposits	21,767	45,774	40,487
Total current assets	24,347	48,809	45,076
Total assets	45,598	70,408	66,454

Equity and liabilities	30.09.2022	30.09.2021	31.12.2021
<i>(Figures in NOK thousands)</i>			
Equity			
Paid-up equity			
Share capital	1,407	1,362	1,362
Other paid-up equity	51,162	67,416	70,034
Total paid-up equity	52,569	68,778	71,396
Total retained earnings	-17,441	-15,493	-22,065
Total equity	35,128	53,285	49,331
Liabilities			
Other long-term liabilities			
Convertible debt	0	3,184	2,620
Liabilities to financial institutions	2,019	2,326	2,726
Other long term liabilities	5,557	6,698	6,298
Total of other long term liabilities	7,576	12,208	11,644
Current debt			
Liabilities to financial institutions	0	0	0
Trade creditors	571	2,172	2,172
Tax payable	0	0	0
Public duties payable	654	576	869
Other current debt	1,669	2,167	2,438
Total current debt	2,894	4,915	5,479
Total liabilities	10,470	17,123	17,123
Total equity and liabilities	45,598	70,408	66,454

