

The logo for CondAlign features three black dots of varying sizes to the left of the word "CondAlign". "Cond" is written in a teal color, and "Align" is written in black. The font is a clean, sans-serif typeface.

CondAlign

Financial Statements Q4 2022

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(Unaudited)

Oslo

17.02.2023

Operational update

Strengthening of balance sheet

As informed on January 6, 2023 CondAlign was awarded a non-dilutive NOK 8 million Innovation Contract grant from Innovation Norway to scale the unique CondAlign product offering into fast-growing markets for connecting electronics.

Further as part of the conditions for the grant the main owner Nordic Technology Group has provided the Company with a shareholder loan of NOK 15 million.

Together with earlier awarded SkatteFUNN the Company has secured funding which secures liquidity well into 2024 with current run-rate. Targeting growing product sales volumes and increasing revenues from the second half of 2023 this puts CondAlign in comfortable financial position.

Good progress on Thermal Interface Materials cooperation with Saint-Gobain

CondAlign and Saint-Gobain are progressing in the product design of the co-development which was published November 11, 2022. During the first stage of the Project, CondAlign has confirmed that the demanding cost/performance requirements for the Thermal Interface Materials for EV batteries are met.

In the next phase the CondAlign technology will be transferred into pilot production equipment and preparations for the CondAlign technology to be included in a Saint-Gobain production line will start.

Growing customer pipeline

Since the start of marketing of CondAlign's first product in Q4 2022 a significant growth in interest and interaction with customers. During the last months the number of customers testing the CondAlign material in their own products has grown to more than 20. CondAlign is currently targeting markets in Europe, the Nordics and USA and will strengthen the sales organization in order to materialize the high interest into actual deliveries in second half of 2023.

The first target markets for the products are connecting electronics and disposable batteries in IoT (Internet of Things) applications such as smart labels for tracking goods. These markets are forecasted to experience mega growth in the next years.

Operational update

Product launch on track

E-Align100 will be available for commercial deliveries in Q2 2023 and E-Align25 will be launched second half of 2023. Ongoing testing and quality assurance procedures are planned to be concluded by the end of Q1.

The launch of products will significantly improve the ability to interact with customers and generate sales orders.

Advancing delivery capabilities

CondAlign is securing ability to deliver commercial volumes to customers. CondAlign has taken important steps in advancing the in-house production capability and will be in position to deliver commercial volumes to end users in the second half of 2023. Further CondAlign is on track to secure high volume production capacity in 2024 through a 3rd party contract manufacturing agreement.

Supply of all input factors have been secured through European suppliers.

Financial summary

The accounts for 4Q 2022 show a negative net profit of NOK 5.8m, compared to negative net profit of NOK 6.6m in 4Q 2021. In the same period capitalized internal costs were NOK 3.9m in 2022 up from NOK 1.8m in 2021 due to the development of E-Align 100.

Full year net profit is negative NOK 23.4m compared to negative NOK 22.1m in 2021.

During the quarter the net change in cash was negative NOK 7.8m. During 2022 the net change of cash was negative NOK 26.5m.

The Company has a cash position of NOK 14.0m at the end of 2022. The Company has an undrawn credit facility of NOK 5.0m. Total liabilities at the end of the period equals NOK 12.4m including accrued interest and leasing obligations.

After the period CondAlign has secured additional funding through grants from Innovation Norway (NOK 8.0m) and a shareholder loan from main shareholder (NOK 15.0m) which in addition to SkatteFUNN secure a comfortable liquidity position.

The total equity is NOK 29.2m with an equity ratio of 70.1%.

Income statement (Unaudited)

Income statement	Q4 '22	Q4 '21	FY '22	FY '21
<i>(Figures in NOK thousands)</i>				
Revenue	184	220	549	467
Total operating income	184	220	549	467
Capitalized internal development costs	-3,922	-1,793	-9,943	-6,468
Personnel expenses	5,451	4,008	17,363	13,322
Depreciations and amortization	1,970	1,597	6,477	5,571
Other operating expenses	2,434	2,727	9,614	8,555
Total operating expenses	5,933	6,538	23,510	20,980
Operating profit	-5,749	-6,318	-22,961	-20,513
Fin. income and expenses				
Other interest income	-132	-19	-132	108
Other financial income	-5	-3	-22	29
Other interest expenses	183	262	583	1,153
Other financial expenses	11	16	20	537
Net finance	-57	-255	-449	-1,552
Result before taxes	-5,805	-6,573	-23,410	-22,065
Tax on ordinary result	0	0	0	0
Annual net profit	-5,805	-6,573	-23,410	-22,065



Balance sheet (Unaudited)

Assets	31.12.2022	31.12.2021
<i>(Figures in NOK thousands)</i>		
Fixed assets		
Intangible assets		
Research and development	7,642	8,166
Patents and similar rights	4,674	3,966
Total intangible assets	12,316	12,132
Tangible assets		
Leased assets	5,312	6,186
Equipment and other movables	2,554	3,029
Total tangible assets	7,866	9,215
Financial fixed assets		
Investments in subsidiaries	30	30
Total financial fixed assets	30	30
Total fixed assets	20,213	21,377
Current assets		
Debtors		
Accounts receivables	0	100
Other short-term receivables	7,395	4,489
Total receivables	7,395	4,589
Cash and bank deposits	13,974	40,487
Total current assets	21,370	45,076
Total assets	41,583	66,454

Equity and liabilities	31.12.2022	31.12.2021
<i>(Figures in NOK thousands)</i>		
Equity		
Paid-up equity		
Share capital	1,407	1,362
Other paid-up equity	51,162	70,034
Total paid-up equity	52,569	71,396
Total retained earnings	-23,410	-22,065
Total equity	29,159	49,331
Liabilities		
Other long-term liabilities		
Convertible debt	0	2,620
Liabilities to financial institutions	1,904	2,726
Other long term liabilities	5,768	6,298
Total of other long term liabilities	7,672	11,644
Current debt		
Liabilities to financial institutions	0	0
Trade creditors	1,257	2,172
Tax payable	0	0
Public duties payable	773	869
Other current debt	2,722	2,438
Total current debt	4,752	5,479
Total liabilities	12,424	17,123
Total equity and liabilities	41,583	66,454

