

---

# **Nordic Technology Group**

## **1H 2023 FINANCIAL REPORT**

25 AUGUST 2023

---

## ***DIRECTORS REPORT***

---

### ***NORDIC TECHNOLOGY GROUP***

Nordic Technology Group AS (NTG) was incorporated in March 2021 as a limited liability company organized under Norwegian law and with a governance structure based on Norwegian corporate law and other regulatory requirements. NTG has its headquarters located in the municipality of Oslo, Norway. NTG was established with a main objective to acquire selected companies whose core strategic value is related to their unique and patented products and solutions based on more than 10 years of concept development, product design, product testing & qualification, certifications, and customer acceptance.

NTG's overall strategy is to carry out multi-channel value creation and realization by attracting and developing scale-up businesses and building the businesses into becoming industry-leading technology initiatives within their respective market niches. NTG's strategy also includes acquiring new businesses and NTG plans to continue searching for and evaluating target businesses operating within NTG's technology segments, meeting its requirements for disruptive technology, with large growth markets and with a clear ESG profile.

As of June 30, 2023 NTG has majority ownership in four companies and a financial investment in one company. NTG is organized in three business areas:

<b>Business area</b>	<b>Company name</b>	<b>NTG%</b>
Sensor technology	Wavetrain Systems AS	81.9%
	Hammertech AS	85.7%
Nanomaterials technology	CondAlign AS	50.5%
	CrayoNano AS	14.6%
Clean technology	Hystorsys AS	100.0%
	MossHydro AS	89.9%

### ***FINANCIALS***

NTG acquired on 1. July 2022 the shareholdings of its current subsidiaries and its financial investment. As such, there are no comparable 1H 2022 consolidated NTG Group financial statements.

### ***NTG PARENT COMPANY***

Nordic Technology Group AS, the ultimate parent company had NOK 0.9 million in revenues in 1H 2023 (NOK 0 in 1H 2022). The revenues are generated from intra-group cost allocations. Operating expenses ended at NOK 7.8 million (NOK 6.2 million in 1H 2022). Net result for 1H 2023 amounts to NOK 44.6 million (NOK -6.2 million in 1H 2022). The result for 1H 2023 is mainly due to the sale of all NTG's shareholdings in Hybrid Energy AS, excluding its wholly owned subsidiary Hystorsys AS that was completed on January 10<sup>th</sup>, 2023. Out of the net cash received, NOK 10 million is placed in escrow until mid-January 2024. In addition, NTG was released from NOK 15 million in guarantees towards DNB on behalf of Hybrid Energy AS.

Of the Parent's current assets of NOK 40.8 million, cash and bank deposits amount to around NOK 28.9 million. Loans to the portfolio companies amount to around NOK 27.9 million. The company expects that parts of, majority or all the outstanding loans to certain group companies could be converted into equity in 2H 2023. Of the parent company's total balance sheet as of June 30, 2023 of NOK 770.1 million, equity amounts to around NOK 767.8 million.

The parent company has on behalf of certain group companies a total of NOK 34.3 million in guarantees for certain credit facilities and loans with banks and other institutions. The guarantees were on June 30, 2023 extended with 1 year until June 30, 2024. NTG parent company does not have any financial instruments such as forward contracts, or hedging agreements in place exposing the NTG parent or the NTG Group for changes in currency exchange rates, interest rates or other commodity price changes.

As of June 30, 2023 net cash outflow from operating activities was NOK 7.6 million compared to an outflow of NOK 0.02 million in the same period in 2022. The net cash outflow from investing activities was NOK 10.6 million in 1H 2023 compared to NOK 0.0 million in the same period in 2022.

As of June 30, 2023 the NTG parent company does not have any long-term debt. The short-term debt of around NOK 2.3 million is primarily related to trade creditors.

Out of the financial assets of around NOK 729.0 million, NOK 627.6 million is related to investments in the Group companies and around NOK 73.5 million is related to a financial investment in CrayoNano AS.

NTG Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when impairment testing for an asset is required, the Group estimates the asset's recoverable amount. As of June 30, 2023 no requirement for impairment testing is required as the market values are assumed to be higher than the book values based on third party valuations and equity transactions in the companies. However, the board and management want to emphasize that there will always be a significant uncertainty surrounding the estimates of the actual obtainable and realizable assets in the NTG's balance sheet should that be required.

### ***NTG GROUP CONSOLIDATED FINANCIALS***

NTG Group had consolidated revenues of NOK 62.7 million in 1H 2023 mainly driven by the sale of its subsidiary Hybrid Energy AS in January 2023 of which NOK 50.3 million is recognized and presented as other income.

Total operating expenses ended at NOK 103.1 million. Net operating loss for the year amounts to NOK 40.3 million, of which NOK 54.6 million is related to depreciation and amortization expenses. The consolidated NTG Group's cash balance is around NOK 45.4 million compared to around NOK 54.7 million on 31 December 2022. Current assets as of June 30, 2023 is around NOK 87.5 million and current liabilities is NOK 41.4 million compared to NOK 83.0 million and NOK 87.3 million respectively on December 31 2022. Total fixed assets are around NOK 639.3 million, of which NOK 557.9 million is related to intangible assets compared to total fixed assets of NOK 711.2 million, of which NOK 644.2 million was related to intangible assets on December 31, 2022.

As of June 30, 2023 the Group companies have non-current liabilities of around NOK 19.7 million, primarily related to loans with banks, project financing and innovation loans with other institutions compared to around NOK 22.5 million on December 31, 2022.

Net cash outflow from operating activities during 1H 2023 was NOK 48.5 million. The net cash outflow from investing activities was NOK 38.2 million and the net cash flow from financing activities was NOK 1.0 million during the same period.

The book value of equity was NOK 665.7 million corresponding to an equity ratio of around 91.6% compared to around NOK 684.5 million (81.7%) on December 31, 2022.

### ***GOING CONCERN***

It is the opinion of the Board of Directors and Chief Executive Officer (management) that the 1H 2023 financial statements and financial positions provide a true and fair view of the development, risks and results of the parent company and its subsidiaries as of June 30, 2023. The Board of Directors and Chief Executive Officer confirms that the 1H 2023 financial statements are prepared in accordance with the going concern assumption and has taken this into account when preparing the financial statements. There have been no other circumstances after the end

of June 30, 2023 that are of importance when assessing the groups position besides what is informed under events after the balance sheet date.

Management reviews on a regular basis cash-flow forecasts to evaluate whether it will be able to cover the liquidity needs for the next 12-month period. In developing estimates of future cash flows, the management makes assumptions about revenue and revenue growth, cost of materials, payroll and other operating expenses, capital expenditure, loan repayments, interest, and tax charges. The assumptions applied are based on historical experience and future expectations. Based on cash flow forecasts for the period up to June 2024, management expects that Wavetrain Systems, Hammertech, CondAlign and Hystorsys will require additional liquidity to execute and proceed with its commercialization and growth strategy and has implemented action plans to secure the liquidity required. Wavetrain Systems and Hammertech has commenced a capital raise transaction. CondAlign has engaged two financial advisors to facilitate an equity capital raise, whilst Hystorsys, with a non-material liquidity need is planned supported by Nordic Technology AS liquidity reserve for the next 12 months.

However, until financing is secured, there will always be an inherent risk that adequate sources of funds may not be available, or available at acceptable terms and conditions when needed, and as such, there is a considerable risk to the going concern if each of Wavetrain Systems, Hammertech or CondAlign are not successful in obtaining required liquidity.

The Board of Directors and Chief Executive Officer believes to the best of their abilities that Wavetrain Systems, Hammertech and CondAligns' initiatives and plans are realistic and sufficient to support the assumption that the Group can meet its financial obligations and continue to support the liquidity requirements for ongoing operations for the period up to June 2024.

The Board of Directors and Chief Executive Officer in NTG are cautiously optimistic about the outlook for the NTG Group companies. The NTG Group companies are overall well positioned in the markets they operate; their products and service offerings are cost-effective, and their technology base is disruptive in nature.

#### ***EVENTS AFTER THE BALANCE SHEET DATE***

There have been no events after the balance sheet date (reporting period) that would have an impact on the Company's financial statements or its financial position at the time issuing this report.

The Board of Directors report, including the 1H 2023 unaudited report will be available for download on the NTG Group's web page [www.ntechgroup.no](http://www.ntechgroup.no).

Oslo  
25. August 2023

\_\_\_\_\_  
Sign  
*Henrik August Christensen*  
Chairman

\_\_\_\_\_  
Sign  
*Camilla Amundsen*  
Board member

\_\_\_\_\_  
Sign  
*Georg Johan Espe*  
Board member

\_\_\_\_\_  
Sign  
*Konstantinos Koutsoumpelis*  
Board member

\_\_\_\_\_  
Sign  
*Leif Rune Rinnan*  
Chief Executive Officer

**Nordic Technology Group AS**  
**INCOME STATEMENT**  
(Amounts in NOK 1000)

Nordic Technology Group AS		Nordic Technology Group, consolidated		
Unaudited	Unaudited			Unaudited
H1 2023	H1 2022	Operating income and expenses	Note	H1 2023
0	0	Revenue	1	12 452
960	0	Other operating income	1	50 253
<b>960</b>	<b>0</b>	<b>Total revenue</b>		<b>62 706</b>
0	0	Capitalized internally generated assets		-15 244
0	0	Cost of goods sold		5 942
4 899	0	Payroll expenses		34 522
13	0	Depreciation and amortisation expenses	2, 3	54 605
2 864	6 213	Other operating expenses		23 226
<b>7 775</b>	<b>6 213</b>	<b>Total operating expenses</b>		<b>103 051</b>
<b>-6 815</b>	<b>-6 213</b>	<b>Operating profit or loss</b>		<b>-40 346</b>
<b>Financial income and expenses</b>				
47 066	0	Income from subsidiaries and associated companies		0
4 380	0	Other finance income		4 357
0	0	Write-down of financial assets		0
5	0	Other financial expense		3 675
<b>51 441</b>	<b>0</b>	<b>Net financial items</b>		<b>682</b>
<b>44 626</b>	<b>-6 213</b>	<b>Profit of loss before income tax</b>		<b>-39 663</b>
0	0	Income tax expense		177
<b>44 626</b>	<b>-6 213</b>	<b>Net loss for the period before minority interests</b>		<b>-39 486</b>
		To minority interests	4	-11 695
		<b>Net loss for the period</b>	<b>4</b>	<b>-27 790</b>

# Nordic Technology Group AS

## BALANCE SHEET

(Amounts in NOK 1000)

Nordic Technology Group AS				Nordic Technology Group, consolidated	
Unaudited				Unaudited	
H1 2023	2022	ASSETS	Note	H1 2023	2022
0	0	Development	2	213 124	230 947
271	63	Other intangible assets	2	6 405	5 988
0	0	Deferred tax asset		6 795	6 617
0	0	Goodwill	2	331 616	400 663
<b>271</b>	<b>63</b>	<b>Total intangible assets</b>		<b>557 939</b>	<b>644 215</b>
0	0	Machinery and plant (leased)	3	4 401	5 312
0	0	Fixtures and fittings, tools, office machinery and equipment	3	3 464	3 580
<b>0</b>	<b>0</b>	<b>Total tangible assets</b>		<b>7 865</b>	<b>8 892</b>
627 635	613 172	Investments in subsidiaries		0	0
27 895	30 397	Loans to group companies		0	0
73 471	58 110	Investments in shares		73 471	58 110
<b>729 000</b>	<b>701 679</b>	<b>Total financial non-current assets</b>		<b>73 471</b>	<b>58 110</b>
<b>729 271</b>	<b>701 742</b>	<b>TOTAL NON-CURRENT ASSETS</b>		<b>639 274</b>	<b>711 217</b>
0	0	Inventories		12 098	10 112
<b>0</b>	<b>0</b>	<b>Total inventories</b>		<b>12 098</b>	<b>10 112</b>
1 200	1 013	Trade receivables		6 327	3 866
10 696	631	Other receivables		23 663	14 342
<b>11 896</b>	<b>1 643</b>	<b>Total receivables</b>		<b>29 990</b>	<b>18 207</b>
28 922	25 989	Cash and bank deposits		45 405	54 679
<b>40 817</b>	<b>27 632</b>	<b>TOTAL CURRENT ASSETS</b>		<b>87 493</b>	<b>82 998</b>
<b>770 088</b>	<b>729 374</b>	<b>TOTAL ASSETS</b>		<b>726 767</b>	<b>794 215</b>

# Nordic Technology Group AS

## BALANCE SHEET

(Amounts in NOK 1000)

Nordic Technology Group AS				Nordic Technology Group, consolidated	
Unaudited				Unaudited	
H1 2023	2022	EQUITY AND LIABILITIES	Note	H1 2023	2022
301	301	Share capital	4	301	301
758 241	758 241	Share premium	4	758 241	758 241
0	0	Other paid-in equity	4	0	0
<b>758 541</b>	<b>758 541</b>	<b>Total paid-in equity</b>		<b>758 541</b>	<b>758 541</b>
9 248	-35 377	Other equity	4	-144 725	-116 935
<b>9 248</b>	<b>-35 377</b>	<b>Total retained earnings</b>		<b>-144 725</b>	<b>-116 935</b>
		Minority interests	4	51 893	42 847
<b>767 790</b>	<b>723 164</b>	<b>TOTAL EQUITY</b>		<b>665 709</b>	<b>684 453</b>
0	0	Liabilities to financial institutions		17 059	18 864
0	0	Other non-current liabilities		2 647	3 587
<b>0</b>	<b>0</b>	<b>Total other non-current liabilities</b>		<b>19 706</b>	<b>22 451</b>
0	0	Liabilities to financial institutions		16 004	33 002
89	3 906	Trade payables		5 550	11 995
842	569	Public duties payable		4 914	6 169
1 368	1 735	Other short-term liabilities		14 884	36 144
<b>2 299</b>	<b>6 210</b>	<b>Total current liabilities</b>		<b>41 352</b>	<b>87 310</b>
<b>2 299</b>	<b>6 210</b>	<b>TOTAL LIABILITIES</b>		<b>61 058</b>	<b>109 761</b>
<b>770 088</b>	<b>729 374</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>726 767</b>	<b>794 215</b>

Oslo, 25 August 2023

Sign.  
Henrik August Christensen  
Chairman of the Board

Sign.  
Georg Johan Espe  
Member of the Board

Sign.  
Camilla Amundsen  
Member of the Board

Sign.  
Konstantinos Koutsoumpelis  
Member of the Board

Sign.  
Leif Rune Rinnan  
Chief Executive Officer

# Nordic Technology Group AS

## CASH FLOW

(Amounts in NOK 1000)

Nordic Technology Group AS		Nordic Technology Group, consolidated	
Unaudited	Unaudited	Unaudited	
H1 2023	H1 2022	H1 2023	
<b>Cash flow from operations</b>			
44 626	-6 213		-39 663
0	0		0
-47 066	0		-50 253
13	0		54 605
0	0		-1 987
-188	0		-4 570
-3 817	2 972		7 414
-1 144	3 242		-14 048
<b>-7 576</b>	<b>2</b>		<b>-48 501</b>
<b>Cash flow used in investments</b>			
-220	0		-13 092
67 087	0		66 682
-39 904	0		0
-15 361	0		-15 361
-1 094	0		0
<b>10 509</b>	<b>0</b>		<b>38 229</b>
<b>Cash flow used in financing</b>			
0	0		-2 745
0	0		-16 999
0	0		20 742
<b>0</b>	<b>0</b>		<b>998</b>
<b>2 933</b>	<b>2</b>		<b>-9 274</b>
25 989	2		54 679
<b>28 922</b>	<b>3</b>		<b>45 405</b>



# Nordic Technology Group AS

## NOTES

(Amounts in NOK 1000)

### General and basis for preparation

Nordic Technology Group AS was established on 17 February 2021. The group was established on 1 July 2022 by Nordic Technology Group AS acquiring the shareholdings of its subsidiaries, which included Wavetrain Systems AS, Hammertech AS, Hybrid Energy AS and its subsidiary Hystorsys AS, MossHydro AS and CondAlign AS, in addition to CrayoNano AS as a financial investment. On 10 January 2023, Nordic Technology Group AS entered into a share purchase agreement regarding 100% of the shares in Hybrid Energy AS. The shares in Hybrid Energy AS' wholly owned subsidiary Hystorsys AS was not included in the transaction and is now owned 100% by Nordic Technology Group AS. Hybrid Energy AS is not included in the condensed interim financial statements for the period ending on June 30 2023.

The condensed interim financial statements for the period ending on 30 June 2023 have been prepared on accordance with the Norwegian Accounting Act (NGAAP) and generally accepted accounting principles. The accounting principles applied in preparing the interim financial statements are consistent with the annual report for 2022. The interim financial statements are unaudited.

The preparation of the interim financial statements entails the use of valuations, estimates and assumptions that affect the application of the accounting policies and the amounts recognized as assets and liabilities, income and expenses. The actual results may deviate from these estimates. The material assessments underlying the application of the group's accounting policy and the main sources of uncertainty are the same as for the annual report for 2022.

It is the opinion of the Board of Directors and Chief Executive Officer (management) that the 1H 2023 financial statements and financial positions provide a true and fair view of the development, risks and results of the parent company and its subsidiaries as of 30 June 2023. The Board of Directors and Chief Executive Officer confirms that the 1H 2023 financial statements are prepared in accordance with the going concern assumption and has taken this into account when preparing the financial statements. There have been no other circumstances after the end of 30.06.2023 that are of importance when assessing the groups position besides what is informed under events after the balance sheet date.

Management reviews on a regular basis cash-flow forecasts to evaluate whether it will be able to cover the liquidity needs for the next 12-month period. In developing estimates of future cash flows, the management makes assumptions about revenue and revenue growth, cost of materials, payroll and other operating expenses, capital expenditure, loan repayments, interest, and tax charges. The assumptions applied are based on historical experience and future expectations. Based on cash flow forecasts for the period up to June 2024, management expects that Wavetrain Systems, Hammertech, CondAlign and Hystorsys will require additional liquidity to execute and proceed with its commercialization and growth strategy and has implemented action plans to secure the liquidity required. Wavetrain Systems and Hammertech has commenced a capital raise transaction. CondAlign has engaged two financial advisors to facilitate an equity capital raise, whilst Hystorsys, with a non-material liquidity need is planned supported by Nordic Technology AS liquidity reserve for the next 12 months.

However, until financing is secured, there will always be an inherent risk that adequate sources of funds may not be available, or available at acceptable terms and conditions when needed, and as such, there is a considerable risk to the going concern if each of Wavetrain Systems, Hammertech or CondAlign are not successful in obtaining required liquidity.

The Board of Directors and Chief Executive Officer believes to the best of their abilities that Wavetrain Systems, Hammertech and CondAligns' initiatives and plans are realistic and sufficient to support the assumption that the Group can meet its financial obligations and continue to support the liquidity requirements for ongoing operations for the period up to June 2024.

The Board of Directors and Chief Executive Officer in NTG are cautiously optimistic about the outlook for the NTG Group companies. The NTG Group companies are overall well positioned in the markets they operate; their products and service offerings are cost-effective, and their technology base is disruptive in nature.

The Board of Directors report, including the 1H 2023 unaudited report will be available for download on the NTG Group's web page [www.ntechgroup.no](http://www.ntechgroup.no).

# Nordic Technology Group AS

## NOTES

(Amounts in NOK 1000)

### Note 1 Operating income

	Nordic Technology Group AS		Nordic Technology Group, consolidated
	H1 2023	H1 2022	H1 2023
Sales income	0	0	12 452
Other operating income	960	0	0
Gain from sale of shares in subsidiaries	0	0	50 253
<b>Total</b>	<b>960</b>	<b>0</b>	<b>62 706</b>

<b>Geographical distribution</b>	<b>H1 2023</b>
Norway	11 198
Europe	118
Other countries	1 137
<b>Total</b>	<b>12 452</b>

<b>By business area</b>	<b>H1 2023</b>
Sensor technology	1 137
Clean technology	11 198
Nano-materials technology	118
<b>Total</b>	<b>12 452</b>

Gain from sale of Nordic Technology Group AS's shareholdings in Hybrid Energy AS is presented as operating income in the consolidated income statement and as a financial income in the income statement for the parent company.

NOK 10 million of the purchase price is placed in escrow until mid-January 2024 and is presented as other short-term receivables in the balance sheet as of June 30 2023.

### Note 2 Intangible assets

<b>Nordic Technology Group, consolidated</b>	<b>Development</b>	<b>Other intangible assets</b>	<b>Goodwill</b>	<b>Total</b>
Purchase cost at 31 December 2022	246 974	6 392	445 181	698 548
Additions during the period	11 984	773	0	12 757
Disposals - Hybrid Energy AS	-18 372	0	-27 596	-45 968
Purchase cost at 30 June 2023	240 586	7 165	417 586	665 337
Accumulated depreciation at 30 June 2023	27 462	760	85 970	114 192
<b>Book value at 30 June 2023</b>	<b>213 125</b>	<b>6 405</b>	<b>331 616</b>	<b>551 145</b>
Depreciation for the period	11 434	356	41 452	53 242
Estimated useful life	5-10 years	3-15 years	5 years	
Depreciation plan	Straight line	Straight line	Straight line	

# Nordic Technology Group AS

## NOTES

(Amounts in NOK 1000)

### Note 3 Tangible assets

	Machinery and plant (leased)	Fixtures, tools, office machinery	Total
<b>Nordic Technology Group, consolidated</b>			
Purchase cost at 31 December 2022	5 462	4 148	9 610
Additions during the period	0	335	335
Purchase cost at 30 June 2023	5 462	4 484	9 946
Accumulated depreciation at 30 June 2023	1 061	1 020	2 081
<b>Book value at 30 June 2023</b>	<b>4 401</b>	<b>3 464</b>	<b>7 864</b>
Depreciation for the period	912	452	1 363
Estimated useful life	5 years	3-5 years	
Depreciation plan	Straight line	Straight line	

### Note 4 Shareholders' equity

#### Nordic Technology Group AS

	Share capital	Share premium	Other paid-in equity	Other equity	Total
<b>Equity changes in the year</b>					
Equity at 1 January 2023	301	758 241	0	-35 377	723 164
Result for the period	0	0	0	44 626	44 626
<b>Equity at 30 June 2023</b>	<b>301</b>	<b>758 241</b>	<b>0</b>	<b>9 248</b>	<b>767 790</b>

#### Nordic Technology Group, consolidated

	Share capital	Share premium	Other paid-in equity	Other equity	Minority interests	Total
<b>Equity changes in the year</b>						
Equity at 1 January 2023	301	758 241	0	-116 935	42 847	684 453
Result for the period				-27 790	-11 695	-39 486
Share capital increase subsidiaries					20 742	20 742
<b>Equity at 30 June 2023</b>	<b>301</b>	<b>758 241</b>	<b>0</b>	<b>-144 725</b>	<b>51 893</b>	<b>665 709</b>

### Note 5 Events after the balance sheet date

There has been no events after the balance sheet date (reporting period) that would have an impact on the Company's financial statements or financial position at the time issuing this report.