Nordic Technology Group

2023
ANNUAL REPORT

27 MAY 2024

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 and its shares are listed on the Oslo Euronext Growth with the ticker "NTG". 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 a long period 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 31.12.2023, NTG has majority ownership in five companies and a financial investment in one company. NTG is organized in three business areas:

Business area	**Company name**	**NTG ownership %**
Sensor technology	Wavetrain Systems AS	82.0%
	Hammertech AS	84.5%
Nanomaterials technology	CondAlign AS	50.2%
	CrayoNano AS	14.4%
Clean technology	Hystorsys AS	100.0%
	MossHydro AS	89.9%

NTG PARENT COMPANY

Nordic Technology Group AS, the ultimate parent company had NOK 1.9 million in revenues in 2023 (NOK 0,9 in 2022). The revenues are generated from intra-group cost allocations. Operating expenses ended at NOK 19.3 million (NOK 16.6 million in 2022). Net result for the year amounts to NOK 36.7 million (NOK -33.2 million in 2022). The net result for the year is primarily due to the gain on sale of Hybrid Energy AS in Q1 2023 of NOK 47.4 million.

Of the Parent's current assets of NOK 15.9 million, cash and bank deposits amount to around NOK 3.1 million (NOK 26.0 million in 2022). Loans to the portfolio companies amount to around NOK 36.9 million (NOK 30.4 million in 2022). The company expects that parts of, majority or all the outstanding loans to certain group companies could be converted into equity in 2024. Of the parent company's total balance sheet as of 31 December 2023 of NOK 766.0 million, equity amounts to around NOK 759.9 million.

The parent company has on behalf of certain group companies a total of NOK 37.3 million in guarantees for certain credit facilities and loans with banks and other institutions. The guarantees are issued for 1 year at the time, with annual renewal due on June 30th each year. 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.

The cash balance and outstanding loans to the group companies of around NOK 40 million constitute the company's established liquidity reserves as of 31 December 2023. In addition, in accordance with the sale of the Company´s shares in Hybrid Energy AS, the company has NOK 10 million in escrow account as of December 31, 2023. The escrow account was released in full in Q1 2024.

As of 31.12.2023, net cash outflow from operating activities was NOK 13.0 million compared to an outflow of NOK 12.6 million in the same period in 2022. The net cash outflow from investing activities was NOK 9.9 million in 2023 compared to NOK 55.9 million in the same period in 2022. The main change is due to the net proceeds from the sale of the Company´s shares in Hybrid Energy AS. The net cash flow from financing activities was NOK 0 million in

2023 compared to NOK 94.5 million in the same period in 2022, with the main changes due to the capital increase in 2022 of NOK 102.0 million.

As of 31.12.2023, the NTG parent company does not have any long-term debt. The short-term debt of around NOK 6.1million (compared to NOK 6.2 million in 2022) is primarily related to trade creditors and a provision for VAT payable.

Out of the financial assets of around NOK 750.0 million (NOK 701.7 million in 2022), NOK 637.6 million (NOK 613.2 million in 2022) is related to investments in the Group companies and around NOK 75.5 million (NOK 58.1 million in 2022) 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 annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or Cash-Generating Unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets, or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired, and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. Value in use impairment calculation is based on detailed budgets and forecasts and with use of scenario analyses. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

CondAlign and CrayoNano are both registered on the NOTC with an observable market value based on the last trading in the shares. Trading volumes have been very low in 2023 and price volatility very high resulting in a wide range of observable market values over some time and the current observable share price does not reflect the underlying value of the company and as a result, no adjustments to investment cost is required.

For the remainder of NTG´s investments in the group companies, 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 wants 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.

The shares in NTG are traded on Oslo Euronext Growth under the ticker "NTG". The trading interval in 2023 has been in the range of an "high" of NOK 8.4 per share and a "low" of NOK 2.9 per share with very low volumes traded. As such, the board of directors and management does not believe that the market value of the NTG shares represent a fair market value of the underlying assets and therefore cannot be used as a basis for impairment testing for the Group as a whole.

The book value of equity was NOK 759.9 million at the end of 2023 (NOK 723.2 million in 2022) corresponding to an equity ratio of 99.2% (99.1% in 2022).

The disposition of the 2023 net result of NOK 36.7 million has been transferred to other equity.

NTG GROUP CONSOLIDATED FINANCIALS

As the NTG Group was established on 1. July 2022, all comparable consolidated income statement for 2022 covers the last six months of 2022 only.
NTG Group had consolidated revenues of NOK 77.9 million in 2023 (NOK 17.4 million in the period 01.07.22-31.12.22) of which the Sensor Technology business area had revenues of around NOK 6.8 million (NOK 2.4 million in the period 01.07.22-31.12.22), Clean Technology business area had revenues of around NOK 20.2 million (NOK 15.8 million in the period 01.07.22-31.12.22), and Nano-materials Technology business area had revenues of around NOK 0.3 million (NOK 0.2 million in the period 01.07.22-31.12.22). NOK 50.6 million is accounted for as other operating income and is due to the sale of the NTG Groups shares in Hybrid Energy AS

Total operating expenses ended at NOK 220.7 million in 2023 (NOK 117.0 million in the period 01.07.22-31.12.22). Net operating loss for the year amounts to NOK 142.7 million of which NOK 112.8 million is related to depreciation and amortization expenses (NOK 119.5 million, of which NOK 61.7 million is related to depreciation and amortization expenses in the period 01.07.22-31.12.22).

As of 31.12.2023, the consolidated NTG Group´s cash balance is around NOK 10.1 million. In addition, in accordance with the sale of the Company´s shares in Hybrid Energy AS, the company had NOK 10.0 million in escrow account as of December 31, 2023. The escrow account was released in full in Q1 2024.
Current assets as of 31.12.2023 is around NOK 53.0 million and current liabilities is NOK 62.6 million (as of 31.12.2022, current asset was around NOK 83.0 million and current liabilities was around NOK 87.3 million)
As of 31.12.2023, the Group companies have non-current liabilities of around NOK 28.9 million compared to NOK 22.5 million at the end of 2022. The non-current liabilities are primarily related to loans with banks, project financing and innovation loans with other institutions.
Total fixed assets as of 31.12.2023 is around NOK 606.1 million, of which NOK 515.7 million is related to intangible assets. Goodwill of NOK 290.2 million is derived from the acquisition of the NTG Group companies in July 2022 and is amortized over a 5-year period. Other intangible assets are depreciated over a 10-year period.

As of 31.12.2023, net cash outflow from operating activities was NOK 88.5 million (NOK 39.7 million in the period 01.07.22-31.12.22) . The net cashflow from investing activities was NOK 14.2 million (NOK 1.0 million cash outflow in the period 01.07.22-31.12.22), and the net cash flow from financing activities was NOK 29.8 million (NOK 95.4 million in the period 01.07.22-31.12.22 mainly due to the capital increase in July 2022).

The book value of equity was NOK 567.6 million (NOK 684.5 million at the end of 2022) corresponding to an equity ratio of around 86.1% (86.2% at the end of 2022).

The disposition of the 2023 net loss of NOK 142.7 million, of which NOK 118.4 million is related to majority interest and NOK 24.3 million is related to the minority interest, has been transferred to uncovered losses.

OUTLOOK & KEY RISK FACTORS

Russia´s war against Ukraine is now into its third year and continues to have an impact the global economy. Continued tension and general political instability in other regions and its effect on the economic environment is difficult to estimate. Despite some signs of improvement, recovery over the coming periods is expected to be moderate, fragile and downside risks could predominate. Trade tensions are high and could worsen. Concerns about financial vulnerabilities is still present despite indications that interest rates and its effect on future cash flows, availability of funding and cost of capital are expected to come down over the next periods. External risks that could have an impact on the NTG Group companies includes but are not limited to operational risk, market risk, credit risk, currency risk, interest risk, liquidity risks and technology development risks as described below.

Operational risk

The NTG Group companies, especially within the Sensor and Clean Technology business areas operates in an environment in which fixed price contracts is the norm. Fixed price contracts are subject to cost overruns due to increased labor costs (wage increases), procurement, and external sourcing, including manufacturing and transportation of goods, and other factors outside managements control. Access to and availability of qualified resources continues to be a challenge. These factors could have an adverse material impact on the NTG Group companies' financial performance and results, and NTG Group will closely monitor these factors going forward.

Market risk

Instability in the world economy because of the ongoing war in Ukraine, tensions in Middle East and Asia, and the need to secure stable energy supply through a shift towards increased focus on renewable sources, the introduction of new and disruptive technology and the enforcement of new legislative restrictions including environmental requirements could disrupt the supply and demand for the NTG Group companies' products and services and their international growth ambitions.

Credit risk

Credit risk is the risk of a financial loss should a customer or any other party fail to pay its obligations to the NTG Group companies. The credit risk is evaluated at the time of entering a contract and during its execution. The majority of NTG Group companies' customers are well known and the inherent credit risk is deemed low.

Currency risk

Currency risk is the risk that arises when expenses and revenues are denominated in a currency other than the functional currency in the operating entity. NTG Group companies offers their products and services to international customers and is exposed to currency risk on their commercial contracts. NTG Group and NTG group companies will evaluate the use of currency hedging in material contracts when applicable to reduce the financial and liquidity impact with fluctuations in currency exchange rates. NTG Group companies does not currently have any currency hedging in place.

Interest risk

Interest risk is the risk that changes in interest rates will impact the financial obligations and liquidity positions in the NTG Group companies. The long-term debt in the NTG Group companies is all at floating interest rates and as the NTG Group companies have no material interest bearing assets, the NTG Group companies cash flow will fluctuate with changes in the interest rates.

Liquidity risk

Liquidity risk is the risk that NTG and the NTG Group companies are unable to meet its operational and financial obligations when they become due for payment. NTG and the NTG Group companies prepares on a frequent basis cash flow forecast that estimates the liquidity situation going forward providing visibility for the Board of Directors and management regarding the overall liquidity situation in the NTG Group and enabling corrective actions when, and if that should be required. The main factor impacting the liquidity forecasts are timing of contract awards and actual receipt of contract revenues. The liquidity risk in NTG Group companies will therefore primarily be linked to the general development of each individual company, and the ability to secure access to new liquidity should that be necessary. Additional information is also provided under the going concern section.

Technology development risk

Technology development risk is the risk that competitors advance and offers new solutions at better quality and lower prices. NTG Group companies are well positioned to innovate and advance their core technology and solutions to maintain their standings in the market and continue their ability to achieve further growth. NTG Group companies protects their intellectual property rights and will seek to issue new ones to further improve their competitive edge.

Nevertheless, the Board of Directors 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.

BOARD OF DIRECTORS

The Board of Directors consists of 4 members, one female and three males, none of whom are members of the company´s management. The Chair of the board is elected by the General Meeting. NTG´s board of Directors establishes the overall principles for governance and control in NTG. As of 31 December 2023, the Chair of the board held 226,292 shares in NTG through his company August Industrier AS. The Board of Directors have an industry standard Directors & Officers Liability Insurance (D&O Insurance) policy issued by AIG Europe SA.

The Board is satisfied with the good working environment that has been established in the collaboration between the board and management of the company. There has been zero absence due to sickness in 2023 in the Parent company, and no injuries or accidents have been reported at the workplace. In 2023, the Group companies have recorded low sick leave with MossHydro at around 7.8% (of which 6.2% is due to one employee on long-term), Hammertech at around 2.7%, Wavetrain System at around 0.9%, and CondAlign at around 3.1%. No injuries or accidents have been reported at the workplace in the Group companies.

The Board of Directors and management aims for NTG to be a workplace where there is full equality between women and men, and NTG has incorporated in its policy the relationship around equality, which aims to ensure that there is no discrimination based on gender in matters such as pay, advancement, recruitment etc. The NTG Group companies causes neither pollution nor emissions that materially could harm the external environment. NTG Group will publish a separate report under the Transparency Act by end of June 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

ESG underpins the activities of NTG and our subsidiaries and defines our approach to sustainable purpose. It drives our focus on:

- i) business ethics and compliance,
- ii) people, culture, and community involvement
- iii) commitment to operate our activities in a way that demonstrates our dedication to global environmental sustainability,
- iv) provides a way to measure business risks and opportunities.

NTG´s footprint in 2023 has largely been in the form of embodied emissions in its products and services, travel and transportation of materials and finished goods to clients in Norway and around the world. NTG is aware of the effects its business operations have on the environment and will continue to ensure that the highest environmental standards are prioritized at all levels of operations.

GOING CONCERN

It is the opinion of the board of directors and managing director that the annual accounts provide a fair and correct overview of the development, risks and results of the company's operations and its financial position as of 31

December 2023. The Board of Directors and Managing Director confirms that the 2023 annual accounts are prepared in accordance with the going concern assumption and has taken this into account when preparing the accounts. There have been no other circumstances after the end of the financial year that are of importance when assessing the company's position besides what is informed under events after the balance sheet date.

Nordic Technology Group (Group) is in an early commercial growth phase with several of its group companies with limited revenues and with its main source of liquidity is cash generated from financing, equity, and debt.

The risks described above could adversely impact the Group companies' liquidity risk in terms of risk of delays in forecasted revenues compared to their original budgets, which in turn will cause the Group's liquidity risk to increase further.

The board of directors and management reviews on a regular basis cash-flow forecasts to evaluate whether the Group 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 May 2025 (next 12 months), Nordic Technology Group AS (Parent company) expects that CondAlign, Hammertech, Wavetrain Systems 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, including conversion of debt to equity, and working capital financing through credit and public financing institutions. CondAlign has engaged two financial advisors to facilitate an equity capital raise, whilst Hystorsys, with a non-material liquidity need is planned supported by the Parent company´s liquidity for the period up to May 2025 (next 12 months). The Parent company will also require additional liquidity in the period up to May 2025 (next 12 months) to meet its obligations as they fall due, and the board of directors and management of the Parent company has initiated necessary actions to secure that all obligations will be met. In addition, the Parent company has guarantees on behalf of the group companies of around NOK 37 million and will in the event that the group companies are not able to meet their obligations be required to settle these guarantees.

The board of directors and management also evaluates other initiatives to reduce spending and to improve the efficiency overall within the Group's operations, in addition to closely monitoring the debt and equity market opportunities for all group companies, also including the Parent company. The board of directors and managing director believes to the best of their abilities that Nordic Technology Group AS (Parent company), 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 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 Nordic Technology Group AS (Parent company) and the Group companies Wavetrain Systems, Hammertch or CondAlign are not successful in obtaining required liquidity.

EVENTS AFTER THE BALANCE SHEET DATE

NOK 10 million that was placed in a 12-month escrow as part of the sale of Hybrid Energy AS in January 2023 was released in full to Nordic Technology Group AS (Parent company) in Q1 2024.

The Board of Directors report, including the 2023 annual report and auditors report will be available for download on the NTG Group´s web page www.ntechgroup.no. A separate report under the Transparency Act will also be published by June 30th, 2024.

Oslo, 27 May 2024

_______Sign____________ *Henrik August Christensen* *Chairman*	*______Sign____________* *Camilla Amundsen* *Board member*	
_______Sign____________ *Konstantinos Koutsoumpelis* *Board member*	*______Sign_____________* *Georg Johan Espe* *Board member*	*______Sign___________* *Leif Rune Rinnan* *Managing Director*

Nordic Technology Group AS
Statement of profit or loss

(Amounts in NOK 1000)

Nordic Technology Group AS				Nordic Technology Group, consolidated	
2023	2022	Operating income and expenses	Note	2023	01.07.2022 - 31.12.2022
0	0	Revenue	1	27 307	16 142
1 920	890	Other operating income	1	50 566	1 218
1 920	**890**	**Total revenue**		**77 873**	**17 360**
0	0	Capitalized internally generated assets	2	-35 561	-21 511
0	0	Cost of goods sold		11 744	12 064
10 300	4 966	Payroll expenses	4	81 580	41 559
68	13	Depreciation and amortisation expenses	2, 3	112 761	61 668
8 905	11 589	Other operating expenses	4	50 156	23 217
19 273	**16 567**	**Total operating expenses**		**220 680**	**116 997**
-17 353	**-15 677**	**Operating profit or loss**		**-142 807**	**-99 636**
		Financial income and expenses			
47 378	0	Income from subsidiaries		0	0
6 712	697	Other finance income		3 611	1 407
0	18 168	Write-down of financial assets		0	18 168
18	15	Other financial expense		4 200	3 679
54 072	**-17 486**	**Net financial items**		**-589**	**-20 439**
36 719	**-33 163**	**Profit of loss before income tax**		**-143 396**	**-120 076**
0	0	Income tax expense	6	-749	-535
36 719	**-33 163**	**Net loss for the year before minority interests**	7	**-142 647**	**-119 541**
		To minority interests		-24 353	-11 572
		Net loss for the year		**-118 294**	**-107 969**

Nordic Technology Group AS
Statement of financial position at 31 December
(Amounts in NOK 1000)

Nordic Technology Group AS				Nordic Technology Group, consolidated	
2023	**2022**	**ASSETS**	**Note**	**2023**	**2022**
0	0	Development	2	212 308	230 947
215	63	Other intangible assets	2	5 840	5 988
0	0	Deferred tax asset	6	7 366	6 617
0	0	Goodwill	2	290 164	400 663
215	**63**	**Total intangible assets**		**515 677**	**644 215**
0	0	Machinery and plant (leased)	3, 8	3 604	5 312
0	0	Fixtures and fittings, tools, office machinery and equipment	3	11 344	3 580
0	**0**	**Total tangible assets**		**14 948**	**8 892**
637 565	613 172	Investments in subsidiaries	9	0	0
36 917	30 397	Loans to group companies	10	0	0
75 471	58 110	Investments in shares	9	75 471	58 110
749 953	**701 679**	**Total financial non-current assets**		**75 471**	**58 110**
750 168	**701 742**	**TOTAL NON-CURRENT ASSETS**		**606 095**	**711 217**
0	0	Inventories	11	14 777	10 112
0	**0**	**Total inventories**		**14 777**	**10 112**
1 900	1 013	Trade receivables	10	7 593	3 866
10 884	631	Other receivables	10, 12	20 536	14 342
12 784	**1 643**	**Total receivables**		**28 130**	**18 207**
3 071	25 989	Cash and bank deposits	13	10 107	54 679
15 856	**27 632**	**TOTAL CURRENT ASSETS**		**53 013**	**82 998**
766 024	**729 374**	**TOTAL ASSETS**		**659 109**	**794 215**

Nordic Technology Group AS
Statement of financial position at 31 December

(Amounts in NOK 1000)

Nordic Technology Group AS				Nordic Technology Group, consolidated	
2023	**2022**	**EQUITY AND LIABILITIES**	**Note**	**2023**	**2022**
301	301	Share capital	7, 14	301	301
758 241	758 241	Share premium	7	758 241	758 241
758 541	**758 541**	**Total paid-in equity**		**758 541**	**758 541**
1 342	-35 377	Other equity	7	-235 228	-116 935
1 342	**-35 377**	**Total retained earnings**		**-235 228**	**-116 935**
		Minority interests	7	44 299	42 847
759 883	**723 164**	**TOTAL EQUITY**		**567 612**	**684 453**
0	0	Convertible loans	10	11 230	0
0	0	Liabilities to financial institutions	10	15 948	18 864
0	0	Other non-current liabilities	10	1 678	3 587
0	**0**	**Total other non-current liabilities**		**28 856**	**22 451**
0	0	Liabilities to financial institutions	10	19 145	33 002
1 091	3 906	Trade payables		8 024	11 995
578	569	Public duties payable		5 088	6 169
4 471	1 735	Other short-term liabilities	8	30 383	36 144
6 140	**6 210**	**Total current liabilities**		**62 641**	**87 310**
6 140	**6 210**	**TOTAL LIABILITIES**		**91 496**	**109 761**
766 024	**729 374**	**TOTAL EQUITY AND LIABILITIES**		**659 109**	**794 215**

Oslo, 27 May 2024

Sign.
Henrik August Christensen
Chairman of the Board

Sign.
Leif Rune Rinnan
Chief Executive Officer

Sign.
Georg Johan Espe
Member of the Board

Sign.
Camilla Amundsen
Member of the Board

Sign.
Konstantinos Koutsoumpelis
Member of the Board

Nordic Technology Group AS
Statement of cash flows
(Amounts in NOK 1000)

Nordic Technology Group AS			Nordic Technology Group, consolidated	
2023	**2022**		**2023**	**01.07.2022 - 31.12.2022**
		Cash flow from operations		
36 719	-33 163	Profit or loss before income taxes	-143 396	-120 076
-47 378	0	Gain from sale of shares in subsidiaries	-50 566	0
0	18 168	Write-down of financial assets	0	18 168
68	13	Depreciation	112 761	61 668
0	0	Change in inventory	-4 665	-526
-888	-1 013	Change in trade receivables	-5 836	3 562
-2 815	2 309	Change in trade creditors	-1 531	-992
1 256	1 111	Change in other provisions	4 729	-1 480
-13 037	**-12 575**	**Net cash flow from operations**	**-88 505**	**-39 677**
		Cash flow used in investments		
0	0	Capitalized internally generated assets	-35 561	-21 511
0	0	Government grants related to development	9 588	10 351
-220	-76	Purchase of other intangible assets	-607	-1 994
0	0	Purchase of tangible assets	-8 893	-529
67 400	-22 907	Net proceeds from sale of shares in subsidiaries	66 994	15 170
-49 833	0	Investments in subsidiaries		0
-17 361	-2 517	Purchase of shares in other companies	-17 361	-2 517
-9 867	-30 397	Loans to subsidiaries	0	0
-9 881	**-55 897**	**Net cash flow from investments**	**14 160**	**-1 030**
		Cash flow used in financing		
0	0	Proceeds from long term loans	6 404	304
0	0	Net change in bank overdraft	-2 438	1 684
0	102 032	Proceeds from issuance of equity	25 805	102 032
0	-7 571	Incremental cost related to share issue	0	-7 571
0	0	Purchase of own shares (Condalign AS)	0	-1 066
0	**94 460**	**Net cash flow from financing**	**29 772**	**95 382**
-22 918	**25 988**	**Net change in cash and cash equivalents**	**-44 572**	**54 676**
25 989	2	Cash and cash equivalents at the beginning of the period	54 679	3
3 071	**25 989**	**Cash and cash equivalents at the end of the period**	**10 107**	**54 679**
0	0	In addition, available credit facility at 31 December amounts to	5 000	8 580

Nordic Technology Group AS
Notes to the financial statements
(Amounts in NOK 1000)

Accounting principles

The financial statements, together with consolidated financial statements, have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

As the group was established on 1 July 2022, the 2022 consolidated statement of profits or loss, cash flow statement and notes include the period from 1 July 2022 to 31 December 2022.

Basis for consolidation
The consolidated financial statements include Nordic Technology Group AS and companies in which Nordic Technology Group AS has a controlling interest. A controlling interest is normally obtained when the group owns more than 50% of the shares in the company and can exercise control over the company.

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. The shares in Hybrid Energy AS were sold in January 2023.

Companies acquired or sold during the year are included in the consolidated financial statement from the time of control is achieved and until control ceases.

The difference between the acquisition price and identifiable net assets have been allocated as goodwill in the purchase price allocations. The minority's share of goodwill have not been recognized.

Minority interests are included in the group’s equity. Transactions and balances between group companies have been eliminated in the consolidated financial statement.

Subsidiaries and investment in other companies
The investments in subsidiaries and financial investments are valued as cost less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

For business combinations financed through a share capital increase, expenses related to the share issuance is deducted from paid-in equity/share premium.

Use of estimates
The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Foreign currency translation
Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the statement of profit or loss as they occur during the accounting period.

Revenue recognition
Revenues from the sale of goods are recognized in the statement of profit or loss once delivery has taken place and most of the risk and return has been transferred. Revenues from the sale of services are recognized in proportion to the work performed.

Revenue from long-term construction contracts are treated in accordance with the percentage of completion method, where the agreed upon revenue is recognized in accordance with the calculated progress (stage of completion). The stage of completion is calculated as accrued production costs in relation to expected total production costs.

Nordic Technology Group AS
Notes to the financial statements
(Amounts in NOK 1000)

Accounting principles

Tax
The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward.

Deferred tax assets are recorded in the balance sheet to the extent that it is probable that taxable profit will be available against which the tax assets can be utilized.

The recognition of assets from purchase price allocations from business combinations give rise to deferred tax. Except for MossHydro AS, the group companies have not recognized deferred tax assets prior to the business combinations. In the purchase price allocations, both recognized and previously unrecognized deferred tax assets at 1 July 2022 have been netted against the deferred tax liability from the fair value adjustments. No deferred tax has been calculated on goodwill from the business combinations.

Balance sheet classification
Current assets and liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets or liabilities.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognized at nominal value.

Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognized at nominal value.

Intangible assets
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the group can demonstrate:
- The technical feasibility of completing the intangible asset, so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized linearly over the period of expected future benefit. If the economic useful life of the capitalized development costs cannot be reliably estimated, the capitalized development costs must be amortized over a maximum period of ten years.

Tangible assets
Tangible assets are capitalized and depreciated linearly over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading tangible assets are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

Lease agreements
The company distinguishes between financial and operational leasing. Tangible assets financed by financial leasing are classified under tangible assets for accounting purposes. The counterpart item is included as a non-current liability. The lease amount is distributed between interest expenses and installments on the debt. Operational leasing is expensed as an operating cost based on invoiced rent.

Leased assets are reflected in the balance sheet as assets if the leasing contract is considered a financial lease. A lease is classified as a financial lease if a significant part of the risk and control related to the leased asset have been transferred based on a judgement of the real terms of the agreement.

Nordic Technology Group AS
Notes to the financial statements
(Amounts in NOK 1000)

Accounting principles

Impairment of assets
The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets, or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired, and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Value in use impairment calculation is based on detailed budgets and forecasts and with use of scenario analyses. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss.

Inventories
Inventories are recognized at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Trade receivables and other receivables
Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss

Cash and bank deposits
Cash and bank deposits in the balance sheet comprise cash at banks and on hand.

Liabilities
Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Pensions
The group companies have defined contribution plans where the companies pay contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Government grants
Government grants are recognized when there is reasonable assurance that the grant will be received, and that all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognized as income over the useful life of the depreciable asset, by way of a reduced depreciation charge.

Cash flow statement
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits which immediately and with minimal exchange risk can be converted into known cash amounts.

Government grants related to capitalized development have been included as cash flow from investments.

Unaudited financial statements as of 30 June 2022 have been used when identifying the change in the cash flow statement for the period 1 July 2022 - 31 December 2022.

Nordic Technology Group AS
Notes to the financial statements
(Amounts in NOK 1000)

Note 1 Operating income

	Nordic Technology Group AS		Nordic Technology Group, consolidated	
	2023	2022	2023	2022
Sales income	0	0	27 307	16 142
Other operating income	1 920	890	0	1 218
Gain from sale of shares in subsidiaries	0	0	50 566	0
Total	**1 920**	**890**	**77 873**	**17 360**

Geographical distribution	**2023**	**2022**
Norway	20 197	15 795
Europe	342	1 565
Other countries	6 768	0
Total	**27 307**	**17 360**

By business area	**2023**	**2022**
Sensor technology	6 768	1 248
Clean technology	20 197	15 890
Nano-materials technology	342	222
Total	**27 307**	**17 360**

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

NOK 10 million of the purchase price is placed in escrow as of 31 December 2023 and is presented as other short-term receivables in the balance sheet. The escrow amount including interest was released to Nordic Technology Group AS in March 2024.

Note 2 Intangible assets

Nordic Technology Group AS	**Website**	**Total**
Purchase cost at 1 January 2023	76	76
Additions during the year	220	220
Disposals during the year	0	0
Purchase cost at 31 December 2023	296	296
Accumulated depreciation at 31 December 2023	81	81
Book value at 31 December 2023	**215**	**215**
Depreciation in the year	68	68
Estimated useful life	3 years	
Depreciation plan	Straight line	

Note 2 Intangible assets - continued

Nordic Technology Group, consolidated	Development	Other intangible assets	Goodwill	Total
Purchase cost at 1 January 2023	246 974	6 392	445 181	698 548
Additions during the year	35 561	607	0	36 169
Disposals - Hybrid Energy AS	-18 372	0	-27 596	-45 968
Government grants	-9 588	0	0	-9 588
Purchase cost at 31 December 2023	254 575	6 999	417 586	679 160
Accumulated depreciation at 31 December 2023	42 267	1 159	127 422	170 848
Book value at 31 December 2023	**212 308**	**5 840**	**290 164**	**508 311**
Depreciation in the year	26 240	755	82 904	109 899
Estimated useful life	5-10 years	3-15 years	5 years	
Depreciation plan	Straight line	Straight line	Straight line	

Development:
NTG Group subsidiaries are focused within three business areas: Sensor technology through Wavetrain Systems and Hammertech, Nanomaterials technology through CondAlign and Clean technology through MossHydro and Hystorsys. Wavetrain Systems, Hammertech and CondAlign have completed, or are in process of completing larger development programs. MossHydro and Hybrid Energy are all fully operational with some smaller development programs in place to enhance existing product lines.

Wavetrain Systems have over the past decade developed and patented a high-tech level crossing warning system for use on railways and the system received a final Type Approval Certificate from Network Rail, UK in 1H 2022. During 2023, the system has been operationally installed at the level crossing at Colliery station in the UK. The system is being tested and incorporated with lights and sound and it is expected that a final system approval will be achieved by mid-summer 2024.

Hammertech has developed and patented an advanced oil & gas flow measurement product for which can be installed on each oil/gas well to measure water contents, gas fraction and salinity. Hammertech has received several commercial contracts in 2023 and in 2024 and continues to genereate considerable interest from several oil and gas operating companies. In 2023, Hammertech 2023 started the planning and development of the existing product to also include mud operations.

CondAlign has a patented and ground-breaking technology for efficient production of conductive tape and membranes and have an extensive IPR portfolio with 12 patent families. The technology is still under further development and vigorously laboratory testing, and even though the first commercial samples was sold to Saint Gobain in France late 2022, CondAlign continued the development of different conductive tape products also throughout 2023.

Each of the NTG Group subsidiaries has been evaluated to constitute individual CGU's for impairment testing. Indicators of impairment for each of the NTG Group subsidiaries have been reviewed, and none identified.

Further, management has assessed whether the high volatility and decline in share price throughout 2023 constitute an impairment indicator for the group. Due to the low transaction volumes in the period, management does not consider the share price to give a fair representation of the market value of NTG AS, which is also supported by third party valuations of Wavetrain Systems, Hammertech and CondAlign. Hence, the decline in share price has not been considered to constitute an impairment indicator for the group as a whole.

To the best of managements knowledge, all expenses related to development activities have been capitalized for the period 1 January to 31 December 2023. It is expected that that the total earnings from the group's patented technology and on-going development will, at least be equivalent to the total costs occurred.

Note 3 Tangible assets

Nordic Technology Group, consolidated	Machinery and plant	Fixtures, tools, office machinery	Total
Purchase cost at 1 January 2023	5 462	4 148	9 610
Additions during the year	0	8 893	8 893
Purchase cost at 31 December 2023	5 462	13 041	18 503
Accumulated depreciation at 31 December 2023	1 858	1 698	3 555
Book value at 31 December 2023	**3 604**	**11 344**	**14 948**
Depreciation in the year	1 733	1 129	2 862
Estimated useful life	5 years	3-5 years	
Depreciation plan	Straight line	Straight line	

Machinery and plant comprise of leased assets, see note 8.

Note 4 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	Nordic Technology Group AS 2023	Nordic Technology Group AS 2022	Nordic Technology Group, consolidated 2023	Nordic Technology Group, consolidated 2022
Salaries	8 296	4 092	62 575	32 901
Social security fees	1 411	575	10 833	5 140
Pension expenses	464	249	4 538	2 006
Other benefits	128	50	3 634	1 511
Total	**10 300**	**4 966**	**81 580**	**41 559**
Average number of full-time equivalents, employees	3	2	55	27

Two of the subidiaries have issued share options to employees which are not expensed in accordance with exceptions for small entities. All options have been issued prior to the group establishment and the share options have not been expensed in accordance with NRS 15A, 8C. The options is the subsidiaries at 31 December are summarized below:

Subsidiary	Total number of shares	Number of options	Strike price per option	Expiry date
Wavetrain Systems AS	43 792 572	1 094 633	NOK 9.5	Sept. 2024
CondAlign AS	14 254 957	1 423 000	NOK 13.3/ NOK 16.67	Jan. 2024 - Sept. 2027

Remuneration to executives	CEO	Board
Salaries	3 460	58
Pension expenses	155	0
Other benefits	30	0

The CEO has an agreement of 12 months of severance pay. Other than that, the board or CEO does not have any bonus agreement or any severance pay agreement. No loans/securities have been granted to the CEO or the board.

Expensed audit fee	Nordic Technology Group AS 2023	Nordic Technology Group AS 2022	Nordic Technology Group, consolidated 2023	Nordic Technology Group, consolidated 2022
Statutory audit	2 626	240	4 277	632
Other assurance services	0	2 072	0	2 072
Total audit fees	**2 626**	**2312**	**4 277**	**2 704**

Note 5 Pensions

Nordic Technology Group AS is required to have contribution plan in accordance with the Norwegian Law on Required Occupational Pension. The company's pension schemes meet the requirements of the law on compulsory occupational pension for all employees.

Note 6 Income tax

Calculation of deferred tax/deferred tax benefit

Temporary differences	Nordic Technology Group AS 2023	Nordic Technology Group AS 2022	Nordic Technology Group, consolidated 2023	Nordic Technology Group, consolidated 2022
Intangible and tangible assets	0	0	32 221	54 069
Inventory	0	0	0	-695
Provisions and other differences	-3 200	0	-9 015	-6 886
Net temporary differences	-3 200	0	23 205	46 488
Tax losses carried forward	-32 092	-24 787	-552 282	-515 126
Basis for deferred tax	**-35 292**	**-24 787**	**-529 077**	**-468 639**
Deferred tax	-7 764	-5 453	-116 397	-103 101
Deferred tax benefit not shown in the balance sheet	7 764	5 453	109 031	96 484
Deferred tax in the balance sheet	**0**	**0**	**-7 366**	**-6 617**

In the purchase price allocations from the group establishment on 1 July 2022, deferred tax liabilities from fair value adjustments have been netted against recognized and unrecognized deferred tax assets for each subsidiary. The net deferred tax asset of NOK 7.4 million relates to MossHydro AS. For the rest of the group companies, calculated net deferred tax assets have not been reflected in the balance sheet due to uncertainty related to when the tax benefit can be utilized through future taxable profits.

Tax base calculation	Nordic Technology Group AS 2023	Nordic Technology Group AS 2022	Nordic Technology Group, consolidated 2023	Nordic Technology Group, consolidated 2022
Profit/loss before taxes	36 719	-33 163	-143 396	-120 076
Permanent differences	-47 225	10 596	30 020	7 048
Basis for the tax expense for the year	**-10 505**	**-22 567**	**-113 376**	**-113 028**
Change in unrecognized deferred tax assets	10 505	22 567	113 376	113 028
Basis for payable taxes in the statement of profit or loss	**0**	**0**	**0**	**0**

Components of the income tax expense	Nordic Technology Group AS 2023	Nordic Technology Group AS 2022	Nordic Technology Group, consolidated 2023	Nordic Technology Group, consolidated 2022
Change in deferred tax	0	0	-749	-535
Income tax expense	**0**	**0**	**-749**	**-535**

The income tax expense of NOK -0.7 million is related to change in deferred tax asset in MossHydro AS.

Reconciliation of the income tax expense

Profit or loss before income tax	36 719	-33 163	-143 396	-120 076
Calculated tax (22%)	8 078	-7 296	-31 547	-26 417
Income tax expense	0	0	-749	-535
Difference	-8 078	7 296	30 799	25 882
The difference consist of:				
Tax effect of permanent differences	-10 389	2 331	6 604	1 551
Change in unrecognized deferred tax assets	2 311	4 965	24 194	24 331
Total explained differences	-8 078	7 296	30 799	25 882

Note 7 Shareholders' equity

Nordic Technology Group AS

Equity changes in the year	Share capital	Share premium	Other equity	Total
Equity at 1 January 2023	301	758 241	-35 377	723 164
Result for the year	0	0	36 719	36 719
Equity at 31 December 2023	**301**	**758 241**	**1 342**	**759 883**

Nordic Technology Group, consolidated

Equity changes in the year	Share capital	Share premium	Other equity	Minority interests	Total
Equity at 1 January 2023	301	758 241	-116 935	42 847	684 453
Result for the year	0	0	-118 294	-24 353	-142 647
Share capital increase subsidiaries	0	0	0	25 805	25 805
Equity at 31 December 2023	**301**	**758 241**	**-235 228**	**44 299**	**567 612**

Note 8 Lease agreements

Financial lease agreements:

CondAlign AS entered into a 5 year minimum lease agreement in 2020 for a roll-to-roll machine. In 2021, the company entered into a second lease agreement on a new machine with a 5 year minimum lease. In 2022, the company entered into a third lease agreement on equipment with a 4 year minimum lease period.

The lease equipment are specially designed for CondAlign AS only and the company have a right to have the lease equipment being transferred free of charge after the end of the lease period.

Assets included in financial lease agreements are as follows:	Nordic Technology Group, consolidated	
	2023	**2022**
Machinery and plant	3 604	5 312

Overview of future lease payments:	Nonimal value	Net present value
2024	1 940	1 882
2025-2026	1 664	1 596
Total	3 604	3 477

An average interest rate of 7% has been used when calculating the net present value.

Operational lease agreements:

The group have entered into the following significant operating lease agreements:
- 3-year office rental agreement expiring 31 December 2024. Current annual rent is NOK 2.6 million.
- 3-year office rental agreement expiring 31 January 2025. Current annual rent is NOK 2.4 million.
- Rental agreement for office expiring 30 June 2028. Current annual rent is NOK 2.5 million.
- Rental agreement for office expiring 30 September 2024. Current annual rent is NOK 2.0 million.
- 3-year office rental agreement expiring 30 September 2024. Current annual rent is NOK 0.6 millon.
- 3-year office rental agreement expiring 30 September 2025. Current annual rent is NOK 1.5 million.

Note 9 Subsidiaries and financial investments

Nordic Technology Group AS owns shares in the following subsidiaries:

Subsidiaries	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
Condalign AS	Oslo	50,2 %	4 596	-24 562	95 318
Hammertech AS	Nestun	84,5 %	7 370	-35 818	215 374
Wavetrain Systems AS	Lysaker	82,0 %	52 983	-24 508	255 191
Hystorsys AS	Lysaker	100,0 %	-8 948	-2 640	18 844
MossHydro AS	Drammen	89,9 %	18 797	-674	52 838
Total			74 798	-88 202	637 565

In addition, Nordic Technology Group AS owns 14,4% of the shares in CrayoNano AS. The investment is classified as a financial investment recorded using the cost method, as the ownership share dictates that Nordic Technology Group AS is not able to exercise significant influence in the company. NTG's CEO Rune Rinnan is also chairman (deputy chairman from February 2024) in CrayoNano but does not exercise control as NTG only has 1 out of 5 board members.

The investment in Hybrid Energy AS has been sold in January 2023, see note 1.

Nordic Technology Group AS
Notes to the financial statements
(Amounts in NOK 1000)

Note 10 Receivables and liabilities, including intercompany loans and guarantees

Trade receivables	Nordic Technology Group AS		Nordic Technology Group, consolidated	
	2023	**2022**	**2023**	**2022**
Trade receivables at nominal value	1 900	1 013	7 593	3 866
Bad debts provision	0	0	0	0
Trade receivables in the balance sheet	**1 900**	**1 013**	**7 593**	**3 866**

Receivables which fall due later than one year	Nordic Technology Group AS		Nordic Technology Group, consolidated	
	2023	**2022**	**2023**	**2022**
Loans to group companies	36 917	30 397	0	0
Total	**36 917**	**30 397**	**0**	**0**

In addition to providing loans to some of the subsidiaries, Nordic Technology Group AS have on behalf of its subsidiaries guaranteed for other financing arrangements such as innovation loans from Innovasjon Norge and credit facilities with DNB. As of 31 December 2023, the following guarantees are issued:

Guarantees issued by Nordic Technology Group AS	Innovasjon Norge	DNB	Total
Wavetrain Systems AS	0	10 000	10 000
Hammertech AS	1 250	14 000	15 250
CondAlign AS	0	12 000	12 000
Total	**1 250**	**36 000**	**37 250**

Liabilities which fall due later than one year	Nordic Technology Group AS		Nordic Technology Group, consolidated	
	2023	**2022**	**2023**	**2022**
Liabilities to financial institutions	0	0	15 948	18 864
Other non-current liabilities related to lease agreements	0	0	1 678	3 587
Total	**0**	**0**	**17 626**	**22 451**

Liabilities which fall due later than 5 years	Nordic Technology Group AS		Nordic Technology Group, consolidated	
	2023	**2022**	**2023**	**2022**
Liabilities to financial institutions	0	0	1 000	850
Total	**0**	**0**	**1 000**	**850**

Liabilities secured by mortgage	Nordic Technology Group AS		Nordic Technology Group, consolidated	
	2023	**2022**	**2023**	**2022**
Non-current liabilities	0	0	17 626	13 864
Current liabilities	0	0	19 145	33 002
Total	**0**	**0**	**36 771**	**46 867**

NOK 18.7 million of the current liabilities secured by mortgage consists of credit facilities with DNB. The maturity date for the credit facilities is 30 June 2024 and the credit facilities can be renewed for one year at a time.

Carrying amount of assets pledged as security	Nordic Technology Group AS		Nordic Technology Group, consolidated	
	2023	**2022**	**2023**	**2022**
Tangible assets	0	0	4 487	3 291
Inventory	0	0	14 777	10 206
Trade receivables	0	0	2 470	3 866
Total	**0**	**0**	**21 735**	**17 363**

The convertible loan of NOK 11.2 million as of 31 December 2023 is issued by Hammertech AS and falls due in June 2025.

Nordic Technology Group AS
Notes to the financial statements
(Amounts in NOK 1000)

Note 11 Inventories

	Nordic Technology Group, consolidated 2023	2022
Raw materials	8 875	4 432
Work in progress	345	2 003
Finishes goods	5 557	4 187
Provision for obsolete inventory	0	-511
Total	**14 777**	**10 112**

Note 12 Government grants

Several of the group companies are eligible for government grants in form of contribution from the Skattefunn scheme.

The total calculated grant from Skattefunn for 2023 of NOK 5.8 million is recognized as a short-term receivable as of 31 December 2023 as none of the subsidiaries have a taxable profit. The grant is recognized as a reduction in capitalized intangible assets.

In addition to Skattefunn, the group have received a grant from KAPPA of NOK 3.2 million and a government grant from Innovasjon Norge of NOK 0.5 million related to development. The grant is recognized as a reduction of capitalized development.

Note 13 Restricted bank deposits

	Nordic Technology Group AS		Nordic Technology Group, consolidated	
Restricted bank deposits	**2023**	**2022**	**2023**	**2022**
Withheld employee taxes	340	463	3 010	3 105

	Nordic Technology Group AS		Nordic Technology Group, consolidated	
Credit facilities granted	**2023**	**2022**	**2023**	**2022**
Unused credit facility	0	0	5 000	8 580

Nordic Technology Group AS
Notes to the financial statements
(Amounts in NOK 1000)

Note 14 Share capital and shareholder information

The share capital Nordic Technology Group AS at 31 December 2023:	**Number of shares**	**Nominal value (NOK)**	**Book value (NOK)**
Ordinary shares	70 920 680	0,0042	300 511
Total	70 920 680	0,0042	300 511

All shares have equal votings rights.

List of major shareholders at 31 December:	**Ordinary shares**	**Owner's share**	**Voting rights**
NTG Manco AS (controlled by CEO)	7 080 000	9,98 %	9,98 %
Skips AS Tudor	5 163 149	7,28 %	7,28 %
Global Opportunities PE AS	3 402 139	4,80 %	4,80 %
Rock Dove Holdings Ltd	2 889 591	4,07 %	4,07 %
Strandveien 20 Invest AS	2 714 123	3,83 %	3,83 %
Investinor Indirekte I AS	2 640 290	3,72 %	3,72 %
Rolfs Holding AS	2 626 752	3,70 %	3,70 %
Jama Holding AS	2 601 824	3,67 %	3,67 %
Formue Private Equity AS	2 260 348	3,19 %	3,19 %
Lani Invest AS	2 128 555	3,00 %	3,00 %
Vestlandets Innovasjonsselskap AS	1 591 615	2,24 %	2,24 %
S. Munkhaugen AS	1 465 010	2,07 %	2,07 %
DNB Bank ASA (nominee)	1 081 102	1,52 %	1,52 %
Televenture Capital AS (controlled by CEO)	1 071 253	1,51 %	1,51 %
Arctic Securities AS (nominee)	883 167	1,25 %	1,25 %
Oso Hotwater AS	843 131	1,19 %	1,19 %
Lave AS	828 178	1,17 %	1,17 %
T Tvenge	800 000	1,13 %	1,13 %
Private Equity Growth 2012 AS	735 206	1,04 %	1,04 %
Kolberg Motors AS	732 135	1,03 %	1,03 %
Other owners (ownership <1%)	27 383 112	38,61 %	38,61 %
Total	70 920 680	100,00 %	100,00 %

As of 31 December 2023, the chair of the board held 226,292 shares in NTG through his company August Industrier AS. Other than that, the members of the board do not own any shares in the company.

Note 15 Going concern

It is the opinion of the board of directors and managing director that the annual accounts provide a fair and correct overview of the development, risks and results of the company's operations and its financial position as of 31 December 2023. The Board of Directors and Managing Director confirms that the 2023 annual accounts are prepared in accordance with the going concern assumption and has taken this into account when preparing the accounts. There have been no other circumstances after the end of the financial year that are of importance when assessing the company's position besides what is informed under events after the balance sheet date.

Nordic Technology Group (Group) is in an early commercial growth phase with several of its group companies with limited revenues and with its main source of liquidity is cash generated from financing, equity, and debt.

The risks described above could adversely impact the Group companies' liquidity risk in terms of risk of delays in forecasted revenues compared to their original budgets, which in turn will cause the Group's liquidity risk to increase further.

The board of directors and management reviews on a regular basis cash-flow forecasts to evaluate whether the Group 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 May 2025 (next 12 months), Nordic Technology Group AS (Parent company) expects that CondAlign, Hammertech, Wavetrain Systems 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, including conversion of debt to equity, and working capital financing through credit and public financing institutions. CondAlign has engaged two financial advisors to facilitate an equity capital raise, whilst Hystorsys, with a non-material liquidity need is planned supported by the Parent company´s liquidity for the period up to May 2025 (next 12 months). The Parent company will also require additional liquidity in the period up to May 2025 (next 12 months) to meet its obligations as they fall due, and the board of directors and management of the Parent company has initiated necessary actions to secure that all obligations will be met. In addition, the Parent company has guarantees on behalf of the group companies of around NOK 37 million and will in the event that the group companies are not able to meet their obligations be required to settle these guarantees.

The board of directors and management also evaluates other initiatives to reduce spending and to improve the efficiency overall within the Group's operations, in addition to closely monitoring the debt and equity market opportunities for all group companies, also including the Parent company. The board of directors and managing director believes to the best of their abilities that Nordic Technology Group AS (Parent company), 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 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 Nordic Technology Group AS (Parent company) and the Group companies Wavetrain Systems, Hammertch or CondAlign are not successful in obtaining required liquidity.

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To the General Meeting of Nordic Technology Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Nordic Technology Group AS, which comprise:

- the financial statements of the parent company Nordic Technology Group AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of Nordic Technology Group AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the disclosures in Note 15 of the financial statements. Nordic Technology Group is in an early commercial growth phase, where several of its group companies have limited revenues and the main source of liquidity is cash generated from financing. Furthermore, the Company, and the subsidiaries CondAlign AS, Hammertech AS, Wavetrain Systems AS and Hystrosys AS, require additional liquidity in the period up to May 2025, to be able to execute and proceed with its commercialization and growth strategy. There is an inherent risk that adequate sources of funds may not be available, or not available at acceptable terms and conditions, when needed. As stated in Note 15, these events or conditions, along with other matters as set forth in Note 15, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 29 May 2024

KPMG AS

Thomas Alfheim
State Authorised Public Accountant