

Ensurge Micropower ASA

# Remuneration Report

Energizing Innovation™ with ultrathin, flexible, and safe energy storage solutions for wearable devices, connected sensors, and beyond.



**ENSURGE**™  
MICROPOWER

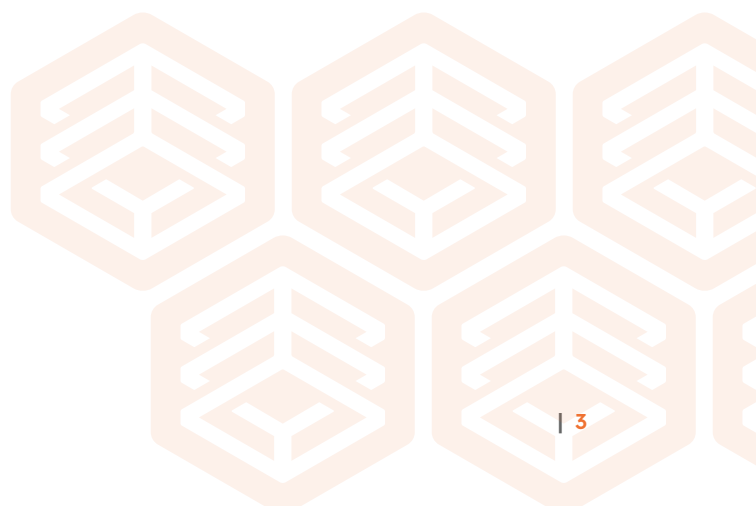
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## Application of the Remuneration Policy in 2021

The purpose of the Ensurge Micropower executive remuneration policy is to encourage a strong and sustainable performance-based culture, which supports growth in shareholder value and delivery according to the company's strategy. This report is made according to the requirements in section 6-16a and 6-16b of the Norwegian Public Limited Liability Companies Act and the Ensurge Micropower Executive Remuneration Policy approved at the General Meeting 3 June 2021. The report describes how the policy has been applied during 2021. The report was approved by the Board of Directors on 20 May 2022 and is presented for advisory voting at the annual general meeting on 25 May 2022.

Ensurge Micropower has applied the remuneration policy throughout 2021 as approved at the General Meeting. No deviations from the policy have been made by the Board of Directors. The Company has not claimed back any paid remuneration to executives during the year. No executives received remuneration from other group undertakings other than their employment entity.



## Remuneration of the Board of Directors

The Board of Directors has four directors. All four are elected by the shareholders. The shareholder elected directors are serving for the period 2020–2022/23. Fees to the board of directors are approved at the Annual General Meeting. The Board held 13 meetings in 2021 with an average attendance rate of 100 percent. In addition, certain matters were processed by way of circulation of documents. The audit committee held four meetings in 2021. As of 31 December 2021 the audit committee comprised of Morten Opstad, Jon Castor, Preeti Mardia, and Kelly Doss. As of 31 December 2021 the members of the nomination committee were Robert N. Keith (chair), Christian Schlytter-Henrichsen, and Rune Sundvall. Each member of the nomination committee receives an annual remuneration of NOK 15,000. Robert N. Keith waived his right to this 2021 remuneration. The members of Ensurge Micropowers' Board of Directors are remunerated for their role and contribution in the Board. The fees are reviewed each year and approved at the Annual General Meeting. The directors did not receive any other fees. No agreements exist which entitle the directors to any extraordinary compensation.

Board fees (USD thousand)					
	Role	Board fees	Strategy	Executive Services	Chairman
Morten Opstad	Chairman	40	0	64	27
Preeti Mardia	Director	40	0	0	0
Kelly Doss	Director	40	0	0	0
Jon Castor	Director	40	60	0	0

The company has no other obligation to remunerate the board than the board remuneration as resolved at the annual general meeting. The annual general meeting on 3 June 2021 resolved remuneration to the chairman of NOK 230 thousand and USD 40 thousand (or an amount in NOK equivalent thereof) for each board member for the period from the annual general meeting in 2021 to the annual general meeting in 2022. Board chairman Morton Opstad also receives a remuneration of NOK 550 thousand (or an amount in USD equivalent thereof) fixed annual fee for Executive advisory services from the date of the 2021 Annual General Meeting until the date of the 2022 Annual General Meeting. Board member Jon S. Castor also receives a remuneration of USD 60 thousand (or an amount in NOK equivalent thereof) fixed annual fee for service as Chairman of a strategy committee to be appointed by the Board of Directors supporting the CEO of the Company in relation to strategic questions from the date of the 2020 Annual General Meeting until the date of the 2022 Annual General Meeting. The company has not issued any advance payments or loans to, or guarantees in favor of, any board member.

Remuneration of the Board of Directors (USD thousand)										
Name	2021	Change	2020	Change	2019	Change	2018	Change	2017	Change
Morten Opstad, Chairman	131	75%	75	-3%	77	93%	40	10%	36	17%
Preeti Mardia, Director	40	0%	40	0%	40	30%	31	13%	27	14%
Kelly Doss, Director	40	0%	40	0%	40	n/a	—	n/a	—	n/a
Jon Castor, Director	100	0%	100	0%	100	n/a	—	n/a	—	n/a
Tor Mesoy, Director	—	n/a	—	n/a	—	n/a	31	13%	27	14%
Laura Oliphant, Director	—	n/a	—	n/a	—	n/a	31	13%	27	n/a
Rolf Aberg, Director	—	n/a	—	n/a	—	n/a	—	n/a	27	14%
Total Remuneration	311	22%	255	-1%	257	95%	132	-9%	145	15%

The following table summarizes the share ownership held by the Board of Directors.

Name	Role	Share ownership			
		Number of shares held 31 December 2020	Change during 2021	Number of shares held 31 December 2021	Market Value (USD thousand)
Morten Opstad	Chairman	2,942,305	4,839,392	7,781,697	631
Preeti Mardia	Director	342,053	333,333	675,386	55
Kelly Doss	Director	787,878	1,242,423	2,030,301	165
Jon Castor	Director	999,999	1,909,089	2,909,088	236

The shares held are shown before the 9:1 share consolidation.

The following table summarizes the Subscription Rights issued and outstanding to the Board of Directors as at 31 December 2021.

Subscription Rights						
Name	Role	Number of subscription rights	Number of subscription rights granted in 2021	Vested as of 31 December 2021	Weighted average exercise price, NOK	Market Value of Vested SRs (USD thousand)
Morten Opstad	Chairman	11,183,832	6,583,832	2,300,000	0.15	186
Preeti Mardia	Director	5,591,916	3,291,916	1,150,000	0.15	93
Kelly Doss	Director	5,791,916	3,291,916	1,350,000	0.65	109
Jon Castor	Director	11,583,832	6,583,832	2,700,000	0.65	219

The subscription rights and weighted average exercise price are shown before the 9:1 share consolidation.

Upon a change in control, there is an acceleration of vesting for subscription rights.

The Board of Directors adopted a Restricted Stock Unit (RSU) plan on 28 February 2022. As of the date of this report, no RSUs have been issued.

## Remuneration of the Executive Management Team

Ensurge Micropowers' executive remuneration schemes are set to create an environment that supports the Company's strategy, long-term goals and contribute to increased shareholder value as defined in the Remuneration Policy. Executive remuneration is benchmarked regularly in order to align with market and industry conditions. Remuneration is performance based to ensure it is linked to the achievement of the key strategic, operational and financial objectives with a balance of short-term and long-term performance components. The 2021 Ensurge compensation programs align the long-term interests of all employees with those of its shareholders.

Executive remuneration consists of the following elements:

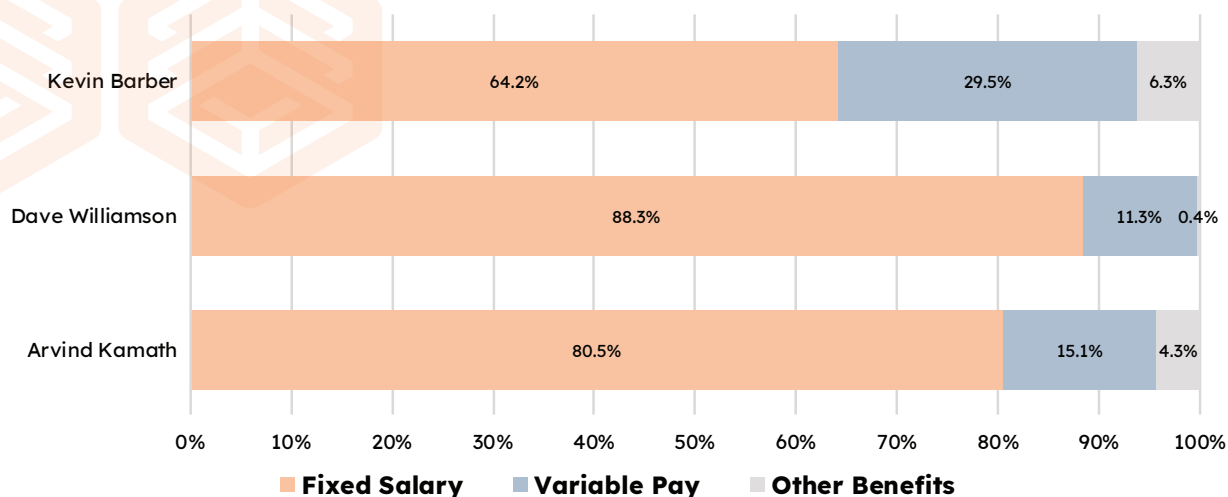
- Fixed cash salary
- Variable cash salary
- Benefits

The following table details the 2021 remuneration in USD for the Executive Management Team.

Name	Role	Period	Base Salary	Variable pay	Other benefits	Total Remuneration	Pension Costs
Kevin Barber	Chief Executive Officer	Jan. 1 - Dec. 31	384,486	176,400	37,743	598,629	11,600
Dave Williamson	Acting Chief Financial Officer	Jan. 1 - Dec. 31	228,658	29,325	911	258,894	11,373
Arvind Kamath	EVP Technology Development	Jan. 1 - Dec. 31	279,241	52,500	15,022	346,763	11,600

There is no 2021 remuneration owed to any past or present Executive Manager beyond what is included in this table. There is no claw-back on variable pay.

The diagram below shows the composition of the remuneration of members of the Executive Management Team.



The following table shows the change in Executive management remuneration.

Title and Name	Remuneration of Executive Management									
	2021		2020		2019		2018		2017	
	Fixed	Total	Fixed	Total	Fixed	Total	Fixed	Total	Fixed	Total
<b>Chief Executive Officer</b>										
Kevin Barber	384	599	383	634	418	619	43	43	—	—
Davor Sutija	—	—	—	—	—*	—	446	745	390	671
<b>Chief Financial Officer</b>										
Dave Williamson	229	259	143	181	—	—	—	—	—	—
Mallorie Burak	—	—	254	259	155	168	—	—	—	—
Ole Ronny Thorsnes	—	—	—	—	326	326	308	444	219	328
<b>Chief Commercial Officer</b>										
Christian Delay	—	—	—	—	322	328	286	396	251	340
<b>Chief Operating Officer</b>										
Peter Fischer	—	—	—	—	160	164	460	533	441	573
<b>Chief Technical Officer</b>										
Christer Karlsson	—	—	—	—	—	—	226	318	177	251
<b>EVP Technology Development</b>										
Arvind Kamath	279	347	275	339	279	368	253	327	233	262
<b>EVP Operations</b>										
Matt Kaufman	—	—	—	—	177	184	240	312	—	—
<b>EVP Hardware Solutions</b>										
Giampaolo Marino	—	—	76	84	289	316	121	216	—	—
<b>EVP Marketing</b>										
John McNulty	—	—	—	—	—	—	97	134	—	—
<b>EPV Global Sales</b>										
Tauseef Bashir	—	—	—	—	—	—	264	304	238	398
<b>EVP Business Development</b>										
Erwan Le Roy	—	—	—	—	—	—	—	—	330	424

\*Excludes Advisory Fees paid post employment

Change in remuneration of Executive Management (USD thousands)										
Title and Name	2021		2020		2019		2018		2017	
	Fixed	Total	Fixed	Total	Fixed	Total	Fixed	Total	Fixed	Total
<b>Chief Executive Officer</b>										
Kevin Barber	0%	-6%	-8%	2%	872%	1340%	n/a	n/a	n/a	n/a
Davor Sutija	n/a	n/a	n/a	n/a	n/a	n/a	14%	11%	24%	10%
<b>Chief Financial Officer</b>										
Dave Williamson	60%	43%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mallorie Burak	n/a	n/a	64%	54%	n/a	n/a	n/a	n/a	n/a	n/a
Ole Ronny Thorsnes	n/a	n/a	n/a	n/a	6%	-27%	41%	35%	161%	160%
<b>Chief Commercial Officer</b>										
Christian Delay	n/a	n/a	n/a	n/a	13%	-17%	14%	16%	39%	34%
<b>Chief Operating Officer</b>										
Peter Fischer	n/a	n/a	n/a	n/a	-65%	-69%	4%	-7%	3%	23%
<b>Chief Technical Officer</b>										
Christer Karlsson	n/a	n/a	n/a	n/a	n/a	n/a	28%	27%	3%	13%
<b>EVP Technology Development</b>										
Arvind Kamath	2%	2%	-1%	-8%	10%	13%	8%	25%	5%	-99%
<b>EVP Operations</b>										
Matt Kaufman	n/a	n/a	n/a	n/a	-26%	-41%	n/a	n/a	n/a	n/a
<b>EVP Hardware Solutions</b>										
Giampaolo Marino	n/a	n/a	-74%	-73%	139%	46%	n/a	n/a	n/a	n/a
<b>EVP Marketing</b>										
John McNulty	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>EPV Global Sales</b>										
Tauseef Bashir	n/a	n/a	n/a	n/a	n/a	n/a	11%	-24%	174%	111%
<b>EVP Business Development</b>										
Erwan Le Roy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	28%	19%

## Fixed Cash Salary

The fixed cash salary is in line with market conditions, be competitive, and takes into account the scope and responsibility associated with the position, as well as the skills and experience of each executive. Fixed cash salary is normally reviewed annually.

There is no post-employment remuneration beyond notice periods of 3-6 months. The current CEO, Kevin Barber, has a termination notice period of (i) three months in case of termination by the Company and (ii) one month in case of termination by Mr. Barber. If the Company terminates Mr. Barber's employment (other than for cause) or if Mr. Barber resigns his employment for good reason, Mr. Barber is entitled to a severance pay



equivalent to six months of his base salary and target bonus prorated for six months (if Mr. Barber is on schedule to meet the relevant bonus criteria for the year in question) calculated from the end of his termination notice period, all subject to such detailed terms and conditions as set out in his employment agreement.

The Company has made no loans, advance payments or collateral for any member of the Executive Management team.

## Variable Cash Salary

### Annual Cash Bonuses

The Executive Management Team had an annual variable pay scheme during 2021 with a maximum potential of 200 percent of the fixed cash salary. Variable cash salary is based on a set of predetermined and measurable performance criteria that reflect the key elements of the Company's business strategy, long-term interests, and sustainable business practices. Such performance criteria consists of key performance goals both for the Company's overall and financial performance as well as individual performance. The Company's annual bonus program includes various components such as revenue generation, and other financial and operational components. The components are defined and measurable. There is no claw-back on variable pay.

The Company believes that the performance-based bonus agreement for executive personnel has a motivational effect and therefore is beneficial for the Company and its shareholders in order to reach the Company's business strategy, long-term interests, and sustainable business practices.

The main performance objectives used in 2021 are:

Performance Objective	Weight	Alignment with strategy and shareholders' interest
Capture new business	20%	Capturing new business is fundamental to building a viable business for Ensurge and creating shareholder value
Deliver differentiated product	35%	Delivery of a differentiated product is a pivotal factor in creating and maintaining competitive advantage
Implement corporate systems	10%	Operational effectiveness is key in maintaining company efficiency
Meet financial targets	25%	Financial discipline is required to create a sustainable business
Scale the Ensurge team	10%	Overall achievement of the company's success depends upon scaling essential team functions

The bonus payments are calculated based on the actual performance on these objectives. Minor discretionary adjustments have been made where the KPIs were not seen to reflect the performance due to unforeseen circumstances. On average, the executives had a performance of 53 percent of the targets for the performance objectives. Payments to the Executive Management Team have been approved by the Board of Directors and approved by the Chairman of the Board as the CEO's superior. The executives' earnings from the variable cash salary for 2021 had a total value of USD 258,225.

## Benefits

Ensurge Micropower provides a limited number of benefits to executive management and personnel, including retirement benefits contribution, and insurance schemes.

### Retirement Benefits

Executive personnel, along with all full-time employees may choose to participate in the 401(k) retirement plan in place for all US employees. Subject to government limits, the Company matches employee contributions to the Company's 401(k) retirement plan dollar for dollar, up to 4% per calendar year.

The 401(k) retirement plan is a qualified retirement plan, providing special tax benefits. Contributions to the plan are subject to an annual maximum contribution. Withdrawals prior to retirement are generally subject to penalties.

### Non-financial Benefits

Executive personnel participate in the company's insurance schemes on standard terms.

### Equity Program

The executives participate in the same equity programs that are in effect for all employees. The 2021 equity program consists of subscription rights. To align the executive's financial interest with shareholders', the 2021 equity program was set by the board to vest over two-years. 50% of the subscription rights vest on the first anniversary of the Vesting Commencement Date and the remaining 50% vest and become exercisable on the second anniversary of the Vesting Commencement Date. Therefore each Option is fully vested two years after the Grant Date. There are no obligations to issue additional subscription rights beyond those included in the table below.

The Board of Directors adopted a Restricted Stock Unit (RSU) plan on 28 February 2022. As of the date of this report, no RSUs have been issued.

The following table details the Executive Management Team's shareholdings at 31 December 2021 and the change during the year.

Name	Role	Number of shares held as of 31 December 2021	Change during 2021	Market Value (USD thousand)
Kevin Barber	Chief Executive Officer	2,727,270	909,090	221
Dave Williamson	Acting Chief Financial Officer	—	—	—
Arvind Kamath	EVP Technology Development	—	—	—

No subscription rights were exercised during 2021.

The shares held are shown before the 9:1 share consolidation.

The Board of Directors adopted a Restricted Stock Unit (RSU) plan on 28 February 2022. As of the date of this report, no RSUs have been issued.

The following table details the Executive Management Team's subscription rights at 31 December 2021.

Name	Number of Subscription Rights				Market Value of Vested SRs (USD thousand)				
	Grant year	Exercise Period	Vesting Period	Exercise price (NOK)		Holding	Granted	Holding	Vested
					1 Jan 2021	2021	31 Dec 2021	31 Dec 2021	31 Dec 2021
<b>Kevin Barber</b>									
2019	2020–2025	3 years, 12% a quarter	2.2600	783,240			783,240	587,430	48
2019	2020–2025	3 years, 33% at grant, 6% per quarter	4.6700	1,546,880			1,546,880	1,287,776	104
2020	2021–2026	2 years, 50% each year	0.3300	30,001,440			30,001,440	15,002,010	1,216
2021	2022–2027	2 years, 50% each year	0.6225			11,647,726	11,647,726		
2021	2022–2027	2 years, 50% each year	0.7757			26,319,803	26,319,803		
<b>Total</b>					32,331,560	37,967,529	70,299,089	16,877,216	1,368
<b>Dave Williamson</b>									
2020	2021–2026	3 years, 12% a quarter	1.0180	132,000			132,000	77,000	6
2020	2021–2026	2 years, 50% each year	0.3300	3,750,180			3,750,180	1,875,090	152
2021	2022–2027	2 years, 50% each year	0.6225			1,455,966	1,455,966		
2021	2022–2027	2 years, 50% each year	0.7757			3,876,734	3,876,734		
<b>Total</b>					3,882,180	5,332,700	9,214,880	1,952,090	158
<b>Arvind Kamath</b>									
2019	2020–2025	3 years, 12% a quarter	2.2600	323,760			323,760	242,280	20
2019	2020–2025	3 years, 33% at grant, 6% per quarter	4.6700	52,504			52,504	43,753	4
2020	2021–2026	2 years, 50% each year	0.3300	11,250,540			11,250,540	5,625,269	456
2021	2022–2027	2 years, 50% each year	0.6225			4,367,897	4,367,897		
2021	2022–2027	2 years, 50% each year	0.7757			10,088,218	10,088,218		
<b>Total</b>					11,626,804	14,456,115	26,082,919	5,911,842	479
<b>Total Executive Management Team</b>					47,840,544	57,756,344	105,596,888	24,734,108	2,005

The subscription rights and weighted average exercise price are shown before the 9:1 share consolidation.

No subscription rights were exercised during 2021.

Upon a change in control, there is an acceleration of vesting for subscription rights.

## Key Financial Performance Figures

The following table shows key figures related to financial performance, number of employees and average remuneration for employees for the last five years.

	2021	2020	2019	2018	2017
Total revenue (USD thousand)	—	513	1,181	3,397	5,907
Net Loss (USD thousand)	(30,995)	(38,794)	(78,446)	(71,722)	(59,581)
Net Loss excl Special items (USD thousand)	(30,995)	(39,127)	(53,482)	(56,826)	(59,581)
Year end headcount	35	22	23	155	167
Change in average salaries excl Executive Management Team	-11%	10%	18%	11%	2%

Special items = impairment of intangible assets and property, plant and equipment

## D&O Insurance

The Company's shares, listed on Oslo Børs in Norway, trade under the symbol ENSU. The Company's ADRs, admitted to trading on OTCQB in the United States, trade under the symbol ENMPY. The company and its directors and officers are potentially subject to incremental liability in the U.S., and the board has determined that, in order to attract and retain qualified individuals to the board and executive management, the company will maintain, on an ongoing basis, at its expense, liability insurance to protect directors and officers in the company from certain liabilities.

The Board intends to propose that the next general meeting of shareholders, after the 2022 annual general meeting, approves that the Company, to the fullest extent permissible pursuant to applicable Norwegian law, contractually obligates itself to indemnify recent, present and future directors and executive officers from and against liability and expenses incurred by such persons by reason of the fact that he or she is or was a director or executive officer of the Company.

The board of directors of Ensurge Micropower ASA, Oslo, Norway, 20 May 2022



# Independent Auditor's Report



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To the General Meeting of Ensurge Micropower ASA

## INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

### *Opinion*

We have performed an assurance engagement to obtain reasonable assurance that Ensurge Micropower ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### *Board of directors' responsibilities*

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### *Our independence and quality control*

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Auditor's responsibilities*

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

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We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 May 2022  
Deloitte AS

*Lars Atle Lauvsnes*

Lars Atle Lauvsnes  
State Authorised Public Accountant