

Ensurge Micropower ASA

2023

Annual Report and
Financial Statements



ENSURGE[™]
MICROPOWER

Norway — Oslo

Corporate Headquarters

c/o House of Business
Fridtjof Nansens Plass 4
0160 Oslo
Phone: +47 22 42 45 00
Email: info@ensurge.com

USA — San Jose

Global Headquarters

2581 Junction Avenue
San Jose, CA 95134
Phone: +1 408 503 7300

ensurge.com

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About Ensurge Micropower

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

Ensurge's innovative solid-state lithium battery (SSLB) technology is uniquely positioned to enable the production of powerful, lightweight, and cost-effective rechargeable microbatteries for diverse applications.

The company's state-of-the-art flexible electronics manufacturing facility, located in the heart of Silicon Valley, combines patented process technology and materials innovation with the scale of roll-to-roll production methods to bring the advantages of SSLB technology to established and expanding markets.

Ensurge Micropower ASA ("Ensurge") is a publicly listed company in Norway with corporate headquarters in Oslo and global headquarters in San Jose, California.

Report from the Board of Directors

Introduction

2023 was an exciting year for Ensurge Micropower, as the company made great strides to get both our 75 μm [1 μm (micron) = 1/1000 mm] and our 10 μm stainless steel multilayer batteries ready for the market.

To be in the forefront of any technology race can be painful, but we were able to overcome the challenges and announced on 15 February 2024, that we had manufactured a functional Solid-State Lithium Microbattery (SSLB) on a 10 μm stainless steel substrate.

On 22 April 2024 we further announced that we shipped the first 10 μm multi-layer SSLBs to our strategic partners and customers for testing. This milestone is Ensurge's "moon landing" moment for the 10 μm SSLB. We have proven the technology first to ourselves and are now sending samples with confidence to our strategic partners and key customers.

This wouldn't have been possible without our highly skilled and dedicated engineering and manufacturing team in San Jose. They have worked hard, and more importantly, smart to get to this point. San Jose will remain the center of our development going forward. R&D and manufacturing have worked closely together to detect issues and solve them through rigorous experimentation, thereby improving not only the product, but also the manufacturing processes. The smallest adjustment can make a huge impact, as the devil is in the details.

During 2023 we had about 11,800 shareholders reflecting a huge interest in Ensurge and what we are doing. As of writing this has now increased to ~14,000. We want to thank them all for their patience and support.

Highlights in 2023 and so far in 2024

- During the first half of 2023 Ensurge simplified the organization, focusing on critical activities only, thereby reducing cost and cash burn and accelerating progress on technology development

and manufacturing readiness. Consequently, the headcount reduced from 37 to 28 during the year.

- The company has developed a simpler and leaner packaging process, resulting in lower production costs and faster cycle time when scaling up. This was acknowledged in a widely read peer-reviewed perspective paper by the highly respected American Chemical Society. <https://pubs.acs.org/doi/full/10.1021/acseenergylett.3c01839>
- The knowledge gained over the years has enabled us to file more patent applications and strengthen the entry barriers for competitors. In August 2023, the first two battery patents were issued by USPTO and a further two patents were notified in December 2023. This makes it four out of four, with twelve patent applications still pending.
- In Q3 2023 the 75 μm SSLB technology was proven, confirming the battery architecture and unique manufacturing process.
- In November 2023, our battery design was recognized by the U.S. Department of Energy's (DOE) Microbattery Design Competition.
- Despite limited sales efforts we have built a pipeline of 80+ sales prospects, having so far signed 10+ evaluation agreements across all the industry sectors our SSLB addresses. This tells us that there is an unsated demand for our groundbreaking SSLBs.
- We raised altogether NOK 285 million (USD 27 million) in equity in 2023 and in Q1 2024.

Going concern

The board confirms that the financial statements of the group, as well as the parent company, have been prepared under the going concern assumption.

On 20 February 2024 the Extraordinary General Meeting (EGM) approved a private placement totaling 233,468,885 shares at a subscription price of NOK 0.25 [NOK 1.25 post 5:1 share consolidation] per share, resulting in gross proceeds of NOK 58.4 million.

As of the date of this report, the company has sufficient cash to fund operations until June 2024.

To continue to fund the Company's activities beyond June 2024, the Company will seek additional funds from partnership funding and the investor market. However, as funding is not secured for the next 12 months, a material uncertainty exist as to whether the Company and group will continue as going concern. The Company and group are dependent on successfully raising funds as planned.

The board of directors monitors the financial position closely and receives frequent reports and forecasts on expenditure and cash flow. To address the funding requirements of the group, the board of directors has undertaken the following initiatives:

- Undertaken a program to continue to monitor the group's ongoing working capital requirements and minimum expenditure commitments; and
- Continued its focus on maintaining an appropriate level of corporate overhead that is in line with the group's available cash resources.

Despite the material uncertainty to whether the group will be able to successfully raise funds as planned, the Board has concluded that the Company are not in a situation where there is no realistic alternative to continue as going concern and hence it is found appropriate to prepare the financial statements on the going concern basis.

The Transparency Act

Ensurge Micropower ASA and its subsidiaries support the UN Global Compact and its underlying principles on human rights, labor rights, environment and anti-corruption.

Ensurge's approach to counteract human right violations is aligned with the principles in OECD Guidelines for Multinational Enterprises ("OECD Guidelines") and UN Guiding Principles on Business and Human Rights ("UNGP"). These principles form the base for the Norwegian Transparency Act ("NTA"). The NTA applies to Ensurge, due to it being subject to the Public Limited Companies Act and its listing on Oslo Børs (the Oslo Stock Exchange).

These principles were included in Ensurge's Code of Conduct (Ethical Guidelines) in June 2023.

Furthermore a Human Rights policy has been prepared and approved by the Board and we are conducting a survey amongst our suppliers in H1-2024 to ensure that these principles are adhered to, throughout our supply chain. The Transparency Act report can be found on www.ensurge.com/investors/financial-and-other-reports/corporate-governance.

The group financial statements

Ensurge's revenue and other income amounted to USD 213 thousand in 2023 and USD zero in 2022. The Company restructured its business operations around

the priorities of achieving technical success in SSLB development and deploying a financial model that is optimized to support the Company's critical technical and market development milestones. See Note 6.

Salaries and other payroll costs amounted to USD 6,120 thousand in 2023, compared to USD 12,186 thousand in 2022. The decrease is primarily driven by changes in headcount. Operating costs (excluding depreciation, amortization and impairment charges) amounted to USD 13,125 thousand during 2023 (2022: 19,978 thousand). The decrease in operating costs in 2023, compared to 2022, USD 6,640 thousand, was primarily attributable to:

- 1 USD 3,179 thousand lower payroll.
- 2 USD 2,431 thousand lower employee share-based remuneration costs. The fair value of granted employee subscription rights are valued based on the Black-Scholes formula and expensed over the vesting period.
- 3 USD 574 thousand lower other operating expense.

The Company focused R&D efforts towards achieving technical success in solid-state lithium battery technology development. During 2023, R&D spending was USD 2,148 thousand compared to USD 3,029 thousand for 2022. Depreciation and amortization charges in 2023 amounted to USD 543 thousand, compared to USD 402 thousand during the same period in 2022.

Due to the change in strategy, the production-related assets were fully impaired in 2019. In the event of a future change in circumstances, e.g. a change in strategy or market prospects, impairments may be reversed in part or in full, if a higher asset value can be defended.

Net financial items for the 2023 amounted to an expense of USD 3,236 thousand (2022: USD 2,988 thousand expense). Net financial items in 2023 were primarily interest expense totaling USD 3,438 thousand. Net financial items of USD 3,728 thousand in 2022 related to interest expense. The Company operates at a loss and there is a tax loss carryforward position in the parent company and in the U.S. subsidiaries. The parent company in Norway has not incurred any tax during 2023 or in 2022.

The Company has not recognized any deferred tax assets on its balance sheet relating to these tax loss carryforward positions, as this potential asset does not yet qualify for inclusion.

The loss in 2023 was USD 16,904 thousand, corresponding to a basic loss per share of (USD 0.07) [post 5:1 share consolidation]. In 2022, the loss amounted to USD 23,369 thousand, corresponding to

a basic loss per share of (USD 0.54) [post 5:1 share consolidation].

Non-current assets amounted to USD 2,439 thousand (31 December 2022: USD 2,743 thousand). The decrease in non-current assets from 2022 to 2023 was mainly due to depreciation expense related to fixed assets.

Trade and other receivables amounted to USD 863 thousand at the end of 2023 (31 December 2022: USD 868 thousand).

Non-current liabilities amounted to USD 13,267 thousand (2022: 16,209 thousand) and relates to future lease payments for the Junction Avenue premises and long-term debt relating to an equipment term loan facility with Utica.

The equity ratio was negative 173% at the end of 2023, versus negative 189% at the end of 2022.

The group's cash balance decreased by USD 1,172 thousand in 2023 (2022: decreased by USD 1,890 thousand). The net decrease in cash balance is explained by the following principal elements:

- 1 USD 12,727 thousand outflow from operating activities,
- 2 USD 168 thousand outflow from investing activities,
- 3 USD 11,722 thousand inflow from financing activities.

The USD 12,727 thousand outflow from operating activities is primarily explained by an operating loss, excluding depreciation and amortization expense, of USD 13,125 thousand. The cash outflow from operations and investing activities in 2023 was offset by the inflow from financing activities, primarily attributable to the USD 14,457 thousand raised from private placements. The cash balance on 31 December 2023 was USD 3,791 thousand, as compared to the cash balance on 31 December 2022 of USD 4,963 thousand.

Parent company financial statements

Revenue and other income in the Parent Company amounted to NOK 0 thousand in 2023 and 2022.

Personnel and payroll costs were NOK 727 thousand in 2023, versus NOK 21,135 thousand in the preceding year. As of 31 December 2023 the Parent Company had zero employees and a small number of consultants. The Parent Company employed, on average, one full-time employee during 2022.

External purchases of services amounted to NOK 19,318 thousand in 2023 (2022: NOK 11,376 thousand). Of the total amount for 2023, (i) NOK 9,383 thousand related to legal, audit and accounting services (2022: NOK 7,029 thousand), (ii)

NOK 8,584 thousand was tied to advisory services, technology support services and recruitment services (2022: NOK 2,112 thousand and (iii) NOK 1,351 thousand related to remuneration of the Board of Directors (2022: NOK 2,235 thousand).

Purchase of services from subsidiaries decreased to NOK 206,858 thousand in 2023 from NOK 264,639 thousand in 2022, largely as a result of the decrease in personnel costs. Other operating expenses increased from income of NOK 34,941 thousand in 2022 to an expense of NOK 5,143 thousand in 2023. Capitalized development costs amounted to NOK 0 thousand in 2023 and 2022. The Company did not capitalize any development costs in 2023 and 2022 as technical feasibility has not been achieved.

Net financial items amounted to expense of NOK 12,129 thousand in 2023, compared to income of NOK 9,058 thousand in 2022. The change from 2022 is mainly due to the change in fair value of the derivative debt (NOK 1,122 expense versus NOK 12,688 income) offset by impairment of intercompany investments (NOK 6,828 thousand expense versus NOK 15,835 thousand expense).

Share capital

Ensurge shares were listed on Oslo Axess from 30 January 2008 until 26 February 2015. On 27 February 2015, Ensurge shares were transferred to Oslo Børs (OSE Main List). On 24 March 2015, Ensurge's American Depositary Receipts (ADRs) commenced trading in the United States on OTCQX International.

At the end of 2023, there were 2,459,688,858 (2022: 244,228,498) shares in the Company which were held by 11,792 shareholders (2022: 11,082 shareholders). Par value at 31 December 2023 was NOK 0.10 [NOK 0.50 post 5:1 share consolidation] per share. On 14 March 2023, the EGM approved a reduction in par value from NOK 0.99 to NOK 0.10 [NOK 0.50 post 5:1 share consolidation] per share. On 19 March 2024, the EGM approved a 5:1 share consolidation, effective in April 2024.

The closing price of Ensurge shares on 30 December 2023 was NOK 0.13 [NOK 0.65 post 5:1 share consolidation]. The total share turnover during 2023 amounted to NOK 523 million compared to NOK 696 million in 2022, a decrease of approximately 13 percent.

On 19 March 2024, the EGM approved a 5:1 share consolidation, effective 5 April 2024. (See Notes 21 and 22.)

Pursuant to Section 3-5 of the Norwegian Public Limited Companies Act (PLCA), the Board is obligated to act on loss of equity in the Company and shall propose to the general meeting measures

to restore the equity and give a statement on the Company's financial position to the shareholders. The Company is seeking additional funds from the investor market and/or from partnership funding.

Principal risks

Ensurge is exposed to various risks of a financial and operational nature.

The Company's predominant risks are financial, technical/developmental, as well as other market and business risks.

Financial risks

Ensurge is exposed to financial risks related to fluctuations in foreign exchange rates, interest rates, and raw material prices which may affect revenues, cost and profitability. Furthermore, the performance of stock market and shares as investments will influence the share price and ability to attract funding and the terms of such.

As long as Ensurge is progressing towards delivering product samples with no major income stream supporting it, liquidity will be a strain. Hence, there is a risk of not being able to pay employees and suppliers and thereby ceasing activities. Reference is made to the Going Concern section for more details.

Technical risks

Currently, technology development and engineering sample availability on Ensurge's sheet line, as well as technology transfer and scale-up activities related to Ensurge's roll-to-roll (R2R) line, can be adversely affected by several factors including but not limited to:

- Quality, composition, and consistency of lithium-based materials, chemicals and unanticipated interactions of the various layers and processes that are key to core battery performance, resulting in longer than planned learning cycles and corrective actions. This risk is now significantly reduced and the focus is now on reducing defects (increase yield) and improved reliability (cycling).
- Issues encountered during handling, processing, and assembly of ultrathin substrates and battery stacks. Successful validation of using 10 µm stainless steel substrate has proven our capability of handling ultrathin material.
- Need for new materials or processes and/or equipment to achieve full manufacturing qualification and product reliability. The architecture is now set.
- New and unknown modes of yield loss necessitating process, practice, or equipment modifications that can result in a slower than planned yield ramp.

- Product risk — our product may fail during use, which can cause bodily harm or loss of data. This risk is covered by product liability insurance, but can lead to increased cost and reduced profit.

To a certain extent, Ensurge is dependent on continued collaboration with technology, materials, and manufacturing partners. There may be process and product development risks that arise related to time-to-development and cost competitiveness of the energy storage products Ensurge is developing.

Operational risks

Shortages of components and materials may delay or reduce our sales and increase our costs, thereby harming our operating results.

- Requisite environmental control of the manufacturing and storage area.
- Equipment reliability, modifications needed, and process optimization may limit uptime, throughput and quality of devices produced.
- Achievement of return-to-manufacturing readiness and qualification of the tool set.
- On-site availability of vendor personnel to assist in re-qualification of the machines with battery materials set.
- Electro-Static Discharge (ESD) or other phenomena requiring process or mechanical handling changes on the manufacturing line.

Our financial projections assume successfully executing these organizational changes, including the motivation and retention of key employees and recruitment of qualified personnel, critical to our business success. Factors that may affect our ability to attract and retain talented leadership, key individual contributors, and enough qualified employees include our reputation, employee morale, competition for talent and talent pool.

Our success is dependent on identifying, developing, and retaining key employees to provide uninterrupted leadership and direction for our business. This includes developing and retaining organizational capabilities in key technology areas, where the depth of skilled or experienced employees may be limited and competition for these resources is intense.

Climate change risks

Climate change impacts are expected to profoundly impact across the whole battery value chain. The adverse impact can be attributed to the physical risk (our assets in San Jose) and the transition risk (impact of regulations on demand for our products and compliance (cost/exclusion)).

Physical risk

Ensurge is located in San Jose, and California has over the last decade seen an increase in extreme weather, be it drought, wildfires or extreme rainfall. A risk assessment for Silicon Valley was carried out in Q1 of 2024. Four climate change risks were analyzed, and the conclusion was as follows. Riverine flooding (high risk), extreme heat, wildfires and sea level rise (all three negligible risk).

Transition risk

In terms of transition risk, Ensurge complies with all relevant US and international regulations. Ensurge is still a very small player in the battery value chain. Our activities so far have been focused on technology development and small-scale production in the microbattery sector, leaving a limited footprint. When scaling up, we will include relevant KPIs that can be translated into carbon footprint, and all operational and capital investment decisions will include this in addition to financial KPIs.

Geopolitical risks

Uncertain global economic conditions adversely impact demand for our products or cause potential customers and other business partners to suffer financial hardship, causing delays in market traction adversely impacting our business.

Extended lead times on custom equipment for R2R due to the current political/economic situation in Europe as well as overall supply issues could impact our ability to scale production in the future.

Many of the materials used in the production of our products are available only from a limited number of foreign suppliers, particularly suppliers located in Asia. Increased geopolitical tensions may affect our supply chain.

Current conflicts — the Russian invasion of Ukraine; the Israel-Hamas war; and China/US tensions over Taiwan — have not caused any disruption to Ensurge. Any escalation of these conflicts may change that.

Market risks

We cannot predict the size or growth rate of the markets we operate in, or the market share we will achieve or maintain in the future. Our ability to generate significant revenue from new markets will depend on various factors, including the following:

- The development and growth of these markets,
- Our ability to address customer needs (price, performance and preference); and
- Our ability to provide Original Equipment Manufacturers (OEMs) with solutions that provide advantages in terms of size, reliability, durability,

performance, and value-added features compared with alternative solutions.

Many of the markets that Ensurge targets will require time to gain traction, and there is a potential risk of delays in the timing of sales. Risks and delays may include, but are not limited to:

- Our growth targets depends on successful innovation in response to competitors and changing consumer habits.
- Our revenues are dependent on pace of technology evaluation and product qualification activities at our customers (OEMs), and delays in battery or end-product qualification or changes to production schedules may affect the quantity and timing of purchases from Ensurge. Such delays are generally outside of Ensurge's control.

The failure of any of these target markets to develop as we expect, or our failure to serve these markets to a significant extent, will impede our sales growth and could result in reduced earnings.

Corporate governance

The Board considers that attention to corporate governance is beneficial for companies and investors. Ensurge seeks to comply with the Norwegian Code of Practice. The Board's review of corporate governance has been included in the Corporate Governance section of this annual report.

Intellectual property

The development and maintenance of intellectual property (IP), including patents, trade secrets, and proprietary know-how is a critical part of Ensurge's business strategy.

Ensurge currently holds over 100 international patents (US, Europe, Asia) in the fields of printed electronics devices and products, (transistors, capacitors, inductors), process technology, novel materials, barrier materials/integration and solid-state batteries. A significant portion of Ensurge's portfolio backed by manufacturing and product development expertise has found application in the solid state microbattery product strategy.

Our patent strategy supports the company's four pillars of microbattery innovation:

- Expertise fabricating devices on ultrathin 10 µm stainless steel substrates,
- Stacking and packaging techniques,
- Anode-less solid state lithium battery chemistry; and
- Use of an existing and proven roll-to-roll manufacturing facility using a conventional manufacturing environment

From 2020 to 2023 we have filed multiple patent applications representing innovations addressing some of the microbattery industry's most difficult engineering

and manufacturing challenges. These include dense cell architecture, ultrathin packaging, assembly integration related to the encapsulation, assembly and stacking of SSLB products fabricated on stainless steel substrates.

To date, four patents have been granted with the remaining pending before the US Patent Office. Today's hearable and wearable devices need higher energy density and faster charging speeds than was previously possible, along with customizable form factors and scalable, high-volume manufacturability. Our allowed patents cover the core microbattery technologies that are essential for solving these challenges.

An additional twelve patent applications related to deep innovation in the fabrication, packaging and manufacturing related to solid state microbatteries have been filed. With this, Ensurge expects to have strong all-round patent protection which will serve our manufacturing and potential licensing business models. More filings will be made as Ensurge executes its technology and product roadmap.

Ensurge has no current or known IP disputes.

Outlook

Ensurge is now transitioning into a crucial phase of its corporate journey, evolving from a purely research and development entity into initiating commercial operations. Our focus is to generate profits through direct revenue, licensing agreements, and royalties. We are currently dispatching samples (batteries sent for testing by customers) to our technology partners and various customers. In the second quarter, we plan to escalate our operations to meet the growing demands of the fitness ring market and to start deliveries on existing orders.

Moreover, we are poised to strategically capitalize on a unique opportunity crafted by four years of dedicated development and the exploitation of advanced roll-to-roll thin film stainless steel technologies, which culminated in the creation of the world's first SSLB (Solid State Lithium Battery). This innovation positions Ensurge uniquely in the market. Despite industry projections that SSLB technology would not emerge for several years, Ensurge has pioneered and mastered it, positioning ourselves to potentially lead the global market in battery technology for all electronics.

The market for our products is expanding rapidly as the demand for advanced electronics escalates. These electronics face multifaceted challenges, particularly in design and mobility. There is an incessant drive towards miniaturization, coupled with the need to accommodate new, energy-intensive functionalities. Security is paramount, as devices, from laptops to IoT solutions, must be safeguarded against cyber intrusions, necessitating robust, energy-consuming encryption algorithms. Additionally, increasing reliance on AI and machine

learning requires devices to process and provide refined data, enhancing the predictive capabilities of GPU-driven systems. These developments strain the capabilities of existing Li-ion battery technology.

Our first generation of SSLB is designed for IoT devices with space constraints, and will be surface-mounted. The technology's superior volume energy density, charging capacity, and safety features present a transformative alternative to traditional Li-ion batteries. Our patent filings will further allow us to integrate our solid-state battery technology into coin cell battery-ready electronics.

Having solved the complex manufacturing challenges associated with SSLB, we are now able to expand our technology roadmap beyond the current generation. While maintaining our focus on immediate goals, we have commenced developing the subsequent phases of our strategy. These advancements promise significant enhancements in energy density and cost reductions, making the broader electronics market a feasible target for our technology.

Despite these breakthroughs, Ensurge lacks the organizational and financial resources to independently penetrate all verticals and geographies with this technology. Our strategy is to concentrate on our core competence — developing and commercializing groundbreaking battery technologies and being the best battery technology incubator. We plan to achieve market penetration through strategic partnerships, as well as licensing and royalty agreements.

With a fully operational manufacturing line in San Jose, CA, we are positioned to engage in production and direct sales. While manufacturing is not our primary ambition, serving a select customer base with innovative and challenging requirements will not only bolster our capabilities but also ensure we maintain the crucial feedback loop that direct customer interactions provide.

For more information you can view our Investor presentation, which can be found on our website, www.ensurge.com/investors/webcast-presentations.

Organization, personnel, and the environment

The Board of Directors would like to thank the Ensurge management, staff, contractors, and ecosystem partners for their dedicated efforts in 2023.

Organization

All Ensurge's operational activities are based in the Company's San Jose, California facility, providing efficient and cost-effective management of the Company's resources and assets. The Company's quality management system is certified under

the ISO9001:2015 standard for the development, manufacturing, and sales of SSLBs. This certification was audited and renewed in August 2023.

Personnel

In March 2023, the company reduced salaries and the number of staff. As of the date of the report, Ensurge employs 28 full-time employees, two part-time employees, and a small number of contractors.

The board believes that the working environment at Ensurge is safe, stimulating, challenging, and collaborative for all employees, and complies fully with relevant laws and regulations in regions within which Ensurge operates. Ensurge employees are covered by benefits programs that are in line with practices in their respective countries. Throughout 2023, there were no workplace injury and no significant incidents or accidents involving equipment or other assets. Instances of sick leave during 2023 were relatively low and were consistent with previous years. In addition to the employees of the Ensurge group, Ensurge has contracted specialists in business development, engineering, accounting, and other services.

Ensurge creates and supports equal opportunity for all employees, in all aspects of the workplace. As of 31 December 2023, female employees in the company represented approximately 34%. As of the date of this report, 25% of the current management team are female.

Equality is one important aspect considered when recruiting new employees. The board considers the firm's equality standards and measures to be adequate and has not found reason to initiate any corrective measures.

Guidelines for remuneration of the Board and Executive Management Team were approved by the Extraordinary General Meeting on 14 March 2023, and a full disclosure can be found in the separate Remuneration report. The remuneration report will be available on the Company's website.

The environment

Ensurge appreciates its corporate responsibility to protect the environment. The Company operates its business to comply with the environmental, health, and safety regulations required for the materials and processes needed to manufacture its products. Ensurge follows all relevant environmental rules and regulations, as discussed in the Corporate Social Responsibility (CSR) Statement included in this report.

Board of directors

Ensurge's board of directors consists of one woman and two men, the composition of which satisfies the gender requirements of the Norwegian Public Limited Companies Act (PLCA). The board includes Mr. Terje Rogne [chair], Mr. Morten Opstad and Ms. Nina Riibe.

At the Company's AGM on 24 May 2023, Mr. Rogne was elected Chair and Mr. Opstad was re-elected to the board for a term of two years. In February 2023, Mr. Newman assumed the role of Interim CEO and temporarily resigned from the board. Mr. Newman resigned in May 2023. On 14 March 2023 the EGM elected Mr. Persson to the board for a limited time. Mr. Persson resigned on 24 May 2023. On 11 July 2023, Ms. de Margerie resigned and Ms. Riibe was elected to the board for a term of two years.

The Company provides Directors and Officers Liability Insurance for all directors and officers.

The board of directors of Ensurge Micropower ASA, Oslo, Norway, 24 April 2024



Terje Rogne
Chairman



Morten Opstad
Board Member



Nina Riibe
Board Member



Lars Eikeland
CEO / CFO

Ensurge Micropower ASA Group

Consolidated Financial Statements

Consolidated statement of comprehensive income

Amounts in USD 1,000	Note	2023	2022
Sales revenue	6	138	—
Other income	6	75	—
Total revenue and other income		213	—
Salaries and other payroll costs	7,8	(6,120)	(12,186)
Other operating expenses	9,10	(7,217)	(7,792)
Depreciation, amortization and impairment loss	11,12,13	(543)	(402)
Operating profit (loss)		(13,668)	(20,381)
Interest income		71	49
Change in fair value of derivative liability		(123)	1,300
Interest expense	14,15	(3,438)	(3,728)
Net realized and unrealized currency gain/(loss)	15	254	(609)
Net financial items	15	(3,236)	(2,988)
Profit (loss) before income tax		(16,904)	(23,369)
Income tax expense	16	—	—
Profit (loss) for the year		(16,904)	(23,369)
Profit (loss) per share for profit attributable to the equity holders of the Company during the year			
Basic and diluted, USD per share	17	(USD 0.07)	(USD 0.54)
Profit (loss) for the year		(16,904)	(23,369)
Other comprehensive income			
Currency translation		—	—
Total comprehensive income for the year		(16,904)	(23,369)

Consolidated statement of financial position

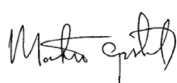
Amounts in USD 1,000	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,865	2,169
Other financial receivables		574	574
Total non-current assets		2,439	2,743
Current assets			
Trade and other receivables	18	863	868
Cash and cash equivalents (i)	19	3,791	4,963
Total current assets		4,654	5,832
Total assets		7,093	8,575
EQUITY			
	20		
Share capital		27,189	26,911
Other paid-in capital		374	38,071
Other reserves		0	31,969
Currency translation		(13,801)	(13,801)
Retained earnings		(26,060)	(99,396)
Total equity	21	(12,297)	(16,246)
LIABILITIES			
Non-current liabilities			
Long-term debt	22	5,419	6,750
Long-term financial lease liabilities	13	7,848	9,459
Total non-current liabilities		13,267	16,209
Current liabilities			
Trade and other payables	24,25	1,704	2,511
Short-term financial lease liabilities	13,23	1,611	1,438
Derivative and short-term convertible debt	14	1,408	3,915
Current portion of long-term debt	22	1,400	748
Total current liabilities		6,123	8,612
Total equity and liabilities		7,093	8,575

(i) Includes restricted cash of USD 1,600 thousand, securing the letter of credit issued in 2017 by Thin Film Electronics ASA to the landlord of the San Jose, California facility.

The board of directors of Ensurge Micropower ASA, Oslo, Norway, 24 April 2024



Terje Rogne
Chairman



Morten Opstad
Board Member



Nina Riibe
Board Member



Lars Eikeland
CEO / CFO

Consolidated statement of changes in equity

Amounts in USD 1,000	Note	Share capital	Other paid-in capital	Other reserves	Currency translation	Retained earnings	Total
Balance at 1 January 2023		26,911	38,071	31,968	(13,801)	(99,396)	(16,246)
Reduction of share capital by reduction of PAR		(20,605)	(29,551)	—	—	50,156	—
Transfer of vested share-based compensation and expired warrants*		—	(8,116)	(31,968)	—	40,084	—
Private Placement (March, June, July, September, October, November and December 2023)		20,764	(846)	—	—	—	19,918
Employee Stock Purchase Plan		119	—	—	—	—	119
Share-based compensation		—	816	—	—	—	816
Comprehensive income		—	—	—	—	(16,904)	(16,904)
Balance at 31 December 2023	21	27,189	374	0	(13,801)	(26,060)	(12,297)
Balance at 1 January 2022		21,730	22,649	31,968	(13,801)	(76,027)	(13,481)
Share-based compensation		—	3,506	—	—	—	3,506
Private Placement (February, August and December 2022)		5,161	11,812	—	—	—	16,973
Stock Rights Exercise		20	104	—	—	—	124
Comprehensive income		—	—	—	—	(23,369)	(23,369)
Balance at 31 December 2022	21	26,911	38,071	31,968	(13,801)	(99,396)	(16,246)

*Share-based compensation recognized for vested subscription rights has been moved to uncovered loss. The warrants expired in 2022, and the cost recognized under other reserves have been moved to uncovered loss in current year.

Consolidated cash flow statement

Amounts in USD 1,000	Note	2023	2022
Cash flows from operating activities			
Profit (loss) before income tax		(16,904)	(23,369)
- Share-based remuneration	7	816	3,506
- Depreciation and amortization	11	543	402
- Changes in working capital and non-cash items		(418)	58
- Net financial items		3,236	2,988
Net cash from operating activities		(12,727)	(16,414)
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(247)	(557)
Proceeds from sale of fixed assets	11	8	22
Interest received		71	49
Net cash from investing activities		(168)	(486)
Cash flows from financing activities			
Proceeds from issuance of shares	21	14,457	17,098
Proceeds from debt financing	14	1,701	4,773
Interest paid		(2,319)	(2,320)
Lease installments	13	(2,117)	(4,540)
Net cash from financing activities		11,722	15,010
Net increase (decrease) in cash and bank deposits		(1,172)	(1,890)
Cash and bank deposits at the beginning of the year		4,963	6,853
Cash and bank deposits at the end of the year*		3,791	4,963

* Including restricted cash. See Note 20.

Notes to the Consolidated Financial Statements

1. Information about the group

“Ensurge Micropower ASA (“Ensurge ASA”, “Ensurge” or “the Company”) was founded as Thin Film Electronics ASA (“Thinfilm”) on 22 December 2005 and was renamed Ensurge Micropower. Reference is made to Note 27 for a description of the subsidiaries consolidated into the parent company Ensurge Micropower ASA.

The objectives of the Company shall be the commercialization, research, development and production of technology and products related to solid-state lithium batteries. These objectives may be carried out in full internally, or in whole or in part externally through collaborative efforts with one or more of the Company’s ecosystem partners.

The Company is a public limited liability company incorporated and domiciled in Norway. The address of its registered office is Fridjof Nansens Plass 4, Oslo, Norway. The company’s shares were admitted to listing at the Oslo Axess on 30 January 2008 and to the Oslo Børs on 27 February 2015. On 24 March 2015 Ensurge’s American Depository Receipts (ADRs) commenced trading in the United States on OTCQX International. Ensurge’s ADR was moved to OTCQB with effect on 23 June 2020. The Company’s shares, listed on Oslo Børs in Norway, trade under the symbol ENSU. The Company’s ADRs, listed on OTCQB in the United States, trade under the symbol ENMPY.

These group consolidated financial statements were resolved by the board of directors on 24 April 2024.

2. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied. For the purpose of ease of reading, the terms “balance sheet” and

”accounting” and variations of these have been used interchangeably with the International Financial Reporting Standards (IFRS®) terms “statement of financial position” and “recognition”.

2.1 Basis of preparation

The annual financial statements have been prepared on a historical cost basis. The financial statements of the group have been prepared in accordance with IFRS as adopted by the European Union (EU). The accounting policies adopted are consistent with those of the previous financial year. IFRS is continuously developed and recently published standards, amendments and interpretations have been reviewed and considered. None of the new standards, amendments and interpretations that apply as of 1 January 2023 had any impact on net result or equity of Ensurge in 2023. Reference is made to Note 2.20 for a description of changes in IFRS.

Going concern

The board confirms that the financial statements of the group, as well as the parent company, have been prepared under the going concern assumption.

As of the date of this report, the company has sufficient cash to fund operations until June 2024.

To continue to fund the Company’s activities beyond June 2024, the Company will seek additional funds from the investor market and from partnership funding. However, as funding is not secured for the next 12 months, a material uncertainty exists as to whether the Company and group will continue as going concern. The Company and group are dependent to successfully raise funds as planned.

The board of directors monitors the financial position closely and receives frequent reports and forecasts on expenditure and cash flow. To address the funding requirements of the group, the board of directors has undertaken the following initiatives:

- Undertaken a program to continue to monitor the group's ongoing working capital requirements and minimum expenditure commitments; and
- Continued its focus on maintaining an appropriate level of corporate overhead that is in line with the group's available cash resources.

The Company has prioritized raising sufficient funds to provide adequate time to demonstrate a series of technology and market development milestones. Despite the material uncertainty to whether the group will be able to successfully raise funds as planned, the Board has concluded that the Company are not in a situation where there is no realistic alternative to continue as going concern and hence it is found appropriate to prepare the financial statements on the going concern basis.

2.2 Consolidation

Subsidiaries are all entities over which the group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The group's voting rights and potential voting rights

2.3 Foreign currency translation

(a) Functional and presentation currency

The consolidated financial statements are presented in US dollar (USD).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from

the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(c) Group companies

The individual financial statements of a subsidiary are prepared in the subsidiary's functional currency. In preparing the consolidated financial statements, the financial statements of foreign operations are translated using the exchange rates at year-end for statement of financial position items and monthly average exchange rates for statement of income items. Translation gains and losses are included in other comprehensive income as a separate component. The translation difference derived from each foreign subsidiary is reversed through the statement of income as part of the gain or loss arising from the divestment or liquidation of such a foreign operation.

2.4 Property, plant and equipment

Property, plant and equipment is mainly comprised of construction in progress on the roll-to-roll line, laboratory test equipment, and office equipment. Property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Given the uncertainty related to its cash position and new strategy, the Company's fixed assets were fully impaired at 31 December 2019.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method as follows:

- Laboratory equipment — 5 years
- Office equipment — 3–5 years
- Office furnishings and fittings — up to 12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

2.5 Inventory

The Company changed strategy and hence inventory is fully impaired. Historically, inventory, components

and components under production were valued at the lower of cost and net realizable value after deduction of obsolescence. Net realizable value is estimated as the selling price less cost of completion and the cost necessary to make the sale. Costs are determined using the standard cost method. The FIFO principle is applied. Work in progress includes variable cost and non-variable cost which can be allocated to items based on normal capacity. Obsolete inventory is written down completely.

2.6 Intangible assets

(a) Patents and licenses

Acquired patents and licenses are stated at historical cost. Patents and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of patents and licenses over their estimated useful lives. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. In January 2014, Ensurge acquired an IP portfolio consisting of patents. These assets are initially recognized at fair value and subsequently measured at cost, less accumulated amortization and impairment losses.

(b) Research and development

Research costs are expensed as they are incurred. An intangible asset arising from development expenditure on an individual project is capitalized only when the group reliably can measure the expenditure and can demonstrate;

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- How the asset will generate future economic benefits
- The group's ability to obtain resources to complete the project

Development costs are amortized over the period of expected use of the asset. See Note 12.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less

costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill are reviewed for possible reversal of any previous impairment at each reporting date.

2.8 Trade receivables and other receivables

Trade receivables and other short-term receivables are measured at initial recognition at fair value and subsequently measured at amortized cost. Short-term receivables, which are due within three months, are normally not discounted. Impairment of receivables is evaluated on a case-by-case basis. The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

2.9 Cash and bank deposits

Cash and bank deposits include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to raising new equity are shown as a deduction to the equity, net of tax.

2.11 Trade payables

The carrying amounts of trade and other payables are the same as their fair values, due to their short-term nature.

2.12 Deferred income tax

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted on the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax liabilities are recognized for taxable temporary differences.

2.13 Employee remuneration

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value. The company only holds defined contribution pension plans. Contributions are expensed and paid when earned.

2.14 Revenue recognition

Revenue is recognized at the amount that the Company expects to be entitled to and expects to collect under the contract. If a contract has multiple performance obligations, the transaction price is allocated to each performance obligation identified in the contract on a relative stand-alone selling price basis. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

(a) Sales of goods

Sales of goods were recognized when the performance obligation was satisfied, the costs incurred with respect to the transaction could be measured reliably, and Ensurge retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(b) Rendering of services

The group provides engineering and support services to strategic customers and partners.

2.15 Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and the conditions will be complied with. Grants are recognized as other income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

2.16 Financial liabilities

(a) Borrowings

Borrowings are initially recognized at cost and subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs as well as discount or premium on settlement. Financial liabilities are presented as current if the liabilities are due to be settled within 12 months after the balance sheet date.

(b) Leases

All leases are recognized in the balance sheet as a right-of-use (“ROU”) asset with a corresponding lease liability, except for short term assets in which the lease term is 12 months or less, or low value assets. ROU assets represent a right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Right-of-use assets are depreciated linearly over the lifetime of the related lease contract. The depreciation of ROU asset is recognized over the lease term, and interest expenses related to the lease liability are classified as financial items in the income statement. Right-of-use assets are tested for impairment in accordance with IAS 36.

Ensurge determines if an arrangement is a lease at inception. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments, less any lease incentives. The Company’s incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Extension options are included when it, based on management’s judgment, is reasonably certain to be exercised. ROU assets are measured at cost and include the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less and low-value assets.

2.17 Share-based remuneration and derivatives over own shares

(a) Share-based remuneration

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at grant date. The fair value of the instruments is determined using a Black-Scholes option pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

For social security contribution related to equity settled share-based payment transactions with employees, a liability is recognized. The liability is initially measured at the fair value of the liability. At the end of each reporting period until the liability is settled, and the date of settlement, the fair value of

the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

(b) Derivatives over own shares

The convertible loans are denominated in Norwegian Kroner (NOK); however, the functional currency of the Company is the US Dollar. As a result of this difference in currencies, the proceeds that were received by the Company were not fixed and varied based on foreign exchange rates. A portion of the loans, the conversion feature, is a derivative required to be recognized and measured at fair value at each reporting period. Any changes in fair value in the convertible loans from period to period is recorded as a non-cash gain or loss in the consolidated statement of net loss/(income) and comprehensive loss/(income), in accordance with IFRS 9. The convertible loans, including accrued interest, are classified as short-term liability at amortized cost. The conversion feature derivative liability is classified as short-term held-for-trading liability. The derivative liability is measured using Black-Scholes valuation model.

2.18 Cash flow statement

The cash flow statement is prepared in accordance with the indirect method.

2.19 Segment information

Operating segments, according to IFRS 8, are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assessing performance and making strategic decisions, has been identified as the Chief Executive Officer (CEO). Based on Ensurge's current deliveries, performance obligations, customer characteristic and other information, it has been assessed that Ensurge has only one operating segment. Hence, primarily information according to IFRS 8 paragraphs 32–34 is provided.

2.20 Changes in accounting principles

In 2023 new standards and amendments to existing standards have become effective. This related to the following standards:

- IFRS 17 Insurance contracts and amendments,
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2,
- Definition of Accounting Estimates – Amendments to IAS 8,
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12,

- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12.

The adoption of these items did not have a significant impact on the financial statements of the Group.

2.21 Approved standards and interpretations not yet in effect

In addition to these standards, the following new and revised IFRSs have been issued but were not mandatory for annual reporting periods ending on 31 December 2023. The Group will assess the potential impact of these new and revised standards in due course.

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2** Climate-related Disclosures
- Lack of Exchangeability – Amendments to IAS 21
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

3. Segment information

Ensurge's business consists of sale of products, services and development of electronic products and related solutions. The CEO has determined that the group has only one operating segment. Consequently, no additional segment information is disclosed. Reference is made to Notes 14 and 23 for entity-wide disclosures.

4. Capital management and financial risk

4.1 Capital management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern. The capital structure of the group consists of equity and current and non-current interest-bearing liabilities. The group is not subject to any externally imposed capital requirements apart from the requirements according to national laws and regulations for limited liability companies.

In September 2019, the Company's subsidiary, Ensurge Micropower, Inc. closed an equipment term loan facility with Utica Leaseco, LLC ("Utica") for USD 13.2 million secured by select fixed assets (see Note 11). The terms of the Master Lease Agreement and subsequent amendments are detailed in Note 22. The outstanding balance at 31 December 2023 is USD 6.8 million.

The company is working on obtaining additional equity funding. See Note 2.1 Going concern.

4.2 Financial risk factors

Ensurge is exposed to certain financial risks related to exchange rates and interest level. These are, however, insignificant compared to the business risk.

(a) Market risk factors

(i) Currency risk

The Group has the majority of its operations in the USA. As of 31 December 2023, approximately 52% of the Company's cash balance was denominated in USD, in order to mitigate currency risk associated with the increased value of the USD relative to NOK. Management monitors this risk and will take the appropriate actions to address it as the situation requires.

(ii) Interest risk

Ensurge Micropower, Inc., the U.S. operating subsidiary and global headquarters of the Ensurge Micropower Group, closed an equipment term loan facility with Utica or financing of USD 13.2 million, which funded in two tranches during the month of September 2019. The interest rate associated with this debt is fixed, and therefore, does not present the potential risk that would be associated with interest rate fluctuations.

Ensurge Micropower ASA issued convertible loans as part of a private placement announced on 24 July 2022 and amended 11 July 2023 and 10 November 2023. The convertible loans are repayable 10 November 2024 and the lenders are entitled at any time after 17 January 2024 to convert the loans into shares in the Company at a conversion price of NOK 0.105 [NOK 0.525 post 5:1 share consolidation]. The convertible loans carry interest at the rate of 5% per annum.

(b) Credit risk

The company has some credit risks relating to receivables. The loss on receivables has historically been low.

In connection with the relocation of Ensurge's US headquarters in 2017, a USD 1,600 thousand Letter of Credit was issued by Ensurge Micropower ASA to the landlord of the Junction Avenue facility located in San Jose, California. In addition, the Company entered into a Tenancy Guaranty with the landlord as additional security of the rent payments. The initial guaranty liability amounted to USD 5,000 thousand and reduces on an annual basis by USD 500 thousand per year, commencing with the second lease year until the liability reaches zero dollars. As of 31 December 2023, the guaranty liability amounted to USD 2,000 thousand. Apart from that, Ensurge has not issued additional material guarantees.

(c) Liquidity risk

Aside from the equipment term loan facility of USD 13.2 million closed in September 2019, and the convertible loans due November 2024, Ensurge does not have any other material interest-bearing debt. In addition, the company has a continued obligation under a lease agreement signed in November 2016 relating to its U.S. headquarters in San Jose, California.

The Company was able to raise equity financing in 2023 but is not yet cash generative and operates at a loss. There is uncertainty tied to the generation of future cash flow in connection with the Company's new business strategy. As described in Note 2.1 Basis of preparation, the Company is currently pursuing alternative forms of generating cash in order to meet its financial obligations. There is no assurance that the Company will be successful in raising funds. Failure to obtain future funding, when needed or on acceptable terms, would adversely affect its ability to continue as a going concern.

4.3 Fair value estimation

The carrying amounts of trade and other receivables and payables are considered to be the same as their fair values, due to their short-term nature. Accounts payable and accrued liabilities with due date within 12 months have been recognized at carrying value.

4.4 Financial instruments

Ensurge is not party to any transactions or financial instruments which are not recorded in the balance sheet or otherwise disclosed.

5. Critical accounting estimates and judgments

The financial statements of the group have been prepared based on the going concern assumption. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Reference is made to Note 2.1 Going concern. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates and assumptions in the financial statements of the group mainly relate to share-based compensation, warrants, deferred tax assets, accounting for research and development, intangible assets, property, plant and equipment and leases.

Share-based compensation

Ensurge estimates the fair value of options at the grant date. As the subscription rights are structured equal to an option, the Black-Scholes option pricing model is used for valuing the share subscription rights. The model uses the following parameters; the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares, and the risk-free interest rate for the life of the option. The cost of share-based remuneration is expensed over the vesting period. Such estimates are updated at the balance sheet date. Changes in this estimate will impact the expensed cost of share-based remuneration in the period. The variables, assumptions and relevant theoretical foundations used in the calculation of the fair value per share subscription right is estimated according to the IFRS 2 standard.

Convertible debt

The convertible loans are denominated in Norwegian Kroner (NOK); however, the functional currency of the Company is the US Dollar. As a result of this

difference in currencies, the proceeds that were received by the Company were not fixed and varied based on foreign exchange rates. A portion of the loans, the conversion feature, is a derivative required to be recognized and measured at fair value at each reporting period. Any changes in fair value in the convertible loans from period to period is recorded as a non-cash gain or loss in the consolidated statements of comprehensive income, in accordance with IFRS 9. The convertible loans, including accrued interest, are classified as short-term liability at amortized cost. The conversion feature derivative liability is classified as short-term held-for-trading liability. The derivative liability is measured using Black-Scholes valuation model.

Research and development

Research costs are expensed as incurred. Development expenditure on an individual project is recognized as an intangible asset only when Ensurge can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use or sale, the Company's intention and capability of completing the development and realize the asset, and the net future financial benefits of use or sale. Determining whether an expense meets the definition of a development cost requires judgment to be applied. Capitalized development costs as of 31 December 2023, have been fully impaired. See Note 12.

Lease

The Company entered into a lease agreement in November 2016 relating to the property building of its US headquarters in San Jose, California. Ensurge assesses whether the lease has been impaired by applying the requirements in IAS 36 - Impairment of assets. As of 31 December 2023, the book value of the leased building is USD 0 thousand, whereas the book value of the lease liability is USD 9,459 thousand. See Note 13.

6. Revenue and other income

The breakdown of the revenue and other income is as follows:

Amounts in USD 1,000	2023	2022
Sales of goods	—	—
Rendering of services, delivery of samples, technology access revenue	138	—
Grant revenue	75	—
Total revenue and other income	213	—

The company recognized USD 213 thousand in sales revenue and other income in 2023 and zero sales revenue and other income in 2022 from external customers from other countries.

Ensurge Micropower was named one of eight winners in the first phase of the U.S. DOE Microbattery Design Prize competition, each being awarded USD 75 thousand plus testing services with DOE National Laboratories. The winners were selected based on a review of technical designs and schematics for microbatteries serving a specific application and deliver performance beyond what is commercially available.

The company now enters the second of the DOE's two-phase program, where their prototypes will be evaluated for performance, safety, and manufacturing readiness. Phase Two features a total prize pool of \$1.1 million in awards including federal funding. A winner and two runners up will be selected.

No warranty costs, penalties or other losses were related to sales revenue in 2023 or 2022.

7. Salaries and other payroll costs

Amounts in USD 1,000	2023	2022
Salaries	4,147	7,098
Social security costs	303	531
Share-based compensation (subscription rights), notional salary cost	816	3,434
Share-based compensation (subscription rights), accrued employer's tax*	11	(175)
Pension contribution	36	250
Other personnel related expenses, including recruiting costs	806	1,048
Total	6,120	12,186
Average number of employees for the year (full-time equivalent)	28	38

At the end of the year the group had 28 full-time employees, down from 37 at the end of 2022.

The company has defined contribution pension plans. Contributions are expensed and paid when earned.

*Relates to remeasurement of social security costs in 2022. See Note 2.17.

Compensation to senior management

Amounts in USD 1,000	2023	2022
Salary	865	1,013
Pension contribution	9	36
Bonus	—	—
Employee stock purchase	51	—
Share-based compensation	(22)	1,796
Total senior management compensation	904	2,845

See separate Remuneration Report 2023.

8. Remuneration to the board of directors

Members of the board of directors are elected for two year terms. The company has no other obligation to remunerate the board than the board remuneration as resolved at the AGM. The company has not issued any advance payments or loans to, or guarantees in favor of, any board member. See Note 21 for further information of shares and subscription rights held at 31 December 2023.

See separate Remuneration Report 2023.

9. Other operating expenses

Amounts in USD 1,000	2023	2022
Services	2,237	1,985
Premises, supplies	3,706	4,614
Sales and marketing	299	117
Other expenses	976	1,076
Total	7,217	7,792

Ensurge has lease agreements for premises in the following locations:

Oslo (Norway): The Corporate headquarter was located at Fridjof Nansens Plass 4, Oslo. The Company currently pays rent on a month to month basis. The monthly rent is NOK 11 thousand per month.

San Jose (California, US): The Company entered into a lease agreement in November 2016 relating to the property building of its Global headquarter at Junction Avenue in San Jose, CA. The lease in San Jose expires in September 2028. The average annual lease amount in the period is USD 2,182 thousand. See Note 13 for further description.

Only the lease agreement for the San Jose premises has a duration longer than twelve months.

10. Related party transactions

a) Transactions with related parties:

Amounts in USD 1,000	2023	2022
Purchase of services from Acapulco Advisors AS	139	241
Purchase of services from Admaniha AS	167	—
Purchase of services from Alden AS	—	30
Purchase of services from Lars Eikeland	285	—
Purchase of services from Mark Newman	214	—
Purchases of services from law firm Ræder	429	390

In 2023, Ensurge recorded USD 139 thousand for advisory services from Acapulco Advisors AS, a shareholder of Ensurge.

In 2023, Ensurge recorded USD 167 thousand for consulting services from Admaniha AS, in which one of Ensurge's board members is the owner.

In 2022, Ensurge recorded USD 30 thousand for a share lending agreement with Alden AS, an Ensurge shareholder.

In 2023, Ensurge recorded USD 285 thousand for executive consulting services provided by Lars Eikeland.

Robert N. Keith, a shareholder of Ensurge, entered into a consulting service agreement with effect from 1 January 2013. There is no compensation attached after 2019. Mr. Keith assists Ensurge in strategic analysis and in dealing with larger, international, prospective partners.

In 2023, Ensurge recorded USD 214 thousand for executive consulting services provided by Mark Newman, a former board member.

In 2023, Ensurge recorded USD 493 thousand for legal services provided by law firm Ræder, in which one of Ensurge's board members is a partner.

Transaction prices are based on what would be the prices for sale to third parties and are net of VAT.

b) Year-end balances arising from sales/purchases of goods/services with related parties

Amounts in USD 1,000	2023	2022
Payable to Acapulco Advisors AS	6	32
Payable to Alden AS	—	30
Payable to Lars Eikeland	45	—
Payable to law firm Ræder	38	188

c) Remuneration to the auditor

Amounts in USD 1,000	2023	2022
Audit	159	174
Other assurance services	41	20
Other services*	3	4
Total	203	199

*Relates to technical preparation of tax return with mandatory forms.

11. Property, plant and equipment

Amounts in USD 1,000	Laboratory and production equipment
Useful life, years	5
2023	
Accumulated cost on 1 January 2023	52,696
Additions	247
Sale / disposal of assets	(8)
Accumulated cost 31 December 2023	52,935
Accumulated depreciation and impairments on 1 January 2023	(50,527)
Depreciation expenses	(551)
Sale / disposal of assets	8
Accumulated depreciation and impairment 31 December 2023	(51,069)
Net book value 31 December 2023	1,865
2022	
Accumulated cost on 1 January 2022	52,594
Additions	556
Sale / disposal of assets	(454)
Accumulated cost 31 December 2022	52,696
Accumulated depreciation	
Accumulated depreciation and impairments on 1 January 2022	(50,561)
Depreciation expenses	(402)
Sale / disposal of assets	437
Accumulated depreciation and impairment 31 December 2022	(50,527)
Net book value 31 December 2022	2,169

All property, plant and equipment are based in San Jose, California.

Impairment

The company revised its strategy in 2019 and impaired the production related assets. This triggered an impairment test. Management views the roll-to-roll technology, production facility and related assets as broadly applicable to multiple potential applications, including for use in its strategy to develop and produce a new and innovative class of ultrathin, ultrasafe solid-state lithium batteries for wearable devices, connected sensors. However, management believes that the 'value in use' is not readily supportable, as it has only been forecasted in a financial model, with no real data to support the estimates. As there is no observable market data on these assets, management have not been able to find a reliable estimate on 'fair value less costs to sell'. Due to these uncertainties the assets, including intangible assets (see Note 12) and right-of-use assets (see Note 13) were fully impaired as of 31 December 2019. If the revised strategy is successful, the Company may reverse some or all of the impairment of production related assets.

Assets pledged as security

The majority of production facility assets, including the roll-to-roll (R2R) production facility, have been pledged to secure borrowings of the group (see Note 22). The group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

12. Intangible assets

Amounts in USD 1,000	Purchased intellectual property	Capitalized development costs	Total
Amortization period, years (linear)	13–16		
2023			
Acquisition cost			
Accumulated cost on 1 January 2023	1,791	1,630	3,421
Additions	—	—	—
Accumulated cost 31 December 2023	1,791	1,630	3,421
Accumulated amortization and impairment on 1 January 2023	(1,791)	(1,630)	(3,421)
Amortization	—	—	—
Amortization and Impairment 31 December 2023	(1,791)	(1,630)	(3,421)
Net book value 31 December 2023	—	—	—
2022			
Acquisition cost			
Accumulated cost on 1 January 2022	1,791	1,630	3,421
Additions	—	—	—
Accumulated cost at 31 December 2022	1,791	1,630	3,421
Accumulated amortization and impairment on 1 January 2022	(1,791)	(1,630)	(3,421)
Amortization	—	—	—
Amortization and Impairment 31 December 2022	(1,791)	(1,630)	(3,421)
Net book value 31 December 2022	—	—	—

The purchased intellectual property relates to licensing of certain patents. The portfolio is reviewed for impairment annually by comparing the book value to the fair market value at the patent level. In 2019 the remaining unamortized balance was impaired in full as the Company revised its strategy whereby the future value of these patents is uncertain.

In 2019 it was decided that the capitalized development costs relating to NFC SpeedTap™ would not be further commercialized and the remaining costs were impaired.

The assets are assessed annually. Due to uncertainty of future use and commercialization, no reversal was identified for 2023.

13. Leases

The Company entered into a lease agreement in November 2016 relating to the building of its US headquarters in San Jose, CA. The lease in San Jose expires in September 2028. Ensurge applies exemption for short term leases (12 months or less) and low value leases. The borrowing rate applied in discounting of the nominal lease debt is 7.25%. Right-of-use assets are depreciated linearly over the lifetime of the related lease contract.

Amounts in USD 1,000	Lease liability
Lease liability recognized at 1 January 2023	10,897
Lease payment (see statement below)	(2,181)
Interest expense	744
Lease liability as of 31 December 2023	9,459

For maturity schedule of minimum lease payments, see Note 22.

In the statement of cash flow, the principal portion of lease payments are included in line Lease payment with an amount of USD 1,437 thousand, and interest portion of the payment are included in line Interest paid with an amount of USD 744 thousand. Both are presented as cash flow from financing activities.

14. Convertible debt

On 25 July 2022, the Company announced that it secured funding totaling NOK 57 million. Of this amount, NOK 46.7 million represented commitments to subscribe for convertible loans. The convertible loans were approved at the EGM held 17 August 2022. The convertible loans were repayable 17 August 2023 and the lenders were entitled at any time after 17 February 2023 to convert the loans into shares in the Company at a conversion price of NOK 3.00 [NOK 15.00 post 5:1 share consolidation]. The convertible loans carry interest at the rate of 5% per annum.

At the EGM on 11 July 2023, the shareholders approved amendments to the terms and conditions of the convertible loans as follows: (i) the conversion price was amended to NOK 0.10 [NOK 0.50 post 5:1 share consolidation] per share provided the loan holder converted its convertible loan on or before 17 August 2023; (ii) the accrued interest on the convertible loans was made convertible on the same terms as the principal amount; and (iii) the maturity date for the convertible loan was extended until 17 August 2024 with interest accruing at 5% per annum for such extended loan period; provided, however, that if the loan holder did not convert its convertible loan on or before 17 August 2023, the conversion price would be NOK 0.15 [NOK 0.75 post 5:1 share consolidation] per share and conversion could only be undertaken in the period between 17 January 2024 and the maturity date on 17 August 2024.

Lenders of an aggregated total of NOK 39.8 million of the principal amount of the convertible loans requested that their part of the convertible loan, plus accrued interest, be converted into shares in the Company on the terms resolved by the EGM.

The Board resolved on 30 August 2023 to approve the conversion of convertible loans, plus accrued interest, in the total amount of NOK 41.8 million to shares in the Company at a conversion price of NOK 0.10 [NOK 0.50 post 5:1 share consolidation], by issuance of a total of 418,449,068 new shares in the Company.

At the EGM on 10 November 2023, the shareholders approved a new convertible loan in the amount of NOK 4.5 million. The new loan interest rate is 5% per annum and shall be repaid (unless the loan has been converted into shares) on 10 November 2024. The conversion price per share, prior to maturity, is NOK 0.105 [NOK 0.525 post 5:1 share consolidation].

At the EGM on 10 November 2023, the shareholders approved amending the terms and conditions of the existing outstanding convertible loan (as issued on 17 August 2022). The conversion price changed from NOK 0.15 [NOK 0.75 post 5:1 share consolidation] to NOK 0.105 [NOK 0.525 post 5:1 share consolidation] and the maturity date was updated to 10 November 2024.

As of 31 December 2023 the outstanding convertible loans amount to USD 1,184 thousand.

See Note 26 for post balance sheet events.

Liquidity loans totaling USD 1,701 thousand were obtained during the first seven months of 2023. The interest rate was 12% per annum. As resolved by the EGMs on 14 March and 11 July 2023, and as part of Tranche 2 of the private placements announced on 15 February and 15 June 2023, respectively, the subscription amount in Tranche 2 of such placements for the lenders of the liquidity loans was settled by set-off against the liquidity loan debt obligation.

The convertible loans are denominated in Norwegian Kroner (NOK); however, the functional currency of the Company is the US Dollar. As a result of this difference in currencies, the proceeds that were received by the Company were not fixed and varied based on foreign exchange rates. A portion of the loans, the conversion feature, is a derivative required to be recognized and measured at fair value at each reporting period. Any changes in fair value in the convertible loans from period to period is recorded as a non-cash gain or loss in the consolidated statements of comprehensive income, in accordance with IFRS 9. The convertible loans, including accrued interest, are classified as short-term liability at amortized cost. The conversion feature derivative liability is classified as short-term held-for-trading liability. The derivative liability is measured using Black-Scholes valuation model.

Amounts in USD 1,000	31 December 2023	31 December 2022
Short term debt	960	3,692
Derivative liability	448	223
Accrued interest	54	86
Conversion price*	NOK 0.525	NOK 15.00
Interest rate	5%	5%
Maturity date*	10 November 2024	17 August 2023

*New loan terms revised per the EGM held 11 July 2023 and 10 November 2023.

15. Net financial items

Amounts in USD 1,000	2023	2022
Interest income	71	49
Interest expense	(3,438)	(3,728)
Net realized and unrealized currency gain/(loss)	254	(609)
Change in fair value of derivative liability	(123)	1,300
Total	(3,236)	(2,988)

See Note 22 for interest expense and Note 14 for change in fair value of derivative liability.

16. Income tax expense

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Amounts in USD 1,000	2023	2022
Profit (loss) before tax	(16,904)	(23,369)
Tax (tax income) calculated at domestic tax rate 22% (22%)	(3,719)	(5,141)
Effect of other tax rate in other countries	(575)	530
Share based compensation	77	201
Mark to market adjustment	—	—
Nondeductible interest	331	464
Other permanent differences	634	(238)
Special deduction for foreign derived intangible income	(108)	
Change in deferred tax asset not recognized in the balance sheet	3,360	4,184
Tax charge	0	0

17. Profit (loss) per share

Amounts in USD	1 January – 31 December 2023	1 January – 31 December 2022
Profit (loss) attributable to equity holders of the Company (USD 1,000)	(16,904)	(23,369)
Average number of shares in issue*	226,327,767	43,036,443
Average diluted number of shares*	226,327,767	43,036,443
Profit (loss) per share, basic*	(USD 0.07)	(USD 0.54)

*As adjusted for the 5:1 share consolidation completed in April 2024.

When the period result is a loss, the loss per diluted number of shares shall not be reduced by the higher diluted number of shares, but the diluted result per share equals the result per basic number of shares.

The diluted number of shares has been calculated by the treasury stock method. If the adjusted exercise price of subscription rights exceeds the average share price in the period, the subscription rights are not counted as being dilutive.

18. Trade and other receivables

Amounts in USD 1,000	31 December 2023	31 December 2022
Customer receivables	171	149
Other receivables, prepayments	813	844
Less: provision for impairment of receivables and prepayments	(121)	(125)
Receivables – net	863	868
Of this, receivables from related parties (Note 10)	—	—

Of other receivables, prepayments of USD 2,510 thousand (which is fully impaired); (2022: USD 2,510 thousand) relate to equipment for San Jose site not yet delivered. All receivables are due within one year and book value approximates fair value.

Other non-current financial receivables of USD 574 thousand mostly relates to security deposit held by Utica. Total receivables are denominated in currencies as shown below:

Amounts in USD 1,000	31 December 2023	31 December 2022
Denominated in NOK	—	93
Denominated in USD	863	775
Total	863	868

Trade receivables USD 121 thousand were past due by more than 90 days.

The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

19. Cash and bank deposits

Amounts in USD 1,000	31 December 2023	31 December 2022
Cash in bank excluding restricted cash	2,178	3,316
Deposit for Letter of Credit (restricted)	1,600	1,626
Deposit for withheld tax (restricted)	12	21
Total	3,791	4,963

Payable withheld tax amounts in Norway at 31 December 2023 were USD 0 thousand (2022: USD 0 thousand).

20. Share capital and subscription rights

Following completion of the 5:1 share consolidation, the composition of Ensurge's share capital was changed from 2,459,688,858 shares, each having a par value of NOK 0.10, to 491,937,779 shares, each having a par value of NOK 0.50. The record date of the share consolidation was 5 April 2024. The 2022 and 2023 figures are restated and represent the 5:1 share consolidation.

	Number of shares	Number of warrants
Shares at 1 January 2023	48,845,705	—
Shares issued	443,092,074	—
Shares at 31 December 2023	491,937,779	—
Shares at 1 January 2022	38,811,064	—
Shares issued	9,887,040	—
Allotment of warrants	—	3,703,704
Stock rights exercised and shares issued	147,601	—
Expired warrants	—	(3,703,704)
Shares at 31 December 2022	48,845,705	—

Shares issued	Date	Number of shares	Price per share
Private placement	14 March 2023	100,000,000	0.50
Private placement	19 June 2023	14,884,570	0.50
Private placement	21 July 2023	81,963,483	0.50
Employee share purchase	3 September 2023	2,554,207	0.50
Convertible loan conversion	5 September 2023	83,689,814	0.50
Private placement	5 September 2023	40,000,000	0.50
Private placement	20 October 2023	24,569,375	0.50
Private placement	13 November 2023	70,430,625	0.50
Private placement	21 December 2023	25,000,000	0.50
Shares issued in 2023		443,092,074	

Subscription rights exercised in 2023			
			—
Private placement	2 February 2022	2,790,254	27.00
	8 March 2022	913,451	27.00
	24 July 2022*	683,334	15.00
	8 November 2022	3,651,237	10.00
	12 December 2022	1,848,764	10.00
Shares issued in 2022		9,887,040	

Subscription rights exercised	27 January 2022	23,335	14.85
	13 June 2022	124,266	6.75
Subscription rights exercised in 2022		147,601	

*On 24 July 2022, the Company announced that it secured funding totaling NOK 57 million. Of this amount, NOK 46.7 million represents commitments to subscribe for convertible loans, the balance of NOK 10.3 million in new shares via a private placement. The convertible loans were approved at the EGM held 17 August 2022. The board of directors has authorization from the AGM held 25 May 2022 to complete a private placement. The convertible loans are repayable after one year following the date of the EGM (the "Maturity Date") and the lenders are entitled at any time after six months from the EGM until the Maturity Date to convert the loans into shares in the Company at a conversion price of NOK 3.00 [NOK 15.00 post 5:1 share consolidation]. The convertible loans carry interest at the rate of 5% per annum.

Number of subscription rights	1 January – 31 December 2023	1 January – 31 December 2022
Subscription rights opening balance	4,613,982	4,255,715
Grant of incentive subscription rights	46,370,862	620,298
Terminated, forfeited and expired subscription rights	2,793,941	(114,432)
Exercise of subscription rights	0	(147,599)
Subscription rights closing balance	48,190,903	4,613,982

	Date	Subscription Rights	Price	Vesting	Expiration
Board members	4 May 2023	2,000,000	0.50	Fully vested at grant date	25 May 2027
	24 May 2023	7,442,284	0.50	1/3 immediately , 1/3 after 1 year, 1/3 after 2 years	24 May 2028
	11 July 2023	2,000,000	0.50	1/3 immediately, but aren't exercisable for 1 year, 1/3 after 1 year, 1/3 after 2 years	24 May 2028
	11 July 2023	2,000,000	0.50	20% after 1 year, 30% after 2 years, 50% after 3 years	24 May 2028
	30 August 2023	9,026,893	0.50	1/3 immediately , 1/3 after 1 year, 1/3 after 2 years	24 May 2028
Employees	4 May 2023	4,155,686	0.92	50% per year	25 May 2027
	4 May 2023	482,000	0.92	100% over 6 months	25 May 2027
	18 November 2023	10,139,999	0.50	1/3 immediately , 1/3 after 1 year, 1/3 after 2 years	24 May 2028
	18 November 2023	1,124,000	0.50	31 December 2024	24 May 2028
Consultants	29 August 2023	2,000,000	0.50	1/3 immediately , 1/3 after 1 year, 1/3 after 2 years	24 May 2028
	18 November 2023	6,000,000	0.50	1/3 immediately , 1/3 after 1 year, 1/3 after 2 years	24 May 2028
Grants of subscription rights in 2023		46,370,862			
Board members	25 May 2022	400,000	12.50	12.5% per quarter	25 May 2027
Employees	1 January 2022	17,999	31.50	50% per year	3 June 2026
	3 May 2022	32,300	18.22	50% per year	3 June 2026
	25 August 2022	169,999	17.16	50% per year	25 May 2027
Grants of subscription rights in 2022		620,298			

On 20 February 2024, the Company announced the completion of a private placement through an allocation of 233,468,885 offer shares at a subscription price of NOK 0.25 [NOK 1.25 post 5:1 share consolidation] per offer share for total gross proceeds of NOK 58 million.

On 29 February 2024, the board of directors approved the conversion of NOK 1,500,000 of the convertible loans, plus accrued interest, and the resulting issuance of a total of 14,589,040 new shares in the Company.

On 29 February 2024 the board of directors resolved to issue in total 10,000,000 ordinary shares at a subscription price of NOK 0.10 [NOK 0.50 post 5:1 share consolidation] per share to a former contractor of the Company who has exercised incentive subscription rights granted under the 2022 incentive subscription rights plan.

On 6 March 2024, the Company announced the issuance of 21,030,485 ordinary shares at NOK 0.10 [NOK 15.00 post 5:1 share consolidation] per share to employees and contractors in the Company who participate in the Company's 2023 Employee Share Purchase Plan ("ESPP"). The ESPP was approved by the AGM on 24 May 2023.

On 19 March 2024, the EGM approved a 5:1 share consolidation, effective 5 April 2024.

21. Shareholders and subscription rights

At the end of 2023 there were 491,937,779 (as adjusted for the 5:1 share consolidation) shares in the company, versus 48,845,705 (as adjusted for the 5:1 share consolidation). At the end of 2023 there were 11,792 registered shareholders (2022: 11,082).

Shares and subscription rights tables have been adjusted for the 5:1 share consolidation completed in April 2024.

Ensurge is not aware of any shareholding agreements between shareholders.

Top 20 shareholders as of 31 December 2023	Shares	Percent
Keith, Robert	68,354,871	13.9%
Alden AS	45,000,000	9.1%
Andreas Holding AS	24,936,500	5.1%
Nordnet Bank AB	21,501,798	4.4%
Jaco Invest AS	10,654,932	2.2%
SES AI	10,150,000	2.1%
BNP Paribas	10,064,974	2.0%
Ragnvald Gabrielsen AS	9,282,618	1.9%
Tigerstaden AS	9,000,000	1.8%
R. Sundvall Invest AS	7,753,721	1.4%
Nordnet Livsforsikring AS	6,669,789	1.4%
Haadem Invest AS	6,516,018	1.3%
Sinmax Investment AS	6,400,000	1.3%
J.P. Morgan SE	6,254,480	1.3%
Arne Hellestø AS	5,556,075	1.1%
Håvi AS	5,539,183	1.1%
Forte Norge	5,436,794	1.1%
Danske Bank A/S	4,786,537	1.0%
Ellingsen Lofoten Eiendom AS	4,000,000	0.8%
Stormchasers AS	4,000,000	0.8%
Total 20 largest shareholders	271,858,290	100.0 %
Total other shareholders	220,079,489	81.0 %
Total shares outstanding	491,937,779	100.0%

Shares and subscription rights held by primary insiders and close relations at 31 December 2023	Shares	Incentive subscription rights
Terje Rogne, Chairman	—	16,469,177
Morten Opstad, Board Member	209,603	2,248,529
Nina Riibe, Board Member	—	2,000,000
Jon Castor, Former Board Member	—	257,418
Victoire de Margerie, Former Board Member	—	100,000
Kelly Doss, Former Board Member	—	128,708
Mark Newman, Former Interim CEO, Former Board Member	—	2,100,000
Lars Eikeland, CEO/CFO	1,436,344	6,000,000
Arvind Kamath, EVP Technology Development	354,108	7,029,616
Total	2,000,055	36,333,450

Subscription rights

	2023		2022	
	Weighted average exercise price, NOK	Number of subscription rights	Weighted average exercise price, NOK	Number of subscription rights
Total at 1 January	25.44	4,613,982	26.59	4,255,715
Granted	0.54	46,370,862	14.63	620,298
Forfeited	17.73	(1,167,937)	19.43	(89,759)
Exercised		—	5.36	(147,599)
Expired	27.93	(1,626,004)	24.83	(24,673)
Total at 31 December	1.59	48,190,903	25.44	4,613,982
Number of exercisable subscription rights at 31 December (included in total)		16,685,590		

The average strike price is higher than the quote share price on the Stock exchange at 31 December 2023.

Subscription rights outstanding at 31 December 2023

Holder	Number of subscription rights	Weighted average exercise price, NOK
Lars Eikeland, CEO/CFO	6,000,000	0.50
Mark Newman, Former CEO	2,100,000	1.07
Arvind Kamath, EVP Technology Development	7,029,616	2.72
Employees and contractors	35,161,287	1.57
Total	48,190,903	1.59

Value of subscription rights and assumptions upon grant	Grants in 2023	Grants in 2022	Grants in 2021	Grants in 2020	Grants in 2019
Value of subscription right at grant date, NOK per subscription right	0.40–4.30	0.50–28.40	24.75–34.20	11.70–30.60	15.30–129.60
Share price, NOK per share	0.0976–4.644	2.25–11.241	2.25–10.44	0.25–1.16	109.62–198.36
Exercise price, NOK per share	0.50–0.92	12.50–31.50	6.75–38.25	6.75–45.90	7.38–2.04
Expected annual volatility	155–182%	0–257%	235–236%	98–157%	62–145%
Duration, years	4.1–5.0	4.1–5.0	4.1–4.8	4.2–5.0	1.0–4.2
Expected dividend	—	—	—	—	—
Risk-free interest rate, government bonds	2.31–3.49%	0.90–3.35%	0.26–0.81%	0.14–0.79%	1.00–4.18%

Value of subscription rights and assumptions on 31 December 2023	Grants in 2023	Grants in 2022	Grants in 2021	Grants in 2020	Grants in 2019
Value of subscription right at 31 December 2023, NOK per subscription right	0.40–4.30	0.50–28.40	24.75–34.20	11.70–30.60	15.30–129.60
Share price, NOK per share	0.65	0.65	0.65	0.65	0.65
Exercise price, NOK per share	0.50–0.92	12.50–31.50	6.75–38.25	6.75–45.90	7.38–2.04
Expected annual volatility	155–182%	0–257%	235–236%	98–157%	62–145%
Duration, years	3.4–4.4	2.4–3.4	1.6–2.4	0.4–1.6	0.4
Expected dividend	—	—	—	—	—
Risk-free interest rate, government bonds	2.31–3.49%	0.90–3.35%	0.26–0.81%	0.14–0.79%	1.00–4.18%
Number of outstanding subscription rights at 31 December 2023	46,019,662	241,411	1,165,736	734,100	29,994

There were no subscription rights exercised in 2023. There were subscription rights exercised in 2022.

22. Current and long-term debt

In September 2019, the subsidiary in US, Ensurge Micropower, Inc., closed an equipment term loan facility with Utica for USD 13,200 thousand secured by select fixed assets (see Note 11).

On 7 November 2022, the Company consolidated and re-amortized the Master Lease Agreement and three amendments with Utica. In connection with the new arrangement, the company has pledged additional collateral to secure the amended payment terms. In addition to the existing collateral pledge, Ensurge has pledged all remaining unsecured equipment located in the San Jose, California facility. Further, Utica has taken a first security position in certain of Ensurge Micropower ASA's intellectual property.

On 31 December 2023, the current portion of the loan principal of USD 1,426 thousand and the long-term portion of the principal of USD 5,419 thousand is recorded as Long-term Debt in the Consolidated Statements of Financial Position. The interest rate for the financing is at 14%. Table below discloses principal payment obligations as well as interest payments for the company.

The Company has pledged its roll-to-roll production line equipment and sheet-line tools as collateral against the Utica loan. Book value of assets pledged is USD 1,865 thousand.

The Company entered into a lease agreement in November 2016 relating to its US headquarters in San Jose, California. The lease in San Jose expires in September 2028. The building element of the lease agreement is classified as a lease liability. As a part of the relocation of Ensurge's US headquarters in 2017, a USD 1,600 thousand Letter of Credit was issued by Ensurge Micropower ASA to the landlord. The restricted cash of USD 1,600 thousand securing the Letter of Credit is included in the Company's cash and cash equivalents. Ensurge Micropower ASA, in addition, entered into a Tenancy Guarantee with the landlord. The guarantee was given to secure payment of the lease rent. The initial guarantee liability amounted to USD 5,000 thousand and reduces on an annual basis of USD 500 thousand per year commencing with the

second lease year until the liability reaches zero dollars. As of 31 December 2023, the guarantee liability amounted to USD 2,000 thousand.

The San Jose, California lease is reflected under this caption and the table below. In addition, see Note 25.

The interest rate for the financing is at 17%. Table below disclosures principal payment obligations for the company.

On 24 July 2022, the Company announced that it secured funding totaling NOK 57 million. Of this amount, NOK 46.7 million represents commitments to subscribe for convertible loans. The convertible loans were approved at the EGM held 17 August 2022. The convertible loans are repayable after one year following the date of the EGM (the "Maturity Date") and the lenders are entitled at any time after six months from the EGM until the Maturity Date to convert the loans into shares in the Company at a conversion price of NOK 0.105 [NOK 0.525 post 5:1 share consolidation]. The convertible loans carry interest at the rate of 5% per annum.

On 11 July 2023, the EGM approved amendments to the terms and conditions of the convertible loans. See Note 14.

Maturity schedule – liabilities

Amounts in USD 1,000					31 December 2023			
Principal and interest due								
	Within 1 year				1-2 years	2-3 years	3-4 years	4-5 years
	Q1	Q2	Q3	Q4				
Principal obligations due	319	339	360	382	1,785	2,274	1,361	—
Convertible debt obligations due	—	—	—	1,130	—	—	—	—
Interest payments	411	391	370	448	1,136	647	99	—
Lease payments	557	557	557	573	2,311	2,378	2,447	1,875
Total	1,287	1,287	1,287	2,533	5,232	5,299	3,907	1,875

23. Trade and other payables

Amounts in USD 1,000	31 December 2023	31 December 2022
Trade payables	351	857
Public duties, withheld taxes and social security taxes due	20	38
Share-based liability (subscription rights), employer's tax	11	0
Accrued holiday pay and other accrued salary	523	1,003
Other accrued expenses	799	613
Total	1,704	2,511
Of this, payables to related parties (Note 10)	89	249

Total payables and accruals are denominated in currencies as shown below:

Amounts in USD 1,000	31 December 2023	31 December 2022
Denominated in NOK	346	475
Denominated in USD	1,358	2,036
Total	1,704	2,511

24. Deferred income tax

Deferred income tax assets and liabilities are offset when the company has a right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Amounts in USD 1,000	31 December 2022	Charged to profit/loss	Equity	31 December 2023
Deferred income tax asset				
Fixed and intangible assets	1,548	(145)	—	1,403
Inventory	450	8	—	458
Other accruals	5,109	(354)	—	4,755
Tax loss carried forward outside Norway	5,756	(1,146)	—	4,610
Tax loss carried forward Norway	66,477	(993)	—	65,484
Calculated deferred tax asset 22% (2022: 22%).	79,340	(2,630)	—	76,710
Impairment of deferred tax asset	(79,340)	2,630	—	(76,710)
Deferred tax in the balance sheet	—	—	—	—

The Equity column includes effects of currency translation.

The company has not recognized the tax asset as there is uncertainty relating to future taxable income for utilization of the tax loss carried forward, and the taxable loss on intangible assets. There is no expiration date on the tax loss carried forward. No tax item has been recorded directly to equity.

The unrecognized deferred tax asset is calculated by applying the local tax rates in Norway and the US. These tax rates are 22 and 22 percent respectively (2022: 22 and 22).

25. Guarantees

As a part of the relocation of Ensurge's US headquarters in 2017, a USD 1,600 thousand Letter of Credit was issued by Ensurge Micropower ASA to the landlord and is included in the Company's cash balance in Note 19 as restricted cash. Ensurge Micropower ASA has in addition entered into a Tenancy Guaranty with the landlord. The Guaranty is given to secure payment of the lease rent. The initial Guaranty liability amounted to USD 5,000 thousand and reduces on an annual basis of USD 500 thousand per year commencing with the second lease year until the liability reaches zero dollars. As at 31 December 2023, the Guaranty liability amounted to USD 2,000 thousand.

26. Events after the balance sheet date

On 17 January 2024, Ensurge Micropower announced that it has received notices of allowance for two additional patents which we expect to be issued in Q1 2024. Filed in 2020, the patent applications cover the core technology of battery stacking and engineered electrolytes. Ensurge's patents cover four innovation pillars which include use of an ultrathin 10 µm steel substrate, the ability to stack and package core battery cells on this substrate, an anodeless solid-state lithium chemistry, and the use of a proven and scalable roll-to-roll process for manufacturing the batteries. Ensurge has twelve battery patents pending.

On 15 February 2024, the Company announced that it has successfully manufactured functional solid state microbatteries consisting of stacked cells on 10-micron substrates. The Company will start ramping up the manufacturing capacity in order to meet the demand from partners and customers. The Ensurge 10-micron microbattery is expected to transform the battery market for wearables, hearables and connected sensors.

On 20 February 2024, the Company announced the completion of a private placement through an allocation of 233,468,885 offer shares at a subscription price of NOK 0.25 [NOK 1.25 post 5:1 share consolidation] per offer share for total gross proceeds of NOK 58 million.

On 29 February 2024, the board of directors resolved to approve the conversion of NOK 1,500,000 of the convertible loans, plus accrued interest, into 14,589,040 new shares at a price of NOK 0.105 [NOK 0.525 post 5:1 share consolidation] per share. (See Note 14.)

On 29 February 2024, the board of directors resolved issue in total 10,000,000 ordinary shares at a subscription price of NOK 0.10 [NOK 0.50 post 5:1 share consolidation] per share to a former contractor who has exercised incentive subscription rights granted under the 2022 incentive subscription rights plan.

On 6 March 2024, the Company announced the issuance of 21,030,485 ordinary shares at NOK 0.10 [NOK 0.50 post 5:1 share consolidation] per share to employees and contractors in the Company who participate in the Company's 2023 Employee Share Purchase Plan ("ESPP"). The ESPP was approved by the AGM on 24 May 2023.

On 19 March 2024, the EGM approved a 5:1 share consolidation, effective 5 April 2024.

On 7 April 2024, the board of directors resolved to approve the conversion of NOK 1,500,000 of the convertible loans, plus accrued interest, into 2,932,289 new shares at a price of NOK 0.105 [NOK 0.525 post 5:1 share consolidation] per share. (See Note 14.)

27. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the group 31 December 2023
Ensurge Micropower Inc.	Research & Development, Manufacturing and Marketing services	USA	100%
Thin Film Electronics KK	Dormant	Japan	100%
TFE Holding	Owning shares in Ensurge Micropower Inc.	USA	100%

28. Contractual commitment

Ensurge has no significant contractual commitment related to equipment for the new roll-based production line at the San Jose site.

29. Litigation

The Company and its subsidiaries were not involved in any litigation or legal action as of 31 December 2023 and are not involved in any litigation or legal action as of the date of this report.

Ensurge Micropower ASA

Annual financial statements 2023

Profit and loss statement

Amounts in NOK 1,000	Note	2023	2022
Sales revenue	4	—	—
Total revenue		—	—
Salaries and other benefits	5,6	(727)	(21,135)
Services (external)		(19,318)	(11,376)
Services (from subsidiaries)	7,8	(206,858)	(264,657)
Other operating expenses	8	(5,143)	34,941
Amortization of intangible assets & negative goodwill		—	—
Operating profit (loss)		(232,046)	(262,227)
Impairment investment in subsidiary	13	(6,828)	(15,835)
Interest income		5,351	4,774
Interest expense	19	(11,772)	(5,459)
Change in fair value of derivative liability	19	(1,122)	12,688
Other financial income (costs)		2,241	12,891
Net financial items		(12,129)	9,058
Profit (loss) before income tax		(244,175)	(253,168)
Income tax expense	9	—	—
Profit (loss) for the year		(244,175)	(253,168)

The notes on pages 41 to 51 are an integral part of these annual financial statements.

Balance sheet

Amounts in NOK 1,000	Note	31 December 2023	31 December 2022
ASSETS			
Current assets			
Trade and other receivables	14	1,141	920
Cash and bank deposits	15	37,867	21,767
Total current assets		39,007	22,687
Total assets		39,007	22,687
EQUITY			
Share capital	17, 18	245,969	241,786
Other paid-in capital		3,332	337,624
Total paid-in equity		245,301	579,410
Retained profit/uncovered losses		(306,983)	(614,338)
Total equity	16	(57,682)	(34,928)
LIABILITIES			
Current liabilities			
Accounts payable		1,025	3,185
Withheld tax and public duties payable		187	353
Debt to group companies	13, 20	78,834	14,336
Derivative and short-term convertible debt	19	14,322	38,590
Other payables and accruals		2,321	1,151
Total liabilities		96,689	57,615
Total equity and liabilities		39,007	22,687

The notes on pages 41 to 51 are an integral part of these annual financial statements.

The board of directors of Ensurge Micropower ASA, Oslo, Norway, 24 April 2024

Terje Rogne
Chairman

Morten Opstad
Board Member

Nina Riibe
Board Member

Lars Eikeland
CEO / CFO

Cash flow statement

Amounts in NOK 1,000	Note	2023	2022
Cash flows from operating activities			
Profit (loss) before income tax		(244,175)	(253,168)
- Share-based remuneration	16	2,238	14,336
- Change in working capital and other items		86,887	25,124
Net cash from operating activities		(155,049)	(213,709)
Cash flows from investing activities			
Net cash from investing activities		—	—
Cash flows from financing activities			
Proceeds from issuance of shares	16, 17	153,888	158,295
Proceeds from issuance of debt	19	17,261	46,790
Net cash from financing activities		171,149	205,085
Net change in cash and bank deposits		16,100	(8,624)
Cash and bank deposits at the beginning of the year		21,767	30,391
Cash and bank deposits at the end of the year *	15	37,867	21,767

The company had no bank draft facilities at the end of 2023 or 2022.

The notes on pages page 41 to 51 are an integral part of these annual financial statements.

*See Note 15 for restricted amount.

Notes to the Annual Financial Statements

Ensurge Micropower ASA

1. Information about the company

Ensurge Micropower ASA (“Ensurge” or “the Thin Film Electronics ASA (“Ensurge” or “the Company”)”) was founded on 22 December 2005 and was renamed to Ensurge Micropower. See Note 27 of the Consolidated Financial Statements for list of subsidiaries.

Ensurge is energizing innovation with ultrathin, flexible, and safe energy storage solutions for wearable devices, connected sensors, and beyond.

The Company is a public limited liability company incorporated and domiciled in Norway. The address of its registered office is Fridjof Nansens Plass 4, Oslo, Norway. The Company’s shares were admitted to listing at the Oslo Axess on 30 January 2008 and to the Oslo Børs on 27 February 2015. On 24 March 2015 Ensurge’s American Depository Receipts (ADRs) commenced trading in the United States on OTCQX International. Ensurge’s ADR was moved to OTCQB with effect on 23 June 2020. The Company’s shares, listed on Oslo Børs in Norway, trade under the symbol ENSU. The Company’s ADRs, listed on OTCQB in the United States, trade under the symbol ENMPY.

These annual financial statements for the parent company were resolved by the Company’s board of directors on 24 April 2024.

Going concern

The board confirms that the financial statements of the group, as well as the parent company, have been prepared under the going concern assumption.

On 20 February 2024, the Company announced the completion of a private placement through an allocation of 233,468,885 Offer Shares at a subscription price of NOK 0.25 [NOK 1.25 post 5:1 share consolidation] per offer share for total gross proceeds of NOK 58 million.

As of the date of this report, the company has sufficient cash to fund operations until June 2024.

To continue to fund the Company’s activities beyond June 2024, the Company will seek additional funds from the investor market and from partnership funding. However, as funding is not secured for the next 12 months, a material uncertainty exist as to whether the Company and group will continue as going concern. The Company and group are dependent to successfully raise funds as planned.

The board of directors monitors the financial position closely and receives frequent reports and forecasts on expenditure and cash flow. To address the funding requirements of the group, the board of directors has undertaken the following initiatives:

- Undertaken a program to continue to monitor the group’s ongoing working capital requirements and minimum expenditure commitments; and
- Continued its focus on maintaining an appropriate level of corporate overhead that is in line with the group’s available cash resources.

As a consequence of uncertainty introduced by the Covid-19 pandemic, the Company has prioritized raising sufficient funds to provide adequate time to demonstrate a series of technology and market development milestones. Despite the material uncertainty to whether the group will be able to successfully raise funds as planned, the Board has concluded that the Company are not in a situation where there is no realistic alternative to continue as going concern and hence it is found appropriate to prepare the financial statements on the going concern basis.

2. Material accounting policies

These annual financial statements have been prepared in accordance with the Norwegian accounting act 1998 and generally accepted accounting principles in Norway. The principal

accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been applied consistently. The financial statements have been prepared using the historical cost convention.

Principal criteria for valuation and classification of assets and liabilities

Assets for lasting ownership or use have been classified as fixed assets. Other assets have been classified as current assets. Receivables which are due within twelve months have been classified as current assets. Corresponding criteria have been applied when classifying short-term and long-term debt.

Current assets have been valued at the lower of cost and fair value. Other long-term debt and short-term debt have been valued at face value.

Assets and liabilities denominated in foreign currency

Monetary items in foreign currency have been converted at the exchange rate on the balance sheet date.

Shares in subsidiaries

Investment in subsidiaries has been valued at cost in the parent company. In case of impairment which is not temporary, the investment has been written down to fair value if mandated according to GAAP.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

Ensurge Micropower ASA recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the group's activities, as described below.

(a) Sales of goods

The parent company had zero sales in 2023 and 2022. Sales of goods are recognized when the risks and rewards of ownership are transferred to the customer, the costs incurred in respect of the

transaction can be measured reliably, and Ensurge retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(b) Rendering of services

The Company provides engineering and support services to strategic customers and partners. Revenue from services is recognized when, or in the same period as, the group has provided the services.

(c) Technology access revenue

The Group grants technology access rights to strategic customers and partners, i.e., the right to work with Ensurge and its technology to develop bespoke printed products and systems. Revenue from granting technology access rights is generally recognized on a straight-line basis over the period or contract term the technology access is granted. However, revenue from technology access agreements that involve an upfront lump-sum payment that is not tied to any future deliveries from Ensurge is recognized at the time the agreement is entered into.

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and the conditions will be complied with. Grants which are related to specific development programs with commercial end-objectives are recognized as other operating revenue over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Grants or other contributions in the form of tax credit are credited against costs.

Intangible assets

Reference is made to Note 2.6 in the Consolidated Financial Statements.

Receivables

Accounts receivable and other receivables have been recorded at face value after accruals for expected losses have been deducted. Accruals for losses have been made based on an individual assessment of each receivable.

Cash and bank deposits

Cash and bank deposits include cash, bank deposits and cash equivalents with a due date less than three months from acquisition.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method.

Costs

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated.

Share-based remuneration

The Company may issue independent subscription rights to employees and individual consultants performing similar work and accounts for these transactions under the provisions of NRS 15A and generally accepted accounting principles in Norway. Two types of expenses are recognized related to grant of subscription rights: (i) Notional cost of subscription rights is recognized at time of grant and calculated based on the Black-Scholes model (share price at time of grant, exercise price, expected volatility, duration and risk-free interest rate). The 2023 Subscription Rights Plan vests 33.3% immediately, 33.3% on the first anniversary and 33.4% on the second anniversary. The notional cost of subscription rights as share-based remuneration is expensed but the equity effect is nil because the contra item is a notional equity injection of equal amount. (ii) Employer's tax expense is accrued based on the net present value of the subscription right as an option on the balance sheet date. The value varies with the share price and may entail a net reversal of costs.

When the parent has an obligation to settle the share-based payment transaction with the subsidiaries' employees by providing the parent's own equity instruments, this is accounted for as an increase in equity and a corresponding increase in investment in subsidiaries.

Tax on profit

Tax cost has been matched to the reported result before tax. Tax related to equity transactions has been charged to equity. The tax cost consists of payable tax (tax on the directly taxable income for the year) and change in net deferred tax. The tax cost is split into tax on ordinary result and result from extraordinary items according to the tax base. Net deferred tax benefit is held in the balance sheet only if future benefit can be justified.

Consolidated items

Insignificant items have been combined or included in similar items in order to simplify the statements. Lines which are zero or about zero have been omitted except where it has been deemed necessary to emphasize that the item is zero.

Estimates and judgmental assessments

The preparation of the annual accounts in accordance with the generally accepted accounting principles requires that the management make estimates and assumptions that affect the income statement and the valuation of assets and liabilities. Estimates and related assumptions have been based on the management's best knowledge of past and recent events, experience and other factors which are considered reasonable under the circumstances. Estimates and underlying assumptions are subject to continuous evaluation.

3. Significant events, going concern, events after the balance sheet date, financial risk

Significant events

Reference is made to Note 26 in the Consolidated Financial Statements.

Financial risk factors

Reference is made to Note 4.2 in the Consolidated Financial Statements.

4. Sales revenue

There were no sales revenue from external customers for 2023 or 2022.

No warranty costs, penalties or other losses were related to sales revenue in 2023 or 2022.

5. Employee salaries and other benefits

Amounts in NOK 1,000	2023	2022
Salaries	(1,720)	5,912
Social security costs	195	633
Share-based compensation (subscription rights), notional salary cost	2,238	14,336
Share-based compensation (subscription rights), accrued employer's tax*	—	(228)
Pension contribution	(65)	117
Other personnel related expenses, including recruiting costs	78	365
Total	727	21,135
Average number of employees for the year	—	1
Number of employees 31 December	—	1

At the end of 2023 there was one full-time consultant in the company (2022: 1 full-time employee).

The company has only defined contribution pension plans. Contributions are expensed and paid when earned.

Compensation to senior management

Amounts in NOK 1,000	2023	2022
Salary	9,141	10,698
Pension contribution	95	382
Bonus	—	—
Employee stock purchase	544	—
Share-based compensation	(232)	18,972
Total senior management compensation	9,548	30,052

See separate Remuneration Report 2023.

Remuneration to the board of directors

Reference is made to Note 8 in the Consolidated Financial Statements.

6. Statement on management remuneration policy

Reference is made to Note 7 in the Consolidated Financial Statements.

7. Related party transactions

a) Transactions with related parties

Amounts in NOK 1,000	2023	2022
Sales, marketing, R&D and manufacturing services from Ensurge Micropower Inc.	206,858	264,639
Intercompany interest income on loan to Ensurge Micropower Inc.	(4,885)	(4,513)
Purchase of services from Acapulco Advisors AS	1,468	2,501
Purchase of services from Admaniha AS	1,764	—
Purchase of services from Alden AS	—	300
Purchase of services from Lars Eikeland	3,007	—
Purchase of services from Mark Newman	2,261	—
Purchases of services from law firm Ræder	4,532	4,030

Morten Opstad, Ensurge board member and former chairman, is a partner of Advokatfirmaet Ræder AS, who is also Ensurge's legal counsel. The amounts do not include Mr. Opstad's service as chairman. Mr. Opstad and close associates hold shares in Ensurge.

In 2023, Ensurge recorded NOK 1,468 thousand for advisory services from Acapulco Advisors AS, a shareholder of Ensurge.

In 2023, Ensurge recorded NOK 1,764 thousand for consulting services from Admaniha AS, in which one of Ensurge's board members is the owner.

In 2022, Ensurge recorded NOK 300 thousand for a share lending agreement with Alden AS, an Ensurge shareholder.

In 2023, Ensurge recorded NOK 3,007 thousand for executive consulting services provided by Lars Eikeland.

Robert N. Keith, a shareholder of Ensurge, entered into a consulting service agreement with effect from 1 January 2013. There is no compensation attached after 2019. Mr. Keith assists Ensurge in strategic analysis and in dealing with larger, international, prospective partners.

In 2023, Ensurge recorded NOK 2,261 thousand for executive consulting services provided by Mark Newman, a former board member.

In 2023, Ensurge recorded NOK 4,532 thousand and USD 390 thousand, respectively (net of VAT) for legal services provided by law firm Ræder, in which one of Ensurge's board members is a partner.

b) Year-end balances arising from sales/purchases of goods/services with related parties

Amounts in NOK 1,000	2023	2022
Payable to (from) Ensurge Micropower Inc.	78,834	14,336
Payable to Acapulco Advisors AS	61	313
Payable to Alden AS	—	300
Payable to Lars Eikeland	454	—
Payable to law firm Ræder	387	1,849

8. Other operating expenses

Amounts in NOK 1,000	2023	2022
Premises, supplies	1,537	1,022
Sales and marketing	1,146	321
Bad debt	—	(39,214)
Other expenses	2,461	2,930
Sum	5,143	(34,941)

Ensurge pays rent for premises in Oslo (Norway) on a month to month basis. The monthly rent is NOK 11 thousand per month.

Ensurge Micropower ASA has not entered into any other lease agreements.

Remuneration to the auditor (ex VAT)

Amounts in NOK 1,000	2023	2022
Audit	1,613	1,679
Other assurance services	418	197
Other services*	35	40
Total	2,066	1,916

*Relates to technical preparation of tax return with mandatory forms.

9. Income tax expense

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Amounts in NOK 1,000	2023	2022
Profit (loss) before tax	(244,175)	(253,168)
Tax (tax income) calculated at corporate tax rate	(53,718)	(55,697)
Permanent differences	248	(2,040)
Change in deferred tax asset not recognized on the balance sheet	53,470	57,737
Tax charge	—	—
Corporate tax rate	22%	22%

10. Deferred income tax

Deferred income tax assets and liabilities are offset when the Company has a right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The offset amounts are as follows:

Amounts in NOK 1,000	31 December 2023	31 December 2022
Deferred income tax asset Intangible asset	(1,568)	(7,182)
Tax loss carried forward	(702,986)	(639,249)
Calculated deferred tax asset	(701,418)	(646,430)
Impairment of deferred tax asset	701,418	646,430
Deferred tax asset in the balance sheet	—	—

The Company has not recognized the tax asset as there is uncertainty relating to future taxable income for utilization of the tax loss carried forward, and the taxable loss on intangible assets. There is no expiration date on the tax loss carried forward. No tax item has been recorded directly to equity.

The unrecognized deferred tax asset is calculated by applying the local tax rates in Norway with tax rate 22% (2022: 22%).

11. Property, plant and equipment

Current facilities are rented with furniture included. Minor computing and communications equipment have been expensed.

12. Intangible assets

Amounts in NOK 1,000	Purchased intellectual property	Negative goodwill	Capitalized development costs	Total
Amortization period, years (linear)	13–16	5		
Accumulated costs 31 December 2023	15,872	(2,925)	12,744	25,691
Amortization at 31 December 2023	(15,872)	2,925	(12,744)	(25,691)
Net book value 31 December 2023	—	—	—	—
Accumulated costs 31 December 2022	15,872	(2,925)	12,744	25,691
Amortization at 31 December 2022	(15,872)	2,925	(12,744)	(25,691)
Net book value 31 December 2022	—	—	—	—

The purchased intellectual property relates to licensing of certain patents. The portfolio is reviewed for impairment annually by comparing the book value to the fair market value at the patent level. In 2019 the remaining unamortized balance of NOK 8,391 thousand was impaired in full as the Company revised its strategy whereby the future value of these patents are uncertain.

In 2019 it was decided that the capitalized development costs relating to NFC SpeedTap™ would not be further commercialized and the remaining costs of NOK 12,744 thousand were impaired.

The assets are assessed annually. Due to uncertainty of future use and commercialization, no reversal was identified for 2023.

13. Investment in subsidiaries

The investments are held at the lower of cost and fair value in the balance sheet in 2023.

Amounts in NOK 1,000	Percent holding	Percent of votes	Book value
Ensurge Micropower Inc. — CA, USA			
At 31 December 2023	100%	100%	
Accumulated cost			331,936
Accumulated impairment charge			(331,936)
Net book value at 31 December 2023			—
Ensurge Micropower Inc. — CA, USA			
At 31 December 2022	100%	100%	
Accumulated cost			325,108
Accumulated impairment charge			(325,108)
Net book value at 31 December 2022			—

The local currency of Ensurge Micropower Inc. is USD. The net income in USD in 2023 was USD 5,411 thousand compared to USD 6,936 thousand in 2022. The total equity 31 December 2023 was USD (6,636) thousand (2022: USD (12,227) thousand). The shares were fully impaired as of 31 December 2019. The provision was mainly triggered by the impairment of PPE in Ensurge Micropower Inc as a result of the corporate restructuring (please refer to Note 11 in the Consolidated Financial Statements).

Thin Film Electronics KK (Tokyo, Japan), is a 100% owned subsidiary, which was fully written down in 2016, as all activity in the Japanese legal entity had ceased.

TFE Holding (NV, USA), is a 100% owned subsidiary, of which the only activity is holding shares in Ensurge Micropower Inc. Net book value is zero in both 2023 and 2022.

Guarantees provided to subsidiaries

As a part of the relocation of Ensurge's US headquarters in 2017 a USD 1,600 thousand Letter of Credit has been issued by Ensurge Micropower ASA to the landlord. Ensurge Micropower ASA has in addition entered into a Tenancy Guaranty with the landlord. The guaranty is given to secure payment of the lease rent.

The initial Guaranty liability amounted to USD 5,000 thousand and reduces on an annual basis of USD 500 thousand per year commencing with the second lease year until the liability reaches zero dollars. As of 31 December 2023, the Guaranty liability amounted to USD 2,000 thousand.

14. Trade and other receivables

Amounts in NOK 1,000	31 December 2023	31 December 2022
Customer receivables	1,233	1,233
Other receivables, prepayments	1,141	920
Less: provision for impairment of receivables	(1,233)	(1,233)
Receivables – net	1,141	920

All customer receivables are due within one year and book value approximates fair value. The total amount of trade and other receivables is NOK 1,141 thousand (2022: NOK 920 thousand).

Of other receivables, NOK 580 thousand were not past due as of 31 December.

The company assesses impairment risk on an individual basis.

15. Cash and bank deposits

Amounts in NOK 1,000	31 December 2023	31 December 2022
Bank deposits excluding restricted cash	21,123	5,608
Deposit for Letter of Credit (restricted)	16,611	15,952
Deposit for withheld tax (restricted)	127	208
Deposit for warrant exercises, shares not yet registered (restricted)	5	—
Total	37,867	21,767

As a part of the relocation of Ensurge Micropower Inc.'s US headquarters in 2017 a USD 1,600 thousand Letter of Credit was issued to the landlord.

Payable withheld tax amounts at 31 December 2023 was NOK 127 thousand.

16. Equity

Amounts in NOK 1,000	Share capital	Other paid-in capital	Other reserves	Uncovered loss	Total
Balance at 1 January 2023	241,786	297,264	40,360	(614,338)	(34,928)
Reduction of share capital by reduction of PAR	(217,363)	(260,366)	—	477,729	-
Share-based compensation	—	8,941	—	—	8,941
Transfer of vested share-based compensation and expired warrants*	—	(33,440)	(40,360)	73,800	—
Private placement (March, June, July, September, October, November and December 2023)	220,269	(9,067)	—	—	211,202
Employee stock purchase plan	1,277	—	—	—	1,277
Net profit (loss) for the year	—	—	—	(244,175)	(244,175)
Balance at 31 December 2023	245,969	3,332	—	(306,983)	(57,682)
Balance at 1 January 2022	192,115	156,818	40,360	(361,170)	28,123
Share-based compensation	—	31,823	—	—	31,823
Private placement (February, August and December 2022)	48,941	108,169	—	—	157,109
Stock rights exercise	731	455	—	—	1,185
Net profit (loss) for the year	—	—	—	(253,168)	(253,168)
Balance at 31 December 2022	241,786	297,264	40,360	(614,338)	(34,928)

* Share-based compensation recognized for vested subscription rights has been moved to uncovered loss. The warrants expired in 2022, and the cost recognized under other reserves have been moved to uncovered loss in current year.

17. Share capital

Reference is made to Note 20 in the Consolidated Financial Statements.

18. Shareholders and subscription rights

Reference is made to Note 21 in the Consolidated Financial Statements.

19. Convertible debt

On 25 July 2022, the Company announced that it secured funding totaling NOK 57 million. Of this amount, NOK 46.7 million represented commitments to subscribe for convertible loans. The convertible loans were approved at the EGM held 17 August 2022. The convertible loans were repayable 17 August 2023 and the lenders were entitled at any time after 17 February 2023 to convert the loans into shares in the Company at a conversion price of NOK 3.00 [NOK 15.00 post 5:1 share consolidation]. The convertible loans carry interest at the rate of 5% per annum.

At the EGM on 11 July 2023, the shareholders approved amendments to the terms and conditions of the convertible loans as follows: (i) the conversion price was amended to NOK 0.10 [NOK 0.50 post 5:1 share consolidation] per share provided the loan holder converted its convertible loan on or before 17 August 2023; (ii) the accrued interest on the convertible loans was made convertible on the same terms as the principal amount; and (iii) the maturity date for the convertible loan was extended until 17 August 2024 with interest accruing at 5% per annum for such extended loan period; provided, however, that if the loan holder did not convert its convertible loan on or before 17 August 2023, the conversion price would be NOK 0.15 [NOK 0.75 post 5:1 share consolidation] per share and conversion could only be undertaken in the period between 17 January 2024 and the maturity date on 17 August 2024.

Lenders of an aggregated total of NOK 39.8 million of the principal amount of the convertible loans requested that their part of the convertible loan, plus accrued interest, be converted into shares in the Company on the terms resolved by the EGM.

The Board resolved on 30 August 2023 to approve the conversion of convertible loans, plus accrued interest, in the total amount of NOK 41.8 million to shares in the Company at a conversion price of NOK 0.10 [NOK 0.50 post 5:1 share consolidation], by issuance of a total of 418,449,068 new shares in the Company.

At the EGM on 10 November 2023, the shareholders approved a new convertible loan in the amount of NOK 4.5 million. The new loan interest rate is 5% per annum and shall be repaid (unless the loan has been converted into shares) on 10 November 2024. The conversion price per share, prior to maturity, is NOK 0.105 [NOK 0.525 post 5:1 share consolidation].

At the EGM on 10 November 2023, the shareholders approved amending the terms and conditions of the existing outstanding convertible loan (as issued on 17 August 2022). The conversion price changed from NOK 0.15 [NOK 0.75 post 5:1 share consolidation] to NOK 0.105 [NOK 0.525 post 5:1 share consolidation] and the maturity date was updated to 10 November 2024.

As of 31 December 2023 the outstanding convertible loans amount to USD 1,184 thousand.

See Note 26 in the Consolidated Financial Statements for post balance sheet events.

Liquidity loans totaling USD 1,701 thousand were obtained during the first seven months of 2023. The interest rate was 12% per annum. As resolved by the EGMs on 14 March and 11 July 2023, and as part of Tranche 2 of the private placements announced on 15 February and 15 June 2023, respectively, the subscription amount in Tranche 2 of such placements for the lenders of the liquidity loans was settled by set-off against the liquidity loan debt obligation.

The convertible loans are denominated in Norwegian Kroner (NOK); however, the functional currency of the Company is the US Dollar. As a result of this difference in currencies, the proceeds that were received by the Company were not fixed and varied based on foreign exchange rates. A portion of the loans, the conversion feature, is a derivative required to be recognized and measured at fair value at each reporting period. Any changes in fair value in the convertible loans from period to period is recorded as a non-cash gain or loss in the profit and loss statements. The convertible loans, including accrued interest, are classified as short-term

liability at amortized cost. The conversion feature derivative liability is classified as short-term held-for-trading liability. The derivative liability is measured using Black-Scholes valuation model.

Amounts in NOK 1,000	31 December 2023	31 December 2022
Short term debt	9,761	36,461
Derivative liability	4,561	2,199
Accrued interest	548	851
Conversion price*	NOK 0.53	NOK 3.00
Interest rate	5%	5%
Maturity date*	10 November 2024	17 August 2023

* New loan terms revised per the EGM held 11 July 2023 and 10 November 2023.

20. Contingent liabilities

Reference is made to Note 25 in the Consolidated Financial Statements.

Corporate Social Responsibility (CSR) Statement

The Ensurge Micropower ASA Group recognizes that it has important obligations regarding 1) the conditions within its facilities and organization, relating to, inter alia, social and employee matters, equal opportunities and anti-discrimination, 2) its impact on the environment and the relationships it maintains with the communities in which it operates, and 3) respect for human rights, anti-corruption and anti-bribery matters. As such, it adheres to policies related to these obligations and strives to achieve goals that engender safety, health, fairness, diversity, integrity, compliance, and sustainability.

The Company's business model

The objective of the Company shall be Energizing Innovation™ with ultrathin, flexible, and safe energy storage solutions for wearable devices, connected sensors, and beyond. The Company believes that Ensurge's innovative solid-state lithium battery (SSLB) technology could be uniquely positioned to enable the production of powerful, lightweight, and cost-effective rechargeable batteries for diverse applications.

Social and employee matters, equal opportunities, and anti-discrimination

Policies and objectives

Ensurge promotes equality and non-discrimination, fairness, and ethical behavior. The Company aims to offer a pleasant, well-equipped, and risk-free work environment. It maintains fair and balanced employment practices and complies with all applicable labor laws applicable to the

countries, regions, cities, and towns in which it operates. Ensurge encourages and expects similar commitments from its customers, partners, suppliers, and other vendors with whom the Company works.

Ensurge's objectives are to maintain a secure, safe, and healthy work environment for all employees of the Company and to continue to be a globally diverse company that strongly distances itself from any form of discrimination. Ensurge makes every reasonable effort to secure a healthy, safe, and lawful work environment, and the Company complies with all applicable laws, rules, and regulations concerning occupational health, safety, and environmental protection. The Company's policies prohibit discrimination against employees, shareholders, directors, customers, partners, suppliers, and other vendors on account of gender, race, sexual orientation, religion, disability, nationality, political opinion, and social or ethnic origin. Employees are provided with an Employee Handbook outlining corporate policy and receive regular trainings such as harassment prevention, discrimination, and employment law matters. Workplace diversity at all levels is highly encouraged and monitored. All persons shall be treated with dignity and respect and are encouraged to assist in creating a work environment free from any form of discrimination. Ensurge conducts quarterly reviews with its employment attorney to verify all employment and labor laws are being enforced. The Company holds semi annual employee surveys to provide an anonymous feedback mechanism as well as an anonymous suggestion box which is checked daily. Management reviews all employee feedback and creates a plan to address any pertinent information. Necessary conditions for a safe and healthy work environment shall be provided for all employees of the Company.

At Ensurge Micropower, Inc. (US subsidiary), all employees are required to complete a safety training course within their first month of employment.

Ensurge has a safety committee in place which meets monthly to review any safety hazards, close calls, and preventable measures in high risk areas. We have a process in place to report workplace injuries and provide safety training for all new employees. The Company records the number of safety incidents per quarter and reports to management. Ensurge reports safety incidents to the Occupational Health and Safety Administration annually. Job related internal and external trainings take place regularly and completion of these trainings is recorded and verified by management. In compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986 of the State of California, commonly referred to as Proposition 65, Ensurge Micropower, Inc. also informs employees of the on-site presence of any known chemical known to cause cancer or reproductive toxicity. Ensurge is committed to fully complying with all applicable laws regarding equal employment opportunities. Employees who believe they have been subjected to any form of unlawful discrimination may submit a complaint to their manager, any member of the management team, and/or Human Resources. The Company encourages all employees to immediately report incidents of harassment or other conduct prohibited by its anti-harassment policy so that complaints can be resolved in a fair and timely manner.

Environmental Impact

Policies and objectives

Ensurge requires that all subsidiaries of the Ensurge Group follow all current environmental laws and regulations for the jurisdictions in which they reside and operate. Ensurge routinely evaluates the environmental impact of its production — and manufacturing — related activities, with particular emphasis on the potential risks regarding present and future operations. Ensurge operates its production facility and laboratories in San Jose, California. Ensurge strives to monitor waste production, such as chemicals and electronics materials, to evaluate where and how the Company can improve — such as using fewer chemicals, leveraging alternative materials, and/or maximize the usage of current materials. Ensurge recognizes the impact that hazardous waste can have on the environment and takes every reasonable precaution

to discard and recycle waste according to federal, state, and regional laws and regulations. In the San Jose, California facility, Ensurge partners with a licensed Environmental Services provider and strict guidelines are followed for the storage and disposal of hazardous material. Regular audits by the State of California take place and audit reports are reviewed and recorded by Management its Environmental Services provider. The State of California also tracks any Ensurge hazardous material shipments to the final disposal/incineration site to ensure overall compliance.

Human rights, anti-corruption and anti-bribery

Policies and objectives

It is important that Ensurge staff members do not place themselves in situations whereby their fidelity can be undermined or in which they may be vulnerable to external pressures contrary to Ensurge's or their own integrity. It is communicated and expected that all employees do not accept, either for themselves or on behalf of others, gifts, fees, services or other benefits which could influence the way they discharge their duties or are intended to exert such influence by the giver. Ensurge's objectives are to systematize and further improve internal training and education as it relates to ethics and anti-corruption compliance. Ensurge's Ethical Guidelines are based on respect and fairness in all aspects of the Company's business dealings. We demand and expect that our employees — at every level of the organization — adhere to applicable laws and regulations in the countries where we do business. Ensurge has a clear stance on corruption.

Employees must always comply with applicable anti-bribery laws; and each manager and employee is responsible for compliance within his or her area of authority, and must report any suspected violation to HR, corporate management, and in certain cases, the local authorities. The Employee handbook provided to all employees at the start of employment reviews workplace conduct and resources. The Company conducts regular trainings which comply with local laws and regulations. Ensurge has an open door policy for reporting work place issues and conflicts of interest. There have been no reported cases of human rights, anti-corruption and anti-bribery incidents.

Responsibility Statement

The board and the CEO have today reviewed and approved this report of the board of directors as well as the annual financial statements for the Ensurge Micropower ASA Group and parent company as of 31 December 2023. The consolidated annual financial statements have been prepared in accordance with IFRS as adopted by the EU and the additional requirements in the Norwegian accounting act. The annual financial statements for the parent company have been prepared in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway. The notes are an integral part of the respective financial statements. The report of the board of directors has been prepared in accordance with the Norwegian

accounting act and generally accepted accounting principles in Norway.

We confirm that, to the best of our knowledge, the information presented in the financial statements gives a true and fair view of the group's and the parent company's assets, liabilities, financial position and result for the period viewed in their entirety, and that the report from the board of directors gives a true and fair view of the development, performance, and financial position of the group and the parent company, and includes a description of the principal risks and uncertainties which the group and the parent company are facing.

The board of directors of Ensurge Micropower ASA, Oslo, Norway, 24 April 2024

Terje Rogne
Chairman

Morten Opstad
Board Member

Nina Riibe
Board Member

Lars Eikeland
CEO / CFO

Auditor's Report

Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221
NO-0103 Oslo
Norway

+47 23 27 90 00
www.deloitte.no

To the General Meeting of Ensurge Micropower ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ensurge Micropower ASA, which comprise:

- The financial statements of the parent company Ensurge Micropower ASA (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of Ensurge Micropower ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

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 IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

The Company shares were admitted to listing in January 2008. We have been the auditor since before the Company were listed. We have been the auditor of Ensurge Micropower ASA for 16 years from the listing, including the listing year.

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Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the financial statements of the Group and Note 1 in the financial statements of the parent and in the Board of Directors' report. The Group and the parent are operating at a loss and management estimate that the Group and the parent have funds to support operations until June 2024. There is no assurance that management will be successful in raising funds. Failure to obtain funding would adversely affect the ability to continue as a going concern and consequently the Group and the parent might enter into liquidation. As stated in Note 2 in the financial statements of the Group and note 1 in the financial statements of the Company and in the Board of Directors' report, the liquidity situation, along with other matters as set forth in the notes and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to be communicated in our report.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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.

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company 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 the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements**Report on Compliance with Requirement on European Single Electronic Format (ESEF)***Opinion*

As part of the audit of the financial statements of Ensurge Micropower ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5493007QXMCG0WPKFC96-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 24 April 2024
Deloitte AS



Lars Atle Lauvsnes
State Authorised Public Accountant

Corporate Governance

Resolved by the board of directors of Ensurge Micropower ASA (the “Company” or “Ensurge”) on 24 April 2024. The statement outlines the position of the Company in relation to the recommendations contained in the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (“the Code”). The Code is available at www.nues.no and from Oslo Børs. In the following, the board of directors will address each section of the Code and explain the areas, if any, where the Company does not fully comply with the recommendations and underlying reasons.

1. Implementation and reporting on Corporate Governance

The Company seeks to create sustained shareholder value for the shareholders in a sustainable manner, while taking into account financial, social and environmental considerations. The Company makes every reasonable effort to comply with the word and intent of the laws, rules and regulations in the countries and markets in which it operates. Ensurge is not aware of being in breach of any such statutory laws, rules or regulations. The Company pays due respect to the norms of the various stakeholders in the business. In addition to the shareholders, the Company considers its employees, Ensurge’s business partners, the society in general and the authorities as stakeholders. Ensurge is committed to maintain a high standard of corporate governance, be a good corporate citizen and demonstrate integrity and high ethical standards in all its business dealings.

The Ensurge Group presently has 28 ordinary full-time employees, two part-time employees, and a small number of consultants on site. The board of directors believes that, in the present organization, the board and management have monitoring and control systems in place that generally ensure insight into and control over the activities, although consistent with the philosophy of continuous improvement, the board and management are making and intend to make improvements to the legal and financial functions that are essential to the performance of these monitoring and control systems. (Note: In this review, the noun “the management” includes all

persons conducting managerial functions, whether employed or otherwise contracted).

In a separate document the board has resolved ethical guidelines that apply to all employees, consultants and contractors as well as the elected board members. The ethical guidelines also incorporate the Company’s guidelines on corporate social responsibility.

2. Ensurge’s business

The objectives of the Company shall be Energizing Innovation™ with ultrathin, flexible, and safe energy storage solutions for wearable devices, connected sensors, and beyond.

The description of the Company’s business, as contained in the Articles of Association, was, at the 2022 AGM, updated and given a more precise description to cover such objectives.

The Company believes that Ensurge’s innovative solid-state lithium battery (SSLB) technology could be uniquely positioned to enable the production of powerful, lightweight, and cost-effective rechargeable batteries for diverse applications. The Company is currently focused on realizing these objectives, which may be carried out in full internally, or in whole or in part externally through collaborative efforts with one or more of the Company’s ecosystem and commercial partners.

The Company’s business goals and principal strategies are defined in the business plans that are developed and proposed by management and reviewed, modified as appropriate, and adopted by the board of directors. The plans are reviewed and revised periodically, and when needed.

3. Equity and dividends

The board is aware of and acknowledges the equity requirements and duty of action in connection with loss of equity, as set out in the Norwegian Public Limited Companies Act (the “PLCA”). In the past, the Company has needed to raise equity on several occasions to fund its operations and working capital requirements. The board has proposed to the general meeting only reasonable authorizations

for share issues, generally limited to 10% of the Company's share capital. Such board authorizations have explicitly stated the type and purposes of transactions in which the authorizations may be applied. As of the general meeting(s) to be held in 2024, any proposed authorizations to issue shares shall be considered and voted separately by each type and purpose of such share issues.

The board authorizations to issue shares have been valid until the next annual general meeting, as recommended by the Code. The proposals have been approved by the shareholders.

The Company has in place an authorization to the board to acquire own shares up to 10 percent of the Company's shares, as of the date of the 2022 AGM, for a maximum price of NOK 1,000 per share. The board was authorized to decide upon the manner and terms of the acquisition, disposition, transfer and sale of its own shares. The length of the authorization is limited to 30 June 2024.

Ensurge has not yet declared or paid any dividends on its shares. The Company does not anticipate paying any cash dividends on its shares in the next few years.

Ensurge intends to retain future earnings, if any, to finance operations and the expansion of its business. Any future determination to pay dividends will depend on the Company's financial condition, results of operation and capital requirements.

4. Equal treatment of shareholders and transactions with close associates

The Company places great emphasis on ensuring equal treatment of its shareholders. The Company has one class of shares. There are no trading restrictions or limitations relating only to non-residents of Norway under the Articles of Association of the Company. Each share carries one vote. There are no restrictions on voting rights of the shares. In the authorizations to issue shares to raise additional capital for the Company, where the existing shareholders have resolved to waive the preemptive right to subscribe for shares, the rationale for doing so has and shall be presented as part of the decision material presented to the general meeting. If and when such transactions are conducted, hereunder when resolved by the board pursuant to authorizations from the general meeting, the justification will also be included in the announcements to the market. All related party transactions in effect are entered into on an arm's length basis. Any future related party transactions

shall be subject to an independent third-party valuation whenever required unless the transaction by law requires shareholder approval. The Company takes legal and financial advice on these matters when relevant. Members of the board and the management are obliged to notify the board if they have any material direct or indirect interest in any transaction entered into by the Company.

5. Shares and negotiability

All shares are freely assignable. The Articles of Association do not contain any restrictions on negotiability of the shares.

6. General meetings

The annual general meeting of shareholders, the Company's highest decision-making body, provides a forum for shareholders to raise issues with the board as such and with the individual board members. To the maximum degree possible, all members of the board shall attend electronically or in-person at the general meeting. The Company's auditors shall also attend the annual general meeting. The board proposes a person to chair the meeting, who is then approved by a simple majority of the votes cast at the general meeting. Notice of a meeting of the shareholders shall be sent in a timely manner and the Company shall issue the notice and documents for a general meeting, including the proxy form, no later than 21 days before the date of the general meeting. Foreign residents will receive the notice and documents in English. When appropriate, the documents will be made available at the Company's website and not sent to the shareholders.

The board of directors endeavors to provide comprehensive information in relation to each agenda item in order to facilitate productive discussion and informed resolutions at the meeting. The notice will also provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting.

The board of directors may choose whether to hold a general meeting as a physical meeting or as an electronic meeting, pursuant to the PLCA. Shareholders who are unable to attend the meeting will be provided the option to vote by proxy in favor or against each of the board's proposals. If a general meeting is held as a physical meeting, shareholders have a right to attend by electronic means, unless the board finds that there is sufficient cause for it to refuse to allow this. The notice shall contain a proxy form as well as information of the procedure for proxy

representation. At the meeting, votes shall be cast separately on each subject and for each office/candidate in the elections. Consequently, the proxy form shall, to the extent possible, facilitate separate voting instructions on each subject and on each office/candidate in elections. The notice, as well as the Company's website, will set out the rights that shareholders have to propose resolutions in respect of matters to be dealt with at the general meeting.

The general meeting has included in Section 7 of the Company's Articles of Association that documents which have been made available in a timely manner on the website of the Company and which deal with matters that are to be handled at the general meeting, need not be sent to the Company's shareholders.

All reports will be issued on the Oslo Børs marketplace (oslobors.no and newsweb.no) within the Oslo Stock Exchange, and on the OTCQB Venture Market at OTCMarkets.com/stock/ENMPY/overview. The reports and other pertinent information are also available at ensurge.com.

7. Nomination committee

Under the Articles of Association, Ensurge has a nomination committee that is elected by the annual general meeting for a term of two years. The nomination committee shall have three members, including a Chair.

The Company's guidelines for the nomination committee state that no executive personnel or board members in the Company should be a member of the nomination committee.

The nomination committee shall prepare and present proposals to the annual general meeting in respect of the following matters:

- Propose candidates for election to the board of directors,
- Propose the remuneration to be paid to the board members,
- Propose candidates for election to the nomination committee, and
- Propose the remuneration to be paid to the nomination committee members, all of which shall be resolved by the annual general meeting.
- Verifies Board composition meets all guidelines in regards to age, gender and education.

The Company provides information on its website about the composition of the nomination committee

and any deadlines for submitting proposals to the committee.

8. Board of directors; composition and independence

The board acknowledges the Code's recommendation that the majority of the members of the board of directors shall be independent of the Company's management and material business contacts and that at least two of the members of the board should be independent of the Company's main shareholder(s). All board members are required to make decisions objectively in the best interest of the Company, and the presence of independent directors is intended to ensure that additional independent advice and judgment is brought to bear. The current board meets the independence criteria of the Code. The board meets the statutory gender requirements for the board.

Board members stand for election every two years. The board believes that it is beneficial for the Company and its shareholders that the board members also are shareholders in the Company and encourages each member of the board of directors to hold shares in the Company.

The board pays attention to ensure that ownership shall not in any way affect or interfere with proper performance of the fiduciary duties, which the board and the management owe the Company and all shareholders.

As and when appropriate, the board takes independent advice with respect to its procedures, corporate governance and other compliance matters.

9. The work of the board of directors

The division of duties and responsibility between the CEO and the board of directors is based on applicable laws and well-established practices, which have been formalized in writing through a board instruction in accordance with the PLCA.

The board instruction also sets out the number of scheduled board meetings per year and the various routines in connection with the board's work and meetings. The board instructions state that in situations when the Chair is not impartial or not operative, the most senior board member shall chair the board until a deputy Chair has been elected by and among the board members present.

The board of directors shall evaluate its performance and expertise annually. Moreover, the board will produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation.

Any and all related party transactions shall be subject to an independent third-party valuation whenever required unless the transaction by law requires shareholder approval. The Company takes legal and financial advice on these matters when relevant, to ensure that the Company is made aware of any possible conflicts of interest and to ensure that any such transactions are handled in a sufficiently thorough manner. The Company has a related parties policy in place.

With a compact board of only three members, there has not been any need for subcommittees to date. The future need for any sub-committees will be considered at a minimum annually in connection with the annual review of the Company's corporate governance.

Ensurge is not obliged to have a separate audit committee and in view of the small number of board members, the Company's Audit Committee consists of all board members who are not also executives or have similar roles in the Company. The board instruction includes an instruction for the audit committee.

10. Risk management and internal control

The board of directors has adopted internal rules and guidelines regarding, amongst other things, risk management and internal control, which rules and guidelines take into account the extent and nature of the Company's activities as well as the Company's corporate values and ethical guidelines, including the corporate social responsibility. The board of directors shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

In view of the size of the Company and the number of board members, the board has chosen to elect the full board (except any board members who hold executive positions) to constitute the audit committee. The audit committee policies and activities are compliant with the PLCA.

The board of directors has adopted an insider manual with ancillary documents intended to ensure that, among other things, trading in the Company's shares by board members, executives and/or employees, including close relations to the aforementioned, are conducted in accordance with applicable laws and regulations.

Internal control and risk management of financial reporting

Ensurge publishes four interim financial statements in addition to the ordinary annual financial statements. The financial statements shall satisfy legal and regulatory requirements and be prepared in accordance with the adopted accounting policies and be published according to the schedule adopted by the board. Closing of accounts, financial reporting and key risks analysis are provided monthly to the board of directors.

Ensurge has established a series of risk assessment and control measures in connection with the preparation of financial statements. In connection with subsidiaries' closing of accounts, internal review meetings are held by management. In addition, management identifies and proposes risk factors and measures linked to important accounting items or other factors which are reviewed, discussed, and sometimes modified in conjunction with the board. The board also has at least one separate meeting with the external auditor to review such risk factors and measures and conducts preparatory reviews of interim financial statements and annual financial statements.

A financial manual provides detailed instruction for financial planning, treasury, accounting and reporting, and has been reviewed and updated regularly by the board.

11. Remuneration of the board of directors

A reasonable cash remuneration to the board members for their services from the AGM in 2023 until the AGM in 2024 was proposed to and resolved at the 2023 AGM. The nomination committee will propose board remuneration for the period between the annual general meetings of 2024 and 2025.

The Board acknowledges that grants of subscription rights to members of the Board of Directors are in contradiction to the Corporate Governance recommendations, but remains of the view that it has been in the Company and shareholders' mutual best interest to make these grants in order to secure and retain the services of board members with international experience.

Advokatfirmaet Ræder AS, in which Morten Opstad, is a partner, renders legal services to the Company.

A board member performing work for the Company beyond the board duty shall ensure that such arrangements do not in any way affect or interfere with proper performance of the fiduciary duties as

a board member. Moreover, the board (without the participation of the interested member) shall approve the terms and conditions of any such arrangements. Adequate details shall be disclosed in Ensurge's annual financial statements.

12. Remuneration of executive personnel

Salary and other remuneration to the executive personnel in the Company is determined pursuant to the Company's executive remuneration policy, as approved by the 2021 AGM and amended at the 14 March 2023 EGM. The executive remuneration policy is publicly available on the Company's website.

The executive remuneration policy seeks to align the interests of the Company's executives and its shareholders, and to continuously improve sustainable performance. Furthermore, the policy is designed to align the interests of the Company and its executives to ensure its contribution to the Company's commercial strategy, long-term interests and financial viability.

On an annual basis the Company's compensation committee shall review the terms of the executive remuneration policy, to determine if any revisions are necessary. Where revisions are required, the compensation committee shall make proposals to the Board which, if significant and subject to Board approval, are proposed by the Board to the annual general meeting for approval. In the absence of any significant revisions, the executive remuneration policy shall be presented and explained by the Board to the annual general meeting every four years at minimum. At each annual general meeting, the Board shall present a remuneration report for the previous financial year.

In the event of significant changes to the executive remuneration policy, these must be described and explained in the policy document. The policy shall describe and explain how the shareholders' views on the guidelines, the general meeting's vote and the salary reports since the previous vote on the policy have been taken into account.

13. Information and communications

The board of directors places great emphasis on the relationship and communication with the shareholders. The primary channels for communication are the interim reports, the annual report and the associated financial statements.

Ensurge also issues other notices to the shareholders when necessary or appropriate. The general meeting

of shareholders provides a forum for the shareholders to raise issues with the board as such and the individual board members. All reports are issued and distributed according to the rules and practices at the market place(s) where Ensurge shares are listed. The Company shall in due course publish an annual financial calendar for the following year; setting forth the dates for major events such as its annual general meeting, publication of interim reports, any scheduled public presentation, any dividend payment date (if applicable), etc. The reports and other pertinent information are also available on the Company's website, ensurge.com.

The board of directors has adopted the following policies:

- Policy for reporting of financial and other information and investor relations;
- Policy for contact with shareholders outside general meeting; and
- Policy for information management in unusual situations attracting or likely to attract media or other external interest.

The financial reporting of Ensurge is believed to be fully compliant with applicable laws and regulations, and the Company retains the services of an internationally recognized auditor to review its accounts, policies and procedures. As of the interim financial information for the third quarter 2007, Ensurge has prepared its consolidated financial reports in accordance with IFRS. The current information practices are adequate under current rules.

14. Take-overs

There are no take-over defense mechanisms in place. The board will endeavor that shareholder value is maximized and that all shareholders are treated equally. The board shall otherwise ensure full compliance with Section 14 of the Code.

15. Auditor

The Company's auditor is fully independent of the Company. In case the Company should wish to obtain non-audit services from the auditor, the amended Auditors Act in Norway requires the board of directors to consider and confirm in advance that the service is not believed to be prohibited under the Auditors Act and that any such non-audit service is of a nature and level that will not affect the auditor's independence in respect of their statutory audit of the Company's annual financial statements. In this manner, the board must pre-approve any such

non-audit services from the auditor. The board of directors shall otherwise ensure full compliance with Section 15 of the Code.



Articles of Association

§1 The name of the company

The name of the Company is Ensurge Micropower ASA. The Company is a public limited company.

§2 The company's business

The Company's business shall encompass the development, manufacturing, and sales of solid-state microbatteries. The Company's business shall also include the development of services related to solid-state microbatteries and the maximization of the value of the Company's roll-to-roll facility in San Jose, California. The Company's objectives may be carried out in full internally or in whole or in part externally through collaborative efforts with one or more of the Company's ecosystem and commercial partners. The Company's business may be carried out directly by the Company and/or through subsidiary companies. The Company may hold ownership positions in companies with similar activities.

§3 Registered office

The registered office of the Company is situated in Oslo.

§4 The company's share capital

The Company's share capital is NOK 275,343,871.50 divided into 550,687,743 shares each having a par value of NOK 0.50.

§5 The company's governance

The Company's board of directors shall consist of from three to nine members, as decided by the general meeting. The board may grant powers of procuration.

§6 The general meeting

The ordinary general meeting shall consider and decide:

- 1 Adoption of the annual financial statement and report of the board of directors, including the declaration of a dividend.
- 2 Election of chairman and members of the nomination committee, and determination of remuneration to the members of the nomination committee.
- 3 Any other business required by the laws or the articles of association to be transacted by the general meeting.

The general meetings of the Company shall as a general rule be conducted in the Norwegian language. However, the board of directors may decide that the English language shall be used.

§7 Exemption from requirements to submit documents with notice of general meeting

Documents which timely have been made available on the Internet site of the Company, and which deal with matters that are to be handled at the general meeting, do not need to be sent to the Company's shareholders.

§8 Registration for general meeting

A shareholder who wishes to attend the general meeting, in person or by proxy, shall notify its attendance to the Company no later than two days prior to the general meeting. If the shareholder does not notify the Company of its attendance in a timely manner, the Company may deny the shareholder access to the general meeting.

§9 Nomination committee

- a Ensurge Micropower ASA shall have a nomination committee. The nomination committee shall have three members, including a chairman. Members of the nomination committee shall be elected by the AGM for a term of two years.
- a The nomination committee shall:
 - Propose candidates for election to the Board of Directors
 - Propose the remuneration to be paid to the Board members
 - Propose candidates for election to the nomination committee
 - Propose the remuneration to be paid to the nomination committee members
- a The mandate of the nomination committee shall be resolved by the AGM.

§10 Relation to the Norwegian public limited companies act

Reference is also made to the legislation concerning public limited companies in force at the relevant time.

Board of Directors



Terje Rogne
Chairman

TERJE ROGNE has been actively involved in management, board, and chairman positions within Scandinavian listed and private companies for over three decades. He served as the Chairman of the Board at NOKAS from 2008 until 2016, leading the company to achieve a revenue growth from 750 million NOK to 7.5 billion NOK. Furthermore, Mr. Rogne served as the Chairman of the Board at Nordic Semiconductor ASA from 2008 until 2018, leading the company to become a world leader in wireless semiconductor technology. He was also the Chairman of the Board at Autocirc AS, from its inception in 2020 until its acquisition by Nordic Capital in early 2023, with a revenue exceeding 3 billion SEK.

Mr. Rogne played a pivotal role as an active board member from 2008 until 2023 in turning Aptix ASA from a state of virtual bankruptcy to its current status as Carasent ASA, with a market capitalization of 1.25 million NOK. Currently, he serves as a board member of Appear AS and as the Chairman of the Board at Muybridge AS. Mr. Rogne holds an MBA from the University of San Diego and a Bachelor of Business Degree from the Oslo School of Business Administration.



Morten Opstad
Board Member

MORTEN OPSTAD has served on the Ensurge board since 2006, including as Chair from 2006–2023. He is a partner in Advokatfirmaet Ræder AS in Oslo, Norway. Morten has been a legal and strategic advisor to multiple successful companies in the technology sector and has guided growth from early entrepreneurial stages to stock exchange listings. He currently serves as board chair of IDEX Biometrics ASA, listed on Oslo Børs and Nasdaq. Mr. Opstad holds a legal degree (Cand. Jur.) from the University of Oslo and was admitted to the Norwegian Bar Association in 1986. He is a Norwegian citizen and resides in Oslo.



Nina Riibe

Board Member

NINA RIIBE has been actively involved in management, board and chairman positions within private companies and organizations for more than two decades. Ms. Riibe is currently chairman for a media agency and a board member for a tech start up, which has reached a turnover of 100M NOK in three years. Ms. Riibe holds a “siviløkonom” degree in Business and Administration from Karlstad University and Norwegian School of Economics (NHH). Furthermore she has taken NHH’s board program on a master’s level.

She is CEO of Econa which is an employee organization for master economists in Norway and the organization has had a 30% growth in members in three years. She has almost two decades of experience from the communication industry and have gained good understanding of the power in communication, in-depth knowledge of political processes and political influence.

Executive Management



Lars Eikeland
Chief Executive Officer &
Chief Financial Officer

LARS EIKELAND is a Norwegian national with broad international experience, having more than thirty years' leadership experience from reputable multinational corporations, ABB Ltd and Rolls-Royce Holdings plc, and non-executive Chairman roles in Private Equity owned companies. Throughout his career he has held executive positions (CFO/ EVP Strategy & Business Development, and CEO) and been instrumental in driving profit improvement projects, M&A and divestment projects, and financial restructuring.

He holds a Master of International Business from the Norwegian School of Economics & Business Administration (NHH), with a major in international finance and strategy.



Dr. Arvind Kamath
EVP Technology Development

DR. ARVIND KAMATH joined Ensurge in January 2014 from Kovio, Inc., where he served as Sr. Director, Technology Development. At Ensurge, he has built and led several teams in the areas of technology development, engineering, and operations. Most recently, he was responsible for the flexible substrate roll-to-roll PDPS (Printed Dopant Polysilicon) manufacturing scale-up and led the development of a global enabling ecosystem. At Kovio, Dr. Kamath led materials and process development and integration of a revolutionary printed electronics platform based on silicon ink, from feasibility to qualification and yield enhancement. Prior to Kovio, he worked at LSI Logic in various managerial and specialist roles, including process engineering, group management, R&D operations, SRAM integration and yield enhancement. Dr. Kamath earned a B.Tech degree in Metallurgical Engineering from the Indian Institute of Technology, Chennai and a Ph.D. in Materials Science and Engineering from the microelectronics program at The University of Texas - Austin.



Jay Tu
VP Operations

JAY TU joined Ensurge in October 2021 and leads all aspects of manufacturing, supply chain, and quality. He brings more than 20 years of experience in high-tech manufacturing and operations and has scaled up multiple semiconductor, assembly, and roll-based technologies and products into high-volume production. Most recently, he served as vice president, operations at RFID leader Alien Technology, where he built a global supply chain to support a billion-unit business. Jay holds a Ph.D. in electrical engineering from the University of California, Berkeley.



Ståle Bjørnstad
VP, Corporate Development & IR

STÅLE BJØRNSTAD joined Ensurge in August 2020 and heads the Corporate Development and IR department.

He has almost two decades of experience in leadership positions from Equity Research, Equity Sales and Corporate Finance. He has also been CEO of Cxense, a Norwegian listed Big Data and personalization company.

Ståle holds an MCS in Economics and Business Administration from Norwegian School of Economics in Bergen and a degree in International Trade from JKU - Johannes Kepler Universität, Linz, Austria.



Shannon Fogle
VP Global Human Resources
& Administration

SHANNON FOGLE joined Ensurge in January 2014 from Kovio, Inc. She leads the Company's human resources and administrative functions. Ms. Fogle led the human resources functions at Kovio from 2007 until 2014. Prior to Kovio, Ms. Fogle worked in various operations roles at Spansion and Advanced Micro Devices. Shannon holds a Bachelor of Science degree in Business Management from San Jose State University and is Certified by the Society of Human Resource Management. Ms. Fogle departed the company in April 2024.



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