

Ensurge Micropower ASA

Fourth Quarter 2024

Interim Report and
Financial Statements

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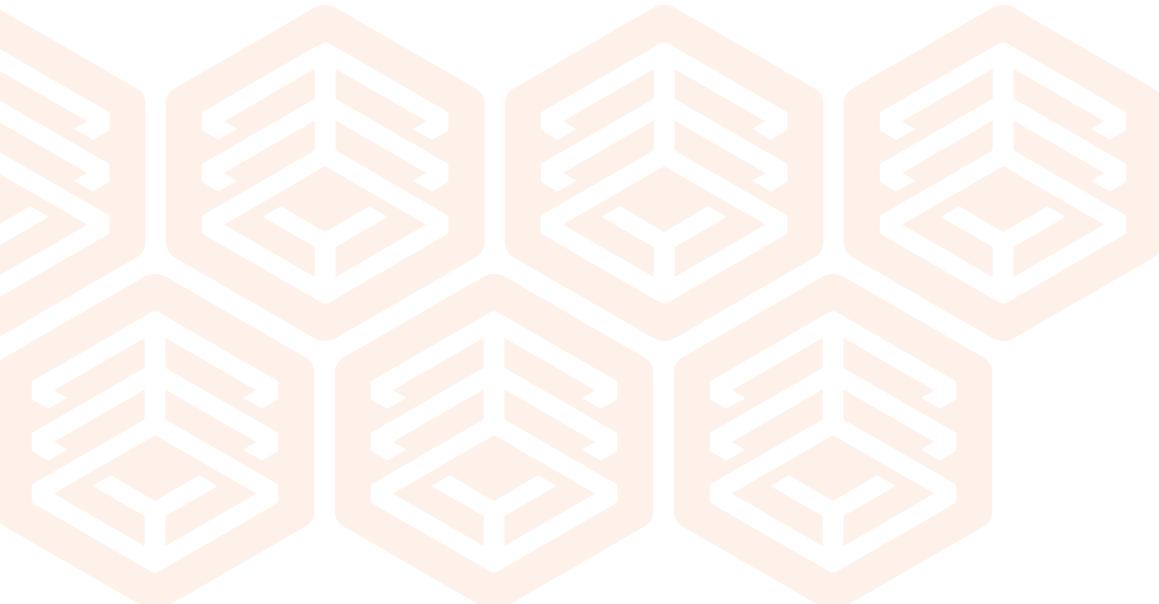
About Ensurge

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 microbattery (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 is a publicly listed company in Norway with corporate headquarters in Oslo and global headquarters in San Jose, California.



Business Review and Outlook

Highlights

- Microbattery energy leakage issue close to being solved
- In advanced discussions about a joint development agreement with a Fortune 500 company for the next generation batteries significantly increasing energy density
- 24/7 shift structure implemented to enable production ramp-up
- Resolved the battery stack encapsulation issues through process optimization and material selection
- Achieved 90% stacking yield after cell test for both 11- and 28-layer batteries, and are therefore confident in both repeatability and scalability of the production process
- The batteries meet — and even exceed — stringent requirements for quality, durability, and scalability of the production process
- Growing pipeline of customers
- Continued strong collaboration with our strategic partners
- Issued five Invention Disclosure Records (IDRs) for patent applications

Outlook

During the past quarter we have made significant progress in advancing our battery technology toward commercialization.

As outlined in our January 20 update, we have finalized a solution for encapsulation, which represents the final step in the production process for completing our microbatteries. In this update, we also

noted that we were still not satisfied with the charging capacity of our battery technology due to energy leakage during the initial charge cycle. We developed two solutions, both of which significantly reduce the leakage.

Before we start shipping batteries to our strategic partners, we need to do extensive testing to ensure a high level of confidence that the battery quality can be maintained during large-scale manufacturing. All our solutions are designed to be replicable and scalable for future licensing partners. Our proprietary manufacturing processes, currently pending patents, offer a considerable simplification of the production of our microbatteries, ensuring efficiency and competitive advantage.

In relation to our stated ambitions, last-mile testing slightly extends the timeline prior to shipping sample microbatteries to evaluation customers and performing product qualification in parallel. Nonetheless, we firmly believe that clearing any remaining doubts regarding our technological leadership and commercial potential should remain our top priority and will serve the company in the long term.

Ensurge's advancements in solid-state microbattery technology have attracted strong interest from leading U.S. technology companies. Through innovation and strategic positioning, Ensurge is now in advanced discussions with a Fortune 500 company to establish a joint development agreement. Ensurge will work closely with the partner to develop a battery platform that has the potential of exceeding the energy density considerably compared to currently available batteries and Ensurge's first-generation batteries. The go-to-market model for this battery

platform will be decided jointly by Ensurge and the partner. Currently, we are working to position Ensurge for signing more technology joint development and licensing agreements in the future. We expect this to become a significant new revenue stream for the company.

As in 2024, we participated in the MedTech conference in Los Angeles in the first week of February. MedTech is a market vertical that, due to strict regulatory requirements, demands the highest standards for energy solutions providing valuable insight into the future of advanced battery technologies. MedTech customers are looking for batteries with higher VED, longer cycle life, and are 100% safe compared to the Li-ion batteries that still remain the dominant technology for MedTech. Our presentation on the status and performance of our solid-state batteries in many ways explained the significant interest expressed by evaluation customers and others. We noticed that we are ahead of our relevant competitors in terms of VED, battery capacity, charging time and cost/price. This underscores that our development pace is best-in-class.

Li-ion battery technology continues to make incremental improvements, but the demand for

increased energy capacity is evolving even faster, creating an ever-growing need for new battery solutions. Among all the technical and commercially viable alternatives that meet both market and regulatory requirements, solid-state batteries have proven to be the only truly viable solution. As we gain a clearer view of the competitive landscape, we consistently receive confirmation that we have established a strong lead.

Now that we have reached a new level in our development enabling measurable results, we will be able to provide additional concrete data points — data that can be externally verified.

Ensurge has over the last five years developed a unique battery technology which is about to be commercialized. In addition, we experience strong interest from larger technology players that want to work together with us on developing new batteries and battery standards within their market spaces. It is too early to know what kind of business models we will develop together with these partners, but the revenue potential is significant. It is also proof from peers in the technology sector that Ensurge has a unique solid-state microbattery technology to bring to the market.

Condensed Consolidated Financial Report as of December 2024

Profit and loss

Ensurge's revenue and other income amounted to USD 61 thousand in 2024 and USD 213 thousand in 2023.

Operating costs amounted to USD 10,330 thousand during 2024, including the notional cost of share-based compensation of USD 798 thousand.

The corresponding figures for 2023 were USD 13,337 thousand and USD 827 thousand, respectively. The decrease in operating costs, USD 3,007 thousand, was primarily attributable to capitalization of research and development costs. The expenses by major category are as follows:

- 1 USD 1,205 thousand higher payroll cost. Adjusted for the reversal of bonus accrual of USD 635 thousand in 2023, the payroll cost is USD 570 thousand higher year-on-year.
- 2 USD 29 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 4,183 thousand lower other expenses, mainly due to the capitalization of research and development costs of USD 4,249 thousand (see Note 9).

The Company focused R&D efforts towards achieving technical success in solid-state lithium battery technology development. The Company increased spending in the operations area in support of R&D samples and production readiness. The Company reported significant progress on important technology milestones relating to the first prototype solid-state lithium microbatteries ranging from 1.2-6.5 mAh in capacity leading to the capitalization of USD 4,249 thousand. Upon finalization of development, the Company anticipates amortizing the cost over ten years, beginning in 2025.

Depreciation and amortization charges in 2024 amounted to USD 590 thousand, compared to USD 551 thousand incurred the same period in 2023.

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 2024 amounted to an expense of USD 2,062 thousand (2023: USD 3,236 thousand expense).

Net financial items for 2024 were primarily interest expense of USD 2,325 thousand (2023: USD 3,438 thousand) related to debt and financial lease included in the Company's balance sheet offset by a change in the fair value of the derivative liability related to convertible debt. There is no convertible debt outstanding at 31 December 2024. (See Note 5.)

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 2024 or 2023.

The net loss in 2024 was USD 12,922 thousand, corresponding to a basic loss per share of USD 0.02. For 2023, the net loss was USD 16,904 thousand, corresponding to a basic loss per share of USD 0.07. The weighted average basic number of shares used to calculate the loss per share has been adjusted to reflect the 5:1 share consolidation completed 5 April 2024.

Cash flow

The group's cash balance increased by USD 290 thousand in 2024, compared to a decrease of USD 1,172 thousand 2023. The net increase in cash is explained by the following principal elements:

- 1 USD 9,490 thousand outflow from operating activities,
- 2 USD 4,435 thousand outflow from investing activities, and
- 3 USD 14,215 thousand inflow from financing activities.

The USD 9,490 thousand outflow from operating activities is primarily explained by an operating loss excluding depreciation and amortization expenses of USD 10,269 thousand.

The cash balance on 31 December 2024 amounted to USD 4,081 thousand, while the cash balance on 31 December 2023 equaled USD 3,791 thousand. The cash balances include restricted cash of USD 1,600 thousand, securing the letter of credit issued in 2017 by Ensurge Micropower ASA to the landlord of the San Jose, California facility. (See Note 11.)

Balance sheet

Non-current assets at 31 December 2024 amounted to USD 6,531 thousand (31 December 2023: USD 2,439 thousand).

Trade and other receivables amounted to USD 787 thousand as of 31 December 2024 (31 December 2023: USD 863 thousand).

Current liabilities as of 31 December 2024 totaled USD 5,169 thousand and relates to trade payables and the current portion of the long term liabilities (31 December 2023: USD 6,123 thousand).

Non-current liabilities as of 31 December 2024 totaled USD 9,700 thousand (31 December 2023: USD 13,267 thousand) and relates to future lease payments for the Junction Avenue, San Jose, California premises and long-term debt relating to an equipment term loan facility with Utica.

The equity ratio was negative 30% as of 31 December 2024, versus negative 173% as of 31 December 2023.

Principal Risks

Ensure 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

Ensure 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 stocks as investments will influence the share price and ability to attract funding and the terms of such.

As long as Ensure is progressing towards delivering product samples with no major income stream supporting it, liquidity becomes 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 Ensure's sheet line, as well as technology transfer and scale-up activities related to Ensure'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.
- 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, Ensure 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 Ensure 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.

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 depend 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.

Going Concern

The board confirms that the financial statements of the group have been prepared under the going concern assumption.

On 20 January 2025 the Company successfully executed a private placement. The private placement raised gross proceeds to the Company of NOK 40 million, through the issuance of 40,000,000 new shares at a subscription price of NOK 1.00 per share. In addition, the Board proposed to grant the investors in the new placement one (1) warrant for every two (2) new shares allocated to them in the private placement to reflect the share price being 19.4% above the closing price on the 20 January 2025. The warrants may be exercised between 26 September and 10 October 2025. The warrants scheme was approved by extraordinary general meeting ("EGM") on 11 February 2025.

As of the date of this report, the Company has sufficient cash to fund operations into Q2 2025.

Funding is not secured for the next 12 months, so a material uncertainty exists 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:

- The Company will continue to seek additional funds from partnership funding, external financing of new production equipment and the investor market in a timely manner; and
- 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 is not in a situation where there is no realistic alternative to continue as going concern and hence it is found appropriate to prepare the interim financial statements on the going concern basis.

Ensurge

Micropower ASA Group

Consolidated Financial Statements

Consolidated statement of comprehensive income

Amounts in USD 1,000	Note	1 October – 31 December 2024	1 October – 31 December 2023	1 January – 31 December 2024	1 January – 31 December 2023
Sales revenue		—	94	61	138
Other income		—	75	—	75
Total revenue & other income		—	169	61	213
Operating costs	3,4	(1,574)	(2,736)	(10,330)	(13,337)
Depreciation and amortization		(153)	(144)	(590)	(543)
Operating profit (loss)		(1,727)	(2,711)	(10,859)	(13,668)
Net financial items	5	(952)	(510)	(2,062)	(3,236)
Profit (loss) before income tax		(2,679)	(3,221)	(12,920)	(16,904)
Income tax expense		—	—	(2)	—
Profit (loss) for the period		(2,679)	(3,221)	(12,922)	(16,904)
Profit (loss) attributable to owners of the parent		(2,679)	(3,221)	(12,922)	(16,904)
Profit (loss) per share basic and diluted	6	(USD 0.004)	(USD 0.007)	(USD 0.02)	(USD 0.07)
Profit (loss) for the period		(2,679)	(3,221)	(12,922)	(16,904)
Currency translation		—	—	—	—
Total comprehensive income for the period, net of tax		(2,679)	(3,221)	(12,922)	(16,904)

Consolidated statement of financial position

Amounts in USD 1,000	Note	31 December 2024	31 December 2023
ASSETS	7		
Non-current assets			
Property, plant and equipment	8	1,648	1,865
Intangible assets	9	4,309	-
Other financial receivables	10	574	574
Total non-current assets		6,531	2,439
Current assets			
Trade and other receivables	10	787	863
Cash and cash equivalents (i)	12	4,081	3,791
Total current assets		4,868	4,654
TOTAL ASSETS		11,399	7,093
EQUITY	11		
Total shareholder's equity		(3,471)	(12,297)
LIABILITIES	7		
Non-current liabilities			
Long-term debt	12	3,652	5,419
Long-term financial lease liabilities	12,13	6,049	7,848
Total non-current liabilities		9,700	13,267
Current liabilities			
Trade and other payables		1,507	1,704
Short-term financial lease liabilities	12,13	1,799	1,611
Derivative & short-term convertible debt	12,14	-	1,408
Current portion of long-term debt	12	1,863	1,400
Total current liabilities		5,169	6,123
TOTAL EQUITY AND LIABILITIES		11,399	7,093

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

Consolidated statement of changes in equity

Amounts in USD 1,000	Share capital	Other paid-in capital	Other reserves	Currency translation	Retained earnings	Total
Balance at 1 January 2024	27,189	374	—	(13,801)	(26,060)	(12,297)
Transfer of vested share-based compensation	—	(384)	—	—	384	—
Private placement (February, May, September and October 2024)	9,405	11,021	—	—	—	20,426
Employee stock purchase plan	304	125	—	—	—	430
Stock rights exercise	95	1	—	—	—	96
Share-based compensation	—	798	—	—	—	798
Comprehensive income	—	—	—	—	(12,922)	(12,922)
Balance at 31 December 2024	36,993	11,935	—	(13,801)	(38,598)	(3,471)
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	27,189	374	—	(13,801)	(26,060)	(12,297)

Consolidated cash flow statement

Amounts in USD 1,000	Note	1 October – 31 December 2024	1 October – 31 December 2023	1 January – 31 December 2024	1 January – 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before tax		(2,679)	(3,220)	(12,922)	(16,904)
Share-based remuneration		217	(333)	798	816
Depreciation and amortization	8,13	153	144	590	543
Changes in working capital and non-cash items		(64)	430	(18)	(418)
Net financial items		952	510	2,062	3,236
Net cash from operating activities		(1,422)	(2,470)	(9,490)	(12,727)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	8	(58)	(43)	(276)	(247)
Capitalized development expenses	9	(2,180)	—	(4,309)	—
Proceeds from sale of fixed assets		—	8	—	8
Interest received		95	8	151	71
Net cash from investing activities		(2,144)	(27)	(4,435)	(168)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares	11	1,003	5,108	19,380	14,457
Proceeds from debt financing	14	—	—	—	1,701
Interest paid	13	(495)	(607)	(2,154)	(2,319)
Lease installments	13	(808)	(690)	(3,011)	(2,117)
Net cash from financing activities		(300)	3,811	14,215	11,722
Net increase (decrease) in cash and bank deposits		(3,866)	1,315	290	(1,172)
Cash and bank deposits at the beginning of the period		7,947	2,476	3,791	4,963
Cash and bank deposits at the end of the period (i)		4,081	3,791	4,081	3,791

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

Notes to the Consolidated Financial Statements

1. Information about the group

Ensurge Micropower ASA (“Ensurge” or “the Company”) was founded as Thin Film Electronics AS (“Thinfilm”) on 22 December 2005 and was renamed to Ensurge Micropower. Ensurge Micropower ASA Group (“Ensurge”) consists of the parent company Ensurge ASA and the subsidiaries Ensurge Micropower Inc. (“Ensurge Inc.”) and TFE Holding (“Thinfilm Holding.”)

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 Fridtjof 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. On 23 June 2020 the Company’s US listing transferred to the OTCQB Venture Market. 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.

2. Basis of preparation, accounting policies, and resolutions

This condensed interim financial report for the twelve months ending 31 December 2024 has been prepared in accordance with IAS 34 interim financial reporting. The condensed consolidated interim financial report should be read in conjunction with the consolidated annual financial statements for 2023. The IFRS accounting policies applied in this condensed consolidated interim financial report are in all materiality consistent with those applied and described in the consolidated annual financial statements for 2023. The interim financial statements have not been subject to audit.

The board confirms that the financial statements of the group, as well as the parent company, have been prepared under the going concern assumption. The board is actively seeking additional funding for its operations from the capital market and from customers and technology partners. Based on the recent achievement of successfully manufacturing our microbatteries on 10-micro stainless-steel substrate, the board is confident that additional funding will be obtained.

The latest round of financing in January 2025 secured funding into Q2 2025. (See Note 11.) 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. Despite the material uncertainty to whether the group will be able to successfully raise funds as planned, the Board has concluded that the Company is not in a situation where there is no realistic alternative to continue as going concern and hence it is found appropriate to prepare the interim financial statements on the going concern basis.

The board of directors monitors the financial position closely and receives frequent reports and forecasts on expenditure and cash flow. Refer to the Principal Risks and Going Concern sections of this Interim Report.

The report was resolved by the Ensurge Micropower ASA Board of Directors on 18 February 2025.

3. Operating costs

Amounts in USD 1,000	1 January – 31 December 2024	1 January – 31 December 2023
Payroll	6,498	5,293
Share-based remuneration	798	827
Services	1,799	2,237
Premises, supplies	4,319	3,706
Sales and marketing	272	299
Other expenses	894	976
Capitalized research and development*	(4,249)	—
Total operating costs	10,330	13,337

*See Note 9.

4. Related party transactions

In 2024 and 2023, Ensurge recorded USD 76 thousand and USD 139 thousand, respectively (net of VAT) for advisory services from Acapulco Advisors AS, a consultant and a shareholder of Ensurge, Ståle Bjørnstad.

In 2024 and 2023, Ensurge recorded USD 219 thousand and USD 167 thousand respectively (net of VAT) for consulting services from Admaniha AS, in which one of Ensurge's board members, Terje Rogne, is the owner.

In 2024 and 2023, Ensurge recorded USD 571 thousand and USD 285 thousand, respectively for executive consulting services provided by Lars Eikeland.

In 2024 and 2023, Ensurge recorded USD 313 thousand and USD 493 thousand, respectively (net of VAT) for legal services provided by law firm Ræder Bing advokatfirma AS, in which one of Ensurge's board members, Morton Opstad, is a partner.

As of 31 December 2024, the portion of 'Trade and other payables' is attributable to related parties is USD 40 thousand.

5. Net financial items

	1 January – 31 December 2024	1 January – 31 December 2023
Interest income	151	71
Interest expense	(2,325)	(3,438)
Net realized and unrealized currency gain/(loss)	(468)	254
Change in fair value of derivative liability	657	(123)
Other expenses	(77)	—
Net financial items	(2,062)	(3,236)

6. Profit (loss) per share

	1 January - 31 December 2024	1 January - 31 December 2023
Profit (loss) attributable to shareholders (USD 1000)	(12,922)	(16,904)
Weighted average basic number of shares in issue	602,608,654	226,327,767
Weighted average diluted number of shares	602,608,654	226,327,767
Profit (loss) per share, basic and diluted	(USD 0.02)	(USD 0.07)

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.

The weighted average basic and diluted number of shares have been adjusted to reflect the 5:1 share consolidation completed 5 April 2024.

7. Guarantees

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 Guarantee with the landlord. The guarantee is 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 2024, the guarantee liability amounted to USD 1,500 thousand.

8. Property, plant and equipment

Amounts in USD 1,000	Tangible assets
Period ended 31 December 2024	
Net book value on 1 January 2024	1,865
Additions	373
Depreciation	(590)
Net book value on 31 December 2024	1,648
Period ended 31 December 2023	
Net book value on 1 January 2023	2,169
Additions	247
Depreciation	(551)
Net book value on 31 December 2023	1,865

9. Intangible assets

Amounts in USD 1,000	Purchased intellectual property	Capitalized microbattery development costs	Capitalized NFC SpeedTap™ development costs	Total
Amortization period, years (linear)	13–16	10		
Period ended 31 December 2024				
Accumulated cost on 1 January 2024	1,791		1,630	3,421
Additions	—	4,309		4,309
Amortization and impairment	(1,791)		(1,630)	(3,421)
Net book value on 31 December 2024	—	4,309	—	4,309
Period ended 31 December 2023				
Accumulated cost on 1 January 2023	1,791		1,630	3,421
Amortization and impairment	(1,791)		(1,630)	(3,421)
Net book value on 31 December 2023	—	—	—	—

In 2023 and 2024 the Company reported significant progress on important technology milestones relating to the first prototype solid-state Lithium microbatteries ranging from 1.2–6.5 mAh in capacity. The Company identified and began capitalizing qualified research and development cost in Q3, capitalizing a total of USD 4,309 thousand for the year ending 31 December 2024. The Company intends to start amortization of the intangible asset over a ten-year period upon finalization of the microbattery development in 2025.

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 impaired intangible assets are assessed annually. Due to uncertainty of future use and commercialization, no reversal was identified for 2024 or 2023.

10. Trade and other receivables

Amounts in USD 1,000	31 December 2024	31 December 2023
Customer receivables	129	171
Other receivables, prepayments	767	813
Less: provision for impairment of receivables and prepayments	(109)	(121)
Total trade and other receivables	787	863

Other non-current financial receivables of USD 574 thousand relates to the security deposit held by Utica Leaseco, LLC.

11. 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 2023 and 2024 figures are restated and represent the 5:1 share consolidation.

Number of shares	
Shares at 1 January 2024	491,937,779
Shares at 31 December 2024	700,229,477
Shares at 1 January 2023	48,845,705
Shares at 31 December 2023	491,937,779

On 20 February 2024, the Company announced the completion of a private placement through an allocation of 46,693,777 offer shares (as adjusted for the 5:1 share consolidation in April 2024) at a subscription price of NOK 1.25 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 thousand of the convertible loans, plus accrued interest, into 2,917,808 new shares (as adjusted for the 5:1 share consolidation in April 2024) at a price of NOK 0.525 per share. (See Note 14.)

On 29 February 2024, the board of directors resolved to issue in total 2,000,000 ordinary shares (as adjusted for the 5:1 share consolidation in April 2024) at a subscription price of NOK 0.50 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 4,206,097 ordinary shares (as adjusted for the 5:1 share consolidation in April 2024) at NOK 0.50 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 Annual General Meeting ("AGM") on 24 May 2023.

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

On 6 April 2024, the board of directors resolved to approve the conversion of NOK 1,500 thousand of the convertible loans, plus accrued interest, into 2,932,289 new shares at a price of NOK 0.525 per share. (See Note 14.)

On 24 April 2024, the Company announced the issuance of 202,200 subscription rights to its US employees. The grants were made under the Company's 2023 incentive subscription rights plan.

On 13 May 2024, the Company announced the completion of a private placement through an allocation of 54,775,545 offer shares at a subscription price of NOK 1.55 per offer share for total gross proceeds of NOK 85 million.

On 24 May 2024, the board of directors resolved to approve the conversion of NOK 6,000 thousand of the convertible loans, plus accrued interest, into 12,439,921 new shares at a price of NOK 0.525 per share. (See Note 14.)

On 24 July 2024, the board of directors resolved to approve the conversion of NOK 1,000 thousand of the convertible loans, plus accrued interest, into 2,091,063 new shares at a price of NOK 0.525 per share. (See Note 14.)

On 20 August 2024, the Company announced the issuance of 11,400,000 subscription rights to its US employees. The grants were made under the Company's 2024 incentive subscription rights plan.

On 31 August 2024, the Company announced the issuance of 2,216,074 ordinary shares at NOK 1.13 per share to employees and contractors in the Company who participate in the Company's 2024 Employee Share Purchase Plan ("ESPP"). The ESPP was approved by the AGM on 14 May 2024.

On 24 September 2024, the Company announced the issuance of 160,000 subscription rights to its US employees. The grants were made under the Company's 2024 incentive subscription rights plan.

On 27 September 2024, the Company announced the completion of a private placement through an allocation of 61,790,320 offer shares in Tranche 1 and an allocation of 13,209,680 new shares in Tranche 2. At a subscription price of NOK 1.00 per offer share, the total gross proceeds for both tranches equals

NOK 75 million. The shares associated with Tranche 2 were subject to approval by an EGM of the company. Approval was confirmed on 14 October 2024, the shares were registered on 24 October 2024.

On 11 November 2024, the Company announced the issuance of 210,000 subscription rights to its US employees. The grants were made under the Company's 2024 incentive subscription rights plan.

On 20 January 2025, the Company announced the completion of a private placement through an allocation of 40,000,000 offer shares at a subscription price of NOK 1.00 per offer share plus one warrant for every two shares issued for total gross proceeds of NOK 40 million. The warrant will be free of charge and may be exercised from 26 September 2025 to 10 October 2025.

On 3 February 2025, the Company announced the issuance of 80,000 subscription rights to its US employees. The grants were made under the Company's 2024 incentive subscription rights plan.

On 11 February 2025, the EGM approved the issuance of 20,000,000 warrants to the participants of the private placement account on 20 January 2025, each warrant having an exercise price of NOK 1.00.

Shares Issued	Date	Number of shares	Price per share
Private placement	20 February 2024	46,693,777	1.25
Convertible loan conversion	29 February 2024	2,917,808	0.525
Employee share purchase	6 March 2024	4,206,097	0.50
Convertible loan conversion	6 April 2024	2,932,289	0.525
Private placement	13 May 2024	54,775,545	1.55
Convertible loan conversion	24 May 2024	12,439,921	0.525
Convertible loan conversion	24 July 2024	2,091,063	0.525
Employee share purchase	31 August 2024	2,216,074	1.13
Private placement	27 September 2024	61,790,320	1.00
Private placement	24 October 2024	13,209,680	1.00
Convertible loan conversion	10 November 2024	3,003,131	0.525
Shares issued in 2024		206,275,705	
Subscription rights exercised	29 February 2024	2,000,000	0.50
Subscription rights exercised	31 August 2024	16,000	0.95
Subscription rights exercised in 2024		2,016,000	
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		—	—

Number of subscription rights	1 January – 31 December 2024	1 January – 31 December 2023
Subscription rights opening balance	48,190,903	4,613,982
Grant of incentive subscription rights	11,972,200	46,370,862
Terminated, forfeited and expired subscription rights	(2,971,024)	(2,793,941)
Exercise of subscription rights	(2,016,000)	—
Subscription rights closing balance	55,176,079	48,190,903

Grants of subscription rights in 2024	Date	Subscription Rights	Price	Vesting	Expiration
Employees	24 April 2024	202,200	1.264	50% per year	24 May 2028
	20 August 2024	340,000	1.386	50% per year	14 May 2029
	20 August 2024	8,760,000	1.386	10% after 1 year, 20% after 2 years, 70% after 3 years	14 May 2029
	24 September 2024	160,000	1.098	50% per year	14 May 2029
	11 November 2024	210,000	0.940	50% per year	14 May 2029
Consultants	20 August 2024	2,300,000	1.386	10% after 1 year, 20% after 2 years, 70% after 3 years	14 May 2029
Grants of subscription rights in 2024		11,972,200			
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 immediate, 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 on 31 December 2023, 1/3 on 31 December 2024, 1/3 on 31 December 2025	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 on 31 December 2023, 1/3 on 31 December 2024, 1/3 on 31 December 2025	24 May 2028
Grants of subscription rights in 2023		46,370,862			

12. 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 fixed assets (see Note 8).

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. At 31 December 2024, the current portion of the loan principal is USD 1,848 thousand. The long-term portion of the principal of USD 3,570 thousand is recorded as Long-term Debt in the Consolidated Statement of Financial Position. The interest rate for the financing is 24% in 2024 and 20% in 2025.

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 1,552 thousand.

The Company entered into an equipment lease agreement in October 2024 with Gekko Financial LLC. At 31 December 2024, the current portion of the loan is USD 26 thousand. The long-term portion of the loan of USD 105 thousand is recorded as Long-term Debt in the Consolidated Statement for Financial Position. The interest rate is 13.12%.

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. 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. In addition, see Note 7.

The San Jose, California lease is reflected under this caption and the table below. In addition, see Note 13. The table below discloses principal payment obligations for the company.

Maturity schedule — liabilities

31 December 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026	2027	2028	2029
Principal obligations due	431	454	478	502	2,276	1,331	21	24
Interest payments	270	248	225	201	531	86	5	2
Lease payments	574	574	574	591	2,378	2,447	1,875	—
Total current and long-term debt	1,276	1,276	1,277	1,294	5,184	3,864	1,901	26

13. Leases

The Company entered into a lease agreement in November 2016 relating to the property building of its US headquarters in San Jose, CA. The lease in San Jose expires in September 2028. 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.

Lease liability	
Lease liability recognized at 1 January 2024	9,459
Lease payment (see note below)	(1,672)
Interest expense	487
Lease liability as of 31 December 2024	8,274

In the statement of cash flow, principal portions of lease payments are included in line "Lease installments" with an amount of USD 1,611 thousand, and interest portions of the payments are included in line "Interest paid" with an amount of USD 635 thousand. Both amounts are presented as cash flow from financing activities.

For maturity schedule of minimum lease payments, see Note 12.

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 15.00. The convertible loans carry interest at the rate of 5% per annum. NOK 7 million was extended under the new agreement approved at the EGM on 10 November 2023.

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 0.525.

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 0.75 to NOK 0.525 and the maturity date was updated to 10 November 2024.

On 29 February 2024, the board of directors resolved to approve the conversion of NOK 1,500 thousand of the convertible loans, plus accrued interest, into 2,917,808 new shares (as adjusted for the 5:1 share consolidation in April 2024) at a price of NOK 0.525 per share.

On 6 April 2024, the board of directors resolved to approve the conversion of NOK 1,500 thousand of the convertible loans, plus accrued interest, into 2,932,289 new shares at a price of NOK 0.525 per share.

On 24 May 2024, the board of directors resolved to approve the conversion of NOK 6,000 thousand of the convertible loans, plus accrued interest, into 12,439,921 new shares at a price of NOK 0.525 per share.

On 24 July 2024, the board of directors resolved to approve the conversion of NOK 1,000 thousand of the convertible loans, plus accrued interest, into 2,091,063 new shares at a price of NOK 0.525 per share.

On 10 November 2024, the board of directors resolved to approve the conversion of NOK 1,500 thousand of the convertible loans, plus accrued interest, into 3,003,131 new shares at a price of NOK 0.525 per share.

As of 31 December 2024 the convertible loans balance is USD zero.

The convertible loans were 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 were 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, were classified as short-term liability at amortized cost. The conversion feature derivative liability was classified as short-term held-for-trading liability. The derivative liability was measured using Black Scholes valuation model.

	31 December 2024	31 December 2023
Short term debt	\$—	\$960
Derivative liability	—	448
Accrued interest	—	54
Conversion price *	—	NOK 0.525
Interest rate	—	5%
Maturity date *	—	10 November 2024

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

15. Events occurring after the balance sheet date

On 20 January 2025, the Company announced the completion of a private placement through an allocation of 40,000,000 offer shares at a subscription price of NOK 1.00 per offer share plus one warrant for every two shares issued for total gross proceeds of NOK 40 million. The warrant will be free of charge and may be exercised from 26 September 2025 to 10 October 2025.

On 3 February 2025, the Company announced the issuance of 80,000 subscription rights to its US employees. The grants were made under the Company's 2024 incentive subscription rights plan.

On 11 February 2025, the EGM approved the issuance of 20,000,000 warrants to the participants of the private placement account on 20 January 2025, each warrant having an exercise price of NOK 1.00.

