



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 913 102 436  
Organisasjonsform: Allmennaksjeselskap  
Foretaksnavn: MORROW BATTERIES ASA  
Forretningsadresse: Havnegaten 2  
4836 ARENDAL

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Terje Ivar Andersen  
Dato for fastsettelse av årsregnskapet: 18.05.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 23.06.2023



### Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Other operating income	1	4 625 000	
<b>Sum inntekter</b>		<b>4 625 000</b>	<b>0</b>
<b>Kostnader</b>			
Raw materials and consumables used		2 031 375	136 227
Employee benefits expense	2	27 836 409	4 296 082
Depreciation and amortisation expenses	3	434 758	68 350
Other operating expenses	2	23 580 251	4 271 720
<b>Sum kostnader</b>		<b>53 882 793</b>	<b>8 772 380</b>
<b>Driftsresultat</b>		<b>-49 257 793</b>	<b>-8 772 380</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		222 278	22 860
Other financial income		30 120	
<b>Sum finansinntekter</b>		<b>252 398</b>	<b>22 860</b>
Other financial expense		108 004	5 233
<b>Sum finanskostnader</b>		<b>108 004</b>	<b>5 233</b>
<b>Netto finans</b>		<b>144 395</b>	<b>17 627</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-49 113 398</b>	<b>-8 754 753</b>
Tax on ordinary result	4	-11 805 785	-1 924 615
<b>Ordinært resultat etter skattekostnad</b>		<b>-37 307 613</b>	<b>-6 830 138</b>
<b>Årsresultat</b>		<b>-37 307 613</b>	<b>-6 830 138</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-37 307 613</b>	<b>-6 830 138</b>
<b>Totalresultat</b>		<b>-37 307 613</b>	<b>-6 830 138</b>
<b>Overføringer og disponeringer</b>			
Udekket tap	5	-37 307 613	-6 735 794



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
To/from other equity	5		-94 344
<b>Sum overføringer og disponeringer</b>		<b>-37 307 613</b>	<b>-6 830 138</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	4	13 728 121	1 922 336
<b>Sum immaterielle eiendeler</b>		<b>13 728 121</b>	<b>1 922 336</b>
<b>Varige driftsmidler</b>			
Land, buildings and other property	3	8 009 725	
Machinery and plant	3	1 002 678	890 511
Fixtures and fittings, office machinery etc.	3	68 399	116 680
<b>Sum varige driftsmidler</b>		<b>9 080 801</b>	<b>1 007 191</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	6	30 386 558	30 100 000
<b>Sum finansielle anleggsmidler</b>		<b>30 386 558</b>	<b>30 100 000</b>
<b>Sum anleggsmidler</b>		<b>53 195 479</b>	<b>33 029 527</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade receivables		39 273	
Other short-term receivables		3 434 045	435 350
Konsernfordringer	6	6 938 615	2 469 362
<b>Sum fordringer</b>		<b>10 411 933</b>	<b>2 904 712</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits, cash in hand, etc.	7	205 189 575	25 232 192
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>205 189 575</b>	<b>25 232 192</b>
<b>Sum omløpsmidler</b>		<b>215 601 509</b>	<b>28 136 904</b>
<b>SUM EIENDELER</b>		<b>268 796 988</b>	<b>61 166 432</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	5,8	103 600	75 000
Share capital, not registered	5		15 000 000
Overkurs	5	291 376 400	50 955 000
Annen innskutt egenkapital		2 262 590	
<b>Sum innskutt egenkapital</b>		<b>293 742 590</b>	<b>66 030 000</b>
<b>Opptjent egenkapital</b>			
Udekket tap	5	44 043 407	6 735 794
<b>Sum opptjent egenkapital</b>		<b>-44 043 407</b>	<b>-6 735 794</b>
<b>Sum egenkapital</b>		<b>249 699 183</b>	<b>59 294 206</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner		2 839 447	
<b>Sum annen langsiktig gjeld</b>		<b>2 839 447</b>	
<b>Sum langsiktig gjeld</b>		<b>2 839 447</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		5 544 076	622 671
Public duties payable		1 628 200	565 432
Other currents liabilities		9 086 082	684 124
<b>Sum kortsiktig gjeld</b>		<b>16 258 359</b>	<b>1 872 226</b>
<b>Sum gjeld</b>		<b>19 097 806</b>	<b>1 872 226</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>268 796 988</b>	<b>61 166 432</b>



Skatteetaten

Vår dato  
10.01.2022

Din/Deres dato  
16.12.2021

Saksbehandler  
Lars Waalorp

800 80 000  
Skatteetaten.no

Din/Deres referanse  
AR464059889

Telefon  
90833418

Org.nr  
974761076

Vår referanse  
2021/6664924

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

MORROW BATTERIES AS  
Havnegaten 2  
4836 ARENDAL

Att. Jonas Røssland Havnerås, BDO AS

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 16. desember 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

<b>Morrow Batteries AS</b>	<b>org.nr. 913 102 436</b>
<b>Morrow Technologies AS</b>	<b>org.nr. 998 756 138</b>
<b>Agder Battery AS</b>	<b>org.nr. 914 401 984</b>

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Morrow Technologies AS og Agder Battery AS er heleide datterselskaper av Morrow Batteries AS. Morrow Batteries AS er hovedsakelig eid av norske selskaper. Sammen med et tysk datterselskap driver selskapene virksomhet innen utvikling av battericelleteknologi og salg av batterier. Konsernet er i en oppstartsfase og framtidige kunder vil være både nasjonale og internasjonale. Engelsk er konsernets hovedspråk internt.

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører



kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapene hovedsakelig har profesjonelle eiere. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp  
seniorrådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



**Group Financial Statements 2021  
for  
Morrow Batteries AS**

**Organization no. 913102436**



## Morrow Batteries AS - Consolidated

### Board of Directors' Report 2021

#### Operational performance

Morrow Batteries AS (Morrow) was established in June 2020 by solid and committed owners. The two leading investors are Agder Energi Venture AS, a wholly-owned subsidiary of Agder Energi AS, and NOAH AS, a wholly-owned subsidiary of Gjelsten Holding AS. The Group includes, in addition to Morrow Batteries AS, the following subsidiaries Morrow Technologies AS, Agder Battery AS, and Morrow Batteries GmbH, located in Germany.

Due to human-caused greenhouse gas (GHG) emissions, climate change is rapidly progressing. To halt and mitigate the negative effects of climate change, advancing and completing the transition to low-carbon energy sources is essential. Morrow and its subsidiaries (the Group), will provide an efficient and scalable approach to accelerate the green energy transition by delivering the world's most cost-effective and sustainable batteries cells to the market.

The ambition is to be at the forefront of technological development. Morrow is building The Battery Research Centre (BRC), the competence center for battery technology research and material for next-generation cell production. The construction of the BRC started in January 2022 and is located on-campus in Grimstad by the University of Agder.

The Pilot Cell Factory (PCF) at Eyde Energipark in Arendal will be used to manufacture battery cells on a smaller scale before rolling out the large-scale productions in the Giga factory. The construction of the PCF will start in the second quarter of 2022.

#### Review of the Financial Statements

(Figures in parentheses refer to 2020)

Morrow prepares its financial statements under the Regulations on the simplified application of International Financial Reporting Standards (IFRS) 21 January 2008.

The Group reported operating revenues of NOK 6,8 million (1,6 million) for the year. Operating loss was NOK -52,8 million (-11,8 million), and Net loss after tax was NOK -40,9 million (-7,4 million).

At year-end, the cash reserves amounted to NOK 212,2 million (32,0 million), and the equity amounted to NOK 246,0 million (59,2 million).

#### Going concern

The financial statements have been prepared in accordance with the going concern assumption. This assumption is based on profit forecasts for the year 2022 and long-term strategic forecasts. The economic and financial position is sound. Morrow is expected to receive approximately NOK 1 billion in capital contribution in May 2022, enabling the company to accelerate the development of sustainable battery cells.

#### Appropriation of net profit for the year

The Group posted a net loss for the year of NOK 40,9 million. The Board of directors proposes to the Annual General Meeting that the net loss for the year be distributed as follows:

Transferred to uncovered loss:	NOK 40,9 million
Total appropriated:	NOK 40,9 million

There have been no events of material importance for an assessment of the financial statements since the end of the accounting year. The Board believes that the annual financial statements fairly present Morrow Batteries' assets and liabilities, financial position, and performance.



## Morrow Batteries AS - Consolidated

### Board of Directors' Report 2021

#### Organisation and HSE

##### Personnel and organisation

Sickness absence amounted to 52,5 hours, corresponding to 0,2 percent of the total working hours. There was no long-term sickness absence for any employees. No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

##### Non-discrimination

The Morrow Group aims to offer equal opportunities for employment, skills development, promotion, and other working conditions irrespective of gender, ethnic background, sexual orientation, functional ability, or social or cultural background. At the reporting date, the Group had 35 employees. 10 of these employees were women. The Board currently consists of men.

##### Environment

The Groups vision is to build a highly cost-effective battery cell manufacturing system with the lowest possible CO2 footprint that contributes to social welfare, economic growth, and development. The sustainability strategy rest on five pillars:

1. Cell manufacturing based on 100% renewable energy, with a zero-carbon footprint
2. Minimizing the carbon footprint throughout our supply chain
3. High ethical standards for all suppliers
4. The recycling of battery cells, scarp materials, and the re-use of materials
5. Research & Development on more sustainable battery chemistries, including our breakthrough Lithium-Sulfur-technology

#### Risk management

##### Financial risk

The Morrow Group is exposed to financial risk in different areas, especially exchange rate risk. The goal is to reduce the financial risk as much as possible. The current strategy does not include the use of financial instruments. This is, however, continuously being assessed by the Board of Directors.

##### Market risk

The Group is exposed to exchange rate risk on purchases and investments in currencies other than the companies' functional currency. The primary exposure is to EUR, USD, and RMB. Morrow has not entered into derivative or other agreements to reduce exchange rate and related market risks but will be considered when the volume increases.

##### Credit risk

There are no significant credit risk concentrations within the company. Receivable balances will be monitored on an ongoing basis, along with the increased activity, so that the company's exposure to bad debts is limited.

##### Liquidity risk

The Groups liquidity is still good. Liquidity management aims to secure sufficient liquidity to fulfill the obligations as they fall due, without this causing unacceptable losses.



## Morrow Batteries AS - Consolidated

Board of Directors' Report 2021

### Insurance for Board Members and General Manager

Morrow has entered into an insurance agreement for the Board and the CEO to cover their potential liability towards the company and third parties. The insurance also covers the subsidiaries Morrow Technologies AS and Agder Battery AS. The policy insurance coverage amounts to NOK 50 million.

### Outlook

#### Aggressive zero-emission target

Our planet is experiencing significant and accelerated climate change caused by increasing amounts of greenhouse gases (GHG) caused by human activities. The effects are felt on all continents and are predicted to become more intense, with severe consequences for our economies and societies. To stop climate change from getting more severe, we must take action to cut GHG emissions significantly, adapt to the changes happening now, and limit future damage.

The EU has recently reaffirmed its climate ambitions, setting the target to become the first climate-neutral continent by 2050 by working towards an economy with net-zero GHG emissions. Battery solutions are a key opportunity in the transition to zero-emission mobility.

#### Electrification and storage opportunities

Batteries are essential to our everyday lives, whether powering our laptops, phones, and cars or being used extensively across power-storage solutions. And with electric vehicles (EVs), electricity storage, and renewable power all set to play increasingly significant roles worldwide over the next decade, global dependence on batteries will continue climbing. Expected battery demand for both mobility and energy storage sectors exceeds the currently planned capacities, with global battery demand expected to grow at a compounded annual growth rate (CAGR) of 26% over the next decade.

#### Technology choices

Lead-acid, lithium-ion and nickel-based batteries are currently the battery types most commonly used worldwide, with some estimates calculating their total share of the global battery market at around 95 percent. Lithium-ion (Li-ion) batteries will likely generate the bulk of the growth over the next few years. The specific qualities of lithium make charging and discharging safer than other materials. Li-ion batteries are already used across a broad spectrum of applications, including portable devices such as mobile phones, laptops, and tablets, as well as efficiently supplying energy for EVs, medical equipment, and power tools. Growth is likely to be driven by the qualities possessed by such batteries.

There is an increase in demand for fully electric and plug-in vehicles, the need for automation, and battery-operated material-handling equipment. The demand for smart devices and the expanding need for Li-ion batteries across industrial applications are key factors that will drive Li-ion-battery-consumption growth over the next few years. The Li-ion-battery market for the automotive industry is expected to represent the most significant market share over the next decade. Increasing adoption and awareness of EVs, government initiatives, and environmental norms and regulations supporting the adoption of EVs worldwide are driving the growth of the Li-ion battery market. Another growth factor is the need to fulfill peak electricity-demand requirements. The flexibility offered by batteries to the electricity grid in terms of energy storage helps to deal with fluctuations associated with renewable energy sources, such as solar and wind energy.


With its Li-ion technology and strategic location on the south coast of Norway, Morrow Batteries is uniquely positioned to fulfill its mission; To develop and manufacture the most cost-effective and sustainable battery cells in the world.

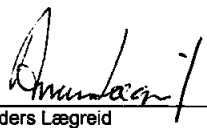


**Morrow Batteries AS - Consolidated**  
Board of Directors' Report 2021

ARENDAL, April 28, 2022

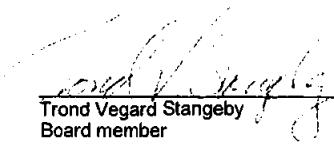
  
Terje Andersen (18. mai. 2022 08:48 GMT+2)  
Terje Ivar Andersen  
CEO

  
Håkon Ryan Tanem  
Chairman

  
Anders Lægreid  
Board member

  
Tor Øystein Repstad  
Board member

  
Pål Karsten Rød Brun  
Board member

  
Trond Vegard Stangeby  
Board member



## Morrow Batteries AS - Group Financial Statements

### Income Statement

Amount in NOK	Notes	01.01.21 31.12.21	01.01.20 31.12.20
<b>Revenue</b>			
Approved project grants	2	6 820 604	1 633 950
Other income		27 767	0
<b>Revenue</b>		<b>6 848 371</b>	<b>1 633 950</b>
<b>Operating expenses</b>			
Employee benefits expense	3	31 211 234	6 073 864
Depreciation and amortisation expenses	4	632 135	215 326
Other operating expenses	3	27 825 316	7 150 262
<b>Operating expenses</b>		<b>59 668 685</b>	<b>13 439 452</b>
<b>OPERATING LOSS</b>		<b>-52 820 314</b>	<b>-11 805 502</b>
<b>Financial income and expense</b>			
Finance income		253 113	27 124
Finance cost		115 914	8 589
<b>Net finance income/cost</b>		<b>137 199</b>	<b>18 535</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>-52 683 114</b>	<b>-11 786 967</b>
Income tax expense	5	-11 753 123	-4 348 343
<b>NET LOSS</b>		<b>-40 929 991</b>	<b>-7 438 624</b>



## Morrow Batteries AS - Group Financial Statements

### Balance sheet

Amount in NOK	Notes	As at 31.12.21	As at 31.12.20
<b>ASSETS</b>			
<b>Non current assets</b>			
Deferred tax asset	5	16 099 187	4 346 064
Goodwill	10	24 500 000	24 500 000
<b>Total intangible assets</b>		<b>40 599 187</b>	<b>28 846 064</b>
Property and plant	4, 9	8 009 725	0
Equipment	4	1 002 678	1 005 841
Fixtures and fittings, tools, etc	4	125 455	116 680
<b>Total tangible assets</b>		<b>9 137 857</b>	<b>1 122 521</b>
Other long term receivables		0	34 500
<b>Total financial assets</b>		<b>0</b>	<b>34 500</b>
<b>Total non current assets</b>		<b>49 737 044</b>	<b>30 003 085</b>
<b>Current assets</b>			
Accounts receivable		87 875	0
Other short-term receivables		3 837 003	1 043 237
<b>Total receivables</b>		<b>3 924 878</b>	<b>1 043 237</b>
Cash and cash equivalents	8	212 245 749	32 060 470
<b>Total current assets</b>		<b>212 245 749</b>	<b>32 060 470</b>
<b>TOTAL ASSETS</b>		<b>265 907 670</b>	<b>63 106 792</b>

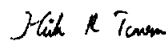


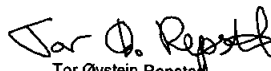
## Morrow Batteries AS - Group Financial Statements


### Balance sheet

Amount in NOK	Notes	As at 31.12.21	As at 31.12.20
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	103 600	75 000
Share capital - not registered	6	0	15 000 000
Share premium	6	291 376 400	50 955 000
Other paid-in capital	9	2 262 590	0
<b>Total owners equity</b>		<b>293 742 590</b>	<b>66 030 000</b>
Uncovered loss	6	-47 751 409	-6 784 581
<b>Total accumulated profits</b>		<b>-47 751 409</b>	<b>-6 784 581</b>
<b>Total equity</b>		<b>245 991 181</b>	<b>59 245 419</b>
<b>Liabilities</b>			
Lease liabilities	9	2 839 447	0
<b>Total other non current liabilities</b>		<b>2 839 447</b>	<b>0</b>
Trade creditors		6 092 665	1 504 764
Public duties payable		1 700 088	270 529
Other current liabilities		9 284 269	2 086 080
<b>Total current liabilities</b>		<b>17 077 042</b>	<b>3 861 373</b>
<b>Total liabilities</b>		<b>19 916 489</b>	<b>3 861 373</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>265 907 670</b>	<b>63 106 792</b>

ARENDA, April 28, 2022

  
Håkon Ryan Tanem  
Chairman

  
Tor Øystein Repstad  
Board member

  
Anders Lægrend  
Board member

  
Trond Vegård Stangeby  
Board member

  
Pål Karsten Ræed Brun  
Board member

Terje Ivar Andersen  
CEO



## Morrow Batteries AS - Group Financial Statements

### Cash flow

	01.01.21
Amount in NOK	31.12.21 *
<hr/>	
<b>Cash flow from operating activities</b>	
Loss before tax	-52 683 114
Depreciation and amortisation expenses	632 135
Changes in receivables and payables	12 594 282
<b>Net cash flow from operating activities</b>	<b>-39 456 698</b>
<hr/>	
<b>Cash flow from investing activities</b>	
Purchase of tangible assets	-8 647 470
<b>Net cash flow from investing activities</b>	<b>-8 647 470</b>
<hr/>	
<b>Cash flow from financing activities</b>	
Proceeds from recent borrowings (long term and short term)	2 839 447
Share capital contribution	225 450 000
<b>Net cash flow from financing activities</b>	<b>228 289 447</b>
<hr/>	
Net change in cash and cash equivalents	180 185 279
Cash and cash equivalents at beginning of period	32 060 470
<b>Cash at end of period</b>	<b>212 245 749</b>

\* Comparative figures are not prepared due to 2021 being the first year of Group Financial Statements



## Morrow Batteries AS - Group Financial Statements

### Notes to the accounts

#### Note 1 - Accounting policies

The consolidated financial statements have been prepared on a voluntary basis for the financial year 2021 in accordance with the Norwegian Accounting Act §3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the EU) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

#### Basis for consolidation

The Group's consolidated financial statements comprise Morrow Batteries AS and companies in which Morrow Batteries AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Transactions between group companies have been eliminated in the consolidated financial statement. We refer to note 7 for a list of subsidiaries consolidated as per December 31, 2021

#### Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date. Currency forward contracts are valued in the balance sheet at fair value on the balance sheet date.

The accounts of group companies that have a functional currency different from NOK are converted into NOK at the rate of exchange at the closing date.

#### Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

#### Goodwill

Goodwill is recognized as the aggregate of the consideration transferred and the amount of any non-controlling interest and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

#### Receivables

Accounts receivables and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts. Provision for doubtful accounts is determined on the basis of an assessment of individual receivables.

GROUP FINANCIAL STATEMENTS 2021



## Morrow Batteries AS - Group Financial Statements

### Notes to the accounts

#### Note 1 - Accounting policies continued

##### Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other monetary instruments with maturities of three months or less.

##### Income taxes

The income tax expense is comprised of both tax payable for the period, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between accounting net income and tax net income, including year-end loss carry-forwards, calculated at 22%. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount.

#### Note 2 - Public grants

	2021	2020
Revenue public grants	6 820 604	1 633 950

The company has received and recognised public grants from three contributors related to two different projects. As of December 31, two projects will continue into 2022 (Sørlandets Kompetansefond and Nordic Energy Research).

#### Note 3 - Personnel expenses, number of employees, benefits etc.

Payroll costs:	2021	2020
Wages and salaries	20 238 632	4 832 141
Social security tax	2 447 667	650 431
Pension costs	808 947	4 951
Share based payment (IFRS 2)	2 262 590	0
Other benefits	5 453 397	586 341
<b>Total Personnel expenses</b>	<b>31 211 234</b>	<b>6 073 864</b>

Average number of employees during the year	17	7
---	----	---

Salaries and other fees to CEO in 2021 is 1 725 000.

A provision of 938 TNOK is made as per year-end concerning the bonus to the CEO. From 2022, a new bonus agreement will be developed.

##### Share-based payments (IFRS2)

Morrow Batteries AS has implemented an option based incentive program in 2021. In total 1 137 options are granted and remain the balance as per December 31, 2021. As such, NOK 2 262 590 is recognized as payroll expenses and equity as per December 31, 2021 related to these options (see note 6). According to vesting conditions, the options vest in three separate tranches within 18 months, 30 months and 42 months from option grant date April 1, 2021. The fair value of the granted options is NOK 7 366 573 in total. Valuation is calculated using a Black & Scholes-model based on defined assumptions. The fair value of the granted options will be expensed over the coming four years (over the duration of the tranches).



## Morrow Batteries AS - Group Financial Statements

### Notes to the accounts

#### Note 3 - Personnel expenses, number of employees, benefits etc. continued

<b>Remuneration to auditor:</b>	<b>2021</b>	<b>2020</b>
Statutory audit	195 341	48 250
Attestation	7 300	0
Other non-audit services	12 900	0
<b>Totalt</b>	<b>215 541</b>	<b>48 250</b>

#### Note 4 - Fixed Assets

	Office Building*	Machinery and equipment	Office machinery
Acquisition cost at 1 January 2021		1 665 577	144 845
Additions	3 040 821	308 592	0
<b>Acquisition cost at 31 Desember 2021</b>	<b>3 040 821</b>	<b>1 974 169</b>	<b>144 845</b>
Acc. amortisation and depreciation at 1 Jan. 2021		659 737	28 164
Net accumulated and reversed	190 051	311 755	48 282
Accumulated and reversed amortisation and depreciation and impairment at 31 Dec. 2021	190 051	971 492	76 446
<b>Balance at 31 December 2021</b>	<b>2 850 770</b>	<b>1 002 678</b>	<b>68 399</b>
Current year amortisation and depreciation	190 051	311 755	48 282
Economic life		3-5 years	3 years
Amortisation and depreciation method		straight-line	straight-line

In addition there is work in progress at 31.12.2021 with amount kr 5 158 954.

\* We refer to note 9 for further description of IFRS 16 lease.

#### Note 5 - Income tax expense

	<b>2021</b>	<b>2020</b>
<b>Specification of the tax expense:</b>		
Income before tax	-52 683 113	-11 786 967
Change in temporary differences	73 729	-173 024
Permanent difference	-4 549 261	6 500
Utilisation of tax losses carried forward	-331 651	0
<b>Income</b>	<b>-57 490 296</b>	<b>-11 953 491</b>



## Morrow Batteries AS - Group Financial Statements

### Notes to the accounts

#### Note 5 - Income tax expense continued

	2021	2020
Current income tax payable	0	0
Changes in deferred tax assets	-11 753 123	-4 348 343
<b>Tax on profit/(loss)</b>	<b>-11 753 123</b>	<b>-4 348 343</b>

#### Specification of the tax effect of temporary differences and losses carried forward:

Tangible assets	-21 828	-106 880
Leasing	11 323	0
Losses carried forward	-73 211 282	-19 861 723
<b>Basis for deferred tax benefit</b>	<b>-73 178 131</b>	<b>-19 754 843</b>

**Deferred tax benefit in the balance sheet** **-16 099 188** **-4 346 064**

Morrow Batteries AS is part of tax group with other Morrow companies. Deferred tax benefit is booked based on expectation of future taxable income in the group.

#### Note 6 - Share capital

	Share capital	registered equity	Share premium	Uncovered losses	Total equity
Pr 1.1.	75 000	15 000 000	50 955 000	-6 784 581	59 245 419
Loss for the period				-40 966 828	-40 966 828
Capital contribution	16 100		229 983 900		230 000 000
Reg. jan 2021	12 500	-15 000 000	14 987 500		0
Share issue costs			-4 550 000		-4 550 000
Share based payment *			2 262 590		2 262 590
<b>Pr 31.12.</b>	<b>103 600</b>	<b>0</b>	<b>293 638 990</b>	<b>-47 751 409</b>	<b>245 991 181</b>

\* We refer to note 3 for further description of Share based payment in accordance with IFRS 2.

Owners who owns more than 5%	Company number	Number of shares	Ownership
Noah AS	825 355 812	37 413	36,11 %
Agder Energi Venture AS	989 198 637	36 616	35,34 %
Rahul Fotedar		6 907	6,67 %
Other owners under 5%		22 664	21,88 %



## Morrow Batteries AS - Group Financial Statements

### Notes to the accounts

#### Note 7 - Subsidiaries

Related party transactions:	As at		As at	
	31.12.2021		31.12.2020	
Liabilities	6 938 615		2 469 362	

Subsidiaries:	Ownership	Annual result	Equity		Book value
			As at 31.12.21	As at 31.12.21	As at 31.12.21
Morrow Technologies AS	100 %	NOK 209 721	NOK 5 667 277	30 000 000	
Agder Battery AS	100 %	NOK -16 669	NOK -76 989	100 000	
Morrow Batteries GmbH	100 %	EUR -382 444	EUR -357 444	286 558	
				<u>30 386 558</u>	

#### Note 8 - Bank deposits

Bank deposits include employees tax deduction, deposited in a separate bank account with NOK 1 138 753 at 31.12.2021 and NOK 417 244 at 31.12.2020.

#### Note 9 - Leases

Under IFRS 16, the company leased an Office building headquartered in Arendal, for over 4 years. The lease payments are recognised in the financial statement on a straight-line basis over the lease terms of 4 years. As of December 31, 2021 the right-of-use asset amounts to NOK 2 850 770 and the lease liability amounts to NOK 2 839 447 related to this lease.

#### Note 10 - Intangible assets

	Goodwill
Acquisition cost at 1 January 2021	24 500 000
Additions	0
<b>Acquisition cost at 31 Desember 2021</b>	<b>24 500 000</b>
Accumulated amortisation at 31 Dec. 2021	0
Accumulated impairment loss 31 Dec. 2021	0
Reversed impairments 31 Dec. 2021	0
<b>Net carrying value at 31 December 2021</b>	<b>24 500 000</b>

Goodwill is related to the acquisition of Morrow Technologies in June 2020, and the acquisition is part of the long-term goal of utilizing the technology to fulfill the strategy and plans for the group as a whole. Morrow Technologies AS is the cash-generating unit. The annual impairment test has not identified the need for impairment for the 2021 Financial Year.



BDO AS  
Fjellgata 6. - 5. etasje  
4612 Kristiansand S

## Independent Auditor's Report

To the General Meeting in Morrow Batteries AS

### Opinion

We have audited the financial statements of Morrow Batteries AS.

#### The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2021, and income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

#### In our opinion:

- The financial statements comply with applicable statutory requirements.
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### 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 laws and regulations and 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.

### Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Opinion on the Board of Director's report

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

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

#### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Jostein Håland  
State Authorised Public Accountant  
(This document is signed electronically)



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## Jostein Håland

Partner

Serienummer: 9578-5993-4-2722160

IP: 77.16.xxx.xxx

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**Financial Statements 2021  
for  
Morrow Batteries AS**

**Organization no. 913102436**



## Morrow Batteries AS

### Board of Directors' Report 2021

#### Operational performance

Morrow Batteries AS (Morrow) was established in June 2020 by solid and committed owners. The two leading investors are Agder Energi Venture AS, a wholly-owned subsidiary of Agder Energi AS, and NOAH AS, a wholly-owned subsidiary of Gjelsten Holding AS.

Due to human-caused greenhouse gas (GHG) emissions, climate change is rapidly progressing. To halt and mitigate the negative effects of climate change, advancing and completing the transition to low-carbon energy sources is essential. Morrow, headquartered in Southern Norway, will provide an efficient and scalable approach to accelerate the green energy transition by delivering the world's most cost-effective and sustainable batteries cells to the market.

The ambition is to be at the forefront of technological development. Morrow is building The Battery Research Centre (BRC), the competence center for battery technology research and material for next-generation cell production. The construction of the BRC started in January 2022 and is located on-campus in Grimstad by the University of Agder.

The Pilot Cell Factory (PCF) at Eyde Energipark in Arendal will be used to manufacture battery cells on a smaller scale before rolling out the large-scale productions in the Giga factory. The construction of the PCF will start in the second quarter of 2022.

#### Review of the Financial Statements

(Figures in parentheses refer to 2020)

Morrow prepares its financial statements under the Regulations on the simplified application of International Financial Reporting Standards (IFRS) 21 January 2008. The Group includes, in addition to Morrow Batteries AS, the following subsidiaries Morrow Technologies AS, Agder Battery AS, and Morrow Batteries GmbH, located in Germany.

Morrow reported operating revenues of NOK 4,6 million (0 million) for the year. Operating loss was NOK -49,3 million (-8,8 million), and profit after tax was NOK -37,3 million (-6,8 million).

At year-end, the cash reserves amounted to NOK 205,2 million (25,2 million), and the equity amounted to NOK 249,7 million (59,3 million).

#### Going concern

The financial statements have been prepared in accordance with the going concern assumption. This assumption is based on profit forecasts for the year 2022 and long-term strategic forecasts. The economic and financial position is sound. Morrow is expected to receive approximately NOK 1 billion in capital contribution in May 2022, enabling the company to accelerate the development of sustainable battery cells.

#### Appropriation of net profit for the year

Morrow posted a net loss for the year of NOK 37,3 million. The Board of directors proposes to the Annual General Meeting that the net loss for the year be distributed as follows:

Transferred to uncovered loss:	NOK 37,3 million
Total appropriated:	NOK 37,3 million

There have been no events of material importance for an assessment of the financial statements since the end of the accounting year. The Board believes that the annual financial statements fairly present Morrow Batteries' assets and liabilities, financial position, and performance.



## Morrow Batteries AS

### Board of Directors' Report 2021

#### Organisation and HSE

##### Personnel and organisation

Sickness absence amounted to 52,5 hours, corresponding to 0,2 percent of the total working hours. There was no long-term sickness absence for any employees. No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

##### Non-discrimination

Morrow aims to offer equal opportunities for employment, skills development, promotion, and other working conditions irrespective of gender, ethnic background, sexual orientation, functional ability, or social or cultural background. At the reporting date, Morrow had 31 employees. 9 of these employees were women. The Board currently consists of men.

##### Environment

Morrow's vision is to build a highly cost-effective battery cell manufacturing system with the lowest possible CO2 footprint that contributes to social welfare, economic growth, and development. The sustainability strategy rest on five pillars:

1. Cell manufacturing based on 100% renewable energy, with a zero-carbon footprint
2. Minimizing the carbon footprint throughout our supply chain
3. High ethical standards for all suppliers
4. The recycling of battery cells, scarp materials, and the re-use of materials
5. Research & Development on more sustainable battery chemistries, including our breakthrough Lithium-Sulfur-technology

#### Risk management

##### Financial risk

Morrow is exposed to financial risk in different areas, especially exchange rate risk. The goal is to reduce the financial risk as much as possible. The current strategy does not include the use of financial instruments. This is, however, continuously being assessed by the Board of Directors.

##### Market risk

The company is exposed to exchange rate risk on purchases and investments in currencies other than the companies' functional currency. The primary exposure is to EUR, USD, and RMB. Morrow has not entered into derivative or other agreements to reduce exchange rate and related market risks but will be considered when the volume increases.

##### Credit risk

There are no significant credit risk concentrations within the company. Receivable balances will be monitored on an ongoing basis, along with the increased activity, so that the company's exposure to bad debts is limited.

##### Liquidity risk

Morrow's liquidity is still good. Liquidity management aims to secure sufficient liquidity to fulfill the obligations as they fall due, without this causing unacceptable losses.



## Morrow Batteries AS

Board of Directors' Report 2021

### Insurance for Board Members and General Manager

Morrow has entered into an insurance agreement for the Board and the CEO to cover their potential liability towards the company and third parties. The insurance also covers the subsidiaries Morrow Technologies AS and Agder Battery AS. The policy insurance coverage amounts to NOK 50 million.

### Outlook

#### Aggressive zero-emission target

Our planet is experiencing significant and accelerated climate change caused by increasing amounts of greenhouse gases (GHG) caused by human activities. The effects are felt on all continents and are predicted to become more intense, with severe consequences for our economies and societies. To stop climate change from getting more severe, we must take action to cut GHG emissions significantly, adapt to the changes happening now, and limit future damage.

The EU has recently reaffirmed its climate ambitions, setting the target to become the first climate-neutral continent by 2050 by working towards an economy with net-zero GHG emissions. Battery solutions are a key opportunity in the transition to zero-emission mobility.

#### Electrification and storage opportunities

Batteries are essential to our everyday lives, whether powering our laptops, phones, and cars or being used extensively across power-storage solutions. And with electric vehicles (EVs), electricity storage, and renewable power all set to play increasingly significant roles worldwide over the next decade, global dependence on batteries will continue climbing. Expected battery demand for both mobility and energy storage sectors exceeds the currently planned capacities, with global battery demand expected to grow at a compounded annual growth rate (CAGR) of 26% over the next decade.

#### Technology choices

Lead-acid, lithium-ion and nickel-based batteries are currently the battery types most commonly used worldwide, with some estimates calculating their total share of the global battery market at around 95 percent. Lithium-ion (Li-ion) batteries will likely generate the bulk of the growth over the next few years. The specific qualities of lithium make charging and discharging safer than other materials. Li-ion batteries are already used across a broad spectrum of applications, including portable devices such as mobile phones, laptops, and tablets, as well as efficiently supplying energy for EVs, medical equipment, and power tools. Growth is likely to be driven by the qualities possessed by such batteries.

There is an increase in demand for fully electric and plug-in vehicles, the need for automation, and battery-operated material-handling equipment. The demand for smart devices and the expanding need for Li-ion batteries across industrial applications are key factors that will drive Li-ion-battery-consumption growth over the next few years. The Li-ion-battery market for the automotive industry is expected to represent the most significant market share over the next decade. Increasing adoption and awareness of EVs, government initiatives, and environmental norms and regulations supporting the adoption of EVs worldwide are driving the growth of the Li-ion battery market. Another growth factor is the need to fulfill peak electricity-demand requirements. The flexibility offered by batteries to the electricity grid in terms of energy storage helps to deal with fluctuations associated with renewable energy sources, such as solar and wind energy.

With its Li-ion technology and strategic location on the south coast of Norway, Morrow Batteries is uniquely positioned to fulfill its mission; To develop and manufacture the most cost-effective and sustainable battery cells in the world.

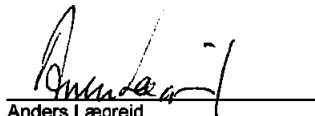


**Morrow Batteries AS**  
Board of Directors' Report 2021

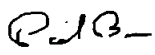
ARENDALE, April 28, 2022

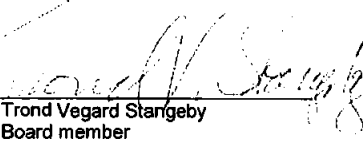
\_\_\_\_\_  
Terje Ivar Andersen  
CEO

  
\_\_\_\_\_  
Håkon Ryan Tanem  
Chairman

  
\_\_\_\_\_  
Anders Læg Reid  
Board member

  
\_\_\_\_\_  
Tor Øystein Repstad  
Board member

  
\_\_\_\_\_  
Pål Karsten Rød Brun  
Board member

  
\_\_\_\_\_  
Trond Vegard Stangeby  
Board member



## Morrow Batteries AS

### Income Statement

	Note	2021	2020
<b>OPERATING REVENUE AND EXPENSES</b>			
<b>Operating revenue</b>			
Other operating income	1	4 625 000	0
<b>Total operating revenue</b>		<b>4 625 000</b>	<b>0</b>
<b>Operating expenses</b>			
Employee benefits expense	2	27 836 409	4 296 082
Depreciation and amortisation expenses	3	434 758	68 350
Other operating expenses	2	25 611 626	4 407 947
<b>Total operating expenses</b>		<b>53 882 793</b>	<b>8 772 380</b>
<b>OPERATING PROFIT OR LOSS</b>		<b>(49 257 793)</b>	<b>(8 772 380)</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
<b>Financial income</b>			
Other interest		222 278	22 860
Other financial income		30 120	0
<b>Total financial income</b>		<b>252 398</b>	<b>22 860</b>
<b>Financial expenses</b>			
Other financial expense		108 004	5 233
<b>Total financial expenses</b>		<b>108 004</b>	<b>5 233</b>
<b>NET FINANCIAL INCOME AND EXPENSES</b>		<b>144 395</b>	<b>17 627</b>
<b>ORDINARY RESULT BEFORE TAXES</b>		<b>(49 113 398)</b>	<b>(8 754 753)</b>
Tax on ordinary result	4	(11 805 785)	(1 924 615)
<b>ORDINARY RESULT</b>		<b>(37 307 613)</b>	<b>(6 830 138)</b>
<b>TO MAJORITY INTERESTS</b>		<b>(37 307 613)</b>	<b>(6 830 138)</b>
<b>APPLICATION AND ALLOC.</b>			
To/from other equity	5	0	(94 344)
Uncovered loss	5	(37 307 613)	(6 735 794)
<b>TOTAL APPLICATION AND ALLOCATION</b>		<b>(37 307 613)</b>	<b>(6 830 138)</b>



## Morrow Batteries AS

### Balance Sheet

	Note	31.12.2021	31.12.2020
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible assets</b>			
Deferred tax asset	4	13 728 121	1 922 336
<b>Total intangible assets</b>		<b>13 728 121</b>	<b>1 922 336</b>
<b>Tangible assets</b>			
Plant, buildings and other property	3, 8	8 009 725	0
Machinery	3	1 002 678	890 511
Fixtures and fittings, office machinery etc.	3	68 399	116 680
<b>Total tangible assets</b>		<b>9 080 801</b>	<b>1 007 191</b>
<b>Financial fixed assets</b>			
Investments in subsidiaries	6	30 386 558	30 100 000
<b>Total financial fixed assets</b>		<b>30 386 558</b>	<b>30 100 000</b>
<b>TOTAL FIXED ASSETS</b>		<b>53 195 479</b>	<b>33 029 527</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Trade receivables		39 273	0
Receivables on group companies	6	6 938 615	2 469 362
Other short-term receivables		3 434 045	435 350
<b>Total receivables</b>		<b>10 411 933</b>	<b>2 904 712</b>
Bank deposits, cash in hand, etc.	7	205 189 575	25 232 192
<b>TOTAL CURRENT ASSETS</b>		<b>215 601 509</b>	<b>28 136 904</b>
<b>TOTAL ASSETS</b>		<b>268 796 988</b>	<b>61 166 432</b>

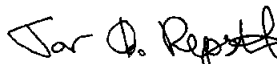
**Morrow Batteries AS**

## Balance Sheet

	Note	31.12.2021	31.12.2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid-in equity</b>			
Share capital	5,8	103 600	75 000
Share capital, not registered	5	0	15 000 000
Share premium reserve	5	291 376 400	50 955 000
Other paid-in equity	5	2 262 590	0
<b>Total paid-in equity</b>		<b>293 742 590</b>	<b>66 030 000</b>
<b>Retained earnings</b>			
Uncovered loss	5	(44 043 407)	(6 735 794)
<b>Total retained earnings</b>		<b>(44 043 407)</b>	<b>(6 735 794)</b>
<b>TOTAL EQUITY</b>		<b>249 699 183</b>	<b>59 294 206</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Other non-currents liabilities</b>			
Lease liabilities	8	2 839 447	0
<b>Total other non-currents liabilities</b>		<b>2 839 447</b>	<b>0</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2 839 447</b>	<b>0</b>
<b>CURRENT LIABILITIES</b>			
Trade creditors		5 544 076	622 671
Public duties payable		1 628 201	565 432
Other currents liabilities		9 086 082	684 124
<b>TOTAL CURRENT LIABILITIES</b>		<b>16 258 359</b>	<b>1 872 226</b>
<b>TOTAL LIABILITIES</b>		<b>19 097 806</b>	<b>1 872 226</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>268 796 988</b>	<b>61 166 432</b>

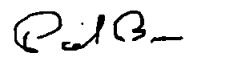
ARENDAL, April 28, 2022

  
Håkon Ryan Tanem  
Chairman

  
Tor Øystein Repstad  
Board member

  
Anders Læg Reid  
Board member

  
Trond Vegard Stangeby  
Board member

  
Pål Karsten Røed Brun  
Board member

Terje Ivar Andersen  
CEO

MORROW FINANCIAL STATEMENT 2021



## Morrow Batteries AS

### Statement of Cash Flows

	<b>2021</b>	<b>2020</b>
<b>CASH FLOW FROM OPERATIONS</b>		
Profit / (loss) before taxes	-49 113 398	-8 754 753
Ordinary depreciation	434 758	68 350
Change in accounts payables	4 921 405	622 671
Change in other current receivables / liabilities	8 689 349	115 205
<b>Net cash flow from operations</b>	<b>-35 067 886</b>	<b>-7 948 527</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Investment in fixed assets and intangibles	-8 508 367	-1 075 542
Receivables on group companies	-4 469 253	-1 770 362
Investments in subsidiaries	-286 558	-30 100 000
<b>Net cash flow from investment activities</b>	<b>-13 264 178</b>	<b>-32 945 904</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from recent borrowings (long term and short term)	2 839 447	0
Share capital contribution	225 450 000	65 020 000
<b>Net cash flow from financing activities</b>	<b>228 289 447</b>	<b>65 020 000</b>
<b>Net change in cash and cash equivalents</b>	<b>179 957 383</b>	<b>24 125 569</b>
<b>Cash and cash equivalents at 1 January</b>	<b>25 232 192</b>	<b>1 106 623</b>
<b>Cash and cash equivalents at 31 December</b>	<b>205 189 575</b>	<b>25 232 192</b>



## Morrow Batteries AS

### Notes to the accounts

#### Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act §3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the EU) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

#### Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

#### Investments in subsidiaries

Investments in subsidiaries are reported in the annual accounts at cost, in accordance with accounting treatment for Small Companies, the criteria for which the group satisfies

#### Receivables

Accounts receivables and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts. Provision for doubtful accounts is determined on the basis of an assessment of individual receivables.

#### Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date. Currency forward contracts are valued in the balance sheet at fair value on the balance sheet date.

#### Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

#### Income taxes

The income tax expense is comprised of both tax payable for the period, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between accounting net income and tax net income, including year-end loss carry-forwards, calculated at 22%. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount.



## Morrow Batteries AS

### Notes to the accounts

#### Note 1 - Public grants

	2021	2020
Revenue public grants	4 625 000	0

The company has received and recognised public grants from two contributors related to one specific project that will continue into 2022 (Sørlandets Kompetansefond).

#### Note 2 - Personnel expenses, number of employees, benefits etc.

Payroll costs:	2021	2020
Wages and salaries	17 817 780	3 925 356
Social security tax	2 132 800	523 488
Pension costs	808 947	0
Share based payment (IFRS 2)	2 262 590	0
Other benefits	4 814 291	-152 762
<b>Total Personnel expenses</b>	<b>27 836 409</b>	<b>4 296 082</b>

Average number of employees during the year	14	7
---	----	---

Salaries and other fees to CEO in 2021 is NOK 1 725 000.

A provision of 938 TNOK is made as per year-end concerning the bonus to the CEO. From 2022, a new bonus agreement will be developed.

#### Share-based payments (IFRS2)

Morrow Batteries AS has implemented an option based incentive program in 2021. In total 1 137 options are granted and remain the balance as per December 31, 2021. As such, NOK 2 262 590 kr is recognized as payroll expense and equity as per December 31, 2021 related to these options (see note 5). According to vesting conditions, the options vest in three separate tranches within 18 months, 30 months and 42 months from option grant date April 1, 2021. The fair value of the granted options is NOK 7 366 573 in total. Valuation is calculated using a Black & Scholes-model based on defined assumptions. The fair value of the granted options will be expensed over the coming four years (over the duration of the tranches).

Remuneration to auditor:	2021	2020
Statutory audit	123 150	18 750
Attestation	7 300	0
Other non-audit services	12 900	0
<b>Total</b>	<b>143 350</b>	<b>18 750</b>



## Morrow Batteries AS

### Notes to the accounts

#### Note 3 - Fixed Assets

	Office Building*	Machinery and equipment	Office machinery
Acquisition cost at 1 January 2021		930 697	144 845
Additions	3 040 821	308 592	0
<b>Acquisition cost at 31 Desember 2021</b>	<b>3 040 821</b>	<b>1 239 289</b>	<b>144 845</b>
Acc. amortisation and depreciation at 1 Jan. 2021		40 186	28 164
Net accumulated and reversed	190 051	196 426	48 282
Accumulated depreciation at 31 Dec. 2021	190 051	236 612	76 446
<b>Balance at 31 December 2021</b>	<b>2 850 770</b>	<b>1 002 678</b>	<b>68 399</b>
Current year amortisation and depreciation	190 051	196 426	48 282
Economic life		3-5 years	3 years
Amortisation and depreciation method		straight-line	straight-line

In addition there is work in progress at 31.12.2021 with amount NOK 5 158 954.

\* We refer to note 8 for further description of IFRS 16 lease.

#### Note 4 - Income tax expense

	2021	2020
<b>Specification of the tax expense:</b>		
Income before tax	-49 113 398	-8 754 753
Change in temporary differences	10 951	-254 311
Permanent difference	-4 549 261	6 500
Income	-53 651 708	-9 002 564
<b>Specification of income tax expense:</b>		
Changes in deferred tax assets	-11 805 785	-1 924 615
Tax on profit/(loss)	-11 805 785	-1 924 615
<b>Specification of the tax effect of temporary differences and losses carried forward:</b>		
Tangible assets	232 037	254 311
Leasing	11 323	0
Losses carried forward	-62 643 915	-8 992 206
<b>Basis for deferred tax benefit</b>	<b>-62 400 555</b>	<b>-8 737 895</b>
<b>Deferred tax benefit in the balance sheet</b>	<b>-13 728 121</b>	<b>-1 922 336</b>

Morrow Batteries AS is part of tax group with other Morrow companies. Deferred tax benefit is booked based on expectation of future taxable income in the group.



## Morrow Batteries AS

### Notes to the accounts

#### Note 5 - Share capital

	Share capital	Paid, not registered equity	Share premium	Uncovered losses	Total equity
Pr 1.1.	75 000	15 000 000	50 955 000	-6 735 794	59 294 206
Loss for the period				-37 307 613	-37 307 613
Capital contribution	16 100		229 983 900		230 000 000
Reg. jan 2021	12 500	-15 000 000	14 987 500		0
Share issue costs			-4 550 000		-4 550 000
Share based payment *			2 262 590		2 262 590
<b>Pr 31.12.</b>	<b>103 600</b>	<b>0</b>	<b>293 638 990</b>	<b>-44 043 407</b>	<b>249 699 183</b>

\* We refer to note 2 for further description of Share based payment in accordance with IFRS 2.

Owners who owns more than 5%	Company number	Number of shares	Ownership
Noah AS	825 355 812	37 413	36,11 %
Agder Energi Venture AS	989 198 637	36 616	35,34 %
Rahul Fotedar		6 907	6,67 %
Other owners under 5%		22 664	21,88 %

#### Note 6 - Subsidiaries

Related party transactions:	As at 31.12.2021	As at 31.12.2020
Liabilities	6 938 615	2 469 362

Subsidiaries:	Ownership	Annual result	Equity As at 31.12.21	Book value As at 31.12.21
Morrow Technologies AS	100 % NOK	209 721 NOK	5 667 277	30 000 000
Agder Battery AS	100 % NOK	-16 669 NOK	-76 989	100 000
Morrow Batteries GmbH	100 % EUR	-382 444 EUR	-357 444	286 558
				<u>30 386 558</u>

#### Note 7 - Bank deposits

Bank deposits include employees tax deduction, deposited in a separate bank account with NOK 1 138 753 at 31.12.2021 and NOK 417 244 at 31.12.2020.

#### Note 8 - Leases

Under IFRS 16, the company leased an Office building headquartered in Arendal, for over 4 years. The lease payments are recognised in the financial statement on a straight-line basis over the lease terms of 4 years. As of December 31, 2021 the right-of-use asset amounts to NOK 2 850 770 and the lease liability amounts to NOK 2 839 447 related to this lease.



BDO AS  
Fjellgata 6. - 5. etasje  
4612 Kristiansand S

## Independent Auditor's Report

To the General Meeting in Morrow Batteries AS

### Opinion

We have audited the financial statements of Morrow Batteries AS.

#### The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2021, and income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

#### In our opinion:

- The financial statements comply with applicable statutory requirements.
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### 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 laws and regulations and 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.

### Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Opinion on the Board of Director's report

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

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

#### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Jostein Håland  
State Authorised Public Accountant  
(This document is signed electronically)



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## Jostein Håland

Partner

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