



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 102 436
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	MORROW BATTERIES ASA
Forretningsadresse:	Kristian Birkelands trasé 6 4849 ARENDAL

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kathrine Aalerud
Dato for fastsettelse av årsregnskapet:	14.05.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 07.08.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Project grants	4	34 172 000	109 000
Sales revenue	5,6		500 000
Other Income	5,6	500 000	
Other Income - group companies	5,6	5 382 000	1 183 000
Sum inntekter		40 054 000	1 792 000
Kostnader			
Employee benefit expenses	7	89 071 000	108 751 000
Depreciation and amortisation expenses	10,11	5 789 000	4 346 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	83 254 000	
Other operating expenses	6,7,8,9 ,10	105 321 000	76 847 000
Other operating expenses - group companies	6	17 395 000	14 273 000
Sum kostnader		300 830 000	204 217 000
Driftsresultat		-260 776 000	-202 425 000
Finansinntekter og finanskostnader			
Share of the profit/ (loss) of associates	12	0	-34 000
Finance income	13	19 521 000	29 797 000
Sum finansinntekter		19 521 000	29 763 000
Write-down of shares in subsidiaries		265 700 000	0
Finance cost	11,13	18 141 000	46 042 000
Sum finanskostnader		283 841 000	46 042 000
Netto finans		-264 320 000	-16 279 000
Resultat før skattekostnad		-525 096 000	-218 704 000
Årsresultat		-525 096 000	-218 704 000



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Developed technology	9	196 879 000	201 121 000
Goodwill	9	0	0
Sum immaterielle eiendeler		196 879 000	201 121 000
Varige driftsmidler			
Right of use assets	10	2 144 000	4 621 000
Equipment	10	29 810 000	1 535 000
Assets under construction	10	994 502 000	778 492 000
Sum varige driftsmidler		1 026 456 000	784 648 000
Finansielle anleggsmidler			
Investering i datterselskap	15	1 134 571 000	880 098 000
Investeringer i tilknyttet selskap	12		63 373 000
Other long term receivables	16	11 316 000	5 481 000
Sum finansielle anleggsmidler		1 145 887 000	948 952 000
Sum anleggsmidler		2 369 222 000	1 934 721 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivable	5,18	183 000	564 000
Other receivables	18	58 316 000	66 189 000
Konsernfordringer	5,6,18	8 796 000	835 000
Sum fordringer		67 295 000	67 588 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	19	278 327 000	525 590 000
Sum bankinnskudd, kontanter og lignende		278 327 000	525 590 000
Sum omløpsmidler		345 622 000	593 178 000



Balanse

Beløp i: NOK	Note	2024	2023
SUM EIENDELER		2 714 844 000	2 527 899 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Subscribed share capital	7,20	46 508 000	37 500 000
Beholdning av egne aksjer		-2 906 000	-1 412 000
Overkurs		2 319 763 000	2 662 649 000
Annen innskutt egenkapital		7 354 000	5 456 000
Sum innskutt egenkapital		2 370 719 000	2 704 193 000

Opptjent egenkapital

Udekket tap			376 934 000
Sum opptjent egenkapital			-376 934 000

Sum egenkapital		2 370 719 000	2 327 259 000
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Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Lease liabilities	11,12		4 961 000
Other non-current liabilities	16	220 000 000	
Sum annen langsiktig gjeld		220 000 000	4 961 000

Sum langsiktig gjeld		220 000 000	4 961 000
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Kortsiktig gjeld

Leverandørgjeld		57 872 000	136 168 000
Public duties payable		5 441 000	14 042 000
Kortsiktig konserngjeld	6	8 562 000	13 923 000
Lease liabilities short term	11,12	2 598 000	0
Other current liabilities	21	49 651 000	31 545 000
Sum kortsiktig gjeld		124 124 000	195 678 000

Sum gjeld		344 124 000	200 639 000
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Balanse

Beløp i: NOK	Note	2024	2023
SUM EGENKAPITAL OG GJELD		2 714 843 000	2 527 898 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Project grants	4	75 231 000	489 000
Sales revenue	5,6	10 293 000	32 909 000
Other Income	5,6	29 814 000	
Sum inntekter		115 338 000	33 398 000
Kostnader			
Employee benefit expenses	7	144 983 000	161 366 000
Depreciation and amortisation expenses	10,11	37 428 000	14 397 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	107 809 000	
Other operating expenses	6,7,8,9 ,10	233 436 000	127 738 000
Sum kostnader		523 656 000	303 501 000
Driftsresultat		-408 318 000	-270 103 000
Finansinntekter og finanskostnader			
Share of the profit/ (loss) of associates	12		-34 000
Finance income	13	31 021 000	44 366 000
Sum finansinntekter		31 021 000	44 332 000
Finance cost	11,13	45 506 000	55 641 000
Sum finanskostnader		45 506 000	55 641 000
Netto finans		-14 485 000	-11 309 000
Resultat før skattekostnad		-422 803 000	-281 412 000
Income tax expense	14	197 000	52 067 000
Årsresultat		-423 000 000	-333 479 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Developed technology	9	196 879 000	201 121 000
Goodwill	9	0	24 500 000
Sum immaterielle eiendeler		196 879 000	225 621 000
Varige driftsmidler			
Property and plant	10	44 157 000	23 520 000
Right of use assets	10	477 144 000	76 249 000
Equipment	10	105 662 000	35 974 000
Assets under construction	10	2 078 136 000	1 421 104 000
Fixtures and fittings, tools, etc	10	2 291 000	2 762 000
Sum varige driftsmidler		2 707 390 000	1 559 609 000
Finansielle anleggsmidler			
Investering i datterselskap	15		
Investeringer i tilknyttet selskap	12		63 373 000
Other long term receivables	16	53 525 000	54 592 000
Sum finansielle anleggsmidler		53 525 000	117 965 000
Sum anleggsmidler		2 957 794 000	1 903 195 000
Omløpsmidler			
Varer			
Inventories	17	39 496 000	0
Sum varer		39 496 000	0
Fordringer			
Accounts receivable	5,18	13 985 000	1 090 000
Other receivables	18	80 885 000	74 937 000
Konsernfordringer	5,6,18	0	0
Sum fordringer		94 870 000	76 027 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	19	294 182 000	608 632 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
Sum bankinnskudd, kontanter og lignende		294 182 000	608 632 000
Sum omløpsmidler		428 548 000	684 659 000
SUM EIENDELER		3 386 342 000	2 587 854 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Subscribed share capital	7,20	46 508 000	37 500 000
Beholdning av egne aksjer		-2 906 000	-1 412 000
Overkurs		2 319 763 000	2 662 649 000
Annen innskutt egenkapital		7 354 000	5 456 000
Sum innskutt egenkapital		2 370 719 000	2 704 193 000

Opptjent egenkapital

Udekket tap		6 800 000	485 899 000
Sum opptjent egenkapital		-6 800 000	-485 899 000

Sum egenkapital

2 363 919 000 **2 218 294 000**

Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Lease liabilities	11,12	447 468 000	77 738 000
Other non-current liabilities	16	346 645 000	6 645 000
Sum annen langsiktig gjeld		794 113 000	84 383 000

Sum langsiktig gjeld

794 113 000 **84 383 000**

Kortsiktig gjeld

Leverandørgjeld		101 686 000	204 062 000
Tax payable	14	38 000	729 000
Public duties payable		14 682 000	24 070 000
Other current liabilities	21	73 422 000	56 314 000
Lease liabilities - short term	11,12	38 484 000	0



Konsernets balanse

Beløp i: NOK	Note	2024	2023
Sum kortsiktig gjeld		228 312 000	285 175 000
 Sum gjeld		 1 022 425 000	 369 558 000
 SUM EGENKAPITAL OG GJELD		 3 386 344 000	 2 587 852 000



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:

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

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.



● MORROW

● **Building
a future
powered
renewable
energy.**

(Integrated Annual Report)



Foreword.

In an era of climate urgency and geopolitical complexity, our mission at Morrow Batteries ASA (the “Company” or “Morrow”) has never been more critical. As we navigate the challenges of our time, we recognise that decarbonisation, electrification, and resilient energy systems are not just business opportunities—they are imperative solutions for a sustainable future.

At Morrow, scientific problem solvers are coming together to deliver the batteries we need today while developing the batteries of tomorrow. We are experts from all walks of life. What unites us is the future we are building—a future powered by cost-effective and sustainable batteries.

Powered by renewable energy, our battery production aims to set new standards in sustainable manufacturing. By 2030, we target complete traceability in our supply chain, ensuring ethical and environmentally responsible practices.

We are not just imagining tomorrow —we are building it, one battery at a time.

Our vision

- Speeding up the energy transition with cost-effective and sustainable batteries.

Our mission

- Become a specialist battery technology and manufacturing company based in Europe.





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Integrated Annual Report 2024

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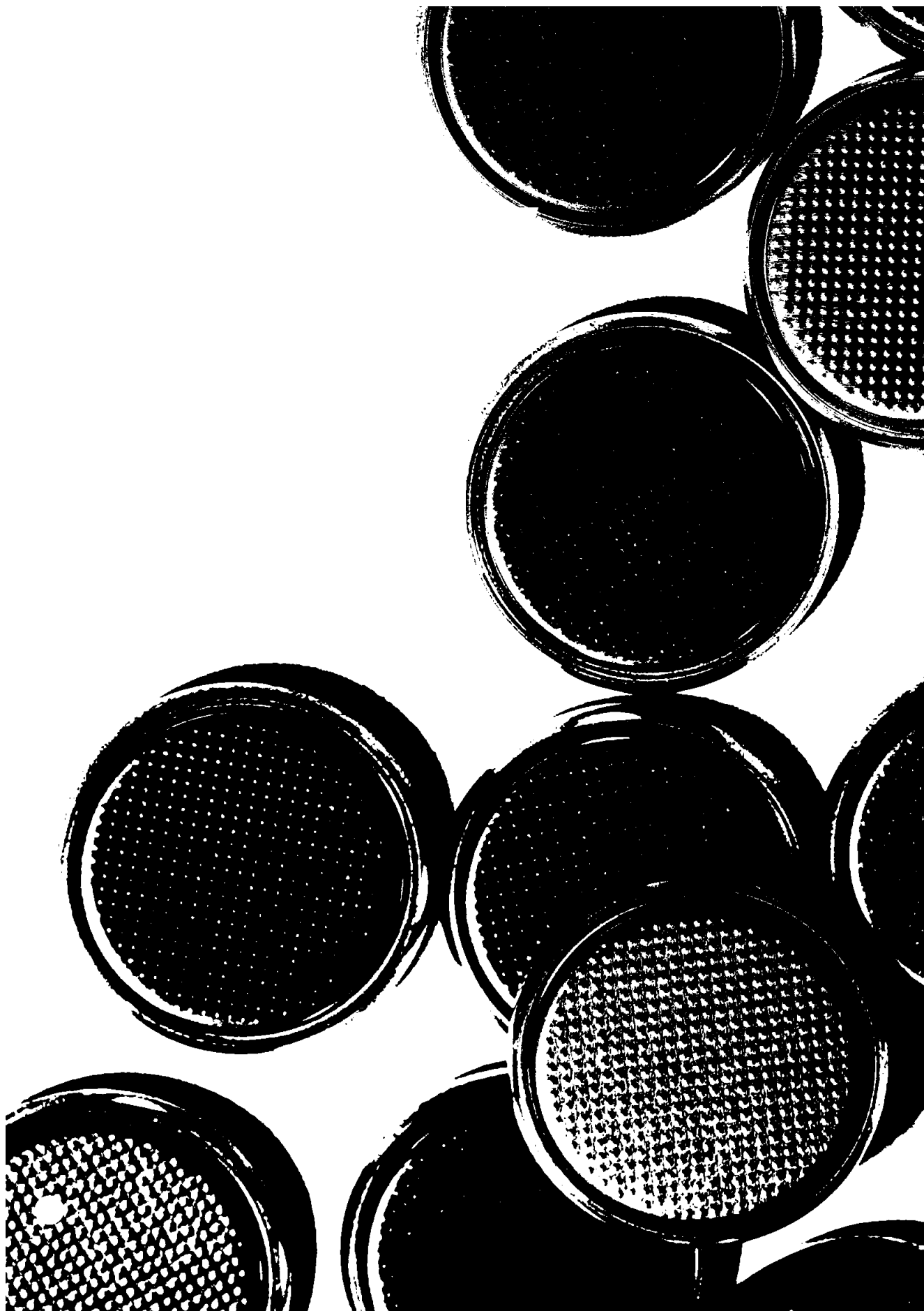
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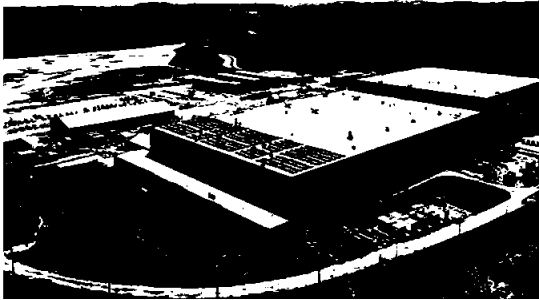


Introduction.



Morrow was founded in 2020 with the mission to speed up the energy transition with cost-effective and sustainable batteries. At Morrow, we work towards manufacturing the batteries we need today while developing the batteries we need for the future. The Company has developed an advanced industrial battery technology business step-by-step and is today the only independent supplier of European LFP (Lithium Iron Phosphate) battery cells with giga-scale manufacturing capabilities:

- ✓ **Advanced platform for growth**
Strong manufacturing and R&D capabilities.
- ✓ **Ideal market position**
Offering European-produced LFP battery cells at giga-scale.
- ✓ **Demonstrated client traction**
5,6 GWh Master Supply Agreement spanning over 7 years signed.
- ✓ **Best-in-class sustainability**
Battery manufacturing using clean hydro power.



Morrow has built a giga-scale battery cell factory in Arendal, Norway, which is set to start production in the first half of 2025. With the Morrow Cell Factory (MCF) in operation, the Company will be the first European manufacturer of LFP (Lithium Iron Phosphate) battery cells on a GWh scale.

While the MCF was under construction, Morrow operated a customer qualification line (CQL) in South Korea. The line has been moved to Norway and installed in the MCF as the Morrow Development Centre (MDC), supporting the Company's R&D activities. Production at the MDC is planned to start in the first half of 2025.

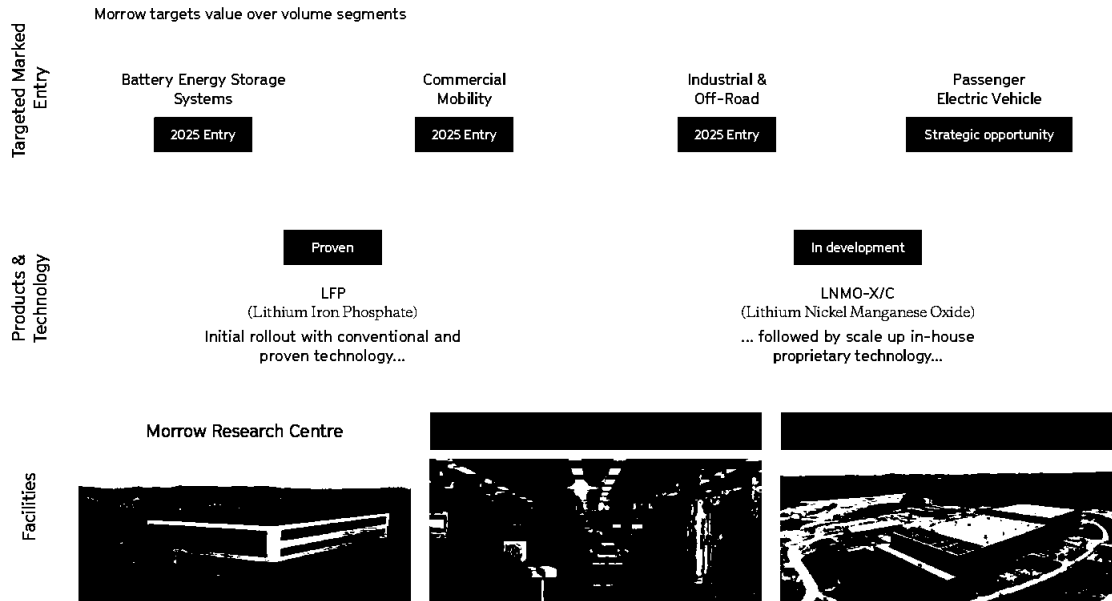
In addition, Morrow operates Norway's largest battery research facility, the Morrow Research Centre (MRC). Located in Grimstad, near Arendal, the MRC delivers state-of-the-art R&D activities that support the company's industrialisation.

Morrow is targeting markets for energy storage, industrial applications, and commercial mobility. The Company offers conventional and proven LFP battery cells while developing the LFP product offering and the proprietary LNMO technology in close cooperation with potential customers.

Building on the strong operating platform, the Company plans to expand its business step-by-step to become a leading European battery cell manufacturer with a double-digit GWH production capacity.

Morrow is entirely European-owned and deeply embedded in European R&D and industrial networks, with owners including Å Energy, one of Norway's largest energy utilities; technology pioneers Siemens and ABB; the Danish pension fund PKA; the Norwegian state's climate investment company Nysnø; and NOAH, a leading Norwegian environmental company. The Morrow Group includes Morrow Batteries ASA, Morrow Technologies AS, Morrow Industrialization Center AS, and Morrow Batteries GmbH.

Step-by-step, risk-minimised go-to-market strategy



2024 – The year in brief:

2024 has been about establishing a strong foundation, delivering on our near-term objectives, and strategically positioning ourselves for future expansion. Key achievements include:

- Completion of the Morrow Cell Factory construction.
- Relocation of the Customer Qualification Line in South Korea to the Morrow Development Centre in Arendal.
- Validation and certification of LFP B-samples.
- Execution of a Master Supply Agreement with Nordic Batteries.
- Securing Letters of Intent (LoI) with Proventia and a Memorandum of Understanding (MoU) with Ukraine SAEE.
- Significant progress in our LNMO-X product development, achieving target energy densities and demonstrating exceptional safety characteristics.
- Substantial improvements in the cycle life performance of LNMO-C.
- Achievement of zero Health, Safety, and Environment (HSE) incidents resulting in lost time since opening of factory.
- Awarded approximately 360 MNOK in public funding.
- Receipt of approximately 80 MNOK in paid grants.
- Secured a loan facility of NOK 1.5 billion from Innovation Norway (see note 16 for the availability).
- Expansion of our team to 235 employees representing 39 nationalities as of 31 December, 2024.

These foundational elements now enable Morrow to confidently pursue its strategic objectives, successfully launching commercial production and driving European market penetration.



Message from our CEO.

**Dear
shareholders,
partners and
stakeholders.**



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Reflecting on 2024, I proudly present Morrow Batteries' first integrated report – a transparent account of our ambitions, achievements, and challenges. This year has been both transformative and demanding as we continue to build the foundation for our company and the sustainable energy solutions we want to deliver to Europe.

2024: a year of milestones and industrial progress

Despite external challenges, including a tight capital market and year-end production ramp-up delays caused by work permit challenges with foreign worker suppliers, we have made significant strides toward becoming a specialist battery supplier.

Key highlights:

- Opened Europe's first giga-scale Lithium Iron Phosphate (LFP) battery factory.
- Successfully relocated the Customer Qualification Line (CQL) from South Korea to Arendal, establishing one of Europe's few advanced prismatic cell development lines and accelerating our path to commercial production.
- Established a multidisciplinary team of 200+ employees focused on driving innovation and operational excellence.
- On-site ESG audits of all direct material suppliers and start of recycling production scrap at the Morrow Cell Factory.
- Raised a total of NOK 568 million in equity, awarded NOK 345 million in R&D grants through Innovation Norway's IPCEI program, and secured a NOK 1.5 billion loan facility from Innovation Norway.

These accomplishments underscore the competence and resilience of our team and the trust of our stakeholders, who remain instrumental in driving Morrow Batteries' vision forward.

Challenges that shaped us

Battery production is a complex endeavor that requires handling and reducing execution risk. Our industrial and stepwise approach has served the company well in navigating these risks. We learn from successes and setbacks to ensure responsible and successful expansion. Our efforts to drive the company forward have required making some tough but necessary decisions. To maintain financial discipline and align resources with our core objectives, we began 2025 by streamlining operations and adjusting staffing levels. While challenging, this step was crucial to ensuring our path to profitability and laying the foundation for long-term success.

Priorities for 2025

In a persistently tight capital market, maintaining discipline is essential. Our priorities for 2025 are:

1. **Start production of LFP batteries** in Q2, with deliveries in Q3. This milestone will separate the Company from many competitors. We believe such a demonstrated capability will attract new investors and more customers.
2. **Secure additional offtake agreements** to strengthen our market position and establish a steady revenue stream. These agreements will provide the foundation for scaling production and expanding into new markets.
3. **Advance proprietary LNMOx battery technology** that eliminates cobalt and reduces nickel usage.

In 2025 we will manufacture high-performance, long-lasting batteries using standard technology and clean Norwegian hydropower. To achieve our goals, we have automated manufacturing processes that maximise yield and scalability while minimising waste, supported by strong engineering expertise and a skilled team focused on efficiency and low scrap rates.



Our path forward

Our growth trajectory is clear and ambitious, built on a robust foundation. With our Morrow Research Centre, and Morrow Development Centre fully operational, we are well-positioned for expansion. Our initial focus on energy storage and industrial applications allows us to refine our technologies while serving immediate market needs, with potential for future expansion into electric vehicle markets. The Morrow Cell Factory, soon in commercial operation, marks a pivotal milestone in our growth plan. Key initiatives include:

- Securing capital for expansion.
- Investing in Eyde 1, our second full-scale production facility.
- Planning additional factories to meet growing demand.
- Developing a diverse, market-aligned product portfolio.

These initiatives position Morrow as a key player in the European battery industry.

A transparent commitment to sustainability and leadership

This integrated report marks an important step in communicating with you—our shareholders and partners—about what we achieve and how we achieve it.

In closing, I am confident that Morrow is well-positioned to play a pivotal role in the European energy transition. We are producing batteries and enabling a sustainable future powered by clean energy.

Together with our partners, customers, and dedicated team, we are building a legacy of innovation and environmental stewardship that will shape the industry for years to come. We are building more than a company; we are shaping Europe's energy future. With your continued trust and support, Morrow Batteries will remain at the forefront of this transformation.

Yours sincerely,

Lars Christian Bacher
Chief Executive Officer
Morrow Batteries ASA



The world needs batteries.

Global trends driving battery demand.

Decarbonisation

The move towards a society less dependent on fossil fuels continues, driving the adoption of renewable energy solutions. Batteries are key enablers of this transition, representing proven and efficient solutions to energy storage and mobility applications. Regulative frameworks supporting zero-emission targets remain and are driving the electrification of industries and society at large, which in turn is driving the demand for batteries.

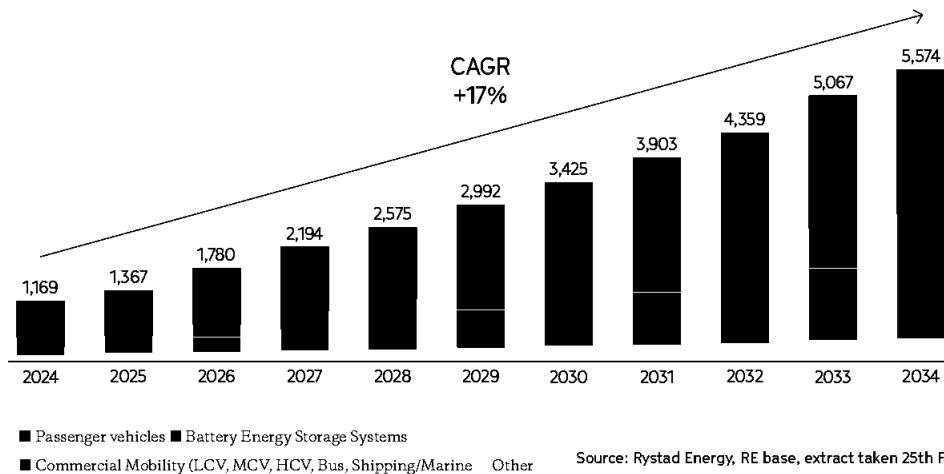
Electrification and technological innovation

As technological development continues to drive down the cost of batteries, the electrification of energy-intensive to the already strong demand for batteries for electrical vehicle applications. The adoption of intermittent renewable energy sources such as wind and solar power also drives demand for energy storage systems to ensure grid stability and peak shaving.

Regional energy resilience

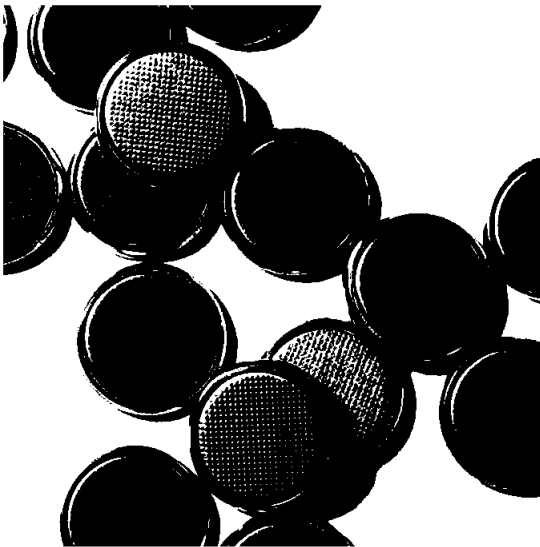
Heightened geopolitical unrest and risks to exposed strategic supply chains and industries drive demand for more localised battery supply chains. This requires European-owned battery initiatives with local operations and regional value- and supply chains.

Global battery demand (GWh)





A growing market.



The global battery industry is experiencing a period of substantial change. Geopolitical uncertainties are causing domestic supply and large economies to regionalise, with the US election only intensifying the situation. The industry is experiencing price drops, especially for LFP batteries, due to drops in raw material costs and overcapacity in China, which results in tough competition. Several European battery manufacturers grapple with significant obstacles in scaling production and establishing a strong market presence.

Despite a challenging industry backdrop, the Company maintains a positive market outlook. We see a growing market for battery cells in various segments and an increasing demand for LFP cells adapted to new applications. LFP batteries offer superior longevity, safety and price characteristics compared to Nickel Manganese Cobalt (NMC) batteries.

According to Rystad Energy, global demand for lithium-ion batteries is expected to grow by a Compound Annual Growth Rate (CAGR) of 16%, from 1.17 TWh in 2024 to more than 6 TWh by 2035. Battery Energy Storage Systems (BESS), commercial vehicles and other markets are expected to account for approximately half the market, with passenger vehicles expected to account for 49% of demand in 2035 alone.



Key markets we serve.

Battery Energy Storage Solutions (residential, commercial & industrial, utility).

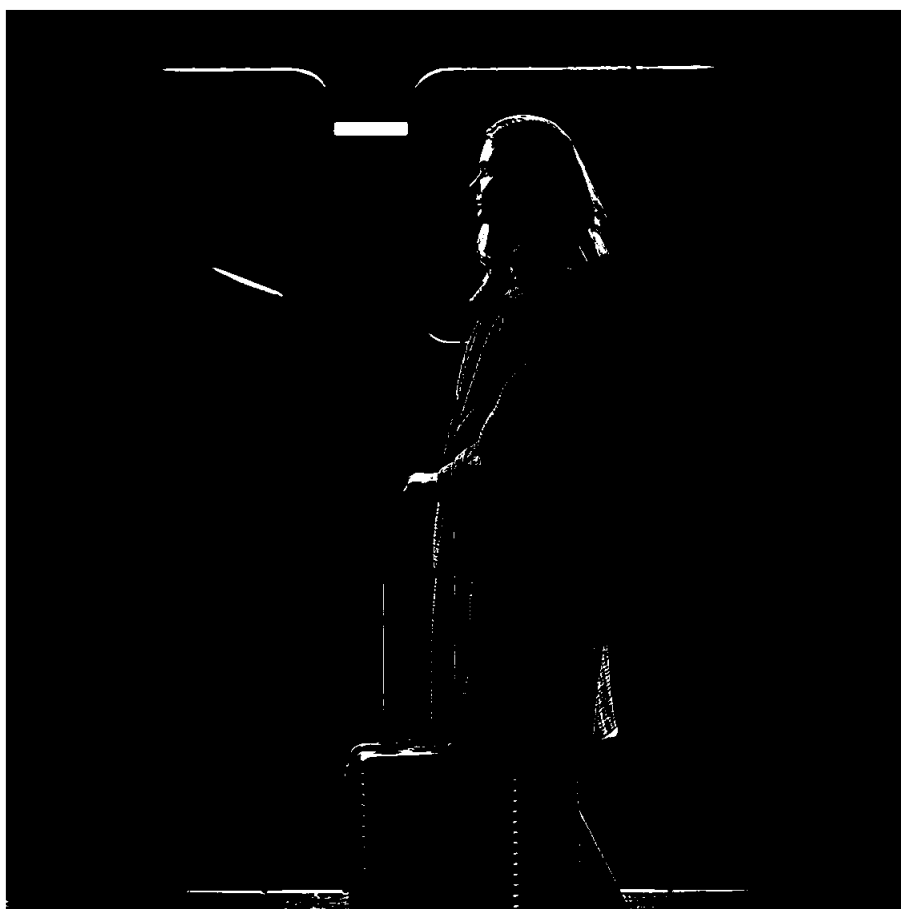
Morrow provides batteries to store renewable energy, stabilise grids, and ensure reliable backup power.

Commercial mobility (truck, rail, bus, marine).

Morrow powers trucks, buses, rail, and marine vessels with durable cells for electrifying heavy-duty transport.

Industrial and off-road (construction, mining, intra-logistics).

Morrow delivers reliable batteries for construction, mining, and intra-logistics equipment.





Strategy.

Morrow Momentum, a focused and de-risked strategy

We are building a leading European specialist supplier position by developing tailored battery solutions for energy storage and industrial markets.

With our leading R&D and manufacturing capabilities and Norwegian hydropower, we deliver high-performance battery cells to the European and global markets. We offer conventional and proven LFP battery cells while developing the LFP product offering and the proprietary LNMO battery technology in close cooperation with potential customers.

We grow step by step with the customer in focus, beginning with LFP battery production for promising niche segments and energy storage before advancing to enhanced LFP and LNMO technologies customised to market needs.

Our strategy focuses on Customer-Led Growth, Innovative Battery Solutions, and World-Class Operations as we transition from a start-up to a specialist player with a phased production approach and a customer-centric go-to-market strategy. We see the continuous challenges in the market and competitive environment and act accordingly. Our strategy, Morrow Momentum 2024-2031, is focused and de-risked.

MW

Strategic platform

MEGATREND

Electrify society with renewable energy.

OUR VISION

Speeding up the energy transition with cost-effective and sustainable batteries.

OUR MISSION

Become a specialist battery technology and manufacturing company based in Europe.

OUR STRATEGY: MORROW MOMENTUM 2024-2031

Our ambition is to become a trusted European battery cell supplier by delivering tailored, co-developed products through localised production. By prioritising energy storage, industrial, and heavy-duty applications, we are building our position as a specialist supplier and laying the foundation for strategic expansion into broader markets.

PURSUE CUSTOMER-LED GROWTH

BESS and niche segments	Build organisational capacity	Enhance battery tech platforms
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INNOVATE THE FUTURE OF BATTERY SOLUTIONS

Attract diverse talents	Partner for innovation	Sustainable battery solutions
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BUILD WORLD-CLASS OPERATIONS & SUSTAINABLE SUPPLY CHAINS

Lean manufacturing excellence	Maximise operational efficiency	Sustainable supply chains
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OUR VALUES

We trust | We collaborate | We care | We create

Morrow's value chain.

Morrow has a sustainable business model centred around battery cell manufacturing using clean energy and an ambition to build circular battery value chains. We focus on our core business, battery cell manufacturing, but may consider value chain expansion through strategic partnerships.

Our input

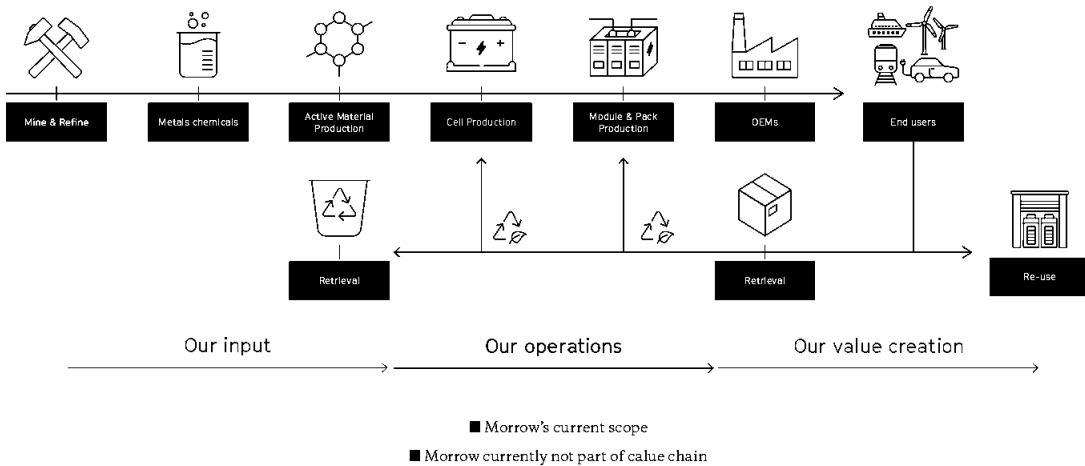
We harness diverse resources to develop our operations and value chains, ensuring sustainability, efficiency, and innovation. Our operations are powered by clean, renewable energy through hydropower, while our team—comprising skilled professionals from 39 nationalities—brings a wealth of experience and fresh perspectives. We have secured robust financial backing through public funding, equity investments, and debt financing. Additionally, established off-take agreements ensure consistent demand for our products.

Our operations

We have built a comprehensive ecosystem to industrialise battery cell production from research to mass production. We have developed state-of-the-art facilities that support the entire battery production process from initial research to large-scale manufacturing, and by utilising advanced manufacturing technologies, achieved large-scale and efficient production with minimal downtime and waste.

Our value creation

Our operations create significant value locally, for customers, and for the environment, as we generate export revenues and foster substantial economic growth and employment opportunities in our region. At the same time, we are accelerating the energy transition with our cost-effective and sustainable batteries, contributing to a greener future. Our business focus is currently on cell production, illustrated with red colour in figure below.





Phased industrial expansion.

Morrow has established a strong platform for growth with its leading manufacturing and R&D capabilities. When large-scale production starts in 2025, Morrow will operate Europe's first gigawatt-scale LFP battery cell factory. Based on our proprietary R&D we will continue testing and soon start manufacturing LNMO battery cells that will be among the most sustainable in the world.

Morrow Research Centre (MRC)

The MRC is the cornerstone of the comprehensive infrastructure we are building to industrialise battery cell production. With a world-class team of highly skilled researchers from across the globe, the MRC brings expertise to Norway that has never been available before. With groundbreaking research for battery technology and cell production, the MRC is at the centre of our dynamic operating model for battery cell production. Our research extends beyond our wholly owned centre in Grimstad. It includes partnerships with the University of Agder (UiA), the Institute for Energy Technology (IFE), the University of Oslo and SINTEF, substantially extending the reach of our R&D activities.

Morrow Development Centre (MDC)

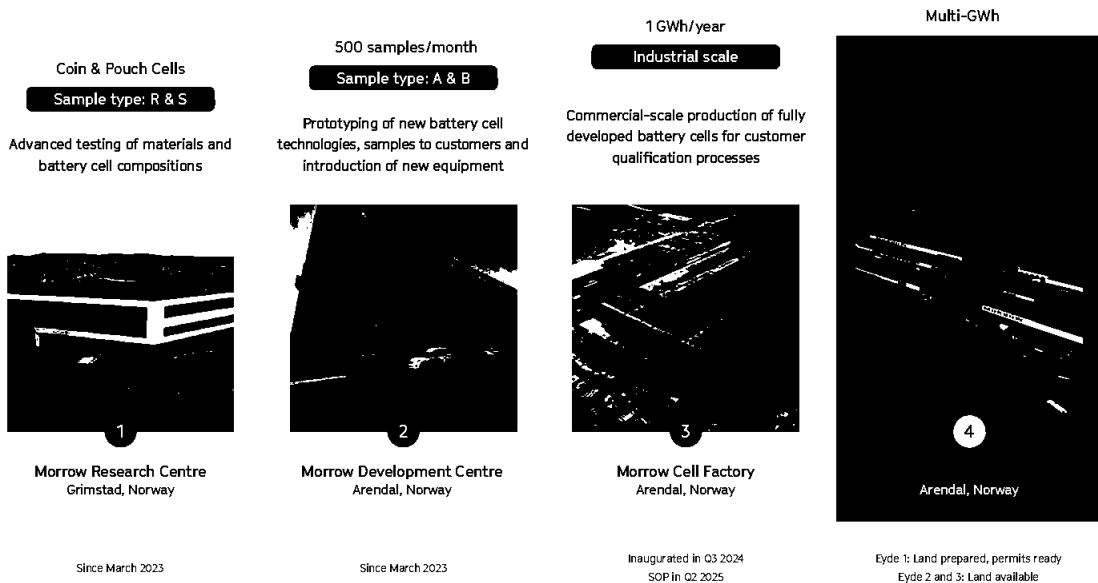
Our MDC is a small-scale battery cell manufacturing line, a vital facility to bridge the gap between battery cell research and mass production. The MDC has a capacity of 2,000 battery cells per month and serves several purposes. Firstly, it produces TRL 7 stage batteries to prove their technological feasibility and provides feedback to the Morrow Research Centre. Secondly, it creates A and B sample battery cells for customer qualification processes. Morrow had temporarily set up the manufacturing line in South Korea while the factory was under construction, which was moved in 2024 and re-installed inside the Morrow Cell Factory (MCF) in Arendal, Norway. The line is semi-automatic and mirrors the giga-scale line process, allowing for easy transfer of processes from the MDC to the commercial MCF line.

Morrow Cell Factory (MCF)

The MCF serves as a critical building block in the development of large-scale industrial capabilities. It will showcase advanced scale-up and mass-production processes while providing battery cells for various customer applications. The MCF utilises production equipment that is representative of our planned gigafactory expansions. Morrow also continues to evaluate opportunities for future gigafactory development.

Current battery infrastructure

Next up: Morrow gigafactory

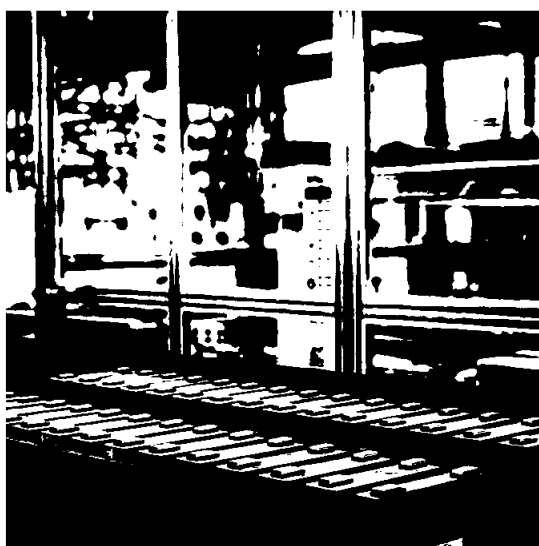


Our focus in 2025.

Morrow is gradually scaling to deliver on its long-term plans and ambitions as a battery cell manufacturer. Further growth depends on the successful production start-up at the MCF in 2025, which will attract new customers and investors.

From the beginning, our guiding principle has been to build Morrow incrementally. We continuously seek to learn from the experiences of others in establishing new, green industries and businesses. The challenges other companies have faced with production have increased the market's scepticism towards new battery companies and made it clear to everyone that it is crucial to achieving what we aim to deliver: battery cell production. The first commercial LFP battery cells will be delivered from the factory in Arendal Q3, 2025. Then, the first European gigafactory for LFP battery cells will become a reality.

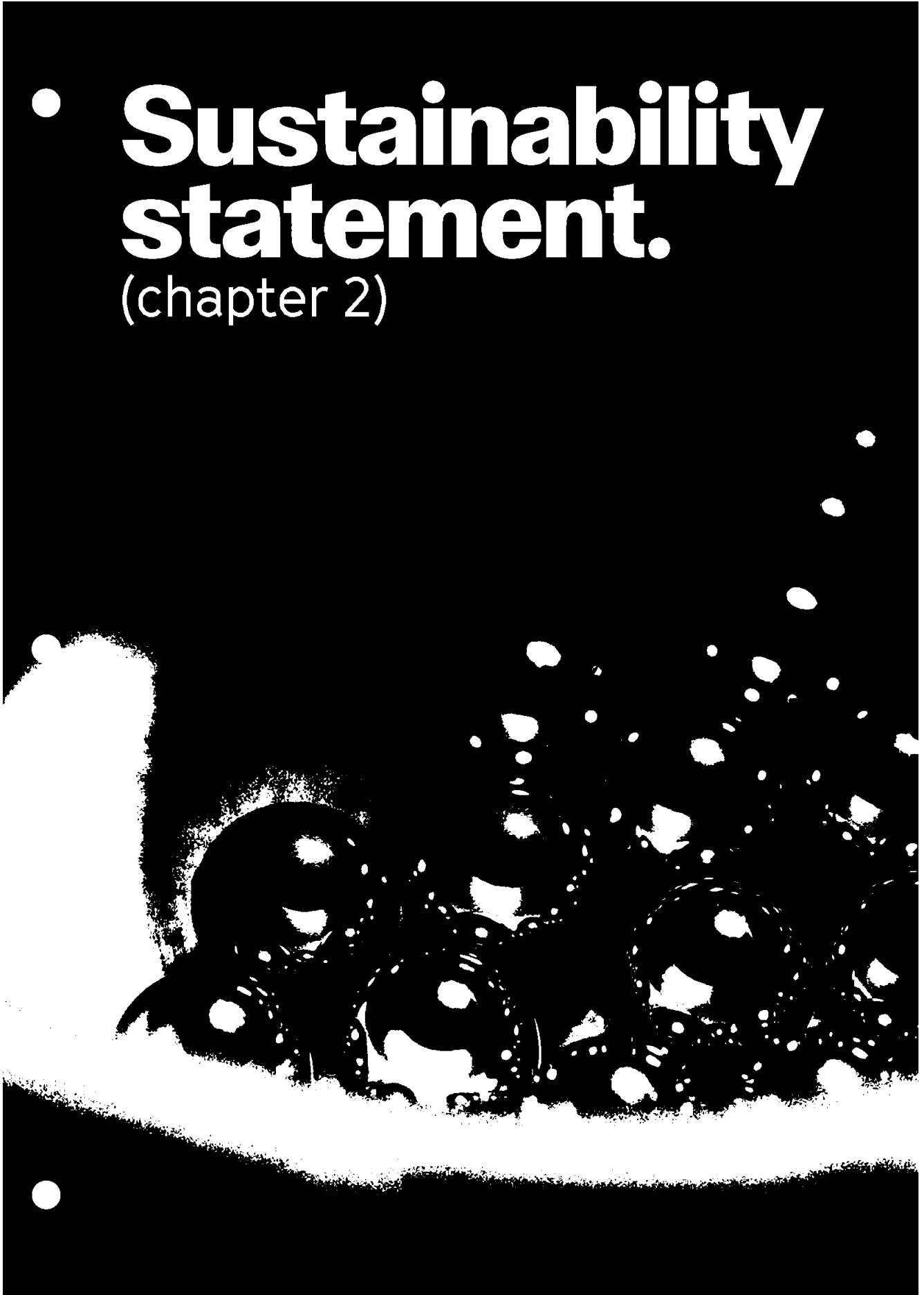
Beyond 2025, we plan to expand by building new and larger battery cell factories in Arendal and potentially elsewhere, delivering LFP and/or LNMO battery cell solutions to our future customers. Investment decisions for potential new capacity will be made when sales volume and financing have been secured.





• Sustainability statement.

(chapter 2)



General disclosures.

Our vision of speeding up the energy transition with cost-effective and sustainable batteries drives our strategy, and a commitment to sustainable business practices takes centre stage in all our activities. To illustrate our approach, we seek to report comprehensively and transparently to all key stakeholders, including investors and customers, on our sustainability performance.

The ensuing sustainability statement is inspired by the new European Sustainability Standards (ESRS). We have previously issued two stand-alone impact reports for the fiscal years 2022 and 2023. This year, we integrate our sustainability reporting with our financial reporting and incorporate a select set of quantitative and qualitative ESRS data points. Certification is not considered a relevant instrument for achieving our goals as of 2024.

The ESRS operationalises many requirements in the new comprehensive EU Corporate Sustainability Reporting Directive (CSRD), which has also been incorporated into Norwegian law. Legislative proposals from the EU in February 2025 suggest that companies with less than 1000 employees will be exempt from mandatory ESRS reporting for the foreseeable future. Over the coming years, Morrow will still gradually incorporate the ESRS reporting templates as these will serve as the central sustainability reporting mechanism in the European market.

We provide an overview on page 95 of our select sustainability disclosures on Morrow's material topics and where to find them in this report (IRO-2). The sustainability reporting pertains to the Morrow Group. There are no specific circumstances to highlight, and the report adheres to standard short, medium and long-term timeframes (BP-1, BP-2). We are not including discussions

of anticipated financial effects in any of our disclosures, as the methodology for these types of assessments is premature.

Our climate accounting incorporates primary data from our suppliers on energy use and greenhouse gas (GHG) emissions and indirect sector average data from databases such as Ecoinvent. Incorporating primary data enhances our calculations' accuracy and aligns well with a broader industry trend and preference for primary rather than secondary data in climate accounting. Morrow seeks to align our climate and financial accounting to ensure a complete climate accounting. The sustainability performance section describes the methods applied.





Sustainable governance framework.

Management of sustainability issues at Morrow starts at the board level. Morrow's Board of Directors sets high ambitions for the company's sustainability work and is regularly consulted on key social and environmental issues. All sustainability-related company policies (see below) have been discussed and decided by the board. The board receives a thorough assessment of social and environmental risks in the supply chain once per year and engages with the company's GHG emissions at least once annually. There is not yet a designated sustainability committee on the board, but considerable sustainability expertise is within the board. This includes insights held by our Chair of the Board of Directors, Liv Monica Stubholt, a leading Norwegian legal expert on compliance and sustainability. Further information on the composition of the board is presented in the governance chapter below (GOV-1, GOV-2, GOV-4 and GOV-5).

The top management team sets the company's sustainability targets, and sustainability-related issues are regularly featured in the management group's discussions and decision-making. In the management team, Paal Brun, the EVP for Corporate Affairs, holds decades of experience in sustainability and previously served as the Head of Climate Change and Sustainability Services at EY and PwC. Morrow's Enterprise Risk Management system was adjusted in fall 2024 to more clearly incorporate

sustainability-related risk elements (see governance section below). The management group reviews and assesses risk every quarter in the Morrow Enterprise Risk Management.

All units within Morrow are working actively to achieve our mission of speeding up the energy transition with cost-effective and sustainable batteries. New employees sign the Morrow Code of Conduct when they join the company, and they are also introduced to Morrow's Environmental Policy, Human Rights and Decent Work Policy and Mineral Policy in the onboarding process. Morrow established a whistleblowing mechanism in 2023. This is available via the Morrow website, but managed by a third party.

The Company has a sustainability core team consisting of a Vice President of Sustainability, a Sustainability Project Manager and a Life Cycle Assessment Manager. The latter is a well-established Life Cycle Assessment (LCA) expert with a strong publication track record on battery sector LCAs. The overall purpose of the sustainability core team is to ensure that Morrow coherently and forcefully works towards its mission of providing cost-effective and sustainable batteries that can speed up the energy transition. In doing so, the sustainability team is also working towards delivering a best-in-class performance on sustainability across all relevant social and environmental parameters in Morrow's activities.

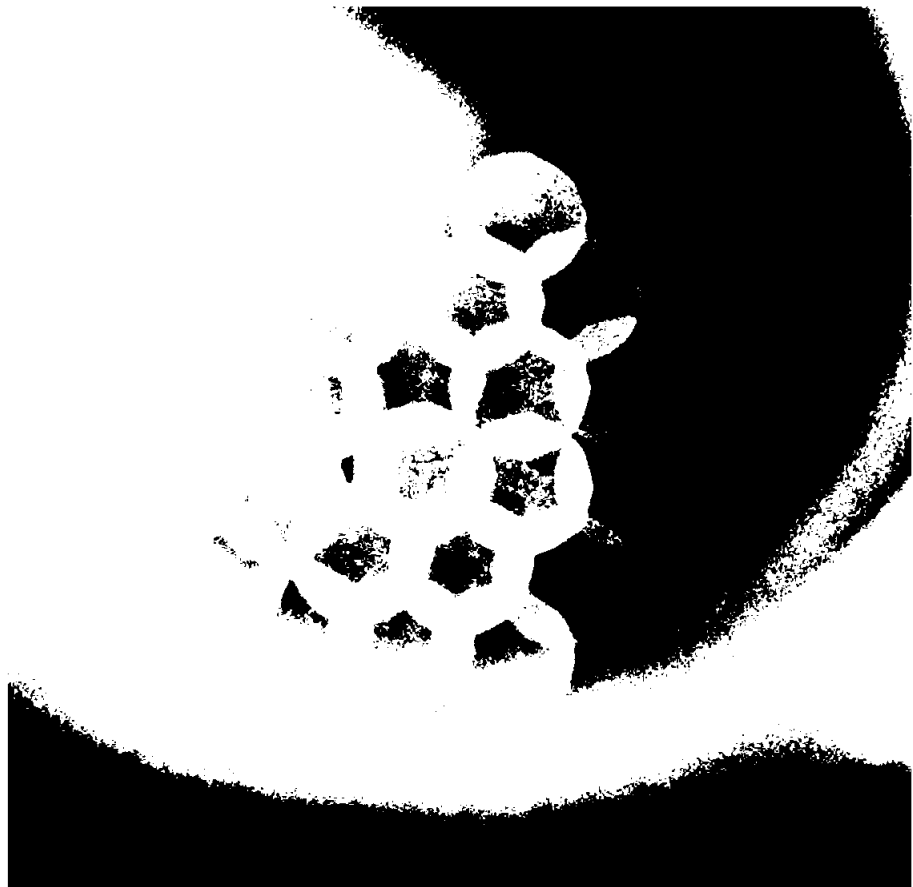


Morrow has a competitive approach to overall compensation, focusing on sustainable salary levels and a bonus scheme. The management team, as well as leading and independent employees, participates in the scheme. In 2024, the scheme was closely tied to Morrow's overarching strategy, Morrow Momentum, where the vision of speeding up the energy transition with cost-effective and sustainable batteries is central. Key performance indicators in the strategy included the percentage of on-site sustainability audits of LFP direct battery material suppliers conducted and gender diversity in management functions.

Overall, the ability of the management team and broader group of managers to deliver on company strategy and the associated KPIs is one of several parameters the board considers in their decisions on the issuance of bonuses. There is, however, no direct link between sustainability performance benchmarks and the Company's remuneration policy (GOV-3).

In Q1 2024, the management team discussed and agreed on overarching sustainability targets for Morrow up to 2030. The management team will assess the company performance in relation to the targets annually. The Company also has a robust due diligence process regarding sustainability matters, which is modelled on the OECD Responsible Business Conduct. Morrow performed a comprehensive assessment of sustainability-related risks in 2022 and has reviewed insights generated in that assessment and added insights from the ongoing observations of social and environmental challenges.

There are two main sustainability risks facing Morrow: 1) social and environmental risks in supply chains for direct battery materials, and 2) social and environmental risks linked to the construction and operation of the Company's production facilities in Eyde Energy Park in Arendal.



Morrow has the following annual cycle for the management team and board involvement in the due diligence process regarding sustainability matters:

- **August-September:**
Supplier Sustainability Survey is updated.
- **October-January:**
Suppliers complete survey.
- **November-January:**
The Annual sustainability risk management report, including human rights and decent work, is prepared by the sustainability team. This includes risks related to both the supply chain and production facilities in Arendal.
- **February-April:**
Based on received supplier data, Morrow's Supplier Sustainability Database and LCA Database are updated and used in preparations of the annual Integrated Report and Transparency Act Report.
- **March-May:**
Finance & Accounting, management team and board assess the sustainability statement in the Integrated Report and the Transparency Act Report.
- **June:**
Publication of Integrated Report and Transparency Act Report.
- **Continuous:** Relevant Morrow teams assess new direct material suppliers for a broad range of risks, including sustainability, and companies are subject to a comprehensive audit when included in Morrow's portfolio of suppliers. The audit includes a detailed assessment of the social and environmental performance of a supplier. Poor performance or follow-up items, if emerging, are reported to the leadership team and board as part of the Transparency Act Report.
- **Continuous:** Morrow's management team regularly assesses a broad range of risks in the company's Enterprise Risk Management, including sustainability risks.
- **Continuous:** Any major incidents related to social or environmental issues in Morrow's operations or supply chain are reported immediately to the leadership and board, who will assess how to remedy the situation and mitigate against similar future events.

Further information regarding Morrow's due diligence is listed in the Sustainability Performance section, as per GOV-4.








Strategic sustainability targets.

Morrow's double materiality assessment (listed below) indicates a set of themes that stand out as particularly significant for the company. These are Decarbonisation (Climate change mitigation and adaptation), Circular Economy (Resource use), Workers (Rights and conditions in operations and value chain) and Nature (Biodiversity loss and local environmental impact). Moreover, our capacity for sustainable innovation due to our extensive

in-house R&D team is a significant enabler of our efforts to decarbonise and deliver circular battery production (SBM-1).

The Company has formulated a set of short-term targets that we aim to achieve by the end of 2025 and five long-term targets to be achieved by 2030. These targets are closely aligned with Morrow's overall strategy and sustainable business model, which are outlined above (SBM-1, SBM-3).

Table Sustainability targets (MDT-R)

THEMES	2025 TARGET	2030 TARGETS	UN SUSTAINABLE DEVELOPMENT GOAL ALIGNMENT
Decarbonisation	Greenhouse gas reduction roadmap for all main Morrow battery chemistries completed.	5 kg CO ₂ eq./kWh in our high performance LNMO battery.	
Circular economy	All Morrow production scrap is recycled and its further use fully reported on.	50% of the inactive material in our battery cells is recycled content.	
Sustainable innovation	Proven ability to produce LNMO at industrial scale.	0 cobalt in Morrow's high performance LNMO batteries.	
Workers	All first generation LFP suppliers audited.	100% traceability of all direct battery materials (supplier and sub-suppliers).	
Nature	BREEAM Certification achieved for Morrow Cell Factory, including a Land Use and Ecology (LE) score of at least 30% of available LE credits.	BREEAM Certification for Eyde 1 enabled, including a Land Use and Ecology score of over 60% percent of available LE credits.	



Stakeholder engagement.

As a company in the process of scaling up, we are constantly evolving and, as part of that, prioritising open and constructive dialogues with stakeholders. We need to regularly update our stakeholders with complex information on relevant developments in our company, and we also solicit advice and feedback from stakeholders on our potential impacts or changes in our context. Below, we describe our key stakeholders and note the purpose and outcome of our engagement with each group (SBM-2).

Employees: Consultations with employees are mandatory in Norwegian Law, and Morrow has built procedures for trade union dialogue and involvement that comply with the extensive Norwegian legal requirements. Currently, Morrow has two collective bargaining agreements, one with each of Tekna and Fellesforbundet. There is also room for dialogue and input from individual employees in annual performance review meetings. See further description below.

Customers: Morrow engages with current and future customers in sales meetings. The Company shares comprehensive, transparent, and up-to-date insights on its performance, including its assessment of environmental impacts and detailed climate footprints.

Suppliers: The Company has an extensive dialogue with all first-tier suppliers. In 2024, Morrow increased the level of reporting required across tiers to build a chain of custody and improve access to primary data on energy use and emissions. For further information, see the forthcoming Morrow Batteries Transparency Act report and below in the section 'workers in the value chain'.

Investors: Morrow conducts General Assembly meetings when required and at least once per year. The company continuously offers transparent and up-to-date information to current and prospective investors.

Local community: Morrow is actively engaging with local stakeholders, which includes the local municipalities of Arendal and Grimstad and the county of Agder. The Company runs a regular digital meeting series titled 'Morrow Monday' where key regional stakeholders and partners can get first-hand updates on company progress. We conducted four 'Morrow Mondays' in 2024. The Municipality of Arendal is an especially important stakeholder, given that the MCF is located here. All significant new developments on the side of Morrow are discussed with city representatives in designated meetings. The Company also arranged two public town hall meetings in 2024 at the MCF site in Arendal.

Materiality assessment.

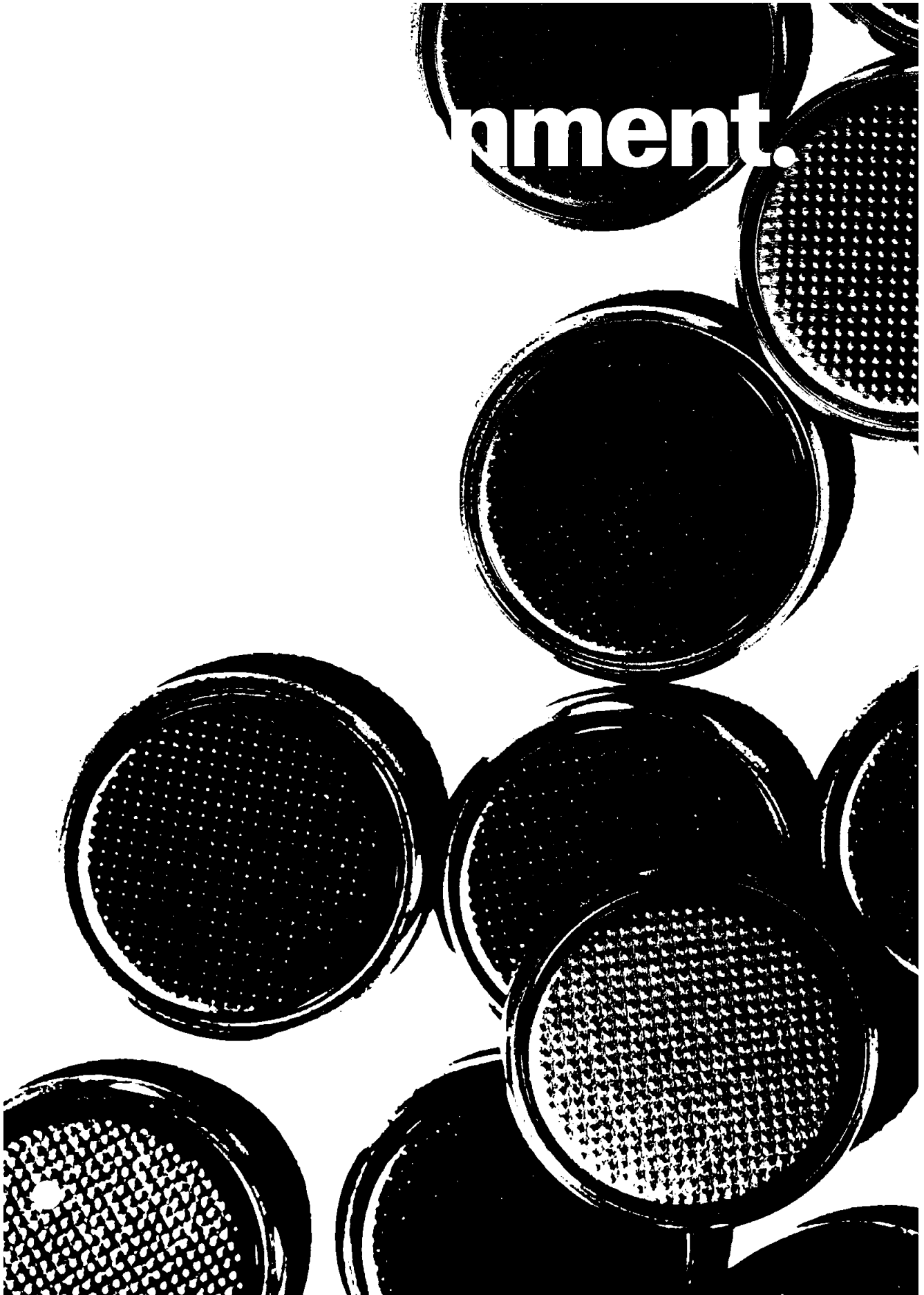
Morrow has undertaken some steps required for an ESRS-compliant double materiality assessment. We undertook 12 interviews with stakeholders in spring 2023, including with investors, civil society organisations, government representatives, and trade unions. We actively maintained a dialogue with local, national and international stakeholders throughout 2024. The Company continuously monitored and assessed key written sources that reported on social and environmental challenges in the battery industry. The Company also conducted one internal workshop in 2024 where the

full list of ESRS material topics was assessed, and our material topics were identified. The themes were assessed from both a financial and an impact perspective. The top management group assessed the final materiality themes in spring 2024. As Morrow progresses with our scale-up, the company will run a more extensive and participatory double material assessment where more teams from across Morrow's operations will be involved (IRO-1). We present below a simplified overview of our material topics that highlights areas where Morrow can create positive impact or areas where there is a risk of negative impact.

Table Morrow Batteries' material topics

IMPACT		SUPPLY CHAIN	MORROW OPERATIONS	DISTRIBUTION AND USE
Environment	E1 – Climate change adaption	-	●	-
	E1 – Climate change mitigation			
	E1 – Energy	●		-
	E2 – Pollution	-	●	-
	E2 – Substances of concern	-	●	●
	E3 – Water resources	●	-	-
	E4 – Direct impact drivers of biodiversity loss	●	●	-
	E5 – Resource inflows, including resource use	●	●	-
	E5 – Resource outflows related to products and services	-	-	
	E5 – Waste	-	●	●
Social	S1 – Equal treatment (own workforce)	-	●	-
	S2 – Equal treatment and opportunities	●	-	-
	S2 – Other work-related rights (workers in the value chain)	●	-	-
	S2 – Working conditions (Workers in the value chain)	●	-	-
	S4 – Information related impacts for consumers/end users	-	-	
Governance	G1 – Corruption and bribery	-	●	-
	G1 – Political engagement	-	●	-
	G1 – Protection of whistleblowers	-	●	-

● denotes risk of negative impact
 ○ denotes opportunity for positive impact

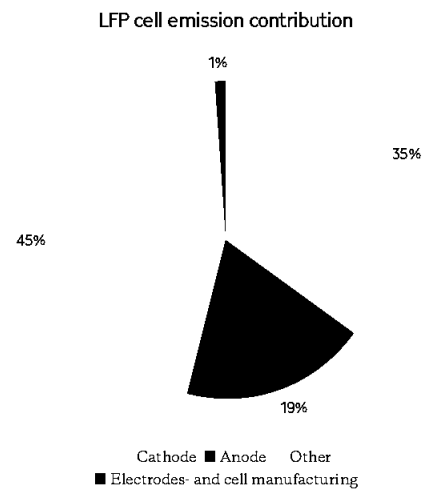


Climate change.

Batteries are a key enabler in the transitioning away from fossil fuels and towards renewable energy. Our batteries can positively impact electrified transport and, as key elements of battery storage systems, facilitate solar and wind installations. This roll-out of renewable energy, at scale, is crucial if the world is to avoid devastating temperature increases. At Morrow, we participate in these central climate mitigation efforts by scaling the manufacturing of new battery cells. The Company utilises hydropower as an energy source (location-based), resulting in near-zero-emissions at our cell factory in Arendal. Overall, the ability to offer battery cells with low GHG emissions constitutes a substantial market opportunity for Morrow (ESRS 2 SBM-3). GHG emissions from cell production will be reflected in the economic operator’s EU Battery Passport, part of the Battery Regulation, including classification based on emission performance.

While GHG emissions in our manufacturing are exceptionally low, we find several emissions hotspots in our supply chain. The figure below illustrates that the extraction, refining, and production of active battery materials, i.e., cathode and anode, are the primary source of emissions in the production of battery cells. Companies in our supply chain trigger these emissions.

LFP battery cell components’ contributions to the product climate footprint (CO₂e) of a Morrow LFP battery cell.



Given our status as a clean-tech scale-up, Morrow considers it premature to develop a full-fledged transition plan (E1-1). We have, however, set ambitious 2030 targets for reducing the GHG emissions of our products (E1-4), and we have developed GHG reduction roadmaps for both our LFP and LNMO cells. One central measure in these road maps is to alter the energy sources utilised by our suppliers when producing cathode and anode - shifting away from fossil and towards renewable energy. Morrow maintains an extensive dialogue with tier-one suppliers and applies key instruments (including requirements in supplier contracts, mandatory surveys and on-site audits) to incentivise GHG emissions reductions and improve other sustainability-related themes in our supply chain.

Climate-related risks

The Company's operations primarily take place at the MRC in Grimstad and at the MCF in Arendal. A basic physical climate risk assessment was conducted in conjunction with the planning and regulation of the factory site in Arendal (Eyde Energy Park), and the area is deemed low risk. However, this analysis is based on a scenario with only a limited increase in temperature. Moving forward, Morrow will complement this Eyde Energy Park assessment with a fuller analysis where more climate scenarios with higher temperature increases are incorporated. We will also extend the analysis to key geographical locations in our supply chain.

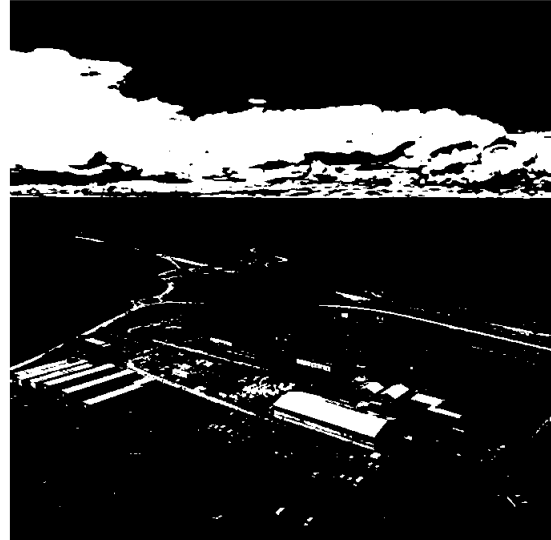
Morrow faces few climate transition risks, provided government policies and regulations continue to facilitate a transition towards net-zero in 2050. Overall, Norwegian and EU climate-related regulations are highly favourable for Morrow. The EU Battery Regulation, by way of illustration, will make the reporting of cell GHG emissions mandatory, creating a marketplace where climate footprints are comparable and introducing maximum thresholds for CO₂e/kWh. Morrow expects to fall well below these limits (ESRS 2 SMB-3). This constitutes a favourable competitive environment for Morrow, enabling the company to compete on sustainability-related criteria (ESRS 2 IRO-1).

Actions, policies and further disclosures on climate and energy

Morrow has an Environmental Policy that enshrines its commitment to GHG emission reduction and energy efficiency. The Environmental Policy is available on the Morrow webpages and has been approved by the Board of Directors (E1-2).

For the second year running, the Company has developed a comprehensive overview of total GHG emissions in full compliance with the GHG Protocol reporting standard. BDO audited this 2023 overview. The total emissions overview for 2024 has been created in a similar way but will not be audited due to cost considerations.

The E1-6 disclosure is available in the Sustainability Performance section. Morrow has also developed a complete overview of our energy consumption and mix compliance with E1-5 (see Sustainability Performance). Morrow is not engaged in any GHG removals or mitigation projects through carbon credits (E1-7), nor do we utilise internal carbon pricing schemes (E1-8).



Pollution.

The Company's overarching pollution-related policies are enshrined in our Environmental Policy, available on our web pages (E2-1). The company's targets, measurements, and actions follow the comprehensive procedures set by the Norwegian Environment Agency (MDIR). Morrow was granted a permit to start battery cell manufacturing by MDIR in late 2023. Morrow's original application and the permit ('utslippstillatelse') stipulate that there will be no pollution to the ground or water stemming from Morrow's production activities. This includes a closed system for cooled water, where the water obtained will evaporate. Morrow will still regularly conduct tests of the natural water in the surrounding area to secure a water quality equal to what it was before the factory was built. There will be some pollution in the air through pipes, but each emission-prone spot will have either HEPA filters or ULPA filters, which clean 99.95 % and 99.99 % of the air, respectively.

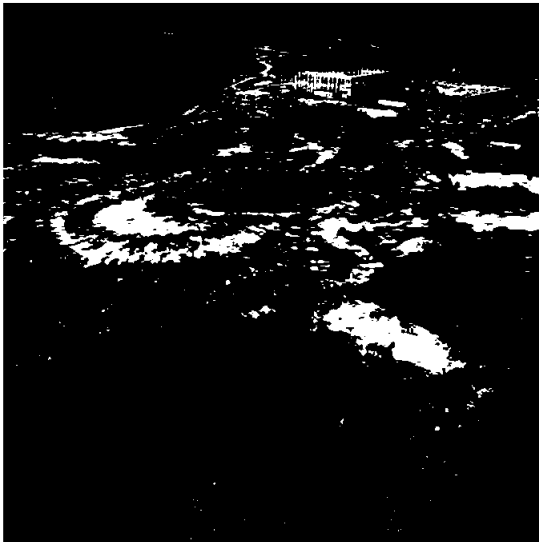
Additionally, there may be some release of Hydrogen Fluoride (HF) and N-Methyl-2-pyrrolidone (NMP), but this is expected to be lower than 500 g per year for HF and less than 1 mg/m³ of NMP per year. Noise pollution will be regulated and is expected to fall within the stipulated levels, i.e. on average, not exceeding 52 dB during the day, 47 dB during the evening and 42 dB at night. Morrow is also committed to conducting a set of regular measurements after commercial production has commenced in 2025, including for water, ground, air and noise. The results achieved will be reported to MDIR and form the basis for further dialogue and formal specification of official emission limits for Morrow. Any further targets

or company actions, if relevant, will also be based on the MDIR framework and requirements (E2-1, E2-2, E2-3, E2-4).

Morrow screens the direct battery material for our LFP and LNMO cells to assess whether substances of concern and substances of very high concern feature in our batteries. Further details are provided in table E2-5 in the Sustainability Performance section (E2-5). Substances of concern remain a challenge for the battery industry, and we will uphold our screening procedures moving forward.



Biodiversity and ecosystems.



The Morrow Cell Factory (MCF) covers 20,000 square metres and is situated on the northwest side of the Eyde Energy Park in Arendal. An additional 500,000 square metres are available in the Eyde Energy Park and are ready for further construction.

The MCF area originally consisted of a forest and a pond (Songetjønn). It was transformed from a natural area into a cleared industrial site in 2016. From 2017 to 2019, the site served as a logistical hub for contractors building the area's new main national highway (E18). The site also housed operations that enabled the crushing of stones ('pukkverk') and the preparation of asphalt. The highway construction was finalised in 2020, and the MCF site was left empty until Morrow selected it as the MCF site.

The MCF construction project has been managed according to the environmental standard BREEAM-NOR

and the certification level 'Very Good'. The BREEAM standard facilitates robust management of potential environmental challenges and mandates ecological surveys and nature conservation planning. An ecologist has surveyed and advised the construction team throughout the construction period. The ecologist has indicated that there are over 1000 species in the area associated with the Eyde Energy Park and the larger area beyond. 13 of these species present feature on Norway's list of endangered species. These include the beetle *Prionus coriarius* ('garver') and the moth *Globia sparganii* ('piggknoppørffly'). The project has actively planned to support these and other species by optimising the direction of rainwater and creating sections at the sites where straws (i.e. 'dunkjevle') and trees such as oak and maple can support these species.

In addition, a serious potential threat to biodiversity stemming from the MCF is associated with night lights. Species such as the beetle 'garver' are drawn to such lights at night, and the presence of strong sources of artificial light at industrial sites such as Eyde Energy Park can be disruptive. Considerable focus has been devoted to this challenge in the project, and a strict lighting plan for the building and surrounding area has been developed and put into operation in the course of 2024 (E4-3).

Morrow has actively engaged with biodiversity-related challenges since starting operations at the MCF site, and the BREEAM-NOR framework has provided a structured approach to identifying and addressing some central impacts and risks in our immediate operations in Eyde Energy Park. However, The Company needs to develop this work further in Arendal and incorporate attention to biodiversity impacts, risks, and opportunities in our supply chain, particularly mining-related activities. Moreover, as we scale and acquire necessary resources, we will tailor our biodiversity work and reporting to the requirements listed in ESRS E4 (E4-1, E4-2, E4-3, E4-4, E4-5).



Resource use and circular economy.

Morrow is actively working to build circular value chains. Incorporating recycled battery materials into new production can further lower emissions emitted during battery material production. Moreover, by utilising recycled content, we can bypass some of the mining and early refining stages of battery material production—typically associated with high emissions and potential negative environmental impact. This also enhances supply safety. The company’s commitment to circularity is inscribed in our Environmental Policy (E5-1).

The Company entered a partnership with Stena Recycling in 2023. This is the first key stepping stone in our circularity efforts. Stena handles all production scrap from the Morrow Cell Factory and facilitates further recycling (E5-2). The relevant tables in the Sustainability Performance section provide our initial data on resource inflows (E5-4) and resource outflows (E5-5). The material and waste flows stem from the initial ramp-up phase at the MCF, and as such, do not present a balanced picture of the likely in and outflows of resources in a year with steady-state production.

Moving forward, we will continue exploring, in partnership with Stena and other stakeholders, ways in which recycled content from battery waste streams and other industry waste streams may feed into Morrow’s cell production. Morrow aims to build an agile and market-driven circular value chain for batteries where a range of partners collaborate on recycling battery material waste, ensuring

further refining and inclusion into new battery cell production. Our preparations for the EU Battery Passport mechanism are also relevant in this context, as digitally sharing key battery parameters facilitates the recycling and reuse of batteries when they reach end-of-life.

Morrow has stipulated a short-term target for 2025: all Morrow production scrap is to be recycled, and its further use is fully reported. For the long term, the following ambitious 2030 target applies: 50% of the inactive material in our battery cells should come from recycled content (E5-3). In addition, Morrow will comply with the EU Battery Regulation requirement that 6 % lithium and 6 % nickel (if relevant) stem from recycled sources in 2031. Morrow is an active partner in several research projects on recycling, and the company expects to increase the use of our in-house R&D resources further to test the performance of recycled material in our future battery cell chemistries. The table below lists the projects we are currently participating in. Several of these explore prospects for direct recycling, where battery cells are dismantled and battery materials accessed directly for immediate use in new cells. Direct recycling typically bypasses shredding and some refining stages in the recycling of battery materials. This makes direct recycling highly efficient and potentially easier to establish at or near the cell manufacturing site. However, further research and development are needed across the battery industry to make this a viable method for recycling in extensive industrial processes.

Externally financed recycling projects

PROJECT NAME	SOURCE OF FINANCE	PROJECT COORDINATING INSTITUTION
RESPECT-Recycling	Horizon Europe	Orano Mining
ReUse-Recycling	Horizon Europe	Fraunhofer ISC
Battery Catapult: Direct Recycling of Li-ion batteries	SIVA (Norwegian Catapult Program)	Future Materials Catapult Centre



Own workforce.

Morrow is attracting, retaining, and developing a world-class workforce of international experts alongside the building of local talent in Norway. Collectively, our workforce covers a broad range of roles - from cutting-edge battery research through administrative tasks to high-precision and high-automation cell manufacturing. Potential negative impacts on our workforce are linked to safety risks in production and the handling of chemical substances. However, we also positively impact our employees by building their skills in state-of-the-art battery manufacturing and offering work with a great purpose - speeding up the energy transition with sustainable and cost-effective batteries.

As of December 2024, there were 235 employees in Morrow with 39 nationalities represented. The diversity of our workforce is actively celebrated and is also tied to a company culture where the company values of trust, collaboration, care and creativity are continuously emphasised. Morrow stipulates its policy commitments and its expectations to its work force in two documents (S1-1):

- Code of conduct.
- Labour and Human Rights policy.

The policies are introduced to employees during the onboarding process. Breaches of the code of conduct by an employee may give grounds for termination of the contract.



Processes for engaging with own workforce

Morrow runs annual employee engagement surveys to facilitate anonymised feedback and provide the management and HR team insights on working conditions. Moreover, many workers are organised in trade unions, and an elaborate system for consultation and co-decision-making has been established in Morrow, which is in full accordance with Norwegian law and established practices (S1-2, S1-8). Currently, Morrow has collective bargaining agreements with the unions TEKNA and Fellesforbundet. Employees can raise concerns via trade union representatives or the independently hosted whistleblowing mechanism (see Governance section).

Employees also participate in regular performance management review conversations with their immediate manager. This has been performed in a format developed by the Human Resources team. In the course of 2024, the HR team also further strengthened these procedures by bringing in digital tools from SAP SuccessFactors. In 2025, performance management and goals will be set up for all employees through the SAP system and cascaded down to the individual manager and employee through the annual performance and goals review. This also means that structured follow-up at individual and manager levels will be possible.

During 2024, module group-based training for leaders was set up, and two groups are currently progressing through the modules. This provides cross-cultural training as well as increased self-awareness and knowledge of key principles in Norway for organising businesses. All employees are currently offered on-the-job training to manage and develop in their roles, depending on the individual's needs. In the cases of several employees needing training to solve core tasks, employee training has been provided, including MOTA training for all new Machine Operators within the production lines (S1-13).

Mitigating gender disparities

Morrow has a diversity goal of 40% female representation throughout the company. This includes the Board of Directors and the Executive Management team also features as one of the Key Performance Indicators for 2024. As of December 2024, the number is 34.2%.

Morrow believes in a fair and competitive approach to compensation, where performance and contribution is valued. Morrow does not seek to be salary-leading and regularly benchmarks all roles towards other industries in the South of Norway, as well as salary statistics from employee and employer unions.

The HR team has implemented a job architecture ensuring terms and conditions based on the placement of roles

across Morrow, which considers years of education and experience when an employee is placed in the salary range. The salary range is based on a benchmark made towards industry and geography, and salaries are also compared against the relevant employee union statistics.

As a part of the work done to prevent salary discrimination between genders, the salaries were reviewed together with the union representative in a meeting held in the fall of 2024. The review was done as random checks for 56 employees in various positions across the organisation, focusing on our core competence within Engineering and Science. In general, the findings indicated equality across genders throughout the organization. In the few cases where there were differences between genders, we found that the level of education or years of experience was the reason for the disparities. We found one case where the differences were minor, albeit unjustified, and this was corrected.

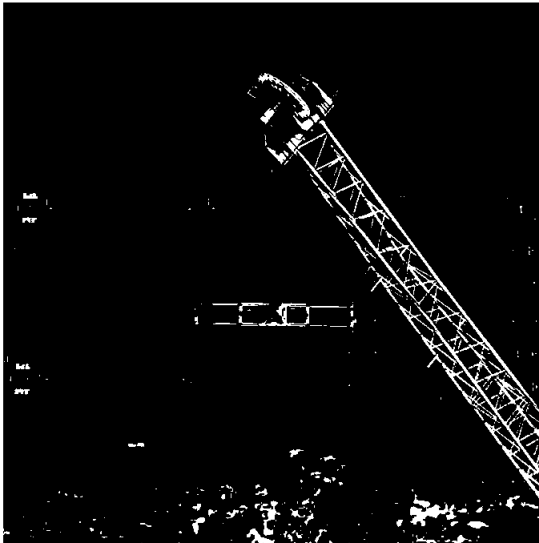
The Morrow management team and the trade unions have jointly agreed that gender equality and salaries will continue to be reported every other year from 2024 onwards to ensure gender pay equality (S-16).

Health and safety

Core mandatory training in HSE has been conducted for all employees working within both operations and in the research and development area. External contractors at the MCF site also receive HSE training. Building a core competence in both HSE and battery manufacturing has been important to secure a safety-first approach and mindset within the workforce. Further details on health and safety incidents are available in the sustainability performance section (S1-14).



Workers in the value chain.



Morrow acknowledges that the battery industry is prone to risk. Known potential adverse impacts include environmental destruction, unsafe working conditions and instances of child labour. This calls for a robust sustainability risk management framework. According to the Norwegian Transparency Act, Morrow is legally required to undertake such actions and report externally on its performance. The act requires Morrow to manage risks in the supply chain related to human rights and decent work and report annually. Suppliers of direct materials to a company's product should be prioritised according to this act. The EU Battery Regulation, similarly, requires robust due diligence procedures in supply chain management.

The Company has an annual cycle for Leadership and Board involvement in sustainability risk management. The company has formulated a Human rights and decent work policy published on the Morrow webpages (S2-1).

In 2024, we achieved a significantly better grasp of sustainability risks in the supply chain. Still, the potential for abuse of labour rights, human rights, workers' safety and negative local environmental impact associated with Morrow's battery material suppliers and sub-suppliers continue to serve as significant risks for Morrow. The Morrow Quality, Procurement, and Sustainability teams conducted in-depth and physical on-site audits of 15 LFP Direct Battery Material Suppliers in 2024. All LFP suppliers are deemed to have an acceptable performance in relation to social and environmental issues. Assessing working conditions, discussing workers' conditions with management and engaging with workers were key elements of the audits (S2-2).



The Company expanded and reworked the initial Morrow Supplier Sustainability Index in 2024. A larger, more detailed Supplier Sustainability Database was established based on relevant legislation that Morrow needs to comply with. The database includes information from pre-risk screenings and audits and information offered by the supplier through the comprehensive survey as part of the traceability requirements. The company also substantially enhanced access to information on sub-suppliers in the direct battery materials value chain.

New measures and reporting requirements for suppliers were introduced in 2024. This includes contractually obliging all of Morrow's direct battery material suppliers to provide the geographical chain of custody for the materials. Additionally, as per the EU Battery regulation, some key suppliers are required to offer a comprehensive overview of battery material ingredients, energy use per ingredient, and carbon emissions. In early 2025, most of our suppliers offered Morrow some insights into their suppliers, although significant gaps and much work remain. Overall, however, the progress achieved in 2024 marks the first substantial

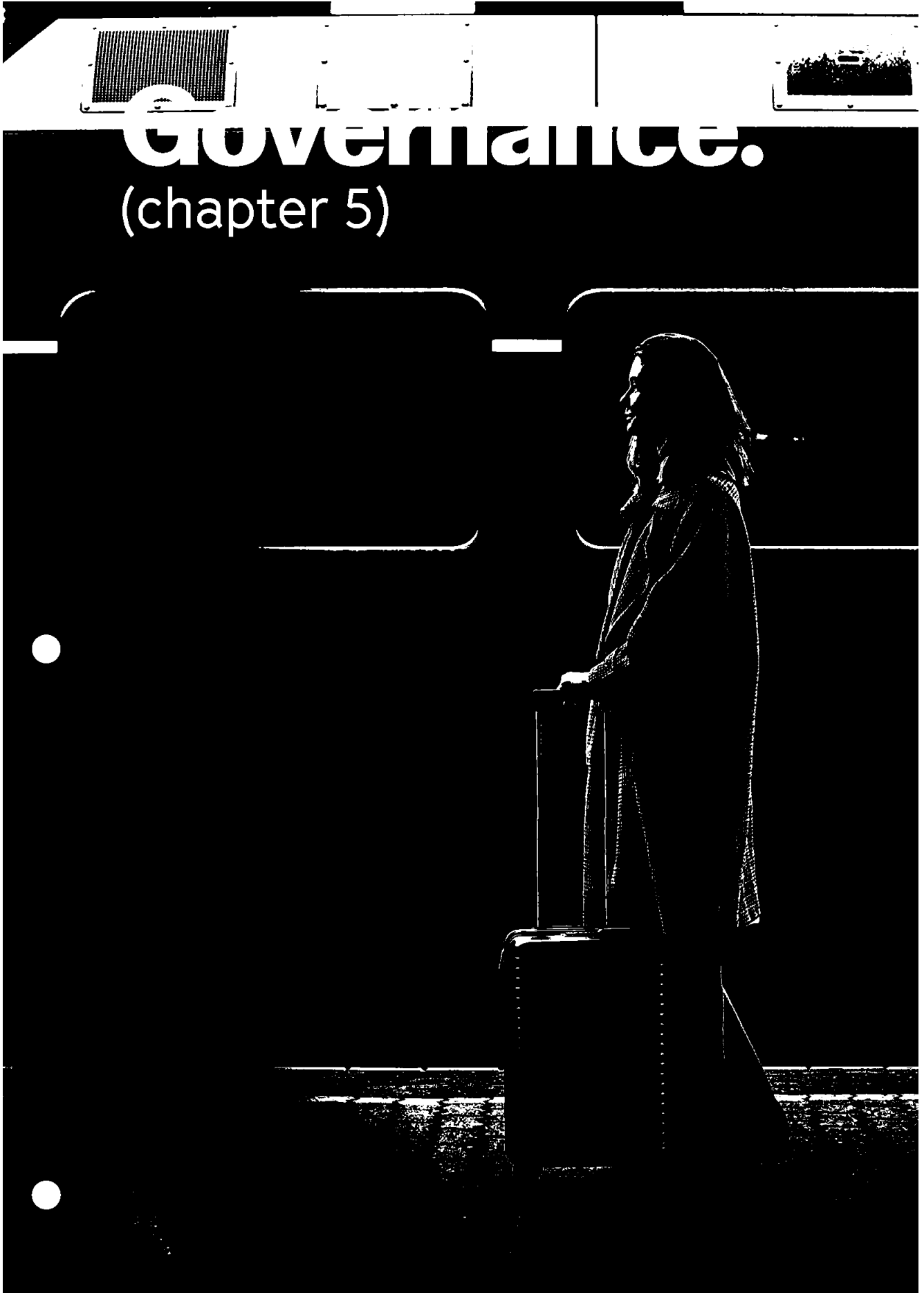
step towards reaching our company sustainability target of 100 % traceability by 2030 (S2-5).

The Company's suppliers typically have 2-5 tiers in their supply chain, and more is now known about the sub-suppliers' performance. An improved overview of Morrow's material supply chain and the geographical chain of custody will form the centrepiece of Morrow's further risk mitigation against breaches of human and labour rights and mitigating against negative local environmental impact. Knowledge of geographical locations enables the Morrow sustainability team to check media and other secondary sources to assess whether a specific area or administrative region is associated with human rights breaches, labour rights breaches, or negative environmental impacts. This may, if needed, form the basis for further action, such as dialogue, audit or eventual exclusion if risk levels are indicated as potentially high and upgrades in business practices are unlikely. As a scale-up of limited size, Morrow does not have a formal grievance mechanism that workers in the supply chain can access (S2-3), although a whistleblowing mechanism is in place.



Governance.

(chapter 5)





Effective governance is central if we are to succeed in our quest to speed up the energy transition with cost-effective and sustainable batteries. Morrow has built robust governance processes and benefits from a board of directors and an executive leadership team with diverse competencies.



Board of Directors.

Liv Monica Bargem Stubholt

(Chair of the Board).

Liv Monica Bargem Stubholt was appointed Chair of the board in June 2022. Stubholt has more than 20 years of experience as a corporate lawyer with the addition of strong industrial executive experience. She has held several top executive positions in the Aker Group and served as deputy minister in the Norwegian Ministry of Foreign Affairs and the Ministry of Petroleum and Energy. Stubholt has several non-executive board positions, primarily in the energy sector, including as chair of Hafslund Oslo Celsio and deputy chair of Vår Energi. Stubholt holds a Cand. Jur. Degree from the University of Oslo.





Tor Øystein Repstad

(Director).

Tor Øystein Repstad joined the Morrow board in 2020 and is currently serving as the CEO of Å Energi Venture (previously Agder Energi Invest). Repstad has worked in the industry for over 20 years and has gained experience working with Otovo, Norsk Energigjenvinning, Å Energi (previously Agder Energi), and Eco Stor. Repstad holds a Master of Science (MSc) degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU) and a Master of Business Administration (MBA) in Finance from the Norwegian School of Economics (NHH).

Atle Knudsen

(Director).

Atle Knudsen joined the board of Morrow in May 2023. Knudsen is Executive Vice President for New Industries at Å Energi. Knudsen holds a Master's degree in marketing from the Southern Denmark Business School and an MBA from the Norwegian School of Economics. He is the chairperson of Å Energi Invest and Entelios Nordic.

Roger Ernst Buchmann

(Director).

Roger Buchmann was appointed to Morrow Board of Directors in 2024. He is a seasoned leader in the rail sector, with extensive experience in sales, operations and strategic leadership. He currently serves as the Global Product Line Manager for Propulsion Packages at ABB. With over two decades at ABB, he has held key roles, including Head of Sales for Traction Converters

and also spent several years as an Operations Manager in Guangzhou, China. Roger holds a masters in electric engineering and a master's in economics, both from ETH Zürich in Switzerland. His expertise spans sales, project management, and operations, with a strong focus on advancing sustainable rail technologies.

Kristine Lindland

(Director).

Kristine Lindland was appointed to the board of Morrow Batteries in May 2024. She has eight years of experience in strategy, M&A and finance, with focus on the energy sector. Lindland has held several positions in Å Energi and is currently dedicated to strategy and M&A in her role as a Senior Project Manager in the CFO-team. Previous experience includes financial due diligence as a part of EY's Strategy and Transactions practice and in the finance department of Aker BioMarine. Lindland holds a Master of Science from BI Norwegian Business School.

Birgit Rönnberg

(Director).

Birgit Rönnberg joined the board of Morrow in January 2025. She is Vice President in the Equity Finance team at Siemens Financial Services and has over 18 years of experience in international energy and infrastructure projects. She specialises in project finance, risk management, and financial controlling across the global energy and mobility sectors. She has extensive board experience, having held mandates in various companies throughout Europe and Asia-Pacific region. Rönnberg holds a Master Degree from Georg-Simon-Ohm University in Nuremberg, Germany.



Executive leadership team.

Lars Christian Bacher

Chief Executive Officer (CEO).

Lars Christian Bacher became CEO of Morrow on 1 December 2022. Bacher previously held a position as senior partner at the private equity firm Hitec Vision, following a 30-year career in the global energy company Equinor ASA, including eight years as Executive Vice President of Development and Production International and as Chief Financial Officer. Bacher holds master's degrees from the Norwegian School of Economics (NHH) and the Norwegian University of Science and Technology (NTNU).



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Steffen Føreid
Chief Financial Officer (CFO).

Steffen Føreid started as CFO at Morrow in October 2023. Føreid has broad international leadership and capital markets experience from public and private companies in energy and maritime industries. He has served as CFO for more than 15 years and been responsible for implementing financing strategies supporting multi-billion USD global expansion. Previously, Føreid served as CFO at Gen2 Energy, Freyr Battery (NYSE), and Höegh LNG Holdings (OSE) and as Director and CEO/CFO at Höegh LNG Partners (NYSE). He holds a Liz.rer.pol. degree in Finance and Business Administration from Université de Fribourg in Switzerland.



Dr. Andreas Maier
Chief Operating Officer (COO).

Dr. Andreas Maier joined Morrow in April 2021 and was appointed COO in April 2022. Dr. Maier has solid experience in battery manufacturing from Samsung SDI. At Samsung, as VP of Quality, he oversaw the quality of cell production in South Korea, China, and Hungary. He holds an MBA from IMD in Switzerland and a Ph.D. in mechanical engineering from the University of Sunderland in the UK. In addition, he has worked as a consultant for McKinsey, developing operations and market strategies for leading automotive OEMs in China and South Korea. He also managed the build-up of a large-scale production facility with Hyundai Mobis in South Korea.



Christin-Marie Boudgoust
Chief Commercial Officer (CCO).

Christin-Marie Boudgoust joined Morrow in January 2024 and currently serves as Chief Commercial Officer. She brings with her a wealth of experience and a strong track record in the commercial business area. Prior to joining our team, Christin-Marie served as the Director of Business Development Battery Systems at Webasto. She has also

held key positions, including Key Account Manager in the EV field at Samsung SDI and General Manager at DBK Heaters Trading (SH) where she successfully established a Chinese subsidiary in Shanghai/China. Christin-Marie is leading our commercial business area, overseeing the Sales area as well as both the Business Development and the Technical Sales support teams. Christin-Marie holds a Diploma in Business Administration from the Cooperative State University Karlsruhe, Germany.



Elisabeth Meidel
EVP of People & Culture.

Elisabeth Meidel joined Morrow in October 2021 and currently serves as the EVP People & Culture, bringing with her more than two decades of HR experience gained from her previous roles at EY, Accenture, and Gard. Prior to joining Morrow, she held the position of HR Team Lead at the Gard group and served as Recruitment Lead at Accenture Norway. Elisabeth has studied Teamwork and Leadership, as well as Applied Organisational Psychology at BI Norwegian School of Economics. Additionally, she holds a university degree in mercantile German and international trade from Østfold University College.



Jon Fold von Bülow
Co-Founder and Chief Science Officer (CSO).

Jon Fold von Bülow is one of the co-founders of Morrow and serves as CSO. With over a decade of experience in the battery industry, Jon has held various roles in research, development, and management. Before joining Morrow, Jon led the development of innovative cathode active materials for lithium and sodium ion energy storage applications at Topsoe. During this time, he was involved in setting up battery research labs in Denmark, Germany, and China. Jon holds a Master of Science degree in nanotechnology from the University of Copenhagen. He has conducted most of his academic work on Li-ion batteries at the University of California Santa Barbara at the UCSB-MIT-Caltech Institute for Collaborative Biotechnologies (ICB).



Naja Boone
EVP of Marketing & Communications.

Naja Boone joined Morrow in August 2022 and currently serves as EVP Marketing & Communications. Boone has extensive B2B experience, first as a consultant for Statoil (now Equinor), then as Head of Communications for Wilhelmsen Ships Service, and as Global Head of Marketing & Communications for Wallenius Wilhelmsen. She has been responsible for strategic brand management, corporate communications, digital B2B marketing, employee engagement, and crisis management through her leadership roles. She has also worked for agencies Hill+Knowlton Strategies and Scandinavian Design Group in Oslo and Sigel+Gale in New York. Naja holds a BA in Public Relations from BI Norwegian Business School.



Pål Brun
Co-Founder and EVP Corporate Affairs.

Pål Brun is one of the co-founders of Morrow and currently serves as EVP of Corporate Affairs. Brun has over 20 years of experience in management consulting, green technology investments, and politics. He has worked with organisations such as EY, PwC, Otovo, and Oslo Municipality. Additionally, Pål Brun served as the former Head of Climate Change and Sustainability Services at EY and PwC. Brun holds a Master of Law from the University of Oslo and has attended the Venture Capital Executive Program at Haas School of Business, University of California, Berkeley.



Nina Hunsager Framås
EVP Strategy and Corporate Development.

Nina Hunsager Framås joined Morrow in April 2021 and currently serves as EVP of Strategy and Corporate Development. Bringing with her more than ten years of experience in management consulting, Framås' proficiency lies in corporate strategy and development, business improvement, and operational optimisation. She has extensive experience from leading major and complex transformation projects- and processes in a fast-paced environment. Nina holds a Master of Science in Business and Economics (Siviløkonom) from BI Norwegian School of Economics.



Dr. Rahul Fotedar
Co-Founder and Chief Technology Officer (CTO).

Dr. Rahul Fotedar is one of the co-founders and currently serves as the CTO at Morrow. Dr. Fotedar's expertise in advanced battery technology has been honed through over 15 years of experience, including his work as an expert at Hilti Corporation. Through his career, he has gained a deep understanding of battery technology's unique challenges and opportunities. Rahul holds a Masters's degree in chemistry from TU München and a Ph.D specialising in battery materials from ETH Zürich.



Risk management.

Enterprise risk management

Morrow's risk management process is cyclical and iterative, focusing on identifying, analysing, assessing, and managing significant risks. This process is integral to our governance and management, enabling us to anticipate, prevent, and mitigate potential threats and uncertainties that may affect our objectives and performance. It also allows us to seize opportunities in a changing and complex environment.

Our operations face internal and external risks that could impact our ability to achieve sustainable growth, development, and performance. To ensure our company's sustainability, resilience, and growth, we apply the COSO risk framework, classifying risks and opportunities into four categories: strategic, operational, financial, and compliance. We have expanded compliance risks to sustainability risks during 2024.

The materiality of identified risk factors is assessed based on quantitative and qualitative factors, considering their likelihood and consequences. Risk mitigation plans are implemented for the most material risks with the potential to impact Morrow's performance. According to the risk management framework, each business function manages risks and completes mitigation actions within their respective areas. Our risk reports are regularly reviewed and approved by the Board of Directors.



Strategic risks

Morrow faces several external threats, primarily due to the complex and competitive nature of the battery industry. Entering this industry is challenging, and the rapidly changing competitive landscape is driving fast technological advancements, price reductions, and increased regulatory requirements. As a result, investors are becoming more cautious, demanding greater maturity and proof of actual production. Price remains a key factor for customers, and many are unwilling to pay premium prices for sustainability and European supply chains. Key strategic risks include securing viable offtake to achieve expected profitability and growth and competing in challenging and changing market conditions. The development of strong competitors also poses a significant risk. Other companies may succeed in commercialising alternative battery chemistries that directly compete with ours, impacting our ability to achieve expected market shares and sales volume. Morrow will, therefore, work to further capitalize on strategic opportunities and successfully execute current projects and plans.

On the other hand, one of Morrow's key strengths is our stepwise approach, which allows us to mitigate risks and steadily progress towards success. We are well-positioned to continue this path, and strong, substantial shareholders support us. Additionally, as the first independent European supplier of LFP, we hold a competitive edge. Our comprehensive in-house capabilities, covering development, testing, and production in Agder, Norway, further differentiate us from competitors.



Operational risks

Morrow's most significant operational risk is the ramp-up of the Morrow Cell Factory. Despite technical issues and work permit challenges during 2024, we focus on key operational parameters (e.g., yield, throughput, and availability). The criticality of reaching operational goals has increased.

The Company faces risks related to the limited supply of critical materials and components, exacerbated by geopolitical tensions affecting international trade rules. Delays in market readiness of our products could impact our market share, sales volume, and revenue.

We have a low tolerance for risks associated with HSE and people safety. We strive for zero harm to personnel, materials, and the environment, with a high focus on HSE activities.



Financial risks

The Company is exposed to various financial risks, including liquidity, market, and credit risks. Liquidity risk involves the potential inability to meet financial obligations as they fall due. Morrow has received NOK 3.3 billion in equity from its shareholders since the inception of the Company, and secured a NOK 1.5 billion loan facility in December 2024 (see note 16 for further details). Good liquidity management is crucial, but achieving operational goals is necessary to mitigate liquidity risks further.

Exchange rate risk arises from purchases and investments in currencies other than our functional currency, primarily EUR, USD, and CNY. We have not yet entered into agreements to reduce exchange rate risks but will consider this as volume increases.

Credit risk concentrations are not significant. Receivables are monitored to limit exposure to bad debts. Market risk, including interest rate volatility, impacts investor risk appetite and valuations, increasing overall market volatility.

Compliance and sustainability risks

Morrow strives to comply with our Code of Conduct and relevant laws and regulations. We monitor business ethics and supply chain risks to prevent corruption and violations of labour and human rights. Environmental risks from our operations and those of our suppliers are rigorously monitored and reduced through comprehensive procedures and ESG audits. We are also alert to the risks global warming and changing weather patterns could pose to our operations and supply chain. However, the growing focus on sustainability aligns with our strengths as we work towards incorporating recycled materials, facilitating low-emission manufacturing, and dual-sourcing strategies.

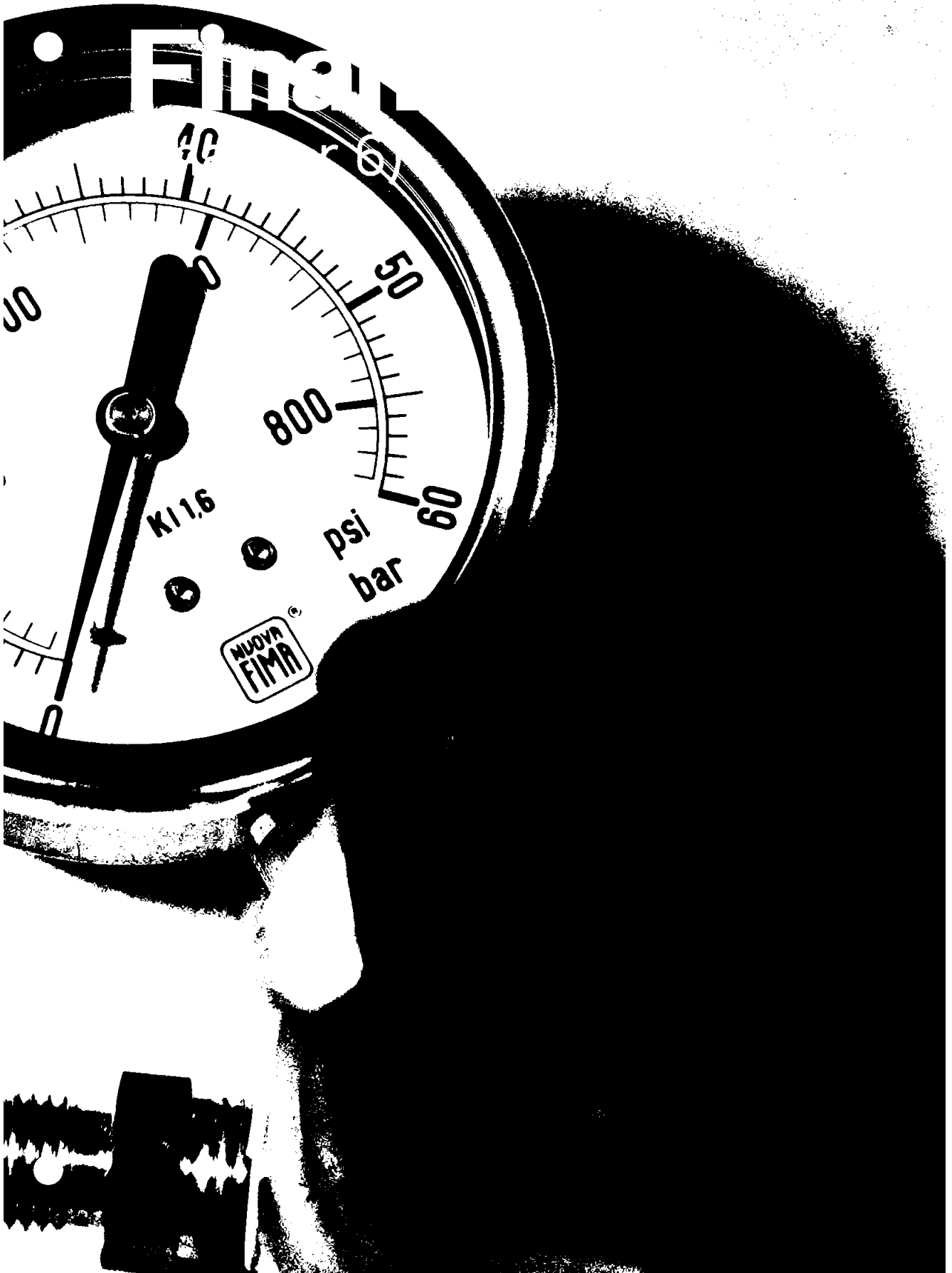
Mitigating compliance risks is crucial, with high shareholder attention. Constructive and transparent work processes, general transparency, and respect support a compliance culture. Clear alignment on company goals fosters a good working environment between the board of Directors and management.

Prevention and detection of corruption

The Company is committed to fostering a culture of integrity and accountability, with zero tolerance for corruption and bribery. These commitments are communicated to all employees during the onboarding process, and all employees sign the Morrow code of conduct, which requires our employees to conduct business ethically and explicitly bars employees from receiving gifts of monetary value. Similarly, our suppliers also sign a supplier and subcontractor declaration, which includes a pledge not to offer gifts of monetary value to Morrow employees.

Morrow's operations primarily take place in Norway, which scores high on global corruption rankings. This suggests risks of corruption incidents in Morrow's operations are low, albeit not wholly absent. Morrow has established a digital whistleblowing channel managed by Deloitte and accessible via the Morrow website. Whistleblowers can choose to report anonymously or disclose their identities (G1-3).

While Morrow's operations are tied to Arendal, Norway, our global supply chain includes countries where corruption levels are perceived as relatively high, according to the Transparency International Corruption Perception Index (CPI). This calls for extra precautions, and the teams in contact with our supplier are alert to these challenges.



Financial statements.



Board of Directors' report

Morrow Batteries ASA ("Morrow" or the "Company") is an industrial technology company that develops, manufactures, and markets high-quality lithium-ion battery cells. The Company is on a mission to speed up the energy transition. Since its establishment, it has taken significant steps towards supplying sustainable and cost-effective batteries to energy storage, niche, and automotive markets.

The Morrow Group includes Morrow Batteries ASA, Morrow Technologies AS, Morrow Industrialization Center AS, and Morrow Batteries GmbH.

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Operations and locations

Morrow is building a giga-scale battery cell factory in Arendal, Norway, that is scheduled to start operations in the first half of 2025. The Morrow Cell Factory (MCF) will be the first giga-scale factory in Europe to manufacture LFP batteries.

At the end of 2024, Morrow had three assets in operations and under development:

Morrow Research Centre (MRC)

The MRC is key to our infrastructure for industrialising European battery cell production. With a global team of skilled researchers, the MRC brings new expertise to Norway. It leads groundbreaking research in battery technology and cell production, forming the core of a dynamic ecosystem.

Morrow Development Centre (MDC)

Our MDC is a small-scale battery cell manufacturing line bridging the gap between research and mass production. With a capacity of 2,000 cells per month, it produces TRL 7 stage batteries and A/B sample cells for customer qualification. Initially set up in South Korea, it was moved to Eyde Energy Park in 2024. The semi-automatic line mirrors the more extensive MCF line, ensuring easy process transfer.

Morrow Cell Factory (MCF)

The MCF is an important building block in developing large-scale industrial capabilities, demonstrating scale-up and mass-production while supplying battery cells for customers. It is equipped with production equipment similar to that intended for planned expansions.



Review of the annual financial statements

Morrow has prepared the consolidated financial statements in accordance with the Regulation on the simplified application of the International Financial Reporting Standards (IFRS * Accounting Standards) as adopted by the European Union. Unless otherwise stated, all amounts below refer to the group's consolidated financial statements. The financial statements cover the period from 1 January 2024 to 31 December 2024.

During the period, the Group's revenues increased from NOK 33 million in 2023 to NOK 115 million in 2024. Operating loss ended at NOK 408 million in 2024, compared to NOK 270 million in 2023. The deterioration is primarily due to the impairment of the developed NMC technology and the write-down of the goodwill from the acquisition of Graphene Batteries. The loss for the period was NOK 423 million, compared to a loss of NOK 333 million in 2023. The Group's total assets amounted to NOK 3 386 million at the end of 2024, compared to NOK 2 588 million in 2023. The Group had a cash position of NOK 294 million at year-end 2024 compared to NOK 609 million at year-end 2023. Total equity amounted to NOK 2 364 million at year-end 2024, compared to 2 218 million as of year-end 2023.

Cash flows from operating activities ended 2024 at a negative NOK 431 million compared to a negative NOK 125 million in 2023. Cash flows from investing activities were negative by NOK 783 million in 2024, compared to negative NOK 1 128 million last year. Cash flows from financing activities of NOK 900 million in 2024 includes NOK 569 million in new equity. Cash flow from financing activities in 2023 ended at NOK 1 431 million.

Review of the parent company

Morrow Batteries ASA's revenues increased from NOK 2 million in 2023 to NOK 40 million in 2024. The growth is principally driven by an increase in public grants. The operating loss was NOK 261 million, compared to NOK 202 million in 2023, largely due to the impairment of developed NMC technology. The loss for the period amounted to NOK 525 million, compared to a loss of NOK 258 million in 2023. The increase was mainly due to the NOK 266 million write-down of shares in subsidiaries. Total assets amounted to NOK 2 715 million as of 31 December 2024, up from NOK 2 528 million as of 31 December 2023. The Company's cash position was NOK 278 million at year-end 2024, down from NOK 526 million at year-end 2023. Total equity amounted to NOK 2 371 million at year-end 2024, compared to NOK 2 327 million at the end of 2023.

Cash flows from operating activities ended 2024 at a negative NOK 244 million compared to negative NOK 152 million in 2023. Cash flows from investing activities were negative by NOK 789 million, compared to negative NOK 1 096 million the year before. Cash flows from financing activities of NOK 786 million, which includes NOK 569 million from capital contribution during 2024. Cash flow from financing activities in 2023 ended at NOK 1 434 million.

The Board of Directors proposes to the Annual General Meeting that the net loss for the year to be distributed as follows:

To share premium reserve:	NOK 525 million
Total allocated:	NOK 525 million

Significant Risks

Effective management of strategic, operational, financial, compliance and sustainability risks are crucial to the success of Morrow's operations. Robust risk management practices are vital for ensuring long-term stability and profitability. For a more detailed overview of Morrow's risk assessment, please refer to the Risk Management section in Chapter 4.

Strategic risks

Morrow faces external challenges due to the highly competitive battery industry, with rapidly evolving technologies, pricing pressures, and increasing regulatory requirements. Key risks include securing viable offtake agreements supporting profitable operations. The Company mitigates these risks through a stepwise approach and strong shareholder support, positioning itself as a leader in European LFP supply with in-house capabilities.

Operational risks

The ramp-up of the MCF presents significant operational risks, especially with supply chain issues and market delays. Risks related to critical materials and geopolitical tensions are also notable. The company maintains a strong focus on HSE to ensure safety during the construction and operation of the factory.

Financial risks

Morrow is exposed to liquidity, market, and credit risks, including the potential inability to meet financial obligations as they fall due. The company has secured equity and financing to mitigate liquidity risks, but operational success is key to further reducing financial exposure. Exchange rate fluctuations and interest rate volatility are other financial risks to consider.



Compliance and sustainability risks

Morrow is committed to compliance with its Code of Conduct, laws, and regulations, with a strong focus on environmental and social risks. The company monitors supply chain ethics, environmental impact, and global warming risks.

Significant events during the year

- Completed the MCF construction.
- Relocated the customer qualification line (CQL) to the Morrow Development Centre (MDC).
- Validated and certified LFP B-samples.
- Signed a Master Supply Agreement with Nordic Batteries.
- Secured LoI's with Proventia and a MoU with Ukraine SAEE.
- Achieved significant advances in our LNMO-X product development, achieving target energy densities and demonstrating unparalleled safety.
- Achieved substantial improvements in the cycle life of LNMO-C.
- Achieved zero HSE incidents with lost time.
- Awarded total ~360MNOK in public funding.
- Received - 80MNOK in paid grants.
- Secured a loan facility of NOK 1.5 billion from Innovation Norway (see note 16 for the availability).
- Grown to 235 employees and 39 nationalities as of 31.12.24.

Investing in research and development

Research and development play a crucial role in driving Morrow's strategy and ensuring sustainable growth. Morrow invests significant effort and resources in research and development initiatives. Battery technologies are evolving rapidly, and building market shares requires keeping pace with developments in the field. Morrow has strongly committed to developing batteries in-house rather than licensing in relevant technologies. This differentiating factor enables the Company to build battery solutions closely with customers and be at the forefront of development.

The highly skilled battery specialists at the Morrow Research Centre (MRC) have delivered state-of-the-art R&D results. Morrow has validated and certified LFP B-samples in the past year, a significant step in the product qualification process. The Company has also made notable progress in its LNMO-X product development, achieving target energy densities while demonstrating unparalleled safety. Additionally, substantial improvements have been made in the cycle life of LNMO-C, further enhancing the performance and competitiveness of Morrow's battery technologies. These advancements strengthen

Morrow's commitment to sustainable battery technology, contributing to lower battery cell costs and reducing the GHG emissions of the battery value chain.

Sustainability

Morrow's sustainability performance is outlined in the relevant chapter of this annual report. A statement on Human Rights and Decent Working conditions in Morrow's supply chain as per requirements in the Norwegian Transparency Act will be published separately on www.morrowbatteries.com. Morrow is in a scale-up phase but has preliminarily defined its material topics (double materiality) and commenced reporting on a select set of issues in accordance with the European Sustainability Reporting Standards (ESRS). Overarching sustainability targets have also been defined for five material topics. The targets are set for 2025 and 2030.

Environmental impact

Morrow's mission is to speed up the energy transition with cost-effective and sustainable batteries. The Company is preparing for near-zero emission manufacturing of battery cells at the Morrow Cell Factory and is targeting substantial reductions in GHG emissions in the battery supply chain. Morrow has, through its partnership with Stena Recycling, started recycling battery production scrap and is making preparations for recycled materials to be used in the production of new battery cells. Morrow's suppliers commit to upholding high environmental standards and are screened for environmental risk before being onboarded. Direct battery material suppliers are audited on their environmental performance through on-site visits. The environmental standard BREEAM-NOR has guided the construction of the Morrow Cell Factory.

Work environment

Morrow's commitment to zero harm to its employees extends beyond mere accident prevention. The Company recognises that employee well-being encompasses both physical and mental health. Easy access to a variety of services from health care professionals is provided through the health insurance for employees.

Morrow also recognises the importance of mental health and understands that employees may experience stress and other mental health challenges due to work-related factors or personal life events. By prioritising both physical and mental health, Morrow is creating a workplace culture that values employee well-being, which in turn leads to higher employee morale, productivity, and retention. Morrow continued in 2024 with running annual employee engagement surveys, where stress level was especially monitored.



Sickness absence amounted to 1 759 hours, corresponding to 4 percent of the total number of working hours. There was 2,4 percent long-term sickness absence in the workforce. No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

Employees and diversity

Morrow is working to implement measures according to the activity and reporting obligations in the Equality and Anti-discrimination Act. This includes activities to promote gender equality, ensure equal opportunities and rights, and prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion, and faith. During 2024, we scaled up significantly, and by the end of the year, our workforce expanded to 235 with 39 nationalities represented among our staff, including countries in Europe, North and South America, the Middle East, South Asia, and East Asia. We have developed comprehensive procedures for welcoming, onboarding, and integrating international members of our staff into the local communities in the Agder region.

We take considerable pride in maintaining a solid gender balance. As of December 2024, we had 34% women and 66% men in our workforce. Four out of ten members of our leadership team are women. As of April 2025 our Board of Directors maintains an equal gender distribution, with 50% women and 50% men, and is led by a female Chair.

The Company's reporting on diversity and equal opportunity is available in the Statement of Equality and Non-Discrimination published on the Morrow website.

Ethics and social responsibility

Morrow is working every day to uphold human rights and decent work practices across the battery value chain. The Company sets high ethical standards, and communication with the outside world is to be open, clear, and honest. Morrow is responsible for ensuring safe and good workplaces in the local communities where it is present.

Respecting human rights and upholding decent work practices are central parts of Morrow's Code of Conduct. All employees are requested to familiarise themselves and sign this code as they enter the workforce. Morrow's Supplier Code of Conduct stresses the importance of decent working conditions and respect for human rights. All suppliers are requested to assess and sign this code when collaborating with the Company. Suppliers are screened for human and labour related risk before being onboarded. Direct battery material suppliers are regularly

audited on their human and labour rights practices through on-site visits. The Morrow Cell Factory building was completed in 2024 and the requirements of BREEAM-NOR was adhered to.

Morrow's Human rights and decent work policy, Environmental policy, Mineral policy and the Code of Conduct, are available on the Company website.

Morrow launched a whistleblowing channel (Compass) in 2023 through external provider Deloitte.

Equity and ownership

Since its inception in 2020, Morrow has been supported by leading industrial and financial shareholders. The Company is fully European-owned and deeply embedded in European R&D and industrial networks. As of December 2024, the largest shareholders in the Company include:

- Å Energi Invest AS (49.9%), one of Norway's largest energy utilities with operations throughout the value chain, owned by Statkraft and municipalities in Southern Norway.
- Siemens Project Ventures GmbH (17.4%), a world-leading technology company.
- Private Equity Minorities I K/S (14.9%), a pension fund and one of one of Denmark's leading asset management companies.
- ABB Switzerland Ltd. (8.7%), a world-wide technology leader in electrification and automation.
- NOAH AS (5.8%), a leading Norwegian environmental company.
- Nysnø Klimainvesteringer AS (2.2%), the Norwegian government's climate investment company.

The shareholders have provided substantial amounts of funding and valuable support and collaboration as the Company has executed its strategy.

Morrow issued a total of 900 721 new shares in 2024. As of 31 December 2024, the total outstanding shares was 4 650 756, each with a par value of NOK 10.

Going forward, Morrow will require further financing to complete the Morrow Cell Factory, start operations, and scale up the organisation to deliver on its strategy. The Company plans to fund future investments through a combination of equity, debt, and public financing, potentially supplemented by other means. Morrow expects to have substantial off-take agreements in place before starting construction of each giga factory.



Board of directors

During the year, Roger Ernst Buchmann, Kristine Lindland and Birgit Ulrike Rønnberg joined the Board of Directors, while Pedro Valle e Azevedo resigned from his role, and Anders Læg Reid transitioned to an observer role. As of today, the Board of Directors consists of Liv Monica Bargem Stubholt (Chairperson), Tor Øystein Repstad, Atle Knudsen, Roger Ernst Buchmann, Kristine Lindland and Birgit Ulrike Rønnberg.

Morrow has secured an insurance agreement to protect the Board and CEO against potential liability towards the Company and third parties. The policy also covers the Company's subsidiaries, Morrow Technologies AS and Morrow Industrialization Center AS, with a total coverage amount of the policy is NOK 50 million.

Subsequent events

In January 2025, Morrow announced strategic measures to prioritise commercial LFP battery production, expand sales, and advance proprietary technology at the Morrow Research Centre. To focus on core activities, certain projects will be postponed, and workforce reductions of 50-60 positions will be implemented.

Significant uncertainty related to going concern

In accordance with the provisions in the Norwegian Accounting Act, the Board of Directors has assessed the going concern assumption as a basis for preparing and presenting the financial statements. The annual financial statements provide a true and fair view of Morrow's position at the end of the year.

The Morrow Batteries Group is working towards the start of production at the Morrow Cell Factory in the second quarter of 2025. At the same time, the Group is working to secure additional sales volume for the planned production output at the factory. Ramping up production and preparing for growth will require substantial investments until the Group is expected to generate positive free cash flows.


The Group secured long-term financing in December 2024 to support its plans. However, additional funding will be required during the first half of 2026 to ensure that the Group remains fully financed. The availability of such financing is uncertain, which creates significant uncertainty about the Group's ability to continue as a going concern. In assessing the Group's ability to continue as a going concern, the evaluation covers a period extending to the end of 2027, aligning with the timeframe used by management in their cash flow forecast.

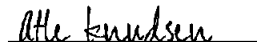
We refer to note 3 "Significant uncertainty related to going concern" regarding the going concern assumption.


Responsibility statement


"We confirm that, to the best of our knowledge, the financial statements for the period from 1 January 2024, up to and including 31 December 2024, have been prepared per applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and that the directors' report includes a fair review of the development and performance of the business and the position of the Company as a whole, together with a description of the principal risks and uncertainties the Company faces."

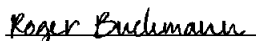
Arendal, 8 April 2025
BOARD OF DIRECTORS

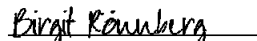

Liv Monica
Bargem Stubholt
Chair of the board

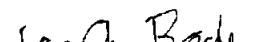

Atle Knudsen
Director


Kristine Lindland
Director


Tor Øystein Repstad
Director


Roger Buchmann
Director


Birgit Ulrike Rønnberg
Director


Lars Christian Bacher
CEO



Morrow Batteries ASA

Statement of profit or loss and other comprehensive income

Amount in NOK 000's	Note	GROUP		PARENT COMPANY	
		2024	2023	2024	2023
Operating income					
Project grants	4	75 231	489	34 172	109
Sales revenue	5,6	10 293	32 909	0	500
Other income	5,6	29,814	0	500	0
Other income - group companies	5,6	0	0	5 382	1 183
Total operating income		115 339	33 398	40 054	1 792
Operating expenses					
Employee benefit expenses	7	144 983	161 366	89 071	108 751
Other operating expenses	6,7,8,9,10	233 436	127 738	105 321	76 847
Other operating expenses - group companies	6	0	0	17 395	14 273
Depreciation and amortisation expenses	10,11	37 428	14 397	5 789	4 346
Impairment intangible assets	9	107 809	0	83 254	0
Total operating expenses		523 656	303 501	300 831	204 218
OPERATING LOSS		-408 317	-270 103	-206 777	-202 426
Financial income and expense					
Share of the profit/ (loss) of associates	12	0	-34	0	-34
Finance income	13	31 021	44 366	19 521	29 797
Write-down of shares in subsidiaries		0	0	265 700	
Finance cost	11,13	45 506	55 641	18 141	46 042
Net financial items		-14 484	-11 310	-264 320	-16 279
LOSS BEFORE INCOME TAX		-422 801	-281 413	-525 097	-218 705
Income tax expense	14	197	52 067	0	39 439
NET LOSS		-422 998	-333 481	-525 097	-258 144
Other comprehensive income		0	0	0	0
TOTAL COMPREHENSIVE LOSS		-422 998	-333 481	-525 097	-258 144
Attributable to:					
Equity holders of the parent		-422 998	-333 481	-525 097	-258 144



Morrow Batteries ASA

Statement of financial position

Amount in NOK 000's	Note	GROUP		PARENT COMPANY	
		2024	2023	2024	2023
ASSETS					
Non current assets					
Developed technology	9	196 879	201 121	196 879	201 121
Goodwill	9	0	24 500	0	0
Total intangible assets		196 879	225 621	196 879	201 121
Property and plant	10	44 157	23 520	0	0
Equipment	10	105 662	35 974	29 810	1 535
Assets under construction	10	2 078 136	1 421 104	994 502	778 492
Fixtures and fittings, tools, etc	10	2 291	2 762	0	0
Right of use assets	10	477 144	76 249	2 144	4 621
Total tangible assets		2 707 390	1 559 610	1 026 456	784 648
Investments in subsidiaries	15	0	0	1 134 571	880 098
Investments in associates	12	0	63 373	0	63 373
Other long term receivables	16	53 525	54 592	11 316	5 481
Total financial assets		53 525	117 965	1 145 887	948 952
Total non current assets		2 957 794	1 903 196	2 369 221	1 934 721
Current assets					
Inventories	17	39 496	0	0	0
Total inventories		39 496	0	0	0
Accounts receivable	5,18	13 985	1 090	183	564
Other receivables	18	80 885	74 937	58 316	66 189
Other receivables - group companies	5,6,18	0	0	8 796	835
Total receivables		94 870	76 027	67 294	67 588
Cash and cash equivalents	19	294 182	608 632	278 327	525 590
Total cash and cash equivalents		294 182	608 632	278 327	525 590
Total current assets		428 549	684 659	345 621	593 178
TOTAL ASSETS		3 386 342	2 587 855	2 714 842	2 527 899



Morrow Batteries ASA

Statement of financial position

Amount in NOK 000s	Note	GROUP		PARENT COMPANY	
		2024	2023	2024	2023
EQUITY AND LIABILITIES					
Equity					
Subscribed share capital	7,20	46 508	37 500	46 508	37 500
Own shares		-2 906	-1 412	-2 906	-1 412
Share premium		2 319 763	2 662 649	2 319 763	2 662 649
Other paid-in capital		7 354	5 456	7 354	5 456
Total owners equity		2 370 718	2 704 194	2 370 718	2 704 194
Uncovered loss		-6 800	-485 899	0	-376 934
Total accumulated loss		-6 800	-485 899	0	-376 934
Total equity		2 363 918	2 218 295	2 370 718	2 327 260
Liabilities					
Lease liabilities	11,12	447 468	77 738	0	4 961
Other non-current liabilities	16	346 645	6 645	220 000	0
Total other non current liabilities		794 113	84 383	220 000	4 961
Lease liabilities - short term	11,12	38 484	0	2 598	0
Trade creditors		101 686	204 062	57 872	136 168
Tax payable	14	38	729	0	0
Public duties payable		14 682	24 070	5 441	14 042
Other current liabilities	21	73 422	56 315	49 651	31 545
Other current liabilities - group companies	6	0	0	8 562	13 923
Total current liabilities		228 312	285 176	124 125	195 679
Total liabilities		1 022 425	369 559	344 125	200 639
TOTAL EQUITY AND LIABILITIES		3 386 342	2 587 855	2 714 842	2 527 899



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Integrated Annual Report 2024

Finance

Arendal, 8 April 2025
BOARD OF DIRECTORS

Liv Monica Stubholt

Liv Monica
Bargem Stubholt
Chair of the board

Atle Knudsen

Atle Knudsen
Director

Kristine Lindland

Kristine Lindland
Director

Tor Øystein Repstad

Tor Øystein Repstad
Director

Roger Buchmann

Roger Buchmann
Director

Birgit Rönning

Birgit Ulrike Rönning
Director

Lars Christian Bacher

Lars Christian Bacher
CEO



Morrow Batteries ASA

Statement of cash flow

Amount in NOK 000's	Note	GROUP		PARENT COMPANY	
		2024	2023	2024	2023
Cash flow from operating activities					
Loss before income taxes		-422 801	-281 413	-525 097	-218 705
Income tax paid		-888	184	0	0
Depreciation and amortisation expenses	9,10,11	14 5 237	14 397	89 044	4 346
Write-down subsidiaries	6	0	0	265 700	0
Changes in inventories	17	-39 496	0	0	0
Changes in group receivables and payables		0	0	-13 322	-274
Changes in receivables and payables		-113 435	142 041	60 537	62 631
Net cash flow from operating activities		-431 383	-124 791	-244 212	-152 003
Cash flow from investing activities					
Purchase of tangible non current assets	10,11	-851 429	-1 015 331	-330 852	-387 941
Purchase of intangible non current assets	9	-4 242	-122 518	4 242	-122 518
Group contribution	15	0	0	-520 172	-590 147
Sales of shares	12,16	64 440	10 117	57 538	4 627
Net cash flow from investing activities		-782 747	-1 127 733	-789 244	-1 095 979
Cash flow from financing activities					
Interest paid on convertible loan	13	0	15 472	0	15 472
Payment of lease liabilities	10	-8 875	-4 868	-2 362	-2 248
Capital contribution	20	568 555	1 420 428	568 555	1 420 428
Proceeds from issuing long term loan	16	340 000	0	220 000	0
Net cash flow from financing activities		899 680	1 431 033	786 192	1 433 653
Net change in cash and cash equivalents		-314 450	178 509	-247 263	185 672
Cash and cash equivalents at beginning of the period		608 632	430 123	525 590	339 918
Cash and cash equivalents at end of the period	19	294 182	608 632	278 327	525 590



Morrow Batteries ASA

Statement of changes in equity

Amount in NOK 000s	Note	GROUP						
		Share capital	Not registered share capital*	Own shares	Share premium	Other paid in capital	Un-covered losses	Total equity
Equity 31.12.2022		1 621	17 040	0	1 261 393	3 711	-153 950	1 129 816
Loss for the year		0	0	0	0	0	-333 481	-333 481
Capital contribution	20	35 724	0	0	1 372 823	0	0	1 408 547
Employee share purchase program	7	155	-17 040	-1 412	28 433	0	0	10 136
Share based payments	7	0	0	0	0	1 745	0	1 745
Foreign currency translation		0	0	0	0	0	1 532	1 532
Equity 31.12.2023		37 500	0	-1 412	2 662 649	5 456	-485 899	2 218 295
Loss for the year		0	0	0	-525 097	0	102 100	-422 998
Uncovered losses previous years		0	0	0	-276 934	0	376 934	0
Capital contribution	20	9 007	0	0	559 145	0	0	568 152
Employee share purchase program	7	0	0	-1 494	0	0	0	-1 494
Share based payments	7	0	0	0	0	1 897	0	1 897
Foreign currency translation		0	0	0	0	0	65	-65
Equity 31.12.2024		46 508	0	-2 906	2 319 763	7 354	-6 800	2 363 918



Morrow Batteries ASA

Statement of changes in equity

PARENT COMPANY								
Amount in NOK 000s	Note	Share capital	Not registered share capital*	Own shares	Share premium	Other paid in capital	Un-covered losses	Total equity
Equity 31.12.2022		1 621	17 040	0	1 261 393	3 711	-118 790	1 164 976
Loss for the period		0	0	0	0	0	-258 144	-258 144
Capital contribution	20	35 724	0	0	1 372 823	0	0	1 408 547
Employee share purchase program	7	155	-17 040	-1 412	28 433	0	0	10 136
Share based payment	7	0	0	0	0	1 745	0	1 745
Equity 31.12.2023		37 500	0	-1 412	2 662 649	5 456	-485 899	2 218 295

*Registered 3 January, 2023

Loss for the period		0	0	0	-525 097	0	0	-525 097
Uncovered losses previous years		0	0	0	-376 934	0	376 934	0
Capital contribution	20	9 007	0	0	559 145	0	0	568 152
Employee share purchase program	7	0	0	-1 494	0	0	0	-1 494
Share based payment	7	0	0	0	0	1 897	0	1 897
Equity 31.12.2024		46 508	0	-2 906	2 319 763	7 354	0	2 370 718



Morrow Batteries ASA

Notes to the accounts

NOTE 1

General information

Morrow Batteries ASA (the “Company”) is an industrial technology company registered and domiciled in Norway, with its headquarters located at Havnegaten 2, 4836 Arendal, Norway. The Company was established in 2020 and is registered as a public limited liability company (ASA).

Morrow Batteries ASA and its subsidiaries (collectively, the “Group,” “Morrow,” or “Morrow Batteries Group”) together form a leading technology company with the goal of developing and manufacturing the world’s most cost-effective and sustainable battery cells. The Company is fully European-owned and is strongly integrated into European R&D and industrial networks. Its ownership includes the Norwegian renewable energy company Å Energy, Siemens, the Danish pension fund PKA, ABB, the Norwegian state’s climate investment company Nysnø Climate Investments, and the Norwegian environmental company Noah. Details of the Group’s legal entity structure are provided in note 6 “Intercompany balances with group companies and associates”.

Due to rounding, the numbers or percentages in the consolidated financial statements may not always add up exactly to the totals.

The consolidated financial statements for the full year 2024 were authorised for issue by the Board of Directors on 8 April 2025.



Morrow Batteries ASA

Notes to the accounts

NOTE 2 – continued

Accounting policies

2.4 Foreign currencies

The financial statements for the Group are presented in Norwegian kroner (NOK), which is the functional currency of the Parent Company. On consolidation, the local currency of the foreign subsidiary Morrow Batteries GmbH is translated into NOK in accordance with the current exchange rate method. This means that balance sheet items are translated to NOK at the exchange rate prevailing as of 31 December; whilst the statement of profit or loss is translated using monthly average exchange rates. The exchange differences arising on translation are recognised in equity.

2.5 Statement of cash flow

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term, highly liquid investments with maturities of three months or less.

2.6 Statement of changes in equity

Statement of changes in equity is prepared on a voluntary basis in line with Norwegian Accounting Act § 7-25.

2.7 Other significant policies

Other significant accounting policies are presented and described in subsequent notes to the financial statements, together with the more expanded disclosures for that particular area. This is done to make the disclosure more relevant to the users and make it easier to get an overview of the related notes.

NOTE 3

Significant uncertainty related to going concern

The Morrow Batteries Group is working towards the start of production at the Morrow Cell Factory in the second quarter of 2025. At the same time, the Group is working to secure additional sales volume for the planned production output at the factory. Ramping up production and preparing for growth will require substantial investments until the Group is expected to generate positive free cash flows.

The Group secured long-term financing in December 2024 to support its plans. However, additional funding will be required during the first half of 2026 to ensure that the Group remains fully financed. The availability of such financing is uncertain, which creates significant uncertainty about the Group's ability to continue as a going concern. In assessing in the Group's ability to continue as a going concern, the evaluation covers a period extending to the end of 2027, aligning with the timeframe used by management in their cash flow forecast.

The financing needs are considered at Group level, as all legal entities within the Group are assessed together in the going concern evaluation. Further information on liquidity risk is provided in Note 13 "Financial risks and net financial items".



Morrow Batteries ASA

Notes to the accounts

NOTE 3

Significant uncertainty related to going concern

The Morrow Batteries Group is working towards the start of production at the Morrow Cell Factory in the second quarter of 2025. At the same time, the Group is working to secure additional sales volume for the planned production output at the factory. Ramping up production and preparing for growth will require substantial investments until the Group is expected to generate positive free cash flows.

The Group secured long-term financing in December 2024 to support its plans. However, additional funding will be required during the first half of 2026 to ensure that the Group remains fully financed. The availability of such financing is uncertain, which creates significant uncertainty about the Group's ability to continue as a going concern. In assessing in the Group's ability to continue as a going concern, the evaluation covers a period extending to the end of 2027, aligning with the timeframe used by management in their cash flow forecast.

The financing needs are considered at Group level, as all legal entities within the Group are assessed together in the going concern evaluation. Further information on liquidity risk is provided in Note 13 "Financial risks and net financial items".

NOTE 4

Public grants and loans

Accounting policies

Grants are presented in the statement of profit or loss as Project grants, and are recognised when the grants are received.

Recognition and measurement

Morrow Batteries Group's development projects have received grants for both 2024 and 2023 as set out in the table below:

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Project grants	75 231	489	34 172	109

In 2024, the Group received a total of NOK 75.2 million in project grants. Of this amount, NOK 65.6 million came from Innovation Norway, and NOK 4.8 million was received in tax incentives under the SkatteFUNN scheme. Additionally, the Group received prefinancing of NOK 1.7 million from the ReUse project and NOK 1.3 million for the RESPECT project, both of which are EU-funded initiatives.

Loan from Innovation Norway

In 2022, Morrow Industrialization Center AS was granted a NOK 150 million loan from Innovation Norway (IN), available in tranches. According to state aid regulations, IN has estimated a subsidy effect of NOK 21 million for the full loan amount. As of 31 December 2024, NOK 120 million has been drawn under the loan facility. For further details regarding loans we refer to Note 16 "Other long-term receivables and non-current liabilities".



Morrow Batteries ASA

Notes to the accounts

NOTE 5

Revenue and other income

Accounting policies

Revenues from sale of goods and services is recognised when the goods and services have been provided.

Transactions resulting in income from activities other than normal productions, sales operations and public grants are classified as Other income. This includes site services to suppliers involved in the construction of the Morrow Cell Factory and management services rendered to related parties.

Recognition and measurement

The Group's revenue is categorised as follows:

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Sales revenue	10 293	32 909	0	500
Other income	29 814	0	500	0
Other Income - group companies	0	0	5 382	1 183
Total sales revenue and other income	40 108	32 909	5 881	1 683

Set out below is the disaggregation of the Group's revenue from contracts with customers, categorised by geographical distribution:

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Norway	2 817	9 805	5 881	1 683
Germany	11 108	23 104	0	0
Finland	193	0	0	0
South Korea	25 990	0	0	0
Total	40 108	32 909	5 881	1 683

Net sales are broken down by country based on where the customer is located.



Morrow Batteries ASA

Notes to the accounts

NOTE 6

Intercompany balances with group companies

Accounting policies

Intercompany transactions, balances, income, and expenses between Morrow's Group companies are eliminated upon consolidation. Profits and losses resulting from intercompany transactions are eliminated.

Recognition and measurement

Intercompany transactions in the Parent Company:

Amount in NOK 000s	Other income		Other operating expenses	
	2024	2023	2024	2023
Morrow Technologies AS*	3 516	348	2 821	3 143
Morrow Industrialization Center AS*	1 866	835	0	446
Morrow Batteries GmbH	0	0	14 574	10 685
Total	5 382	1 183	17 395	14 273

Amount in NOK 000s	Other receivables		Other current liabilities	
	2024	2023	2024	2023
Morrow Technologies AS	0	0	8 562	12 273
Morrow Industrialization Center AS	6 334	835	0	0
Morrow Batteries GmbH	2 462	0	0	1 651
Total	8 796	835	8 562	13 923

* The Company has paid Group contributions of NOK 44.5 million to Morrow Technologies AS and NOK 475.7 million to Morrow Industrialization Center AS as of 31 December 2024. The Group contributions received by the subsidiaries are recognised in the same year as they are recognised in the financial statement of the Company.



Morrow Batteries ASA

Notes to the accounts

NOTE 7

Employee benefit expenses, management compensation

The table below shows salaries and other personnel expenses, which represent costs related to the remuneration of employees in both the Group and the Parent company.

Amount in NOK 000's	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Salary and personnel costs				
Salaries	181 714	100 929	68 329	56 373
Share based payments	1 897	1 745	1 897	1 745
Social security tax	29 993	25 389	12 168	12 179
Pension costs	8 695	5 770	3 258	2 407
Other benefits	6 936	27 533	3 418	36 048
Capitalised to assets	-84 252	0	0	0
Total Personnel expenses	144 983	161 366	89 071	108 752
Average number of employees	225	136	63	50

The Company's salary adjustment for 2024 was set at 5 %.

Amount in NOK 000's	Salary	Bonus	Pension costs	Other benefits	Total
Management remuneration 2024					
Lars Christian Bacher, CEO	4 494	1 070	88	116	5 768
Steffen Føreid, CFO*	2 796	161	93	45	3 095
Christin-Marie Boudgoust, CCO	2 342	0	33	125	2 500
Jon Fold Von Bülow, CSO	2 071	238	79	5	2 393
Dr. Rahul Fotedar, CTO	2 166	598	80	99	2 943
Dr. Andreas Maier, COO	2 762	393	90	10	3 254

The CEO's employment contract contains rules governing severance payment if the employment with Morrow is terminated. In the case of termination, a mutual notice period of 3 months shall apply. If the Company should ask the CEO to leave his position, the Company shall pay a 6 months' severance pay.

Remuneration to the Board of Directors

Remuneration relating to the financial year 2024, but not yet paid, is accrued for in the accounts and totals to NOK 0,4 million.



Morrow Batteries ASA

Notes to the accounts

NOTE 7 – continued

Employee benefit expenses, management compensation

Pensions

The Group complies with the requirement to have an occupational pension scheme in accordance with the Norwegian law on mandatory occupational pension (“Lov om obligatorisk tjenestepensjon”). It has a defined pension scheme for all employees of the parent company and subsidiaries in Norway. The pension contribution is limited to 5% of the employee’s salary up to 12 G. The Group companies have no further pension commitments once the agreed contributions are paid. The Group’s contribution costs are charged to the Statement of profit or loss and other comprehensive income in the year the contributions are made. As of 31 December, 2024, there were 223 members in the plan.

Share-based option program

A share-based option program (ESOP) has been introduced for select key employees to support the Group’s long-term growth and profitability by offering an opportunity to acquire an ownership stake. The programme grants share options under specific terms and conditions, vesting linearly over four years. Once vested, the options may be exercised within a five-year period. Any options not exercised before the expiry date on 23 November 2028 will automatically lapse and become void without compensation. The fair value of the awarded shares is determined using the Black-Scholes-Merton valuation method.

In relation to the share-based option program, a total of NOK 1.9 million (2023: NOK 1.7 million) was recognised as other employee benefits, with a corresponding entry to “Paid-in capital”. Additionally, provisions have been made for employer’s national insurance contributions related to the scheme.

The tables below present the number of shares options issued under the share-based option program, the outstanding share options as of 31 December, 2024, the vesting year of the share options, and the number of share options granted to the Group’s management since 23 November, 2023.

Amount in NOK 000’s	2024		2023	
	Average strike price	Number of share options	Average strike price	Number of share options
Outstanding options 01.01.24	667	24 496	12,657	1 142
Granted during the year	667	240	667	24 496
Terminated during the year	0	0	12 525	-195
Cancelled during the year (old ESOP)	0	0	12 683	-947
Outstanding options 31.12.24	667	24 736	677	24 496
Options vested	648	9 846	617	4 899



Morrow Batteries ASA

Notes to the accounts

NOTE 7 – continued

Employee benefit expenses, management compensation

	2028	2027	2026	2025	2024	2023
Vesting date						
23 November 2023						4 899
23 November 2024					4 947	
23 November 2025				4 947		
23 November 2026			4 947			
23 November 2027		4 948				
1 January 2028	48					
Outstanding share options	48	4 948	4 947	4 947	4 947	4 899

Amount in NOK 000s	Grant date	Number of share options	Average strike price	Total
Management share options 2024				
Lars Christian Bacher, CEO	23.11.2023	3 500	666.70	2 333 450
Steffen Føreid, CFO	23.11.2023	2 500	666.70	1 666 750
Dr. Andreas Maier, COO	23.11.2023	2 436	666.70	1 624 081
Dr. Rahul Fotedar, CTO	23.11.2023	10 000	666.70	6 667 000



Morrow Batteries ASA

Notes to the accounts

NOTE 8

Remuneration to the auditors

BDO AS is the external auditor and audits all subsidiaries subject to audit requirements. The total fees (excluding VAT) incurred during the year in relation to audit and non-audit services are analysed below:

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Auditor's remuneration recognised				
Statutory audit*	1 969	1 396	1 533	1 076
Attestation services**	1 239	438	809	438
Other non-audit services***	25	53	25	50
Total auditors' fee	3 232	1 887	2 367	1 564

* Statutory audit is defined as the fee for standard audit work that must be performed annually to issue an opinion on Company's Consolidated financial statements.

** Attestation services refer to auditor confirmations required by law to verify compliance, acceptance, engagement, and capital contributions.

*** Other non-audit services consist of fees billed for the technical preparation of tax returns and additional work related to public grants.



Morrow Batteries ASA

Notes to the accounts

NOTE 9

Developed technology and goodwill

Accounting policies

Development costs are capitalised when future economic benefits are probable and costs can be measured reliably. Otherwise, the research expenses are expensed as incurred.

Recognition and measurement

Morrow Batteries Group's research and development activities follow a structured process. The concept phase involves early-stage research with uncertain outcomes, where cost are expensed as incurred. Once a project advances to the development phase and results in a definable product expected to generate economic benefits, related expenses may be capitalised if specific criteria are met.

Goodwill is recognised as a part of business combinations. In the consolidated financial statements, goodwill arises from the strategic acquisition of Graphene Batteries in June 2020, now operating as Morrow Technologies AS. Goodwill is not amortised but is tested for impairment annually, or more frequently if indicators of impairment are identified, in accordance with IAS 36 Impairment of Assets. Goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination and are monitored for internal management purposes.

The Group has recognised the following intangible assets in the statement of financial position, including internally developed assets:

Amount in NOK 000's	GROUP	
	Goodwill	Developed technology
Acquisition cost at 01.01.24	24 500	201 121
Additions	0	78 899
Disposals	0	114
Acquisition cost at 31.12.24	24 500	280 133
Impairment losses	24 500	83 254
Accumulated depreciation at 31.12.24	24 500	83 254
Balance at 31.12.24	0	196 879



Morrow Batteries ASA

Notes to the accounts

NOTE 9 - CONTINUES

Developed technology and goodwill

Impairment of developed technology and goodwill

A strategic decision has been made to focus resources on the development of LFP and LNMO chemistries and products. As a result, further development of the NMC chemistry remains on hold, with no significant investment planned for the foreseeable future. Consequently, all development costs related to the NMC project have been written down to zero. Furthermore, following the 2024 impairment testing, the goodwill from the acquisition of Graphene Batteries in 2020 has also been written down to zero. Management has not identified the need for impairment of other assets.

While the net present value (NPV) of estimated future cash flows for the Morrow Cell Factory, discounted at a weighted average cost of capital (WACC) of 16%, is in line with the Morrow's consolidated book equity, the goodwill impairment reflects the elevated competition in the industry. Sensitizing the return requirement shows that a 1% increase in WACC would result in an approximately NOK 250 million shortfall in the NPV of future cash flows compared to the book equity value, whereas a 1% reduction would create a NOK 300 million headroom. Similarly, a 1% reduction in the EBITDA margin would lead to an approximately NOK 90 million shortfall in the NPV versus the book equity. It should be noted that no growth has been reflected in the impairment testing. Including prospective growth in the analysis would result in the NPV of future cash flows substantially exceeding the consolidated book equity as of 31 December 2024.

	PARENT COMPANY
	Developed technology
Amount in NOK 000s	
Acquisition cost at 01.01.24	201 121
Additions	78 899
Transfers	114
Acquisition cost at 31.12.24	280 133
Impairment losses	83 254
Accumulated depreciation at 31.12.24	83 254
Balance at 31.12.24	196 879



Morrow Batteries ASA

Notes to the accounts

NOTE 10

Property, plant and equipment

Accounting policies

Property, plant and equipment (PPE) are recognised as assets if it is probable that future economic benefits from them will flow to the Group, and their costs can be reliably measured. PPE are recognised at cost, less accumulated depreciation and impairment losses, if any.

Recognition and measurement

The Group's PPE primarily relates to construction in progress of the Morrow Cell Factory and Morrow Development Center. Asset under construction include the accumulated payment milestones to equipment vendors, cost incurred on contracted freight, installation and consultancy services, internal hours spent on engineering and installation, and all other directly attributable expenses necessary to bring the assets to their intended operational state.

Depreciation of asset under construction begins once the factory is operational and ready for use, following successful testing. Depreciation is then carried out on a straight-line basis over the expected useful life for all classes of PPE, taking into account material residual value.

Amount in NOK 000s	GROUP			
	Property and plant	Equipment	Assets under construction	Furnitures and fixtures
Acquisition cost at 01.01.24	24 950	41 049	1 421 104	3 480
Additions	22 996	39 638	704 851	802
Transfers*	0	47 705	-47 819	0
Acquisition cost at 31.12.24	47 946	128 392	2 078 136	4 282
Accumulated depreciation at 01.01.24	1 430	5 075	0	717
Depreciations	2 359	17 656	0	1 274
Currency translation differences	0	0	0	0
Accumulated depreciation at 31.12.24	3 789	22 731	0	1 991
Balance at 31.12.24	44 157	105 662	2 078 136	2 291
Estimated useful life (years)	10	5	N/A	3



Morrow Batteries ASA

Notes to the accounts

NOTE 10 – continued
Property, plant and equipment

Amount in NOK 000s	PARENT COMPANY	
	Equipment	Assets under construction
Acquisition cost at 01.01.24	1 535	778 492
Additions	6 932	261 843
Transfers**	24 655	-45 833
Acquisition cost at 31.12.24	33 122	994 502
Accumulated depreciation at 01.01.24	0	0
Depreciations	3 312	0
Accumulated depreciation at 31.12.23	3 312	0
Balance at 31.12.24	29 810	994 502
Estimated useful life (years)	5	N/A

* The transfers represents the reclassification of completed assets from "Asset under construction" to "Equipment", with assets being allocated to the appropriate entity.

** NOK 25 million is transferred to equipment, whereas NOK 21 million is transferred to Morrow Industrilization Center AS.



Morrow Batteries ASA

Notes to the accounts

NOTE 11

Leases

Accounting policies

At the inception of a contract, Morrow assesses whether a contract is, or contains, a lease. Lease payments for short term leases, i.e. with less than 12 months lease period, and leases with low value are recognised directly in the statement of profit or loss as other operating expenses. When measuring leases, Morrow includes fixed lease payments for extension periods that are reasonably certain to be used. As a practical expedient, non-lease components are not separated from lease contracts.

Recognition and measurement

Morrow uses lease contracts primarily where lease or rental contracts provide operational benefits or flexibility compared to owning assets. Leased buildings are used for the factory and office space.

The lease term is the agreed duration specified in each lease agreement. For the Group's lease agreements, it has been assessed with reasonable certainty that the leases will not be terminated prior to their expiration. This assessment is made individually for each lease.

Leased capital assets are depreciated on a straight-line basis over the duration of the lease.

The Group's right-of-use assets are presented in the tables below:

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Acquisition cost at 01.01.24	84 448	9 050	9 050	9 050
Addition	417 088	75 398	0	0
Acquisition cost at 31.12.24	501 536	84 448	9 050	9 050
Accumulated depreciation 01.01.24	8 199	1 924	4 429	1 924
Depreciation	16 193	6 252	2 477	2 482
Transfers and reclassifications	0	23	0	23
Accumulated depreciation at 31.12.24	24 392	8 199	6 906	4 429
Balance at 31.12.24	477 144	76 249	2 144	4 621



Morrow Batteries ASA

Notes to the accounts

NOTE 11 – continued

Leases

Lease liabilities recognised in the statement of financial position

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Amount in NOK 000s				
Non-current lease liabilities	447 468	77 738	0	4 961
Current lease liabilities	38 484	0	2 598	0
Lease liabilities	485 951	77 738	2 598	4 961

Leases recognised in the statement of income

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Amount in NOK 000s				
Depreciation for the year	16 193	6 252	2 477	2 482
Interest expense related to lease liabilities	15 837	2 823	198	255
Total	32 030	9 075	2 676	2 737

Leases recognised in the statement of cash flow

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Amount in NOK 000s				
Interest paid on lease liabilities	15 837	2 823	198	255
Payments of principal portion on lease liabilities	8 875	2 045	2 362	1 993
Total	24 712	4 868	2 561	2 248

Maturity analysis

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Amount in NOK 000s				
Within 1 year	38 484	9 376	2 598	2 458
1 to 5 years	102 369	38 702	0	2 502
After 5 years	345 099	29 660	0	0
Total lease liabilities included in the balance sheet	485 951	77 738	2 598	4 961

Extension option

The Group has assessed extension options in its lease agreements, but none have been included in the lease term, as it is not considered reasonably certain that these options will be exercised.



Morrow Batteries ASA

Notes to the accounts

NOTE 12

Investments in associated companies

Accounting policies

An associate is defined as an entity over which the Group has a significant influence but does not have control over the entity's finances and operations (typically when the Group owns between 20% and 50% of the company). In the consolidated financial statements, the Group's share of the profits or losses from associates is accounted for using the equity method.

Recognition and measurement

On 15 August, 2024, Morrow Batteries ASA sold its 33% ownership stake in SEE AS for its carrying amount. As a result the sale did not result in a gain or loss.

The following table provides a summary of changes in Morrow's investments in associated companies:

Amount in NOK 000s	2024	2023
Book value 01.01.24	63 373	63 407
Sold during the year	-63 373	0
Share of net loss before tax	0	-34
Book value 31.12.24	0	63 373



Morrow Batteries ASA

Notes to the accounts

NOTE 13

Financial risks and net financial items

Morrow Group is exposed to financial risk from currency exchange rates, liquidity, credit, and interest rate risks due to its business activities. The Group's management is responsible for identifying, measuring, and managing these risks. The Board of Directors oversees this process, reviewing and approving the policies for addressing each risk category, as outlined below.

Currency risk

The Morrow Group encounters foreign exchange transaction risks primarily from its operations conducted in currencies other than its functional currency. A significant portion of this exposure is linked to fluctuations in the EUR/NOK exchange rate. Historically, exposure to other currencies was limited, but this has increased due to the globalisation of the supply chain, especially in EUR and USD, as part of efforts to reduce costs.

To mitigate these risks, the Group actively monitors cost trends in global markets and maintains the flexibility to adjust its supplier base to sustain cost efficiency. As of 31 December, 2024, the Group's cash reserves totaled NOK 294 million, distributed across various financial institutions: deposits in DNB in Norway, Commerzbank München used by Morrow Batteries GmbH in Germany, and Hana Bank used by Morrow Industrialization Center Korea branch in South Korea.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. Morrow is exposed to liquidity risk related to its financing and operations. The Group actively monitors liquidity risk to ensure it can meet its financial obligations as they fall due. Liquidity management involves regular assessments of cash inflows and outflows based on committed and planned transactions. A rolling 36-month cash flow forecasts is used to identify short-, medium-, and long-term liquidity risks.

As of year-end 2024, the Group's cash position was NOK 294 million, compared to NOK 609 million at the end of 2023. At the current rate of cash consumption, securing additional funding will be critical to sustain operations. Based on current assumptions, the Company is forecasted to have sufficient liquidity until the first half of 2026. If the NOK 600 million "Lavrisikolån 2" (low-risk loan, LAV (2)) tranche of the NOK 1.5 billion Innovation Loan becomes available in a timely manner, the Company is expected to be fully financed. For further details regarding the loan we refer to Note 16 "Other long-term receivables and non-current liabilities".

Delays in production start result in ordinary market conditions on purchased renewable energy. As such, there is no hedging, trading or portfolio management by supplier of electricity related to electricity used and purchased by the Company.

Credit risk

The Group only engages in trade with recognised, creditworthy third parties. As part of its policy, the Group ensures that all customers wishing to trade on credit terms undergo a credit verification process. Additionally, receivable balances are regularly monitored to manage potential credit risks. The maximum exposure to credit risk is represented by the carrying amount of accounts receivable, as detailed in Note 18 "Accounts receivables and other current receivables," and Note 16 "Other non-current receivables and non-current liabilities."

All cash within the Group's Norwegian entities is held and distributed across the banks disclosed above, which serves as a risk-reducing measure.

Interest rate risk

Morrow's interest rate risk arises from interest-bearing liabilities granted by Innovation Norway (Note 16). As of 31 December 2024, the Group had a net interest-bearing debt of NOK 340 million, which is defined as the total amount of interest-bearing debt.



Morrow Batteries ASA

Notes to the accounts

NOTE 13 – continued

Financial risks and net financial items

The table below summarises the net financial items for both the Group and the Parent for 2024 and 2023.

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Finance income				
Interest income	14 100	13 708	9 376	10 406
Other financial income	231	71	231	71
Foreign currency exchange gains	10 027	7 626	7 754	4 008
Unrealised foreign currency exchange gains	6 664	22 961	2 160	15 313
Total finance income	31 021	44 366	19 521	29 797

In 2024, foreign currency gains were mainly driven by operational activities in EUR, influenced by exchange rate fluctuations between EUR and NOK. This highlights the effect of currency movements on the financial position and operational activities throughout the year.

Unrealised foreign currency exchange gains primarily resulted from the revaluation of bank account balances, mainly arising from fluctuations in the exchange rate between EUR and NOK.

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Finance cost				
Other financial expense	610	229	-203	301
Interest expense on lease liability	15 837	2 823	198	255
Interest paid on convertible loan	0	15 472	0	15 472
Interest paid on Innovation Norway loan	7 111	0	0	0
Establishment fee on Innovation Norway loan	2 500	0	2 500	0
Foreign currency exchange losses	16 940	30 881	13 683	26 395
Unrealised foreign currency exchange losses	2 507	6 236	1 963	3 619
Total finance cost	45 506	55 641	18 141	46 042

Foreign currency exchange losses primarily arose from realised losses on liabilities denominated in foreign currencies, particularly in EUR, due to fluctuations in exchange rates between the invoicing and payment dates.

Unrealised foreign currency exchange losses primarily resulted from the revaluation of bank account balances, mainly arising from fluctuations in the exchange rate between KRW and NOK, as well as USD and NOK.



Morrow Batteries ASA

Notes to the accounts

NOTE 14

Tax

Accounting policies

Income tax expense comprises current tax and changes in deferred tax. Current tax includes the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognised for future tax consequences arising from differences between the carrying amounts of assets and liabilities and their respective tax bases.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. In order for a deferred tax asset to be recognised based on future taxable profits, convincing evidence is required.

Recognition and measurement

Specification of taxable income:

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2023	2023	2023	2023
Tax basis				
Income before tax	-281 413	-281 413	-218 705	-218 705
Change in temporary differences	-4 125	-4 125	282	282
Permanent difference*	4 482	4 482	1 776	1 776
Increase of tax losses carried forward	284 238	284 238	216 648	216 648
Taxable income	3 181	3 181	0	0

* Net permanent differences primarily arise from non-deductible impairment of developed technology, the write-down of investments in subsidiaries, tax incentives under the SkatteFUNN scheme (Note 4), and share-based option expenses (Note 7).

Tax expenses consist of:

Income tax outside Norway	197	545	0	0
Derecognition of deferred tax assets	0	51 522	0	39 439
Tax expense	197	52 067	0	39 439



Morrow Batteries ASA

Notes to the accounts

NOTE 14 – continued

Tax

Amount in NOK 000's	GROUP		PARENT COMPANY	
	2023	2023	2023	2023
Temporary differences as of 31 December				
Tangible assets	-70 570	5 935	-79 841	122
Inventories	-20 311	0	0	0
Leasing	-454	-339	-454	-339
Provisions for liabilities	-12 587	0	-12 587	0
Losses carried forward	-808 633	-518 752	-570 287	-395 979
Total temporary differences	-912 555	-514 305	-663 169	-396 197
Unrecognised deferred tax assets	200 762	113 147	145 897	87 163
Tax rate	22 %	22 %	22 %	22 %

Significant management judgement is required to assess the extent to which deferred tax assets can be recognised, based on the expected timing and level of future taxable profits. The Group and Morrow Batteries ASA evaluate the probability of utilising tax losses to ensure that deferred tax assets are recognised only when it is probable that sufficient future taxable profits will be available. As of 31 December 2024, the deferred tax asset related to accumulated tax losses carried forward has not been recognised due to the inability to demonstrate future utilisation in the near term. Consequently, the deferred tax asset has not been included in the balance sheet.



Morrow Batteries ASA

Notes to the accounts

NOTE 15

Subsidiaries

Accounting policies

Subsidiaries are entities controlled by Morrow Batteries ASA. Investments in the subsidiaries are valued at the lower of cost and fair value in the parent company accounts. The investments are valued at cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Recognition and measurement

The following subsidiaries are included in the consolidated financial statements:

Amount in NOK 000s	Acquisition date	Location	Share Ownership	Voting rights
Morrow Technologies AS	09.06.2020	Arendal, Norway	100 %	100 %
Morrow Industrialization Center AS	14.05.2020	Arendal, Norway	100 %	100 %
Morrow Batteries GmbH	16.04.2021	Hannover, Germany	100 %	100 %

The net profit (loss) and total equity for the subsidiaries are presented in the table below:

Amount in NOK 000s	2024		
	Book value	Total Equity	Net profit (loss)
Morrow Technologies AS	68 230	68 209	-60 062
Morrow Industrialization Center AS	1 066 054	1 066 013	-72 395
Morrow Batteries GmbH	287	2 013	671
Total	1 134 571	1 136 235	-131 786

Amount in NOK 000s	2023		
	Book value	Total Equity	Net profit (loss)
Morrow Technologies AS	166 225	82 616	-43 954
Morrow Industrialization Center AS	713 587	662 740	-31 710
Morrow Batteries GmbH	287	1 277	328
Total	880 098	746 633	-75 336

Impairment assessment of subsidiary investments

Impairment tests for investments in subsidiaries are performed when there are indications of impairment. In 2024, a net impairment loss of MNOK 143 was identified for Morrow Technologies AS and MNOK 123 for Morrow Industrialization Center AS. No additional impairment is necessary at this stage, as both investment is supported by significant growth potential and strategic importance.



Morrow Batteries ASA

Notes to the accounts

NOTE 16

Other long-term receivables and non-current liabilities

Specification of other long term receivables

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Guarantees	42 811	42 952	5 266	5 068
Rental deposit	606	11 157	0	47
Deposit	58	129	0	13
Loan to Siva Eyde Energipark AS	6 050	0	6 050	0
Loans to employees	0	353	0	353
Other non-current receivables	53 525	54 591	11 316	5 481

Deposits

Morrow Batteries ASA is committed to a rental guarantee of NOK 4.9 million under the lease agreement for the Morrow Research Centre in Grimstad with J.B Ugland Eiendom AS.

Morrow Industrialization Center AS is committed to a rental guarantee of NOK 3.6 million under the lease agreement with Siva Eyde Energipark AS.

Specification of non-current liabilities

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Liabilities with over five years' maturity				
Loan from Arendal Municipality	6 645	6 645	0	0
Total	6 645	6 645	0	0
Liabilities secured by collateral				
Loans from Innovation Norway	340 000	0	220 000	0
Total	340 000	0	220 000	0
Carrying amount of pledged assets:				
Operating assets	2 707 390	0	1 026 456	0
Inventory	39 496	0	0	0
Investments in subsidiaries	0	0	1 134 571	0
Total receivables	148 395	0	78 610	0
Total	2 895 281	0	2 239 637	0



Morrow Batteries ASA

Notes to the accounts

NOTE 16 – continued

Other long-term receivables and non-current liabilities

Loan from Arendal Municipality

The loan from Arendal Municipality is in connection with the termination of a contract for the construction and operation of a cooling water plant at Eyde Energy Park. Arendal Municipality has extended the repayment period for the termination expenses, which will be repaid in equal installments over ten years, starting on 1 January 2028.

Loans from Innovation Norway

In 2022, Morrow Industrialization Center AS was granted a NOK 150 million loan from Innovation Norway (IN) available in tranches. As of 31 December 2024, NOK 120 million has been drawn under the loan facility. The loan carries a variable interest rate of 5.65% per annum. It has a tenor of 10 years, with an amortisation grace period of up to two years. For further details regarding the loan loans we refer to Note 4 “Public grants and loans”.

In December 2024, Morrow Batteries ASA was granted a NOK 1.5 billion loan facility by Innovation Norway. The loan facility was made available for Morrow to fund the scale-up and development of battery manufacturing in Norway, in line with the Company's business plan. The loan facility is made available in several tranches: a “Lavrisikolån 1” (LAV (1)) facility of NOK 500 million with an interest rate of 5.73% and a tenor of 10 years; a NOK 400 million risk loan under the Green Industrial Financing (GIF) scheme, with an interest rate of 11.23% and a tenor of 5 years; and a LAV (2) facility of NOK 600 million with an interest rate of 5.73% and a tenor of 10 years. The interest rates are variable. The facilities are available provided that certain conditions precedent are met. The issuance of a financial guarantee from shareholders covering the full amount of LAV(2), including interest, is a prerequisite for this tranche becoming available. As of 31 December 2024, NOK 220 million had been drawn under the LAV (1) facility.

Both loan agreements includes financial covenants that must be tested on a quarterly basis. The covenants is aligned and both is required to maintain an equity ratio of at least 40% at all times. Additionally, the Group must ensure that its available liquidity is no less than MNOK 100 at any given time.



Morrow Batteries ASA

Notes to the accounts

NOTE 17 Inventories

Accounting policies

Inventories are valued at the lower of cost, using the first-in, first-out method (FIFO), or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. Inventory consists of raw materials and semi-finished goods.

Inventories, and particularly raw materials, could become impaired if their cost is not recoverable to the Group and such inventories must be written down to their net realizable value.

Amount in NOK 000s	GROUP	
	2024	2023
Inventories		
Semi-finished goods	3 704	0
Raw materials	35 793	0
Total inventories	39 496	0



Morrow Batteries ASA

Notes to the accounts

NOTE 18

Accounts receivables and other current receivables

Accounting policies

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.

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2023	2023	2023	2023
Accounts receivable	1 090	1 090	564	564
Other receivables	74 937	74 937	66 189	66 189
Other receivables - group companies	0	0	835	835
Total receivables	76 027	76 027	67 588	67 588

Other receivables

All short-term other receivables primarily consist of NOK 56.5 million in tax refunds, NOK 17.6 million in prepayments to suppliers, and NOK 0.3 million in salary and wage advances. The tax refund was received in January 2025, and remaining receivables are expected to be collected in the near future.

Other receivables - group companies

Income from the sale of intercompany services are recognised when the services are delivered. For further details on the intercompany balances with Group companies and associates, please refer to Note 6 "Intercompany balances with group companies and associates".

Provision for bad debt

No provision for bad debt has been recognised in 2024, as the Group has assessed its receivables and determined no expected credit losses. Accounts receivables are monitored regularly, with expected credit losses measured based on the days past due.

NOTE 19

Cash and cash equivalents

Accounting policies

Cash and cash equivalents includes cash, bank deposits and other monetary instruments with a maturity of less than three months.

Amount in NOK 000s	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Employees tax deduction*	8 877	13 333	3 478	9 734
Cash in bank	285 305	595 299	274 849	515 856
Total bank deposits and cash	294 182	608 632	278 327	525 590

* Deposited in a separate bank account



Morrow Batteries ASA

Notes to the accounts

NOTE 20

Share capital and shareholder information

Share capital

In the updated Shareholders' Agreement dated 25 September 2023, the Board was authorised to allocate shares and/or options within a total pool of 50 000 Shares (or rights to Shares) denominated as the Incentive Pool. As per 31 December 2024, 24 736 share-based options of this authorised Incentive pool has been granted specific employees. We refer to Note 7 for disclosure of management share options.

As such, there is a difference between ownership in percentage in current registered shareholder book (issued shares) and fully diluted ownership percentage based on the capital structure. Overview of shareholders below reflects number of shares issued per shareholder, whereas ownership in % reflects the fully diluted ownership percentage.

	Number of shares	Face value	Book value
Ordinary shares	4 650 756	10	46 507 560

Overview of shareholders 31.12.2024	Number of shares	Ownership in %
Å Energi Invest AS	2 321 649	49,9 %
Siemens Project Ventures GmbH	807 560	17,4 %
Private Equity Minorities I K/S	692 600	14,9 %
ABB Switzerland Ltd.	403 775	8,7 %
NOAH AS	268 610	5,8 %
Nysnø Klimainvesteringer AS	102 223	2,2 %
Arendal Fossekompani AS	11 641	0,3 %
UBS Switzerland AG	7 487	0,2 %
Ericales Invest AS	4 978	0,1 %
Morrow Batteries ASA	4 708	0,1 %
Racso AS	4 000	0,1 %
Others	21 525	0,5 %
Total number of shares	4 650 756	100 %

All shares have equal voting rights.

Based on a resolution made at the board meeting in December 2024, it was decided to issue warrants as compensation for financial guarantees provided by certain shareholders in connection with the NOK 1.5 billion loan facility granted by Innovation Norway. The issuance of warrants was approved at the Extraordinary General Assembly held on 31 January 2025. At this meeting, the Company issued 2,000,000 warrants, each representing the right for the holder to subscribe for one new share in the Company at a subscription price equal to the par value of the shares.



Morrow Batteries ASA

Notes to the accounts

NOTE 20 – continued

Share capital and shareholder information

Shares owned by Group management and their related parties 31.12.2024	Number of shares	Ownership in %
Group Management		
Lars Christian Bacher, CEO*	4 978	0,11 %
Dr. Rahul Fotedar, CTO**	7 487	0,16 %
Jon Fold Von Bülow, CSO***	1 700	0,04 %
Total number of shares in % of total outstanding shares	14 165	0,30 %

* Represents Ericales Invest AS, which owns 4978 shares held by Lars Christian Backer directly

** Represents UBS Switzerland AG, which owns 7487 shares held by Dr. Rahul Fotedar directly

*** Represents FD3M Holding AS, which owns 644 shares held by Mr. Jon Fold Von Bülow directly

NOTE 21

Provision for liabilities/claims

Accounting policies

Provision are recognised when Morrow has a present obligation as a result of a past event and it is probable (more likely than not) that Morrow will be required to settle the obligation. Uncertain outcomes are measured as the expected value of reasonably possible outcomes. The provision is measured as the present value of the cash flows estimated to settle the obligation.

A provision has been recognised for potential claims from equipment suppliers arising due to delays in the project schedule for the completion of the Morrow Cell Factory. The provision is classified as a current liability, as the obligation is expected to be settled within the next financial year.

Amount in NOK 000s	Supplier claims
Opening balance 01.01.24	0
Supplier claims provision	12 587
Balance 31.12.24	12 587



Morrow Batteries ASA

Notes to the accounts

NOTE 22

Estimates

Key accounting estimates

During the preparation of the financial statements, the company's management has made its best estimates and assumptions based on experience and current market conditions. However, the estimates and assumptions may change due to unforeseen situations, which could affect the company's assets, liabilities, revenues, and expenses. These estimates are regularly reviewed and any adjustments are recognised in the period in which they arise.

In the preparation of the consolidated financial statements, management has made certain significant judgements in applying accounting policies. For further details on the estimation uncertainty and areas where judgement was required, which could significantly impact amounts recognised in future periods, please refer to the following notes: Note 9 "Development and goodwill" and Note 14 "Tax".

Impairment losses

Goodwill and other intangible assets with an indefinite life are tested for impairment annually. This testing is conducted to assess whether the carrying amount of these assets exceeds their recoverable amount, which could indicate the need for impairment. Similarly, the company's investments in subsidiaries and associates are also tested for impairment. The assessment for impairment is based on an analysis of the company's financial position and future forecasts or outlook. In addition, other assets, such as property, plant, and equipment, are tested for impairment whenever there are indications that their carrying value may have fallen below their recoverable amount. These tests help ensure that assets are not carried at more than their recoverable amount on the balance sheet.

NOTE 23

Related parties

As of 31 December 2024, Å Energi Invest AS held 49.9 percent of the total shares in Morrow Batteries ASA. Additionally, Siemens Project Ventures GmbH held 17.4 percent. Both entities, along with their subsidiaries, the Morrow Executive Management, and the Board of Directors of Morrow are considered as related parties. All transactions with related parties have been conducted in the ordinary course of business and on arm's length terms, meaning that the terms of these transactions are consistent with those that would be agreed upon with independent third parties.

Note 15 "Subsidiaries" provides an overview of the companies included in the consolidated financial statements, along with further details about the investments made by the Group in subsidiaries. Transactions with associates, as outlined in Note 12 "Investments in associated companies", primarily consisted of financing provided to this company. Following the sale of the associate in 2024, such transaction are not longer applicable. Other transactions, including sales, services, and expenses related to subsidiaries, are detailed in Note 6 "Intercompany balances with group companies". These intercompany transactions are conducted under normal business terms and are eliminated in the consolidated financial statements to avoid any duplication of revenues or expenses within the Group.

For detailed information about the remuneration of the Management, please refer to Note 7 "Employee benefit expenses, management compensation." The Company has framework agreements for legal services with well-regarded law firms in Norway and other jurisdictions. Since 2020, the Company has engaged the legal firm Selmer, where the Chair of the Board of Morrow is a partner. The Company has a separate agreement outlining the Chair's remuneration and consultancy arrangements.



Morrow Batteries ASA

Notes to the accounts

NOTE 24

Subsequent events

Events after the reporting period related to Morrow's financial position at the end of the reporting period, are considered in the financial statements. Events occurring after the reporting period that do not affect Morrow's financial position at the end of the reporting period, but will have impact on future financial position, are disclosed if the future effect is material.

In January 2025, Morrow announced strategic measures to prioritise commercial LFP battery production, expand sales, and advance proprietary technology at the Morrow Research Centre. To focus on core activities, certain projects will be postponed, and workforce reductions of 50-60 positions will be implemented.



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Norway

Independent Auditor's Report

To the General meeting of Morrow Batteries ASA

Opinion

We have audited the financial statements of Morrow Batteries ASA.

The financial statement comprise:

- The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2024, statement of profit or loss and other comprehensive income, statements 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 2024, statement of profit or loss and other comprehensive income, statements 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 2024, 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 2024, 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Material uncertainty regarding the Group's ability to continue as a going concern

We draw attention to note 3, which indicates that the Group will require additional funding during the first half of 2026 to ensure that the Group remains fully financed and that the availability of such financing is uncertain. As stated in note 3, these events or conditions, along with other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

Responsibilities of the Board of Directors and the CEO for the Financial Statements

Management is 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.



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Integrated Annual Report 2024

Finance



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

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Stig Andre Fjelldahl
State Authorised Public Accountant
(This document is signed electronically)

Penneo Dokumentnr: HE74F-C6S7U-DKCUF-GVNED-PMXZN-ZUSTR



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Fjeldahl, Stig André

State Authorised Public Accountant

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Sustainability Performance.

(chapter 7)



General Disclosure

Table IRO-2

Disclosure requirements in ESRS covered in the report

ESRS	Disclosure Requirement	Description of requirement	Preliminary addressed in report	
General Disclosure	BP-1	General basis for preparation of sustainability statement	20	
	BP-2	Disclosures in relation to specific circumstances	20	
	GOV-1	The role of administrative, management and supervisory bodies	21	
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	21	
	GOV-3	Integration of sustainability-related performance in incentive schemes	22	
	GOV-4	Statement on due diligence	21, 23, 96	
	GOV-5	Risk management and internal controls over sustainability reporting	21	
	SBM-1	Strategy, business model and value chain	24	
	SBM-2	Interests and views of stakeholders	25	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	24, 28	
	IRO-1	Description of the process to identify and assess material impacts, risks and Opportunities	26, 29	
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability Statement	20, 95–96	
	Environment	E1-2	Policies related to climate change mitigation and adaptation	29
		E1-4	Targets related to climate change mitigation and adaptation	28, 97
E1-5		Energy consumption and mix	29, 97-98	
E1-6		Gross Scopes 1, 2, 3 and Total GHG emissions and GHG Intensity based on net revenue	29, 99–100	
E1-7		GHG removals and GHG mitigation projects financed through carbon credits	29	
E1-8		Internal carbon pricing	29	
E2-1		Policies related to pollution	30	
E2-2		Actions and resources related to pollution	30	
E2-3		Targets related to pollution	30	
E2-4		Pollution of air, water and soil	30	
E2-5		Substances of concern and substances of very high concern	30, 101	
E4-1		Transition plan on biodiversity and ecosystems	31	
E4-2		Policies related to biodiversity and ecosystems	31	
E4-3		Actions and resources related to biodiversity and ecosystems	31	
E4-4		Targets related to biodiversity and ecosystems	31	
E4-5		Impact metrics related to biodiversity and ecosystems change	31	



MW Integrated Annual Report 2024 Sustainability performance

ESRS	Disclosure Requirement	Description of requirement	Preliminary addressed in report	
Environment	E5-1	Policies related to resource use and circular economy	32	
	E5-2	Actions and resources related to resource use and circular economy	32	
	E5-3	Targets related to resource use and circular economy	32	
	E5-4	Resource inflows	32, 101	
	E5-5	Resource outflows	32, 102	
Social	S1-1	Policies related to own workforce	34	
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	35	
	S1-6	Characteristics of the company's employees	103	
	S1-8	Collective bargaining coverage and social dialogue	35	
	S1-9	Diversity metrics	103	
	S1-13	Training and Skills Development metrics	35	
	S1-14	Health and safety metrics	35, 104	
	S2-1	Policies related to value chain workers	36	
	S2-2	Processes for engaging with value chain workers about impacts	36	
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	37	
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	37	
	Governance	G1-3	Prevention and detection of corruption or bribery	47
		G1-4	Confirmed incidents of corruption or bribery	105

Table GOV-4
Due diligence in sustainability statement

CORE ELEMENTS OF DUE DILIGENCE	SECTIONS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy and business model	Strategy, page 15 Sustainable governance framework, page 21-23
Engaging with affected stakeholders in a key steps of due diligence	Stakeholder engagement, page 25
Identifying and assessing adverse impacts	Supplier screening and audits, page 36
Tracking the effectiveness of these efforts and communicating	Supplier survey, page 37



Environment

The spend-based GHG emission factors are from the recognised database EXIOBASE v3.10 from 2024 (in unit tCO₂/M. Eur), accessed through a license. The activity-based emission factors are from the recognised database Ecoinvent v3.10 and 3.11 from 2024 (in unit kgCO₂/kg), accessed through a license. The impact assessment method used is EF v3.1, climate change, GWP100. Additionally, some activity-based emissions factors for waste generated

in operations are provided by the UK Government, Department for Energy Security and NetZero, "Greenhouse gas reporting: conversion factors 2024".

E1-4 concerning climate related targets and GHG emission reduction targets are not included for this 2024 reporting. The baseline year to compare with will be set after commercial production starts.

Table E1-5

ENERGY USE AND ENERGY MIX	TOTAL (MWH)
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	0
Fuel consumption from natural gas	0
Fuel consumption from other fossil fuels	0
Consumption from purchased or acquired electricity, heat, steam and cooling from fossil sources	5535
Total energy consumption from fossil sources (MWh)	5535
Share of fossil sources in total energy consumption	65%
Total energy consumption from nuclear sources (MWh)	659
Share of nuclear sources in total energy consumption	8%
Fuel consumption from renewable sources including biomass, biogas, biofuels, hydrogen	0
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	2184
Consumption of self-generated non-fuel renewable energy	135
Total energy consumption from renewable sources	2319
Share of renewable sources in total energy consumption	27%
Total energy consumption	8513
Energy intensity (MWh / million NOK)	73821



Accounting Principles: E1-5

The table includes all energy consumption related to Morrow's own operations for all locations - factory, lab and offices in Norway. The total 2024 consumption data is provided by electricity suppliers.

Reporting for E1-5 shall be market-based, with supplier-specific emission factors. This approach considers the energy sources consumed according to the energy certificates held through the EU Guarantee of Origin (GO) assurance scheme. The energy sources without GOs are provided by the Norwegian Water Resources and Energy Directorate (NVE). Morrow purchased hydropower GOs for the lab and Arendal office, but not for the factory and Oslo office.

There was no fuel combustion for energy purposes, so the E1-5 (1-4 and 8) reports zero.

E1-5 (5): In market-based reporting, the consumption of non-renewable energy is significantly higher than in location-based reporting (see E1-6, scope 2). The location-based represents the physical electricity delivered where 95% is from renewable sources. However, Morrow did not purchase Guarantee of Origin for the factory in Arendal or for the office in Oslo. Therefore, according to this scheme, the consumption of purchased electricity from fossil sources was for these two locations.

E1-5 (7): In market-based reporting, the consumption of purchased electricity from nuclear sources was for the factory in Arendal and office in Oslo.

E1-5 (9): In market-based reporting, the consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources was for the lab; the Arendal office; district heating and cooling in Oslo office; and 6% of the electricity consumed for factory and Oslo office.

E1-5 (10): The photovoltaic solar panels on the factory roof generated electricity from June 2024.

E1-5 (12): The energy consumption relative to the financial income is significantly higher for 2024 than expected going forward as commercial production did not start yet.



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Sustainability performance

Table E1-6
Organisational climate accounting results, scope 1, 2 and 3

SCOPE 1: GREENHOUSE GAS EMISSIONS		TCO ₂ E
E1-6_01	Gross scope 1 emissions	0
SCOPE 2: GREENHOUSE GAS EMISSIONS		
E1-6_02	Location-based emissions	2722
E1-6_03	Market-based emissions	20305
SCOPE 3: GREENHOUSE GAS EMISSIONS		
E1-6_04	Gross scope 3 emissions	7127
C1	Purchased goods and services	5552
C2	Capital goods	733
C4	Upstream transport	332
C5	Waste generated	46
C6	Business travel	279
C7	Employee commuting	185
TOTAL GREENHOUSE GAS EMISSIONS		
E1-6_05	Total market-based emissions	27433
	Total location-based emissions	9849
E1-6_06	GHG emissions intensity, market-based (TCO ₂ E / million NOK)	237871
	GHG emissions intensity, location-based (TCO ₂ E / million NOK)	85402

Accounting Principles: E1-6

E1-6 presents Morrow's GHG emissions, divided into the GHG Protocol's scope 1, 2, 3 categories. It is reported in conformance with ESRS and the GHG Protocol Corporate Standard and the GHG Protocol Scope 3 Standard. The operational control is set as the organisational boundary, meaning the emissions under Morrow's operational control are included. A hybrid method is applied, using both monetary and physical units in calculations to achieve completeness in the accounting. The data is from internal and external sources.

Life Cycle Assessment (LCA) methodology (ISO 14040; 14044) is used to calculate emissions from the company's operations. The GHG impact assessment factors are based on EF v3.1. The unit "tCO₂e" is short for tonnes Carbon Dioxide equivalents. The greenhouse gases (GHG) included, which are converted to CO₂ equivalents, are Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF₆), Nitrogen trifluoride (NF₃).

The accounting principles are provided below, following the ESRS ID codes from the table.

E1-6.01: Scope 1 covers direct emissions from own factory and is not reported as commercial production did not start yet. The Norwegian Environment Agency has given a six-month period after production starts to finalize the reporting systems if needed.



E1-6.02: Scope 2, location-based, grid average emission factors. These are emissions from energy use for own operations in terms of the energy sources physically consumed. The emissions are calculated based on the activity-based method, using total consumption in kilowatt-hour.

E1-6.03: Scope 2, market-based, covers emissions from energy use for own operations in terms of the energy sources consumed according to the energy certificates held through the EU Guarantee of Origin assurance scheme. The emissions are calculated based on the activity-based method, using total consumption in kilowatt-hour.

E1-6.04: Scope 3 covers Indirect emissions from Morrow's supply chain are divided into several categories (C).

C1. Purchased goods and services: This scope 3 category includes consumables purchased for all Morrow Batteries companies in 2024, including the battery cell materials. Services that are insignificant in terms of emissions are not included in the calculations. The emissions are calculated based on the spend-based method, using total spending in NOK. When production and the related IT systems are complete, this category is likely to become activity-based as emissions from cell materials are significant for this company.

C2. Capital goods: This scope 3 category includes capital goods purchased for all Morrow Batteries companies in 2024, including machines for the factory. These goods are lasting items used to process and manage the consumables in C1. The entrepreneur Veidekke built the first cell factory for SIVA Morrow Eyde Energipark 1 AS in Arendal and includes the related emissions in its company climate reporting and is therefore not included in Morrow's. The emissions are calculated based on the spend-based method, using total spending in NOK.

C3. Fuel- and energy related activities: Not relevant. Morrow had only a few company-owned cars which are electric. No fossil fuels are used for the test production.

C4. Upstream transportation and distribution: This scope 3 category includes upstream transport for all Morrow Batteries companies in 2024, including transport of all purchased consumables and goods. The emissions are calculated based on the activity-based method, using the calculated GHG emissions Well-to-Wheel (WtW) from suppliers of sea, air freight and trucking transport. In addition, 10% of total trucking is added to include smaller trucking suppliers.

C5. Waste generated in operations: This scope 3 category includes waste generated in operations for all Morrow Batteries companies in 2024, including factory and lab wastes. The emissions are calculated based on the activity-based method, using total waste generated in tonnes for several fractions. Transportation is included.

C6. Business travel: This scope 3 category includes all business travels purchased for all Morrow Batteries companies in 2024, including flights abroad. The emissions are calculated based on the spend-based method, using total spending in NOK.

C7. Employee commuting: This scope 3 category includes employee commuting habits for all Morrow Batteries employees in 2024, including driving. The emissions are calculated based on the theory-based method, using statistical numbers published. The average number of Morrow Batteries employees in 2024 is multiplied with the different transport emissions factors based on Norwegian average commuting habits.

C8. Upstream leased assets: Not relevant. Buildings leased are included in scope 2 as electricity use (GHG Protocol minimum requirement).

C9-15. Downstream emissions: Not relevant. No commercial production in 2024 and therefore no emissions generated after production yet. The sample cells used are insignificant.

E1-6.05: Summarises all GHG emissions from Morrow operations, scope 1-3, with market-based and activity-based scope 2 reporting.

E1-6.06: Summarises all GHG emissions from Morrow operations, scope 1-3, with market-based and activity-based scope 2 reporting, and divide it on total monetary income. As the battery cell production and sales did not start yet (except sample cells), the E1-6.06 which includes income is significantly higher than expected in the coming years.



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Table E2-5 Information on, amount of, production, use, distribution, commercialisation of substances of high/very high concern

SUBSTANCE(S) OF HIGH/VERY HIGH CONCERN	SUBSTANCE	TOTAL (TONNES)
Total amount(s) of substance(s) of concern that are used during the production or that are procured	1-methyl-2-pyrrolidone (CAS number 872-50-4)	120

Accounting Principles: E2-5

Morrow registers all substances used in EcoOnline. The substances in this database are checked with the substances restricted under Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the Candidate List, provided by the European Chemicals Agency. The substances of concern and of very high concern that are purchased and used or stored for the test production at the factory are covered in the table.

The substance with the CAS number 872-50-4, 1-methyl-2-pyrrolidone (NMP), is on the REACH list of restricted substances and the Candidate List. It is therefore considered a substance of very high concern (SVHC). The substance is used as a solvent in production, however, evaporates and is not present in the final product. The NMP is captured during production and is sent for refurbishment at a supplier, thereby facilitating reuse.

Morrow Batteries' Supplier Contract includes a provision that direct material suppliers and key indirect material suppliers shall comply with all European legislation concerning Restriction Hazardous Substances (RoHS) and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

Table E5-4

	RESOURCE INFLOW	TOTAL (TONNES)
E5-4_01	The overall total weight of products and technical and biological materials used during the reporting period	650
E5-4_02	The weight in absolute value of recycled components used to manufacture the undertaking's products	21
E5-4_02	The weight in percentage of recycled components used to manufacture the undertaking's products	3%

Accounting Principles: E5-4

E5-4_01: The total weight represents all battery cell materials delivered to the Morrow Cell Factory. Some are used, and some are at storage. Most of the materials are included, except packaging and the smaller volumes used in the lab as the information needed to report these is incomplete for 2024. The data used is collected from the procurement team. Morrow Batteries uses Critical Raw Materials (CRMs), according to the European CRM Act published in 2023. The CRMs used in the factory during the reporting year were 1) aluminium; 2) copper; 3) fluorspar; 4) lithium; 5) phosphate rock; 6) synthetic graphite. Data on the supply chain materials is collected from suppliers and research literature.

E5-4_02: As in E5-4_01, the recycled materials represent the materials used directly in the Morrow Cell Factory. Packaging and the smaller volumes used in the lab are not included yet as needed information is currently incomplete. Data on recycled content is collected from suppliers and research literature. The dialogues with our suppliers are ongoing, and the information is not complete. As the default for recycled content is zero, the real share is expected to be higher than reported. Morrow works with recycling partners continuously to increase the battery cell recycled content.



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Table E5-5

	RESOURCE OUTFLOWS	TOTAL (TONNES)
E5-5_01	Total amount of waste generated	205.4
E5-5_02	Total amount of non-recycled waste in absolute weight	89.3
E5-5_02	Share of non-recycled waste of total amount of waste	43%
E5-5_03	Total amount of paper waste	3.3
E5-5_04	Total amount of food waste	0.6
E5-5_05	Total amount of glass and metal waste	0.2
E5-5_06	Total amount of wood waste	82.1
E5-5_07	Total amount of plastic waste	3.1
E5-5_08	Total amount of general wastes	22.8
E5-5_09	Total amount of chemicals to incineration	43.4
E5-5_10	Total amount of hazardous waste to incineration	18.3
E5-5_10	Total amount of hazardous waste to landfill	3.5
E5-5_10	Total amount of hazardous waste to recycling	3.3
E5-5_11	Total amount of materials to recycling	23.6
E5-5_11	Total amount of materials to landfill	1.3

Accounting Principles: E5-5

E5-5_01: Total waste generated in own operations are from the factory and the lab and the offices at these two main locations. The smaller offices in Oslo and Arendal city are not included as these are insignificant. The waste data is collected from the three waste management suppliers.

E5-5_02: The fractions E5-5_0.3-11 that are not recycled are summarized to report the non-recycled waste. The share of recycled waste is expected to increase after test production and the commercial production is running.

E5-5_03-11: Each fraction is shown for transparency, including the hazardous waste and the waste management routes that currently are used.



Social

Table S1-6

KEY CHARACTERISTICS OF EMPLOYEES IN OWN WORKFORCE	2024
Total number by head count	235
Breakdown by gender:	
Total number of women	81 (34.47%)
Total number of men	154 (65.53%)
Breakdown by countries:	
Total number of nationalities	39
Norway	106 (45.11%)
India	33 (14.04%)
Total number of employees who have left (01.01.2024 - 01.12.2024)	16
Rate of employee turnover	8.08%

Table S1-9

GENDER DISTRIBUTION AT TOP MANAGEMENT	2024
Total number by headcount	10
Number of women	4
Percentage of women	40%
Number of men	6
Percentage of men	60%

Table S1-9

AGE DISTRIBUTION	NUMBER OF EMPLOYEES	PERCENTAGE OF EMPLOYEES
Under 30 years old	54	22.9%
30-50 years old	157	66.5%
Over 50 years old	25	10.6%



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Sustainability performance

Table S1-14

HEALTH AND SAFETY	MORROW RESEARCH CENTER	MORROW CELL FACTORY	MORROW DEVELOPMENT CENTER	OTHER OFFICES
Percentage of own workers covered by a health and safety management system	100 %	100 %	100 %	100 %
Number of Incidents without work absence	1	5	0	0
Number of Incidents with work absence	0	2	0	0



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Governance

Table G1-4

INCIDENTS OF CORRUPTION AND BRIBERY	2024
Number of convictions and amounts of fines for violation of anti-bribery and anti-corruption laws	0
Total number of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own workers were dismissed or disciplined	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0
Public legal cases regarding corruption or bribery brought against the undertaking and its own workers	0



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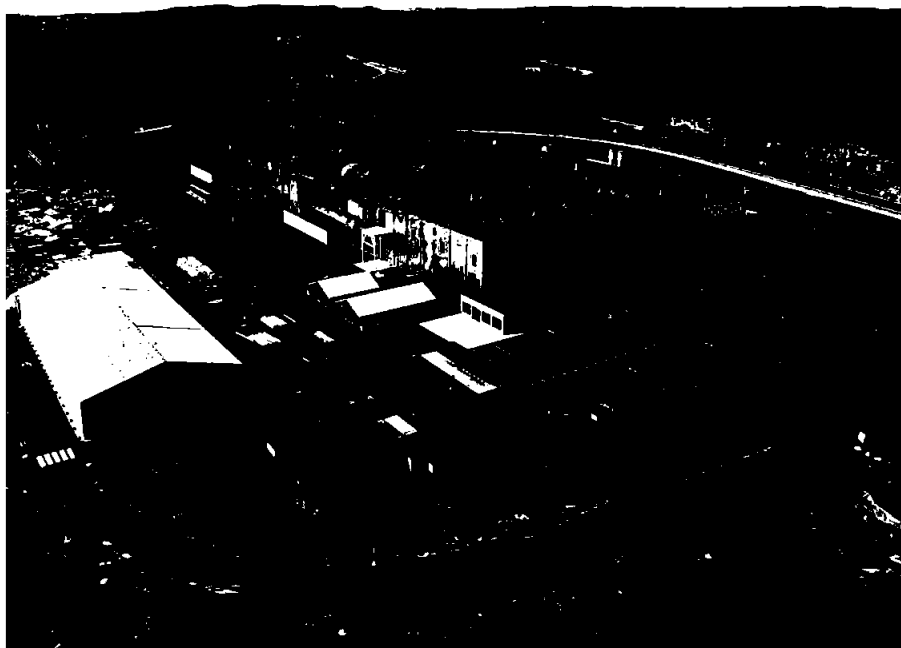
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