# Pareto Securities Power & Energy Renewable Conference

February 2022

# Important notices

## Forward looking statements

All statements, other than statements of present or historical fact included in this presentation, including, without limitation, regarding FREYR's ability to develop the world's cleanest and lowest CO2 lifecycle emissions batteries at giga scale; FREYR's anticipated path to commercialization; the development, timeline, capacity and other usefulness of FREYR's CQP and planned Gigafactories; the progress and development of customer offtake agreements and supply chain partnerships; FREYR's growing pipeline of commercial opportunities; FREYR's goal of full sustainability; the development and growth of FREYR's target markets; the scale and arrangements for any FREYR production facilities in North America; the progress and development of FREYR's partnerships and plans in Finland; frame agreements' ability to meet FREYR's raw material demands; FREYR's ability to source inputs locally and decarbonize the European battery supply chain; FREYR's decarbonization advantage's ability to yield cost savings and its competitive advantages on cost; and FREYR's ability to grow its customer portfolio and secure capital to fund expansion are forward-looking statements.

Additional information about factors that could materially affect FREYR is set forth under the "Risk Factors" section in (i) FREYR's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on August 9, 2021, as amended, and (ii) FREYR's quarterly report on Form 10-Q filed with the Securities and Exchange Commission on November 15, 2021, and available on the SEC's website at www.sec.gov.

Except as otherwise required by applicable law, FREYR disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this press release. Should underlying assumptions prove incorrect, actual results and projections could different materially from those expressed in any forward-looking statements.



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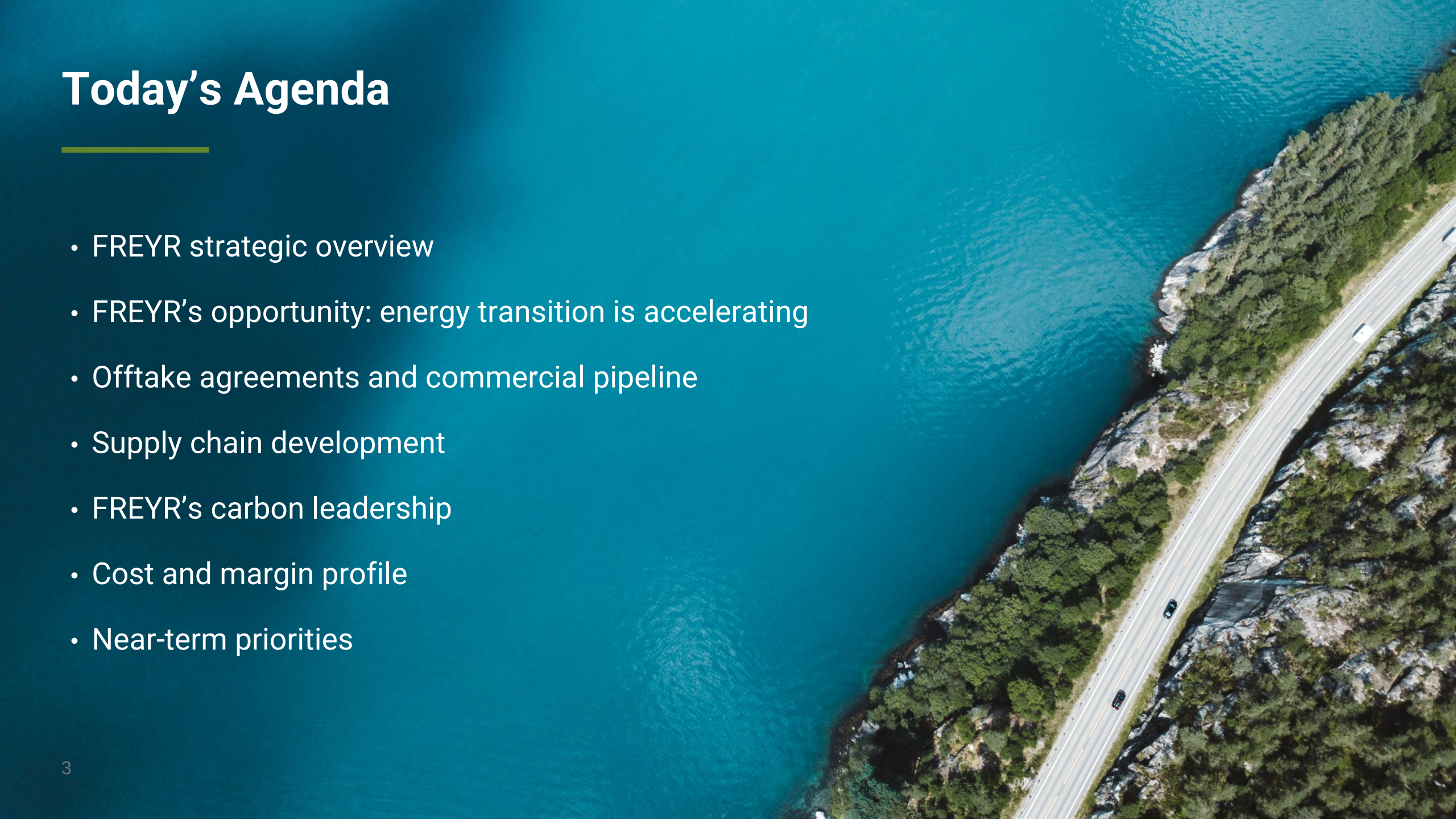
# Today’s Agenda

- FREYR strategic overview
- FREYR’s opportunity: energy transition is accelerating
- Offtake agreements and commercial pipeline
- Supply chain development
- FREYR’s carbon leadership
- Cost and margin profile
- Near-term priorities



# FREYR in a Nutshell

Accelerating decarbonization by developing the world's cleanest batteries at Giga scale

**Speed**

Working to maximize speed to market of low-carbon, cost-competitive battery cells

Capitalizing on projected supply shortfall as electrification accelerates

Commercial proven technology to GWh scale in advantaged location

**Scale**

Targeting major addressable markets for electrification

Substantial unmet demand across ESS, EV & Commercial Mobility segments

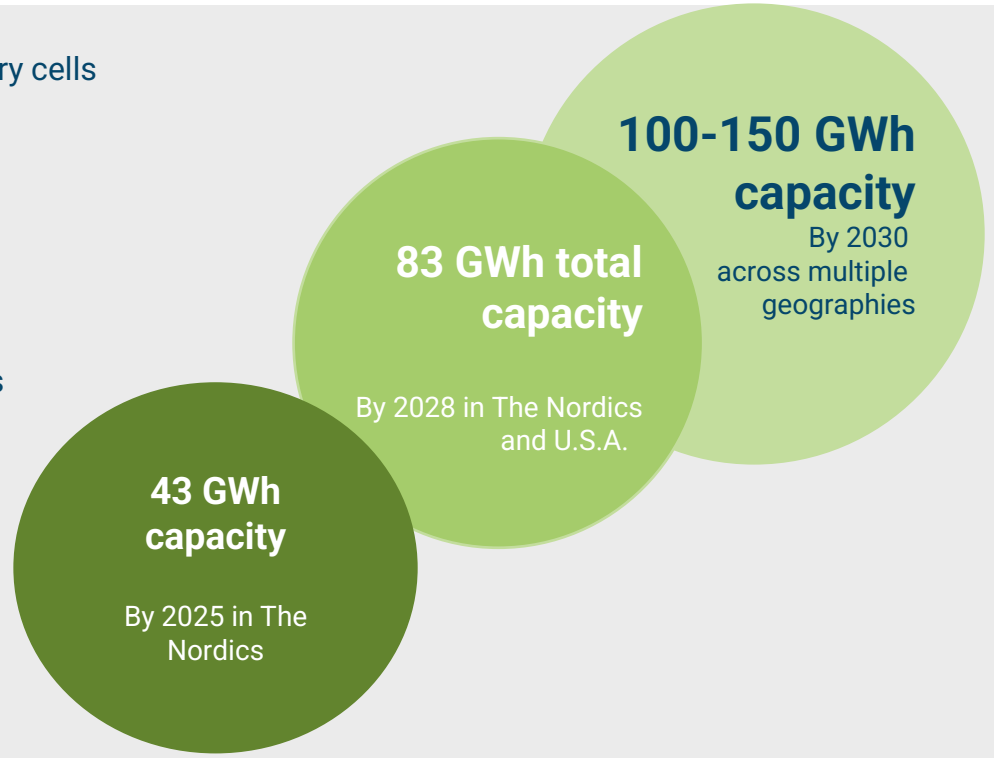
Planning construction of ~43 GWh of capacity by 2025

**Sustainability**

Localizing supply chain based on low-cost renewable energy

Partnership-based approach for decarbonized low-cost RM supply

Deep interest from Asian providers to establish localized European/U.S. JVs




**2018**
- FREYR established
- Value proposition established
- Technology search initiated

**2019-2021**
- Built project execution team
- 24M partnership established
- NYSE listing for equity funding

**2021-2022**
- Expanding execution platform
- Securing strategic offtake
- Securing debt financing
- SOP CQP (Pilot Plant)
- Gigafactories final investment decision (FID)

**2022-2025**
- International expansion
- 43 GWh In operation
- Supply chain JVs

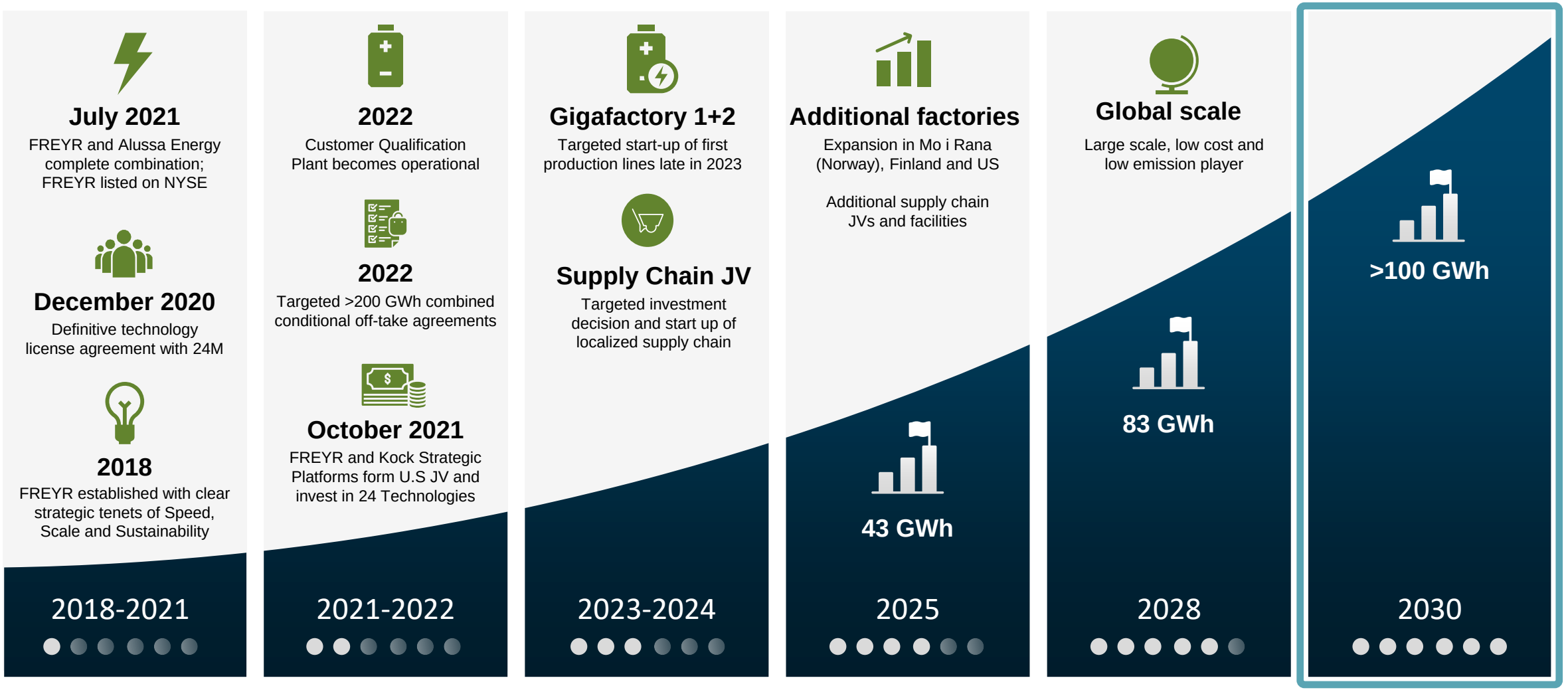
**Beyond 2025**
- Establish localized, decarbonized supply chains
- Additional strategic initiatives



(1) Includes potential joint ventures and other partnerships in multiple geographic regions by 2028.

# FREYR's Anticipated Path to Commercialization

Focused on achieving milestones to build a global, giga scale player



# Battery Adoption Will Play Key Role in Climate Change Mitigation

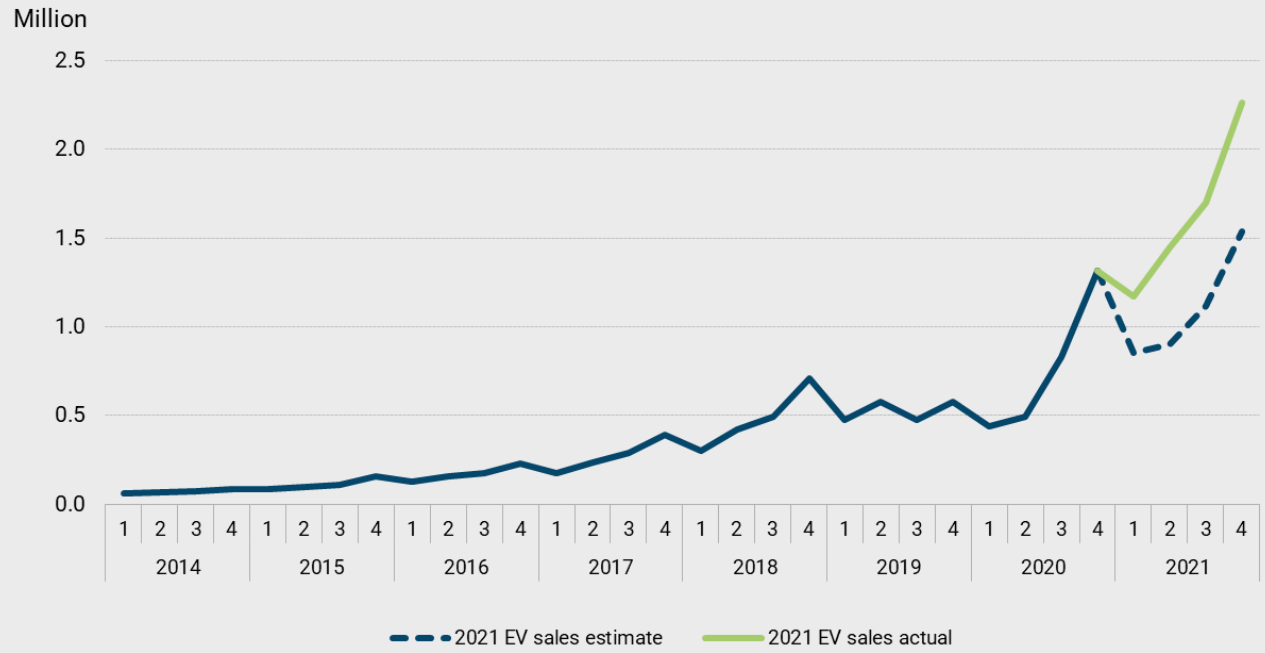
## ESS and transportation markets are catalysts for energy transition

Adoption of passenger EVs continues to accelerate as OEMs focus on electrification of portfolios (1)

Storage drives ~12TWh of annual battery demand by 2050 to achieve Net Zero Emissions(2)

Cumulative battery demand of 218-230TWh from 2025 - 2050 to achieve Net Zero Emissions(3)

### 2014 – 2021 Global Passenger EV Sales




Source: Bloomberg NEF.

(1) Bloomberg NEF: *BNEF Talk – EV Inflection Point (January 2022)*.
(2) Berstein: *Global Energy Storage: Batteries Included.* (June 2021).
(3) Bloomberg NEF: *New Energy Outlook 2021*.



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# Major Commercial Wins

Initial conditional offtake agreements are catalysts for planned FID of first Gigafactory

## Honeywell

- Renewables division of Fortune 100 U.S.-based company
- Leading provider of renewable power solutions and technologies
- Specialized expertise in data analytics and remote monitoring
- Turnkey EPC in Battery Energy Storage Systems (BESS)

### Conditional Offtake Highlights

- ✓ Commercial alliance: planned value chain integration with use of Honeywell technology
- ✓ Total volumes represent **20% of projected production**[1] in Mo i Rana Gigafactories 1 – 2
- ✓ Honeywell has preferential rights to double offtake volumes

**19**
**Total GWh (2023-2028)**

**ESS**
**Target Market**

## Inaugural Offtake Customer

- Industrial Solutions arm of global energy storage systems player
- Leading global supplier of motors, drives, automation and process control technologies
- Turnkey EPC provider of Battery Energy Storage Solutions (BESS) for commercial and utility scale plants

### Conditional Offtake Highlights

- ✓ Formation of joint venture between FREYR and global industrial player to package clean battery solutions with EPC offering
- ✓ Total volumes represent **47% of projected production**[1] in Mo i Rana Gigafactories 1 – 2
- ✓ JV finalization and announcement by end of Q1-2022

**31**
**Total GWh (2023-2030)**

**ESS**
**Target Market**

**>67 % of actual production capacity1 in first Gigafactory signed up through two conditional offtake agreements**



1) refers to targeted production by 2028

# Growing Pipeline of Commercial Opportunities

| Opportunities | Technical review | Commercial negotiations | Conditional offtake agreements | Signed agreements |
|---|---|---|---|---|
| >60 prospective customers | 25 prospective customers | Multiple offtake agreement negotiations ongoing | Four conditional offtake agreements in advanced stages of negotiations | Two conditional offtake agreements signed with Honeywell and global industrial partner |
| Dialogues include technical review, commercial negotiations and advanced offtake negotiations | >3,000 GWh of estimated potential cumulative demand between 2024 - 2030 | >100 GWh of potential demand between 23-30 | >150 GWh of potential demand between 23–30 | >50 GWh of demand between 2023 – 2030 |
| | | To unlock FID for potential GF 2 in Norway and initial GF in Finland | Unlocks FID for GF1 in Norway and initial US GF | Final sales agreements in process |

**Pronounced battery market short supports high-grading of customer portfolio to drive value**



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# Securing Key Raw Materials

Supply chain framework supports initial giga scale development on path to eventual localization

### Frame agreements in place

- FREYR has completed purchase agreements for 9 of 13 key inputs
- Agreements comprise 90% of raw material inputs required for Gigafactories 1 and 2
- On track to finalize remaining agreements for CQP and Gigafactory 1
- Facilitates initial sample production of LFP battery cells from CQP before year-end 2022

### Initial steps underway to source inputs locally and de-carbonize supply chain

- Agreement with Glencore for localized Nordic inputs
- Aleees heads of Terms agreement for JV to establish LFP cathode plant in Nordic region
- Targeted 80% long-term carbon reduction would equate to $6.3/KWh of production

**At $100/t carbon price and 83 GWh capacity (2028E), FREYR's decarbonization benefit would translate to more than $500 million/year**



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# Developing a Decarbonized European Battery Supply Chain

## Supportive Norway Battery Ecosystem

**Raw-Material Providers**
- Glencore
- Elkem
- MRC
- Tiotech
- Hydro

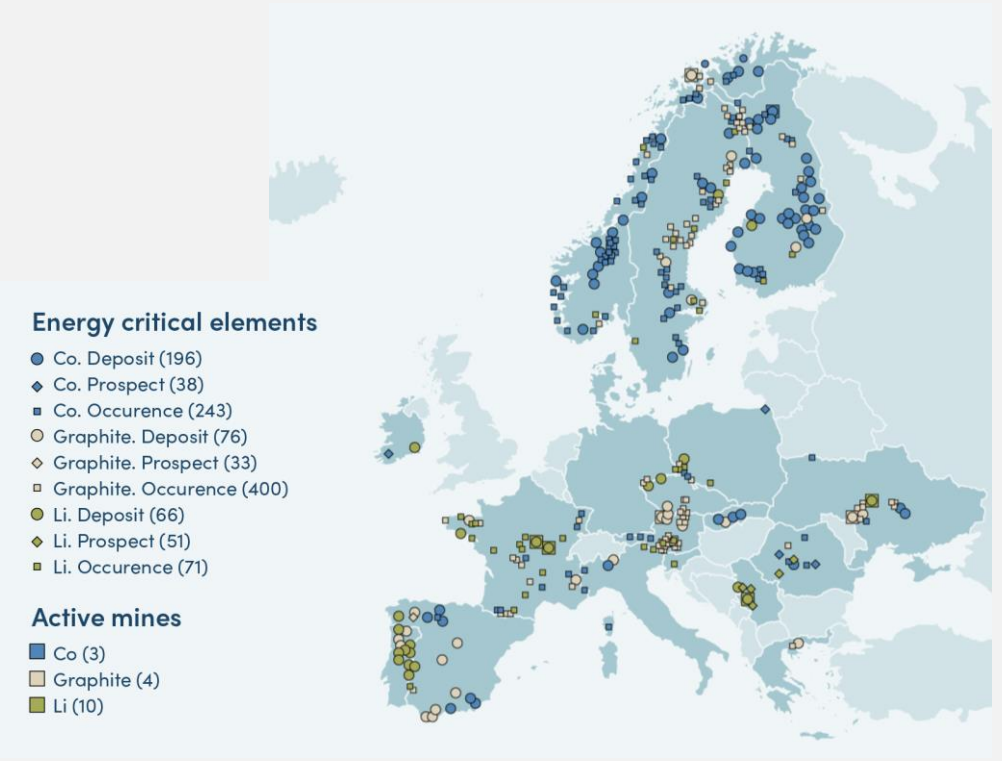
FREYR
**Mo i Rana, Norway**
Project development

FREYR
**Oslo, Norway**
Headquarters

**ESS Providers**
**Solar & Marine**
- Siemens
- Corvus
- ZEM
- Kongsberg
- Scatec Solar

**Research Organizations**
- NTNU
- SINTEF
- IFE
- UiO

## Map of Energy Critical Elements: Cobalt, Lithium, Graphite Europe Preliminary Result, May 2019




## FREYR's Aspirational Goal: Full-Cycle Sustainability

- **Responsible sourcing of raw materials**
- **Improved labor conditions**
- **Low water stress & enhanced biodiversity**
- **Reduced toxic emissions & waste**

**Development across all aspects of the emerging European battery supply chain, from raw materials to recycling**



Sources: Battery Norway, FRAME, Company data

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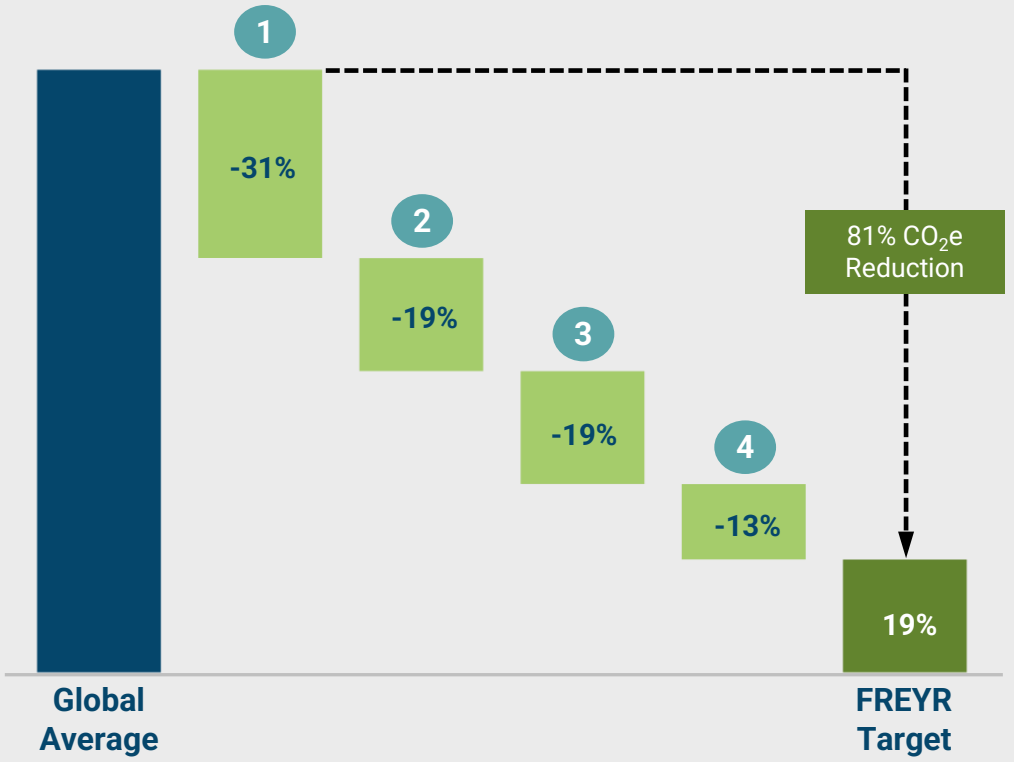
# Committed to Carbon Leadership

FREYR aspires to produce world's lowest $CO_2$ lifecycle emissions batteries

## Targeted FREYR $CO_2$e Footprint Reduction




| | Emissions kg $CO_2$/kWh |
|---|---|
| Global Battery Industry $CO_2$e Baseline [1]: | ~80 |
| 1 FREYR 'net zero' cell production | (~25) |
| 2 Active material production in Norway/Nordics [2] | (~15) |
| 3 Building a Nordic ecosystem of additional supply [2] | (~15) |
| 4 Packaging and recycling [2] | (~10) |
| FREYR Target $CO_2$e Emissions Level [3]: | = ~15 |

(1) Global battery industry average for 2020.
(2) Estimated medium-term benefits from localized supply chain.
(3) Company estimate.

Source: Study commissioned from global management consultancy



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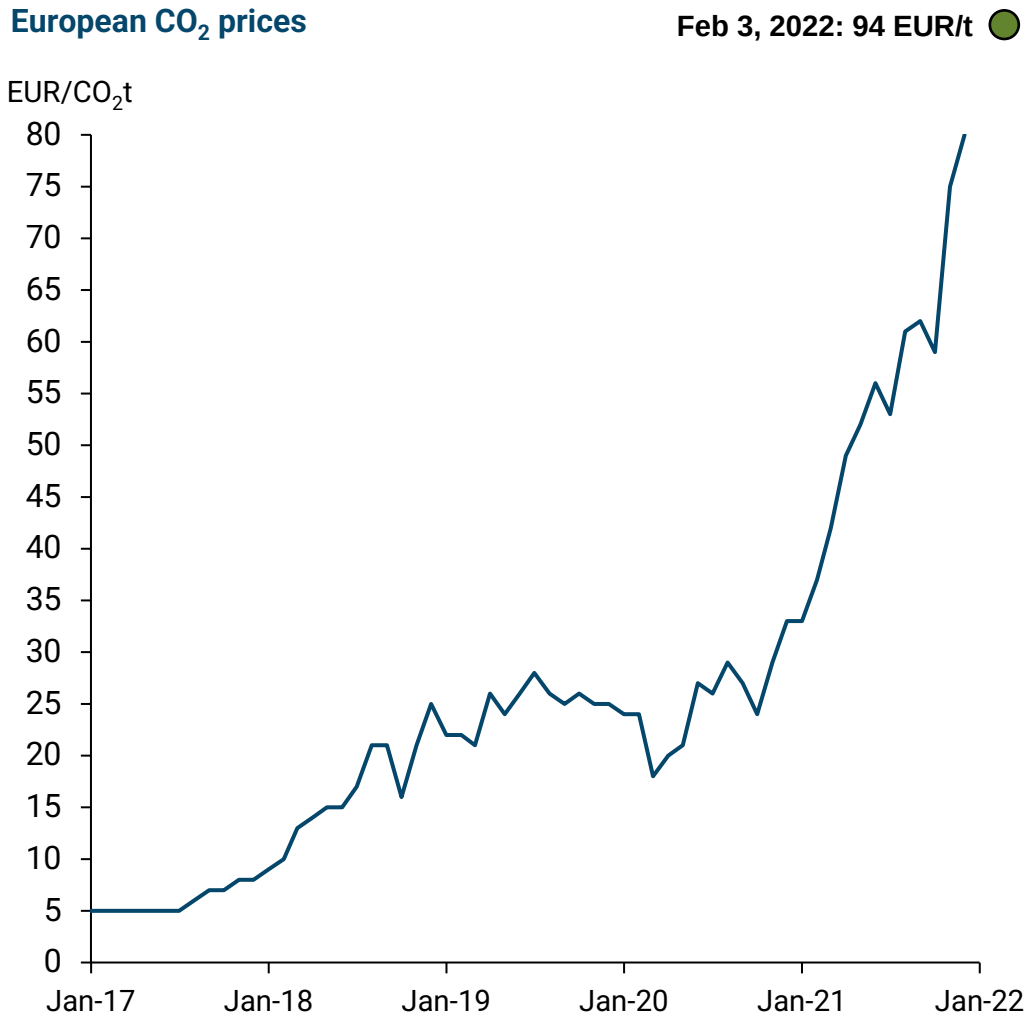
# Financial Opportunity Stemming from Rising $CO_2$ Prices

FREYR's decarbonization advantage can yield meaningful costs savings

## European $CO_2$ prices




## Key considerations

- Renewable power intermittency, cold weather, and emissions from fuel switching to coal due to high gas prices have triggered a surge in C02 emissions and permit requirements
- Increased focus on scope 3 emissions within the EU taxonomy classification system, could further strengthen demand for carbon permits
- Scope of Carbon Border Adjustment Mechanism is expected to introduce market-based tariff on imported emissions to EU from battery producers as early as 2023
- FREYR's lower $CO_2$ footprint relative to conventional producers and commitment to further decarbonize should generate a substantial carbon advantage per KWh

**~64 kg $CO_2$e/KWh[1]**
Benefit for FREYR vs. conventional battery cell production

×

**~94 EUR/$CO_2$t**
Current price per carbon permit

=

**~6.8 USD/KWh**
Carbon advantage[2]



Source: European Commission, Notes: (1) Global average at ~78 kg $CO_2$e vs. FREYR estimated at ~14 kg $CO_2$e. (2) Note the difference between kg and tons

# Positioned to become a market leader on costs and margins

Combining superior technology with global partnerships and operational expertise

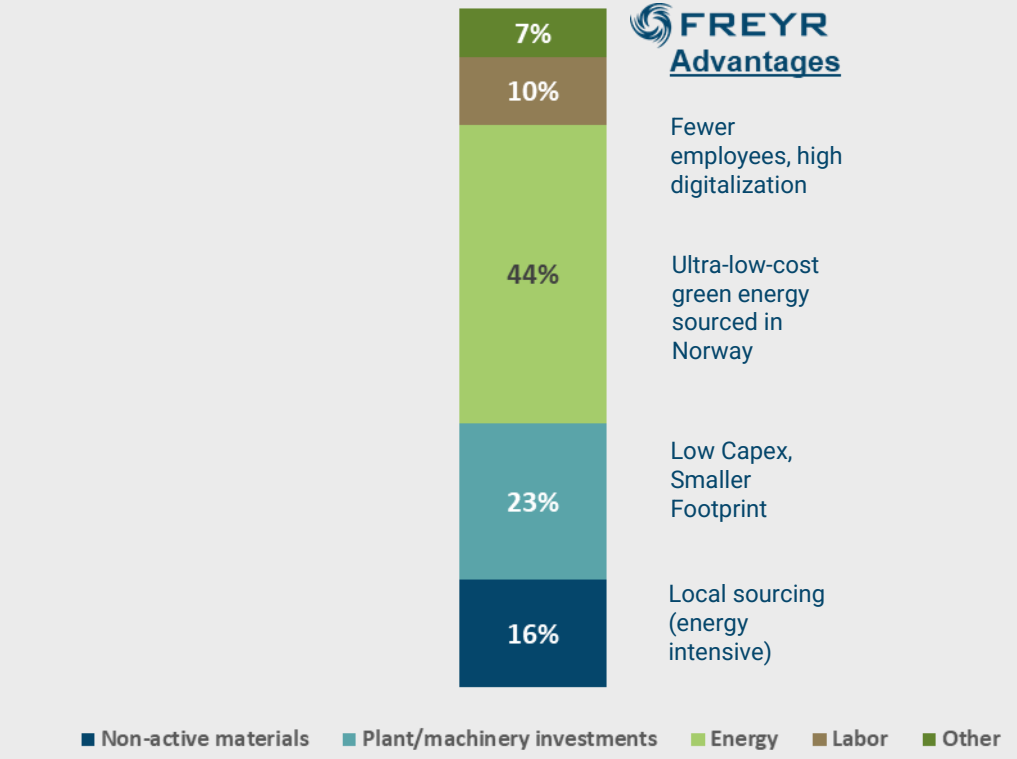
## Key anticipated competitive advantages on costs

- **Less material needed** for similar capacity on 24M (~20% in 2020) compared to conventional manufacturing
- **24M process is less labor intensive than conventional manufacturing** (5 production steps instead of 15)
- **Lower electricity cost in Norway**[3] (>50% lower than China), and a lower need for energy in the 24M process compared to conventional production
- **Lower construction cost for a 24M facility**, compared to conventional technology, gives lower depreciation than competitors (~2 USD/kWh cost advantage)
- Scale expected to give FREYR **lower cost on SG&A than average competitors**, but similar to top-5
- FREYR expects to **achieve 3-4 USD/kWh lower R&D cost**, driven by the partnership strategy (~2 USD/kWh spend on license, making the total cost advantage ~1-2 USD/kWh

*Source: Tier 1 consultancy firm.*

**Advantages across the value chain expected to reduce costs by >20% compared to global averages**

### Cost Breakdown of the EV Battery Value Chain, 2020 Global Average




Source: Rystad Energy

# Delivering on our Strategy

## Key short-term objectives tied to Speed, Scale and Sustainability

**Grow customer portfolio**

**Establish supply chain and operations**

**Finance giga scale expansion**

### Close additional offtake agreements

Near-term focus on ESS and commercial mobility

Progress dialogues with passenger EV OEMs

Advanced stage conversations with several potential customers

### Secure raw materials and meet construction milestones

Finalize remaining four of 13 purchase agreements

Develop partnerships to localize, simplify and decarbonize

Structure supply chain to maximize visibility on costs

CQP start-up in late 2022

### Deliver new capital to fund potential FIDs

Exploring multiple debt capital solutions

Facilitate parallel development in Norway, U.S. and Finland



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# Q&A

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Clean battery solutions