

# FREYR 1Q 2022 Earnings Call

May 11, 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 anticipated path to commercialization; the development, timeline, capacity and other usefulness of FREYR's CQP and planned Gigafactories; the realization of FREYR's capital spending plan; the progress and development of customer relationships and offtake agreements and supply chain partnerships; the success of any capital raising paths, including securing financial support from governments, to fund FREYR's planned expansion; FREYR's ability to secure additional raw materials or finalize pricing terms of secured key raw materials capacity; the realization of FREYR's supply chain strategy and augmented value proposition; FREYR's finalization of any joint ventures; FREYR's growing pipeline of commercial opportunities; FREYR's ability to convert any conditional agreements into definitive agreements; the development and growth of FREYR's target markets; the scale and arrangements for any FREYR production facilities; FREYR's ability to achieve its ambition to localize and decarbonize its global supply chain; the expected delivery times of any cell casting and unit assembly equipment; and FREYR's ability to grow its customer portfolio and secure capital to fund expansion are forward-looking statements.

These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside FREYR's control and are difficult to predict.

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 annual report on Form 10-K filed with the Securities and Exchange Commission on March 9, 2022, and available on the SEC's website at [www.sec.gov](http://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 differ materially from those expressed in any forward-looking statements.

# Today's Agenda

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- Key takeaways
- Commercial developments
- Market developments
- FREYR's augmented value proposition
- Operations and supply chain update
- Financial overview
- Strategic priorities
- Q&A



# Key Takeaways for 1Q 2022

Strong momentum on key commercial, operational and financial objectives

## Signed Conditional Offtake Agreements (COAs) Exceed 100 GWh through 2030:

- Recently signed COAs with Powin Energy and two leading ESS companies for more than 50 GWh from 2024 - 2030
- Five COAs signed to date totaling >100 GWh of cumulative volumes with leading stakeholders across global ESS landscape
- Combined COAs equate to >80% of nameplate capacity from 2024 - 2030, supporting planned FID for combined Gigafactory 1&2

## Converting Initial COAs to Definitive Sales Agreements (DSAs):

- In advanced closing negotiations to finalize terms and conditions with Honeywell and global ESS company
- DSAs are catalysts to unlock attractive financing solutions

## Maintaining H2 2022 startup target for CQP:

- Factory acceptance testing is next milestone on path to start of production (SOP)
- FREYR Board of Directors has sanctioned construction of Mo I Rana testing center
- Targeting completion of testing center to coincide with start of production at CQP

## Progressing towards FID on combined Gigafactory 1&2:

- Pre-construction site preparation ongoing
- Finalizing technical project plan for board approval in June
- FREYR Board of Directors has sanctioned capital spending to order long-lead time items

## Financing Plan:

- Oscar Brown appointed as CFO in April 2022
- Accelerating discussions of grants, guarantees, and other debt-based potential financing options in Norway
- Potential for additional grants and financing support from EU-based government institutions
- Engagement initiated with U.S. Department of Energy to explore support for ongoing U.S. expansion
- Strong interest in FREYR from strategic, industrial and financial institutions to finance growth ambitions
- FREYR's strong balance sheet enables flexibility while navigating volatile market conditions

## Combined Gigafactory 1&2

4D model in development



# Accelerating Commercial Traction

Recent wins augmented by expanding pipeline of opportunities



**Momentum building across ESS, commercial mobility and passenger EV segments in Europe and U.S.**

<sup>1</sup> Projected nameplate capacity of 18 GWh per annum for combined Gigafactory 1 & 2 starting ramp-up in 1H-2024.

# Major Commercial Wins

Three COAs signed with prominent ESS companies in recent weeks

Powin LLC



- 28.5 GWh from 2024 - 2030
- Powin is a leading U.S. based battery energy storage solutions provider
- Powin offers integrated hardware and software configurations at utility scale across several use cases
- Initial cell deliveries from Mo i Rana with prospective future collaboration in U.S.

Major U.S.  
Renewables Utility



- ~10 GWh from 2025 – 2030 for ESS applications
- Agreement through FREYR's U.S. joint venture with Koch Strategic Platforms
- Cells to be delivered from FREYR's first planned Gigafactory in U.S.
- Contemplated support from U.S. Department of Energy
- Two-way agreement under which customer is expected to supply renewable power to the Gigafactory

Leading Global Storage  
Systems Integrator

- 15 GWh from 2023 - 2027
- Cell deliveries to originate from Mo i Rana

Revenue visibility from recent COAs expected to support development of capacity beyond combined Gigafactory 1 & 2

# Market Developments Aligning with FREYR's Strategy

Geostrategic considerations and raw materials constraints underscore potential value of developing localized battery supply chains

**FREYR targets to localize and decarbonize 75% of global supply chain by 2026 to secure supply and further reduce costs**



"... the DPA will be authorized to support the production and processing of minerals and materials used for large capacity batteries—such as lithium, nickel, cobalt, graphite, and manganese. . ."

- March 31<sup>st</sup> White House Fact Sheet

## INSIDE EVs

### Porsche Taycan Production Halted Due To Components Shortage

The parts supply issue spreads in Europe to more brands.



### How a battery shortage could threaten US national security

By [Matt McFarland](#), CNN Business

## Key elements of FREYR's supply chain strategy



### Profitability

Harvest financial benefits of decarbonized battery production



### JVs & Licensing

Form joint sourcing and JV/Licensing partnerships



### Sustainability

Decarbonize and localize with Gigafactory clusters



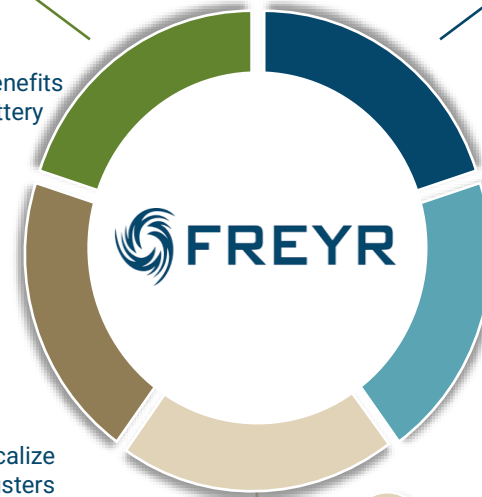
### Inputs

Control key inputs upstream of cell production



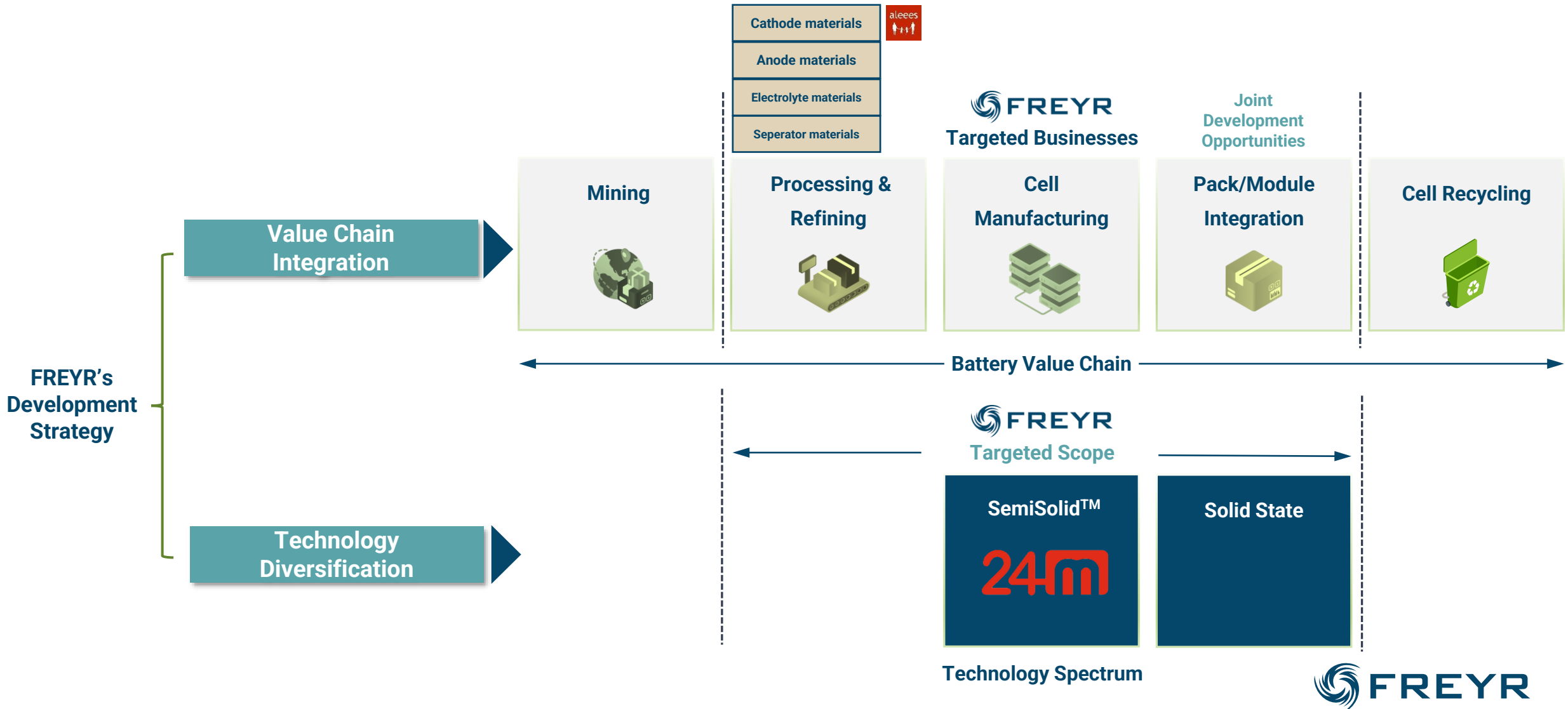
### Technology

Integrate technology offerings of key offtake customers and establish partnerships across technology spectrum



# FREYR's Augmented Value Proposition

Evolving our strategy to maximize sustainable value creation





# Operations Update

CQP and combined Gigafactory 1&2 development progressing steadily



## Activity ramping up in Mo i Rana

Construction of CQP and pre-construction work on Gigafactory 1&2

Despite Covid and supply chain distortions, FREYR's teams are executing to plan



## Progressing towards CQP factory acceptance testing in H2 2022

Key milestone ahead of planned Start of Production at CQP later this year

Detailed project execution plan on CQP was put in place ahead of July 2021 FID



## Combined Gigafactory 1&2 on path to FID

Kicking off additional pre-construction investments

Technical teams preparing FID project plan for FREYR's Board of Directors. Key elements include building & infrastructure and finalized design of production equipment

# Establishing FREYR's Supply Chain

Finalizing raw materials sourcing and initiating localization strategy

- Key raw materials capacity largely secured – pricing terms to be negotiated
- Business plan development underway to support FID on proposed joint venture LFP cathode plant with Aleees in Nordic region
  - Cathode accounts for up to 70% of raw materials required to produce LFP cells
  - Substantial projected decarbonization benefit from localizing cathode production
- Intention to arrive at FID on LFP cathode plant in parallel with combined Gigafactory 1 &2



# Financing Our Growth

Advancing several initiatives to support capital formation



## Government Support

- Engaged with government entities in Norway, U.S. and EU to explore funding mechanisms
- Establishing local battery value chains has become an elevated national security priority
- Grants, bridge loans, and direct lending among the structures under consideration



## Project Financing

- Working with our agent banks, ECAs and other government entities. Bank market is supportive of FREYR's story
- Additional progress on offtakes, project sourcing, etc. required to formally launch process
- Project financing is inherently time intensive



## Other Capital Sources

- Continuing to monitor and evaluate wide range of financing options in private and public capital markets
- Market conditions and additional commercial traction will shape opportunities

# Financial Update

Focused on securing financing to fund FREYR's planned capacity expansion

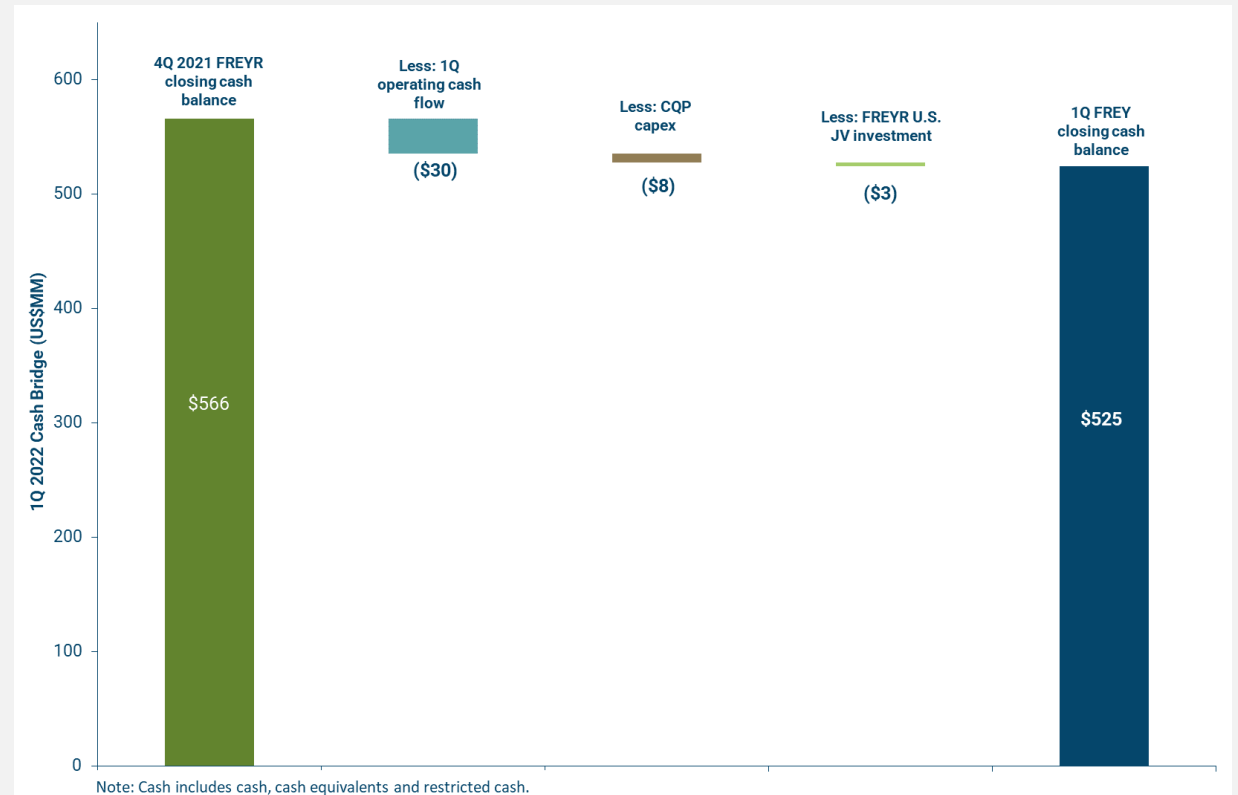
## Strong Liquidity and Balance Sheet

- Ended 1Q 2022 with \$525 million of cash, cash equivalents and restricted cash

## Financial Outlook

- Cash burn rate will increase modestly in 2Q with ramp up of construction activity
- Prioritizing capital formation to fund business development and growth capital spending

## FREYR 4Q – 1Q Cash Bridge



# Delivering on our Strategy

Key near-term objectives tied to Speed, Scale and Sustainability

## Fund the expansion

Capital formation plan accelerating on multiple paths  
Intention to prioritize speed and optimize cost of capital  
Secure Norwegian, EU & U.S. governmental support across capital structure

## Establish operations and supply chain

Releasing additional capex for pre-construction at Gigafactory 1&2  
Reach FID on Gigafactory 1&2 in parallel with proposed LFP cathode plant

## Leverage commercial momentum

Convert initial COAs in ESS to DSAs exceeding 100 GWh by 2030  
Secure additional COAs in ESS and mobility with ~100 GWh by 2030  
Secure commercial mobility and EV commitments >100 GWh/year by 2030



Q&A

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