

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON**Enheten**

Organisasjonsnummer: 929 340 019
Organisasjonsform: Aksjeselskap
Foretaksnavn: FREYR BATTERY NORWAY AS
Forretningsadresse: Halvor Heyerdahls vei 33
8626 MO I RANA

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Are Brautaset
Dato for fastsettelse av årsregnskapet: 28.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 12.06.2024



Resultatregnskap

| Beløp i: NOK | Note | 2022 | 2021 |
|--|------|---------------------|---------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Annen driftsinntekt | 2 | 210 427 044 | 19 968 226 |
| Sum inntekter | | 210 427 044 | 19 968 226 |
| Kostnader | | | |
| Lønnskostnad | 3,4 | 379 156 883 | 256 750 950 |
| Avskrivning på varige driftsmidler og immaterielle eiendeler | 11 | 4 113 320 | 1 039 739 |
| Annen driftskostnad | 6,7 | 58 365 443 | 245 798 587 |
| Forskning og utvikling | 5 | 91 083 455 | 70 123 812 |
| Sum kostnader | | 532 719 101 | 573 713 088 |
| Driftsresultat | | -322 292 057 | -553 744 862 |
| Finansinntekter og finanskostnader | | | |
| Finansinntekter | 8 | 156 379 441 | 23 113 558 |
| Sum finansinntekter | | 156 379 441 | 23 113 558 |
| Finanskostnader | 8 | 154 717 704 | 16 859 634 |
| Sum finanskostnader | | 154 717 704 | 16 859 634 |
| Netto finans | | 1 661 737 | 6 253 924 |
| Ordinært resultat før skattekostnad | | -320 630 320 | -547 490 938 |
| Ordinært resultat etter skattekostnad | | -320 630 320 | -547 490 938 |
| Årsresultat | | -320 630 320 | -547 490 938 |
| Overføringer og disponeringer | | | |
| Overkursfond | 10 | -320 630 320 | -547 490 938 |
| Sum overføringer og disponeringer | | -320 630 320 | -547 490 938 |



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|---|------|----------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 11 | 19 608 014 | 9 211 906 |
| Anlegg under utførelse | 11 | 705 762 527 | 176 543 342 |
| Sum varige driftsmidler | | 725 370 541 | 185 755 248 |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 12 | 216 964 | 100 000 |
| Sum finansielle anleggsmidler | | 216 964 | 100 000 |
| Sum anleggsmidler | | 725 587 505 | 185 855 248 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Kundefordringer | | 232 178 | |
| Andre fordringer | 14 | 2 678 039 | 15 227 909 |
| Forskuddsbetalte kostnader | 4 | 68 276 923 | 123 671 292 |
| Konsernfordringer | 13 | 367 291 690 | 47 447 073 |
| Sum fordringer | | 438 478 830 | 186 346 274 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | 15 | 1 097 403 578 | 627 680 497 |
| Sum bankinnskudd, kontanter og lignende | | 1 097 403 578 | 627 680 497 |
| Sum omløpsmidler | | 1 535 882 408 | 814 026 771 |
| SUM EIENDELER | | 2 261 469 913 | 999 882 019 |

BALANSE - EGENKAPITAL OG GJELD



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|--------------------------------------|-------|----------------------|--------------------|
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Selskapskapital | 10,16 | 57 849 | 63 000 |
| Overkurs | 10 | 1 129 898 683 | 560 864 046 |
| Ikke registrert kapitalforhøyelse | 10 | 57 849 | 3 000 |
| Annen innskutt egenkapital | 10 | 229 876 675 | 45 111 109 |
| Sum innskutt egenkapital | | 1 359 891 056 | 606 041 155 |
| Sum egenkapital | | 1 359 891 056 | 606 041 155 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Langsiktig konserngjeld | 13 | 130 912 728 | 124 882 638 |
| Øvrig langsiktig gjeld | | | 58 449 553 |
| Sum annen langsiktig gjeld | | 130 912 728 | 183 332 191 |
| Sum langsiktig gjeld | | 130 912 728 | 183 332 191 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | 14 | 27 800 032 | 29 503 369 |
| Skyldige offentlige avgifter | 17 | 8 087 441 | 13 146 276 |
| Kortsiktig konserngjeld | 13 | 330 015 862 | |
| Annen kortsiktig gjeld | 14,18 | 350 986 653 | 137 283 044 |
| Leverandørgjeld til konsernselskaper | 13 | 3 589 898 | 80 836 |
| Aksjebasert avlønning | 4 | 50 186 243 | 30 495 148 |
| Sum kortsiktig gjeld | | 770 666 129 | 210 508 673 |
| Sum gjeld | | 901 578 857 | 393 840 864 |
| SUM EGENKAPITAL OG GJELD | | 2 261 469 913 | 999 882 019 |



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-40581



FREYR Battery

(Exact name of registrant as specified in its charter)

Luxembourg

Not Applicable

(State or other jurisdiction of incorporation)

(IRS Employer Identification No.)

22-24, Boulevard Royal, L-2449 Luxembourg

Grand Duchy of Luxembourg

+352 46 61 11 3721

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Ordinary Shares, without nominal value | FREY | The New York Stock Exchange |
| Warrants, each whole warrant exercisable for one Ordinary Share at an exercise price of \$11.50 | FREY WS | The New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act:

None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|-------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |
| | | Emerging growth company | <input checked="" type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2022, the last business day of the Registrant's most recently completed second quarter, the aggregate market value of the voting and non-voting Ordinary Shares held by non-affiliates, computed by reference to the closing price of \$6.84 reported on the New York Stock Exchange, was approximately \$670.0 million. For the purposes of this calculation, shares of Ordinary Shares beneficially owned by each executive officer, director, and holder of more than 10% of our Ordinary Shares have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 17, 2023, 139,705,234 shares of the registrant's Ordinary Shares were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.



FREYR Battery
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. All statements included in this Annual Report on Form 10-K, other than statements of historical fact, are forward-looking statements. This includes, but is not limited to, statements regarding our or our management's expectations, hopes, beliefs, intentions or strategies. The words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "might", "plan", "project", "will", "would", the negative of such terms, and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's beliefs as well as information currently available to them. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K and in our other filings with the U.S. Securities and Exchange Commission (the "SEC"). We do not assume any obligation to update any forward-looking statements.

Foreign Private Issuer Status and Financial Presentation

We currently qualify as a foreign private issuer ("FPI") under the rules of the SEC. However, even though we qualify as an FPI, we report our financial results in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and we have elected to file our annual, quarterly, and current reports on Forms 10-K, 10-Q, and 8-K.



PART I

ITEM 1. BUSINESS

Overview

FREYR Battery, a Luxembourg public limited liability company ("*société anonyme*") ("FREYR," the "Company", "we", or "us"), is a developer of clean, next-generation battery cell production capacity. Our mission and vision are to accelerate the decarbonization of global energy and transportation systems by producing clean, cost-competitive batteries. Through our strategy of Speed, Scale, and Sustainability, we seek to serve our primary markets of energy storage systems ("ESS"); commercial mobility, including marine applications and commercial vehicles; and electric vehicles ("EV").

We are in the design and testing phase related to our battery production process and we are in the final stages of the construction of our Customer Qualification Plant ("CQP") and groundworks and foundation structures for our inaugural gigafactory ("Giga Arctic"), both located in Mo i Rana, Norway. We have also announced the launch of our first clean battery cell manufacturing project in the U.S. ("Giga America") located in Coweta County, Georgia and we have announced the exploration of a potential gigafactory site in Vaasa, Finland.

Our initial CQP production line is based on our licensed SemiSolid™ technology and cooperation with 24M Technologies, Inc. ("24M") and lithium-ion chemistry. Future development and expansion could incorporate alternative chemistry models and additional advances in battery technology through our ongoing cooperation with 24M, through joint ventures, and other licensing opportunities. We will initially target market opportunities in ESS, commercial mobility, and EV with high density and slower charge requirements, with plans to target additional markets, including faster charge battery cells for the broader consumer EV market.

As of December 31, 2022, we have not yet initiated manufacturing or derived revenue from our principal business activities.

Background and Business Combination

On January 29, 2021, FREYR AS, a private limited liability company organized under the laws of Norway ("FREYR Legacy") and Alussa Energy Acquisition Corp., a Cayman Islands exempted company ("Alussa"), among others, entered into the Business Combination Agreement (the "BCA") to effect a merger between the companies (the "Business Combination"). FREYR was formed on January 20, 2021, to complete the Business Combination and serves as the successor entity to FREYR Legacy, the predecessor entity.

The merger was completed in multiple stages, pursuant to the terms of the BCA, which included among other things, the transfer of FREYR Legacy's wind farm business to Sjonfjellet Vindpark Holding AS ("SVPH"), resulting in SVPH shares being held by FREYR Legacy's shareholders. On July 8, 2021, FREYR's ordinary shares and warrants began trading on the New York Stock Exchange ("NYSE"). On July 9, 2021, FREYR completed the Business Combination and FREYR Legacy and Alussa became wholly owned subsidiaries of FREYR.

The Business Combination was accounted for as a reverse recapitalization, with Alussa treated as the "acquired" company for financial reporting purposes and FREYR issuing shares for the net assets of Alussa, accompanied by a recapitalization. The net assets of Alussa were stated at historical cost, with no goodwill or other intangible assets recorded.

As a result, the consolidated financial statements included herein reflect (i) the historical operating results of FREYR Legacy prior to the Business Combination, (ii) the combined results of FREYR, FREYR Legacy and Alussa following the closing of the Business Combination, (iii) the assets and liabilities of FREYR Legacy at their historical cost, (iv) the assets and liabilities of FREYR and Alussa at their historical cost, which approximates fair value, and (v) FREYR's equity structure for all periods presented.

Markets and Customers

The global battery market is projected to grow significantly over the next decade driven by the ongoing energy industry's transformation from traditional fossil fuel energy production systems to renewable energy sources requiring ESS and the decarbonization of transport of commercial and passenger mobility. We believe FREYR is well positioned to capitalize on these industry trends and strives to accelerate this decarbonization by developing and producing cleaner batteries at giga scale through our strategy of Speed, Scale, and Sustainability.

FREYR is initially targeting market opportunities in ESS, marine applications, commercial vehicles, and EVs with high density and slower charge requirements, with plans to target additional markets, including faster charge battery cells for the broader consumer EV market.

In late 2022, FREYR completed the formation of the previously announced module and pack joint venture with Nidec Corporation ("Nidec") and executed the binding sales (offtake) agreement to supply 38 Gigawatt hours ("GWh") of LFP Li-Ion battery cells from 2025 to 2030 to the joint venture, with options for the joint venture to increase the volume to 50 GWh and to extend the contract beyond 2030. The total firm and optional volume under the offtake agreement comprises 50% of the planned production volumes for Giga Arctic. The joint venture will combine FREYR's clean, next-generation battery cells with Nidec's expertise as a global leader in the ESS business and will produce modules and packs and generate integrated downstream ESS solutions for industrial and utility grade customers. Conditional offtake agreements have been



executed with Powin, and other leading ESS and energy technology companies. Conditional offtake agreements are non-binding to the parties. We believe these agreements form a basis for FREYR's entry into the ESS marketplace.

Strategy

Our vision is to accelerate the decarbonization of all transportation and energy systems with our mission to produce the world's most cost effective, efficient, and environmentally friendly batteries.

FREYR works at speed to:

- Maximize speed to market of low-carbon, cost-competitive battery cells;
- Capitalize on the projected battery shortfall as electrification accelerates; and
- Commercialize proven technology in battery cell manufacturing.

FREYR intends to maximize scale by:

- Building manufacturing capacity on a gigafactory basis;
- Targeting major addressable markets for electrification; and
- Addressing substantial unmet demand across the ESS, commercial mobility, and EV market segments.

FREYR prioritizes sustainability by:

- Sourcing localized, low-cost, decarbonized, and renewable energy;
- Commercializing low-carbon production methods based on 24M's SemiSolid™ technology; and
- Forming strategic alliances to help ensure decarbonized low-cost raw material supply.

Competitive Landscape

FREYR's competitors include major battery manufacturers currently supplying the markets, automotive original equipment manufacturers ("OEMs"), and potential new entrants, including CATL (China), BYD (China), LG Chem (South Korea), Samsung SDI (South Korea), SK Innovation (South Korea), Panasonic (Japan), and Northvolt (Sweden). Additionally, there are several development-stage companies seeking to improve conventional lithium-ion batteries or to develop new technologies for batteries. These companies are in varying stages of development and commercialization.

FREYR seeks to compete with these companies by fulfilling the customers' needs for localized production and supply of batteries and on the basis of its sustainable, low-cost production practices. Localized production of batteries allows for a more secure supply and lower transportation costs, and initiatives in Europe and the U.S. are seeking to source batteries outside of China to minimize political and national security concerns. FREYR's production strategy includes manufacturing batteries using renewable energy and our licensed technology from 24M, which allows for a simplified manufacturing process, lower costs, and more efficient recycling after the end of the product's lifecycle. This is expected to provide our customers with more sustainable batteries.

International Expansion and Plant Construction

FREYR is concurrently developing its production capacity with giga scale factories in the Nordic region and in the U.S. FREYR intends to install 50 GWh of battery cell production capacity by 2025, 100 GWh annual production capacity by 2028, and 200 GWh of annual production capacity by 2030.

Customer Qualification Plant

We are in the final stages of the construction of our 13 thousand square meter CQP in Mo i Rana, Norway. Our initial CQP production line is based on our licensed SemiSolid™ technology and cooperation with 24M and lithium-ion battery chemistry, as discussed further below. Production from the customer qualification plant will be used to provide samples to enable early customer engagement and to test new material suppliers and new solutions over time and will incorporate a battery testing center. This is important to our initial product development and continued optimization of our battery products to meet evolving customer needs. Future development and expansion could incorporate alternative chemistry models and additional advances in battery technology through our ongoing cooperation with 24M and/or joint ventures, and licensing opportunities.

Giga Arctic

In June 2022, FREYR formally sanctioned the construction of Giga Arctic, our 120 thousand square meter inaugural gigafactory which combines our previously announced Gigafactory 1 & 2. This is the first full scale battery manufacturing facility we have sanctioned, and it is currently under development in Mo i Rana, Norway. We have completed the initial groundworks and foundation structures for a portion of the facility, which is ultimately expected to have an annual nameplate capacity of up to 29 GWh over eight production lines, with an initial estimated capital cost of more than \$1.7 billion. The timing of the start of production will be primarily driven by the successful startup of CQP battery cell production and testing, and the timing of project and other financing activities, and is expected to follow the completion of funding activities by a



period of 18 to 24 months. We believe Giga Arctic will also serve as a blueprint for an idealized and modularized battery cell manufacturing facility that can be rapidly replicated in other locations.

Giga America

In November 2022, the Company, through its U.S. subsidiary FREYR Battery US LLC, acquired approximately 368 acres of land in Coweta County, Georgia, which is intended to be the site of the Company's Giga America clean battery cell manufacturing project. The initial cell production module is expected to have an annual capacity of approximately 34 GWh and will be established with the U.S.-based 24M production platform and based on the Giga Arctic manufacturing blueprint. Production at Giga America is expected to meet the demand for U.S. based customers.

This acceleration of FREYR's previously planned expansion into U.S. markets is based on strong tailwinds in U.S. renewable energy development, an intensifying focus on grid stability initiatives, and the tax incentives associated with the Inflation Reduction Act of 2022 (the "IRA") which was signed into law in the U.S. on August 16, 2022. The IRA includes \$369 billion in climate and energy-related provisions, including those to incentivize and accelerate the build-out of renewable energy and accelerate the adoption of EV technologies. The IRA creates specific tax credit incentives for the manufacturing and production of battery cells, modules, and electrode materials in the U.S., and extends the investment tax credit to standalone battery storage technology projects for the first time without co-location requirements to solar or wind developments. The IRA will likely drive significantly lower battery costs and prices in the U.S., potentially leading to a surge in domestic ESS activity.

Finland

In May 2022, FREYR signed an agreement with the City of Vaasa, Finland, for the lease of approximately 1.3 million square meters of land in the Vaasa area. This land is a potential future site for FREYR's developmental initiatives based on the Company's collaboration with the City of Vaasa.

Research & Development and Technology Licenses

Research and Development

FREYR's research and development ("R&D") activities are primarily related to the startup of manufacturing and process optimization of the 24M technology manufacturing process using lithium-ion chemistry. Additional R&D activities could incorporate alternative chemistry models and additional advances in battery technology both through our ongoing partnership with 24M, joint ventures, and licensing opportunities.

The Company's primary R&D locations currently include the following leased facilities:

- CQP in Mo i Rana, Norway - This facility focuses on the continual improvement and optimization of our manufacturing process, including the qualification of suppliers and testing of materials and cells, as well as the development of products to meet specific customer needs;
- Technology resources, campus and business unit in Fukuoka, Japan - This facility focuses on the facilitation and scale-up of FREYR's testing and development of the 24M battery platform;
- Technology center in Boston, Massachusetts - This facility supports the Company's expansion strategy to accelerate the development of the Company's first U.S. gigafactory, Giga America, and to enhance technological development and strategic coordination with 24M; and
- R&D center in Trondheim, Norway - This facility is located near the Norwegian University of Science and Technology and provides additional support for our R&D activities in Mo i Rana, Norway.

24M License and Technology

FREYR, through its subsidiaries FREYR AS and Freyr Battery KSP JV, LLC, executed two similar license and services agreements with 24M, dated December 15, 2020, (as subsequently amended and collectively the "24M License"). The 24M License provides FREYR with rights, which in specified cases are on an exclusive basis, to exploit certain patents and patent applications useful for or related to the manufacture, assembly, test, operation, and service of SemiSolid™ battery cells and modules owned, controlled, developed, or acquired by 24M or any of its affiliates, noting that 24M and FREYR have agreed to a limited exclusivity, non-compete, and additional licensing framework. Additionally, 24M will provide certain services to FREYR, including technical training of engineers, provision of information relevant to construct and operate the factory, and on-site support.

The 24M License will continue for the duration of the licensed patents and patent applications begin validly in force unless terminated earlier by FREYR or 24M pursuant to the terms of the 24M License.

The cost of the rights and services in the 24M License was \$20.0 million, payable in several installments and an ongoing royalty fee based on sales volumes. Additionally, 24M and FREYR have agreed to an additional service fee of \$8.8 million in exchange for the completion of R&D work packages related to cell performance. The fee is payable in four equal installments of \$2.2 million, the first of which was paid in January 2023. The estimated period of performance for the



services is 20 months, spanning from November 2022 until June 2024. The service fee is recognized as R&D expense on a straight-line basis over the service period.

24M's SemiSolid™ cell architecture and associated production process reduces the number of steps required to manufacture traditional battery cells, while still using conventional materials, as discussed further below. The 24M process incorporates technology that is expected to provide significant advantages over traditional manufacturing processes. FREYR expects to be able to apply this battery cell and production process technology to any commercially available cathode and anode chemistry for a wide range of applications. Initially, the 24M technology will be used to produce batteries for utility scale and commercial ESS, commercial vehicles, and EVs with slower charge requirements. 24M is also developing faster charge EV solutions for the broader consumer EV segment based on the 24M production platform which could further increase the market penetration and adoption of the technology.

Aleees License and Technology

In October 2022, FREYR signed a license and services agreement with Taiwan based Advanced Lithium Electrochemistry Co., Ltd. ("Aleees"). The agreement, which includes ongoing services and support from Aleees, provides FREYR with a 20-year worldwide license to produce and sell lithium-iron phosphate ("LFP") cathode battery material based on Aleees' technology and to build production facilities leveraging Aleees' industrial experience. The license is cancellable without cause at FREYR's option after 10 years. Aleees is a qualified supplier of LFP cathode material to 24M and an established LFP cathode producer outside of mainland China. LFP cathode materials represent a significant component of the cost of a battery cell and the projected full-cycle supply chain carbon footprint of cells. Through this agreement and in cooperation with Aleees, FREYR believes it is positioned to become a low cost and low carbon producer of LFP cathode material.

Manufacturing Process

Production

FREYR's cell production process in our initial CQP production line and in our Giga Arctic facility is based on our licensed SemiSolid™ technology and partnership with 24M and lithium-ion battery chemistry. The battery cell manufacturing process is accomplished in multiple steps over three major stages - electrode creation, cell assembly, and formation and aging. Traditional electrode manufacturing includes the mixing and coating of multiple thin layers of anode and cathode materials to produce the electrode. In FREYR's cell production process, fewer thicker layers are created. During assembly of the cell, the electrode is wound or stacked as determined by the final cell configuration. Aging, charge and discharge cycles, and testing of the cell can then occur. Manufactured battery cells are assembled into packs and modules for a variety of applications. The anticipated advantages of the 24M process technology over traditional battery manufacturing methods include:

- Less raw materials than factories with comparable capacity;
- Significant reduction in the number of production steps, which could result in a material reduction in required manufacturing footprint, energy consumption, and labor requirements;
- Production process free of 1-methyl-2-pyrrolidone ("NMP"), an industrial solvent subject to regulation in Europe which requires a complex and costly recovery process;
- Chemistry-agnostic platform supporting current and next generation anode and cathode chemistries, such as higher silicon content anodes, higher voltage cathodes, dual electrolyte systems, and pre-lithiation implementation;
- Significant reduction in the use of inactive raw materials, due to thicker electrodes with more active, energy carrying material;
- Larger cell formats; and
- Simplified recycling process, primarily due to the elimination of the need for a binder.

In August 2022, FREYR announced a strategic partnership with South Korea based Hana Technology Co. Ltd ("Hana Technology") to jointly develop formation and aging, pouch assembly, and inspection and packaging equipment and automation solutions for FREYR's planned gigafactories. This strategic alliance frame agreement will enable FREYR and Hana Technology to customize and co-develop solutions for our gigafactories.

In September 2022, FREYR announced key contracts related to constructing and equipping its Giga Arctic manufacturing facility in Mo i Rana, Norway. FREYR signed an agreement with HENT AS ("HENT") for the planning, project management, and construction of FREYR's 120 thousand square-meter Giga Arctic battery factory. HENT is one of Norway's largest general contractors and project developers. FREYR also entered into an agreement with Italy based NTE Process ("NTE") to supply a complete and integrated drying and powder handling system to Giga Arctic. FREYR also awarded an agreement to UK based Mpac Group ("Mpac") to provide production line equipment for automated casting and unit cell assembly to the Giga Arctic project. Both of these equipment suppliers are pre-qualified vendors of 24M and are currently supplying equipment for the CQP project.

Material Suppliers

The manufacturing of battery cells requires coordination with a variety of specialized material suppliers, many of which are currently located in Asia. Initially, FREYR expects to rely on qualified suppliers through 24M's supply chain while embarking on internal qualification of new material providers. Ultimately, FREYR is working to localize its supply



chain where possible into Europe, and specifically the Nordic region, to supply its CQP and Giga Arctic facilities. FREYR believes that regional raw material supply will expand its low cost, margin, and sustainability advantages by minimizing the distance supplies must travel and ensuring supply chain consistency. FREYR also expects that localized material supply will make it a more attractive trade partner given potential trade policy developments, increased supply chain tracing in Europe and North America, and the logistical challenges of global manufacturing.

In 2022, FREYR took several steps to secure raw materials and the required energy supply for its facilities in Mo i Rana. FREYR signed a long-term physical supply agreement with Statkraft, Europe's largest producer of renewable energy. The agreement provides a supply of hydropower renewable energy to cover substantially all of FREYR's currently anticipated electricity needs for the CQP and Giga Arctic facilities during the period of 2023 to 2031 and ensures physical delivery of energy from the central grid in Mo i Rana.

FREYR also announced it had entered into a reservation agreement with Changzhou Senior New Energy Materials Co., Ltd. and Senior Material (Europe) AB ("Changzhou") to supply battery materials for its CQP and Giga Arctic facilities through 2028, with an optional extension until 2031, exercisable solely by FREYR. Subject to certain terms and conditions of the reservation agreement, Changzhou has reserved the supply capacity of separator materials through 2028 to align with FREYR's estimated demand. Additionally, FREYR announced a new service agreement with ITOCHU Corporation ("ITOCHU"), the Japan-based global trading and import/export company. As part of this agreement, ITOCHU will serve as a direct materials supplier for FREYR's procurement and supply chain operations to secure the raw materials required for FREYR's planned battery production.

Sustainability

FREYR has a strong commitment towards environmental, social, and governance ("ESG") considerations. International cooperation and outreach related to climate change are increasing focus on sustainability and this is driving a new era of disclosure and accountability across industries and countries. FREYR defines full-cycle sustainability as environmentally-friendly, ethical practices across all aspects of the battery supply chain, from sourcing raw materials upstream to manufacturing to recycling. We have aligned our Company goals with the United Nation's Sustainable Development Goals ("SDGs"), with a focus on the following SDGs:

- Affordable and clean energy;
- Decent work and economic growth;
- Sustainable cities and communities;
- Climate action;
- Industry, innovation, and infrastructure;
- Responsible consumption and production; and
- Partnerships for the goals.

FREYR's ambition is to support these SDGs and achieve full-cycle sustainability through:

- **Strong Governance** - We are committed to instituting best-practice governance policies and procedures to support our sustainability goals. Honesty, integrity, fairness, and respect should be exhibited in all business dealings of FREYR. We promote transparency and accountability grounded on sound business practices. To this end, we have implemented various policies and procedures including an Anti-Bribery and Anti-Corruption Policy, a Code of Business Conduct and Ethics, and a Supplier Code of Conduct. We also have a Whistleblower Program to allow confidential reporting of violations of our policies.
- **Securing a Sustainable Supply Chain** - FREYR requires that suppliers certify their materials are produced in a responsible manner, outside conflict areas, and under conditions showing due respect to international labor standards and the environment. We are actively engaging with suppliers to develop supply agreements for active materials. European, and especially Nordic-based materials, are preferred, as these are typically manufactured with a lower emissions profile than materials sourced from other regions of the world. In addition to working with suppliers who employ carbon-conscious extraction techniques, a more localized supply chain could also lower carbon emissions by reducing transportation requirements. FREYR's manufacturing power source for its CQP and Giga Arctic facility will draw primarily from carbon-free hydropower in Mo i Rana.
- **Sustainable Operations and Manufacturing of Clean Batteries** - The best way that we can support sustainability is through our vision to accelerate the decarbonization of all transportation and energy systems by fulfilling our mission to deliver the world's most cost effective, efficient, and environmentally friendly batteries. We are strongly dedicated to avoiding and minimizing any adverse environmental impacts linked to our business operations and to promoting emission reduction. This includes adverse impacts as a result of FREYR's business operations directly, as well as any indirect impacts such as impacts related to business partners and suppliers. Our 24M licensed technology allows for a simplified manufacturing process that reduces material inputs and required energy consumption, lowering the overall carbon footprint. In addition, the design of FREYR's manufacturing facilities will target zero emissions of toxic substances and other waste from the manufacturing process.
- **Human Rights / Health and Safety** - We are strongly committed to safeguarding human and labor rights, sound working conditions, working environment, and protecting the health and safety of our employees. FREYR condemns all forms of human rights violations and expects its employees, business partners, and others associated with our business operations to be equally committed to respecting human rights. FREYR shall ensure that its



employees receive the proper training to perform the work in a safe and secure manner and provide the equipment necessary to conduct the work safely.

Employees and Human Capital

FREYR's people are vital to our success as an organization and to our ability to implement our long-term goals and objectives. FREYR's human capital goals include ensuring that it has the right talent, in the right place, and at the right time. We accomplish this through our commitment to attracting, developing, motivating, and retaining our employees. We are committed to supporting our employees through the full employment life cycle.

FREYR has competitive programs dedicated to selecting new talent with the needed skills and experience. FREYR strives to attract individuals who are people-focused and share our values of innovation, collaboration, respect, and empowerment. Our mission, vision, and values as an organization also help us to attract dedicated and committed employees. FREYR promotes a diverse working environment and a culture of equal opportunities and non-discrimination. To support diversity in our workforce, we strive to have a diverse group of candidates to consider for each of our open positions. To that end, we have developed strong relationships with a variety of industry associations that represent diverse professionals and with diversity groups on university and college campuses where we recruit.

Our training program is designed both to support employees in their work through compliance with Company policies and procedures as well as in their professional and leadership development.

FREYR has designed a compensation structure, including an array of benefit plans and programs, that it believes is attractive to prospective employees and supports the retention of existing employees. We also offer share-based compensation under our long-term incentive program to certain employees to align Company goals with individual goals and to support employee retention. In addition to its fair and equitable compensation programs, FREYR also seeks to retain its employees by using their feedback to create and continually enhance programs that support their needs. FREYR has formal annual goal-setting and performance review processes for its employees. FREYR monitors and evaluates various turnover and attrition metrics throughout its management teams to monitor and support its retention efforts.

FREYR has a diversified and experienced management team with relevant international experience. The team combines strategic partnership and battery expertise, execution track-record from large scale industry and renewable energy projects, as well as experience from disruptive technology and battery and electrical automotive industries.

As of December 31, 2022, FREYR had 212 employees, substantially all of which are full-time, a significant increase from the 119 employees as of December 31, 2021.

Government Regulation/Compliance

As a multinational company, FREYR is subject to government regulations and compliance with various laws and business practices in multiple jurisdictions internationally, as well as federal, state, and local jurisdictions in the U.S. These laws and regulations include, but are not limited to, those related to general corporate regulations, health and safety, and industry-specific compliance.

FREYR is subject to relevant workplace safety requirements, such as the Occupational Health and Safety Administration in the U.S. and the Norwegian health, safety and environment requirements in Norway. FREYR will also be subject to health and safety regulations specifically applicable to its business, for instance in relation to the handling of high voltage electricity in the production facilities, chemicals and materials handling, and explosion hazards.

Industry specific regulations, including those related to the manufacture, transportation, use, and ultimate disposition of batteries are a changing area of compliance. The proposed European Commission Battery Regulations, for example, are expected to provide new requirements related to sustainability, safety, labeling, and end-of-life management. Industry specific regulations may apply to FREYR's activities Company-wide or in specific jurisdictions.

FREYR is committed to complying with all relevant laws and regulations for its business and operations.

Available Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports are available free of charge on the investor section of our Company website at <https://www.freyrbattery.com>, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC.

ITEM 1A. RISK FACTORS

Summary of Risk Factors

The following summarizes the significant factors, events, and uncertainties that could create risk with an investment in our securities. The events and consequences discussed in these risk factors could, in circumstances we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, growth, strategy, financial condition, operating results, cash flows, liquidity, and stock price. These risk factors are not exhaustive and do not identify all risks that we face; our operations could also be affected by factors, events, or uncertainties that are not presently known to us or that we



currently do not consider as presenting significant risks to our operations, or which we currently deem immaterial may also have a material adverse effect on our business, financial condition, and results of operations.

- Changes adversely affecting the battery industry and the development of existing or new technologies;
- The failure of 24M Technologies, Inc. ("24M") technology or our batteries to perform as expected;
- 24M or other future counterparties will provide similar licenses to other manufacturers which will increase our competition;
- Our ability to manufacture battery cells and to develop and increase our production capacity in a cost-effective manner;
- The electrification of energy sources does not develop as expected, or develops more slowly than expected;
- Technological developments in existing technologies or new developments in competitive technologies that could adversely affect the demand for our battery cells;
- General economic and geopolitical conditions;
- Increases in the cost of electricity or raw materials and components;
- Our ability to protect our intellectual property;
- Changes in applicable laws or regulations, including environmental and export control laws;
- Our ability to comply with legal and environmental regulations;
- Our ability to attract and retain key employees and qualified personnel and add significant staff;
- Our ability to execute and realize our business strategy and plans;
- Our ability to target and retain customers and suppliers;
- The failure to establish and maintain effective internal control over financial reporting;
- Damage, failure, or interruption of our information technology systems, including due to cyber-based attacks and breaches;
- Our ability to assert, enforce and otherwise protect against unauthorized use of intellectual property rights licensed from 24M, which could result in our competitors using the intellectual property to offer products;
- The outcome of any legal proceedings relating to our products and services, including intellectual property or product liability claims;
- Our capital, organizational, and ownership structure;
- Whether and when we might pay dividends;
- Our ability to source materials from an ethically- and sustainably-sourced supply chain and 24M-qualified suppliers in sufficient quantities;
- The result of future financing efforts;
- The existence of, and our ability to qualify for, governmental and other economic incentives;
- The cost-competitiveness, carbon footprint, energy density and charge rates of our batteries;
- The timing, capacity, configurations and locations of our battery factories and production lines;
- The planned construction and production timing for the CQP and the planned construction period for each of our gigafactories;
- The cost to build the CQP and the gigafactories;
- Our expectations for our general and administrative expenses;
- Our expectations about market supply, demand, and other dynamics, including the number of industrial-scale battery manufacturing facilities in Norway, United States and Finland, supply costs, regulatory developments, increased globalization, and consolidation in the automotive and energy industries;
- The use and mix of lithium-nickel-manganese-oxide and lithium-iron-phosphate battery chemistries, including shifts in the battery chemistry mix due to conversations with potential customers;
- The market segments that we will initially target;
- Whether we will successfully enter into or obtain, and the impact of failing to sign or obtain, customer offtake agreements, necessary consents, other commercial agreements, permits or licenses in a timely manner or at all
- Our ability to enter successful joint venture partnerships and licensing arrangements; and
- Our ability to commercialize 24M and other technology for our licensing strategy and business plans.

Risks Relating to the Development and Commercialization of FREYR's Battery Cells

FREYR's success will depend on its ability to manufacture battery cells, and to do so economically, at scale, of sufficient quality, on schedule, and to customers' specifications.

FREYR's future business depends in large part on FREYR's ability to execute its plans to develop, manufacture, market, and sell its battery cells and to deploy the battery cells at sufficient capacity and agreed specifications to meet the demands of customers. FREYR has no prior experience manufacturing battery cells and cannot be certain that the technologies and methods it intends to use will result in efficient, automated, low-cost manufacturing capabilities and



processes, that will enable FREYR to meet the quality, price, engineering, design, production standards, and production volumes, required to successfully market its battery cells.

Even if FREYR is successful in developing its manufacturing capability and processes it cannot be certain whether it will be able to do so in a manner that avoids cost overruns, meets its commercialization schedules, and satisfies the requirements of customers. Construction and manufacturing are subject to a number of risks and uncertainties that could be negatively impacted by factors both within and beyond FREYR's ability to control, including but not limited to, difficulty in obtaining permits, delays, and cost overruns, any of which could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

FREYR's license with 24M is subject to various risks and uncertainties, which could adversely affect FREYR's business and future prospects. There can be no assurances that 24M or other future counterparties will not provide similar licenses to other manufacturers, which will increase the competition faced by FREYR.

The 24M License is subject to various risks, which could adversely affect FREYR's business and future prospects. There are no assurances that 24M or its successors will not provide similar licenses to other battery cell manufacturers, outside the exclusivity and non-compete restrictions detailed in the 24M License, thus increasing the competition faced by FREYR.

The 24M License provides FREYR with the rights to use 24M's technology and accelerate FREYR's time to market. FREYR's business, competitive advantage, and financial results rely heavily on the technology licensed from 24M and its relationship with 24M. However, 24M may have economic, business, or legal interests or goals that are inconsistent with those of FREYR. If 24M is unable or unwilling to meet its economic or other obligations under the 24M License, FREYR may be required to either fulfill those obligations alone or be unable to replicate the services to be provided by 24M. Furthermore, FREYR has not licensed alternative technology, so any disagreement with 24M or its successors, or termination of the 24M License would result in a material adverse effect on FREYR's business, financial condition, operating results, and cash flows, including impeding FREYR's ability to maximize the benefits of its licensing strategy and delay the development, construction, or deployment of FREYR's battery plants.

24M and FREYR have agreed to a limited exclusivity and non-compete framework in the 24M License, which is limited by geography and time and is conditional on FREYR's materially proper performance of its 24M License obligations. For example, the 24M License grants exclusivity that is limited to the Scandinavian region and the EEA until December 31, 2023, and in the U.S. exclusivity may cease if FREYR does not meet a sustained annual production rate by December 31, 2025. Subject to these agreed exclusivities and non-compete limitations in the 24M License, the future use by FREYR's competitors or potential competitors of 24M technology could result in a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

The 24M technology or other technology licensed by FREYR may not perform as expected.

The technology licensed from 24M has not yet been commercialized on a gigafactory scale and therefore the technology and the battery cell manufacturing process may not perform as expected. In addition, FREYR may license technology from other third parties, which may not have been commercialized broadly or at all.

If the cost, manufacturing process, performance characteristics, or other specifications of batteries produced with the 24M technology, or technology licensed from another counterparty, are significantly different than anticipated or are unable to be realized for production at giga scale, FREYR's projected sales, costs, time to market, competitive advantage, product pricing, and margins would likely be adversely affected. If FREYR's licensed technologies do not perform as expected, FREYR's business, financial condition, operating results, and cash flows could be adversely affected.

FREYR's success depends in part on its ability to construct and equip manufacturing facilities in a timely and cost-effective manner.

FREYR's ability to plan, construct and equip manufacturing facilities is subject to significant risks and uncertainties. The construction of manufacturing facilities is subject to the risks and uncertainties inherent in any construction project and particularly in the development and construction of new facilities, including risks of delays and cost overruns, which FREYR has experienced in the past. Additionally, manufacturing equipment may take longer and cost more to engineer, build, and install than expected, and may not operate as required to meet FREYR's production plans.

The development phase of the manufacturing facilities includes obtaining several consents, commercial agreements, permits, and licenses from relevant authorities and stakeholders to secure rights for construction and operation activities, and of which could be delayed or denied, negatively impacting construction time-frames and cost estimates. FREYR also depends on third-party relationships in the development and construction of production equipment, which may subject FREYR to the risk that such third parties do not fulfill their obligations.

If FREYR is unable to build its manufacturing facilities, FREYR will be unable to operate its business as expected. If the demand for FREYR's battery cells or production output is not as expected, FREYR's constructed manufacturing facilities may have capacity significantly in excess of the demand for FREYR's products, resulting in a higher cost per unit manufactured than anticipated.

The inability to construct and equip FREYR's manufacturing facilities in a timely or cost-effective manner or any significant excess of production capacity over product demand, including the impact of factors both within and outside of



FREYR's control, could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

FREYR will rely on complex machinery for its operations and production involves a significant degree of risk and uncertainty in terms of operational performance and costs, as well as the risk of damage or destruction.

FREYR will rely heavily on complex machinery in its large-scale manufacturing operations for the production of its battery cells. FREYR has not yet acquired, developed, or operated with such machinery in the past. The work required to design, secure, and integrate this equipment into the production of FREYR's battery cells is time intensive and requires FREYR to work closely with third-party equipment and technology providers to ensure that it works properly for FREYR's specific licensed-in battery technology.

This production technology will be provided by third parties, and will generally require FREYR to enter into binding agreements with respect to such equipment and technology. FREYR has previously entered into agreements with 24M to license battery cell technology and with Aleees to license cathode material technology, as well as agreements with Hana Technology Co. Ltd, NTE Process, and Mpac Group to provide specialty equipment. There is no guarantee that such third-party technology or machinery will perform as expected; achieve the desired or expected automation or efficiency; or that FREYR will have enforceable guarantees or recourse from the providers. Additionally, FREYR's equipment purchase agreements signed directly with suppliers may result in equipment that does not fully integrate with the 24M technology. Although such purchasing decisions will be partially based on 24M's input and/or with 24M qualified suppliers, FREYR will not have any guarantee or recourse from 24M for such input, including if the equipment cannot be successfully integrated. FREYR will be responsible for any costs associated with achieving operability and integration of the equipment. There is a risk that FREYR will be unable to successfully operate such machinery and this design and integration work, including the work to be performed by third-parties, will involve a significant degree of uncertainty and risk.

FREYR's CPQ and its gigafactories will require complex machinery, and such machinery will require routine maintenance and will likely suffer unexpected malfunctions from time to time, which will require repairs and spare parts to resume operations. Unexpected malfunctions of FREYR's production equipment may significantly affect the intended operational efficiency, as can failures by suppliers to deliver necessary spare parts or components in a timely manner and at prices and volumes acceptable to FREYR. Additionally, environmental hazards, difficulty or delays in obtaining governmental permits, damages or defects in systems, industrial accidents, fire, seismic activity, and natural disasters can all effect the operation or intended operational efficiency of FREYR's production equipment.

Operational or technical problems with FREYR's manufacturing equipment could result in the personal injury to or death of workers, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays and unanticipated fluctuations in production. In addition, in some cases operational or technical problems may result in environmental damage, administrative fines, increased insurance costs and potential legal liabilities. All of these operational or technical problems could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

FREYR's planned manufacturing plants, facilities, systems, and infrastructure are subject to risks that could result in these facilities not becoming operable on schedule, or at all, or becoming damaged or destroyed, resulting in disruptions to FREYR'S battery cell production.

FREYR has leased the land for its planned facilities in Mo i Rana and contracted for a potential gigafactory site in Vaasa, Finland and FREYR holds the land for the intended site of the Company's Giga America battery cell manufacturing project in Coweta County, Georgia, U.S. The construction of these plants, or other plants or facilities constructed in the future, and its related systems and infrastructure may be halted, damaged, or rendered uninhabitable or inoperable, by natural or man-made disasters, including earthquakes, fire, flood, typhoons, power outages, telecommunications failures, break-ins, political conflicts, war, riots, terrorist attacks, and health epidemics or pandemics. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures, or internet failures, which could adversely affect FREYR's ability to manufacture battery cells and could cause the loss or corruption of data or malfunctions of software or hardware.

The plant and equipment FREYR will use to manufacture the battery cells would be costly to repair, replace, or qualify for use, all of which could require substantial lead time. In addition, as a result of the concentration of the CQP and Giga Arctic facilities in Mo i Rana, Norway, FREYR's operations could be more significantly affected by negative developments in this area than if its operations were spread out over several regions.

The inability to produce FREYR battery cells or the backlog that could develop if the manufacturing plant or facilities is inoperable for any length of time may result in the loss of customers or harm FREYR's reputation. Although FREYR plans to obtain and maintain insurance for damage to its property and the disruption of its business, this insurance may be challenging to obtain and maintain on terms acceptable to FREYR and may not be sufficient to cover all of FREYR's potential losses.

Any delays in the construction or equipping of FREYR's manufacturing plants or any damage or destruction to these plants could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.



FREYR may not be able to establish sufficient supply relationships for necessary components and materials which could prevent or delay the production of FREYR's battery cells.

FREYR relies on third-party suppliers for components necessary to develop and manufacture its battery cells, including key supplies of cathode, anode, and other materials. Although FREYR has entered into definitive agreements for the supply of certain of these materials and supplies, FREYR has not yet concluded definitive supply agreements for all necessary inputs into its manufacturing process. FREYR currently depends on a number of 24M qualified third-party suppliers that have pre-existing relationships with 24M. As a result, any disagreement under or termination of the agreement with 24M may negatively affect FREYR's ability to maintain relationships with such third-party suppliers. If FREYR is unable to source sufficient materials for its manufacturing operations from qualified suppliers at agreed upon times and quality and in sufficient quantities, FREYR's business, financial condition, operating results, and cash flows could be adversely affected.

FREYR brands itself as a manufacturer of environmentally clean, low-cost battery cells, which are produced using an ethically and sustainably-sourced supply chain. FREYR cannot guarantee that its suppliers will maintain agreed-upon quality and sourcing standards. If FREYR is unable to partner with such suppliers or if such materials are not available in the geographic areas where we plan to operate at sufficient quality and quantities, FREYR's business, financial condition, operating results, and cash flows could be adversely affected.

FREYR has not contracted with and secured and qualified secondary suppliers for all of the key inputs in its manufacturing process. Any disruption in the supply of components or materials could temporarily delay or disrupt the production of FREYR's battery cells until an alternative supplier is able to supply the required material. The production of FREYR's battery cells involves complex interdependent processes, and as such, disruption in one component of the supply chain could materially affect other components or materials, which could lead to further delays and adverse effects. Supply disruptions could originate with or be exacerbated by unforeseen circumstances, governmental changes, international conflicts, international health crises or pandemics, and other factors both within and beyond FREYR's ability to control or anticipate. Any of the foregoing could materially and adversely affect FREYR's business, financial condition, operating results, and cash flows.

FREYR may be unable to adequately control the costs or adjust to substantial increases in the prices for FREYR's raw materials, components, equipment, and machinery.

FREYR is exposed to multiple risks relating to the availability and pricing of raw materials and components. FREYR has incurred, and expects to continue to incur, significant costs related to procuring components and materials required to manufacture and assemble its battery cells, modules, and packs. FREYR expects to use various expensive and difficult-to-source materials in its manufacturing. Prices of certain materials, such as lithium, are commodities, which are subject to volatile market price fluctuations, which can be difficult to predict. FREYR may not be able to control fluctuation in the prices for these materials or negotiate agreements with suppliers on terms that are beneficial to FREYR. Inflation, increases in building material costs, changing exchange rates, and other factors have impacted FREYR's expenses in the past. In the future, currency fluctuations, trade barriers, tariffs, shortages and other general economic or political conditions may limit FREYR's ability to obtain key components for its battery cells or significantly increase freight charges, raw material costs and other expenses associated with FREYR's business. Additionally, FREYR's business model, brand, and reputation depend in part on the ability to find ethically sourced materials, which could further increase prices.

Manufacturing of battery cells, modules, and packs is a capital-intensive process that requires a significant investment in buildings, equipment, and components of the manufacturing process. Investment in high-tech equipment could allow FREYR to be more flexible in responding to customer needs and specifications, and could allow for more efficient manufacturing operations, however, such equipment can be expensive to purchase, install, and maintain. The cost of purchasing or constructing manufacturing operations is subject to a number of risks and uncertainties both within and beyond FREYR's ability to control. This can include, but is not limited to, inflationary pressures on costs, increased commodity pricing for building materials such as steel, and increased global logistics costs.

Given the competitive nature of the market FREYR operates in, it is unlikely that increases in expenses can be passed on to customers, thus substantial increases in the prices for FREYR's raw materials or components could materially and adversely affect FREYR's business, financial condition, operating results, and cash flows.

FREYR is sensitive to increases in the cost or supply of electricity.

Access to low-cost and reliable sources of electricity is important to FREYR's business. The business depends on low electricity prices and any fluctuation in such prices could adversely affect FREYR's business and prospects. Electricity prices, regulations, and power generation methods can vary significantly for different locations.

In Norway, electricity prices are determined in a highly regulated Norwegian and EEA-wide marketplace, in which local prices are strongly affected by constraints and changes in constraints on transmission and storage of electricity. Changes in regulations and changes in infrastructure may increase FREYR's cost of electricity, which it may not be able to pass on to customers through increased prices, or such price increases may reduce demand. FREYR is also exposed to changes in grid tariffs as a result of contemplated investments in power grids and changes in the grid structure in Norway, either of which would likely cause the grid operator to raise tariffs in order to finance such investments or changes.



In 2022, FREYR took several steps to secure raw materials and the required energy supply for its facilities in Mo i Rana. FREYR signed a long-term physical supply agreement with Statkraft, Europe's largest producer of renewable energy. The agreement provides a supply of hydropower renewable energy to cover substantially all of FREYR's currently anticipated electricity needs for the CQP and Giga Arctic facilities during the period of 2023 to 2031 and ensures physical delivery of energy from the central grid in Mo i Rana. There can be no assurance that this contract will provide energy prices that are favorable as compared to market prices during the contract period, provide sufficient power for all of FREYR's needs in the region, and offset most or all risks of rising energy prices. In addition, the contract may provide more power or provide power at different time periods than FREYR ultimately needs, which could result in additional costs or exposure for FREYR.

Additionally, FREYR has not yet negotiated power supply agreements for its other planned or potential locations, which subjects FREYR to potential energy price fluctuations in these areas. Any of the above impacts could materially and adversely affect FREYR's business, financial condition, operating results, and cash flows.

FREYR's current and expected use of joint ventures and other collaborative arrangements subjects FREYR to various risks and uncertainties.

FREYR has in the past entered into, and anticipates in the future entering into, joint ventures or other collaboration arrangements with various partners with expertise in raw material supply, component manufacturing, battery cell manufacturing, battery modules and packs, and other synergistic proficiencies. However, there can be no assurance that FREYR will be able to consummate such joint ventures or other arrangements or that such arrangements will provide the expected benefits to FREYR. Joint venture arrangements have in the past and may in the future require FREYR, among other things, to pay certain costs, make certain capital investments, or seek the joint venture partner's consent to take certain actions. In addition, if a joint venture partner is unable or unwilling to meet its economic or other obligations under the joint venture arrangements, FREYR may be required to either fulfill those obligations alone or dissolve and liquidate the joint venture. As a result, such joint ventures and collaborative arrangements could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

FREYR may not be able to successfully identify, conclude contracts with, and generate revenues from target customers.

FREYR's success depends on its ability to generate revenues and operate profitably, which depends in large part on its ability to identify, negotiate and sign sales agreements with, and generate revenues from its target customers. FREYR's long-term success will require FREYR to maintain relationships with its customers and provide battery cells, packs, and modules that meet needs. Although FREYR has entered into, and plans to enter into, conditional and definitive offtake and sales agreements, as of December 31, 2022, FREYR has not yet initiated manufacturing or derived revenue from its principal business activities.

If FREYR is unable to negotiate, finalize, and maintain definitive sales agreements, including converting conditional offtake agreements into definitive sales agreements and satisfying any contractual conditions of its conditional or definitive off-take and sales agreements, or if FREYR is unable to generate revenues on terms that are favorable to FREYR, this could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

If FREYR's battery cells fail to perform as expected, FREYR's ability to market and sell its battery cells could be harmed and FREYR could be subject to increased warranty claims.

FREYR's battery cells are inherently complex and incorporate technology and components that may contain defects and errors, particularly when first introduced. FREYR has not yet and may be unable to fully evaluate the long-term performance of its battery cells prior to their introduction to the market. Once commercial production of FREYR's battery cells commences, its battery cells may contain defects in design and manufacture that may cause them to not perform as expected. There can be no assurance that FREYR will be able to detect and fix any defects in its battery cells prior to their sale.

If FREYR's battery cells fail to perform as expected, either before or after market introduction, this could result in the repair, recall, or redesign of FREYR's battery cells. Additionally, this could cause customers to delay deliveries, terminate further orders, or pursue warranty claims against FREYR, any of which could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

Lithium-ion battery cells have been observed to become hot, vent smoke, and catch fire.

Lithium-ion battery cells can rapidly release the energy they contain by generating heat, venting smoke, and extreme examples, catching fire. This can cause the destruction of the battery cell as well as ignite nearby materials and other lithium-ion cells. Negative publicity of such past incidents has generated negative public perceptions regarding the suitability of lithium-ion cells, and any future incident involving lithium-ion cells, even if such an incident does not involve FREYR battery cells, could seriously harm FREYR's business and reputation. Any incident involving FREYR's battery cells, regardless of if FREYR is ultimately deemed responsible, could result in lawsuits, recalls, or redesign efforts, all of which would be time-consuming and expensive and could harm FREYR's brand image.

Once FREYR begins manufacturing its battery cells, FREYR will need to store a significant number of lithium-ion cells at its facilities. FREYR will need to implement safety procedures related to the handling and storage of battery cells. Any mishandling of battery cells may cause damage to or disruption of the operation of FREYR's facilities. Additionally,



any fire or other event impacting the safety of FREYR personnel or facilities could be worsened by the materials and components used in the manufacturing of lithium-ion battery cells.

Any incident involving FREYR's battery cells or facilities, regardless of FREYR ultimately being deemed responsible, could result in adverse publicity, lawsuits, recalls, or redesign efforts, or could result in product warranty claims, all of which would be time-consuming and expensive and could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

Doing business internationally creates operational, financial, and tax risks for FREYR's business.

FREYR's business plan includes operations in international markets, including Norway, the U.S., and Europe, and eventual expansion into other international markets. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions, time zones, currencies, and legal systems, which consumes significant management resources. International sales and operations entail a variety of risks, including challenges in:

- Staffing and managing foreign operations;
- Complying with local laws, regulatory requirements, and business practices;
- Protecting or procuring intellectual property rights;
- Addressing political and economic instability;
- Obtaining export licenses and managing tariffs and other trade barriers; and
- Addressing currency needs and exchange rate fluctuations.

Any of the above challenges could favor local companies or could result in delivery delays, significant taxes, or other burdens for FREYR. If FREYR fails to coordinate and manage these activities effectively, its business, financial condition, revenues, operating results, and cash flows could be adversely affected.

In addition, the corporate structure of FREYR and its subsidiaries with entities in several jurisdictions such as Norway, Luxembourg, the U.S., Finland, and the Cayman Islands, is subject to tax risk in addition to the challenges described above. The expected tax treatment of FREYR and its subsidiaries relies on current tax laws and regulations, as well as certain tax treaties between several jurisdictions. As such, unexpected changes, interpretation, application, or enforcement practices of the legislative or regulatory requirements of such tax laws, including but not limited to, changes in the treatment of sales and net income (losses) earned in various jurisdictions, transfer pricing between related parties, tax treaty protections and provisions, value added taxes, recognition of tax law principles, and other changes in corporate tax law, could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

FREYR relies on information technology and any failure, inadequacy, interruption, or security lapse of that technology, including any cybersecurity incidents, could harm its ability to operate its business effectively.

Organized crime, government-backed threat actors, and hackers may be able to penetrate FREYR's network or systems, misappropriate or compromise its confidential information or that of third parties, create system disruptions, corrupt data, or cause shutdowns. Using different tools and methodologies the threat actors may be able to deploy malware that attacks FREYR's systems or FREYR supplier's systems, or otherwise exploits any security vulnerabilities of FREYR's facilities and equipment. Such vulnerabilities in FREYR's systems can also occur due to a lack of robustness, quality, integrity, and holistic architecture in the digital systems as a whole. While FREYR employs a number of technical, organizational, and physical protective measures, these measures have in the past and may in the future fail to prevent or detect all attacks on or weaknesses in its systems.

In addition, FREYR's hardware and software, including third-party components and software, may contain defects in design or manufacture, including "bugs", security vulnerabilities, and other problems that could unexpectedly interfere with FREYR's security or operations. The costs to FREYR to eliminate or mitigate cyber or other security problems, bugs, viruses, worms, malware, and security vulnerabilities could be significant and, if its efforts to address these problems are not successful, could result in interruptions, delays, cessation of service, and loss of existing or potential customers that may impede its manufacturing, sales, distribution, or other critical functions.

FREYR manages and stores various proprietary, sensitive, and confidential information and data relating to its business as well as from its suppliers and customers. Breaches this information and data by FREYR or any third party due to insufficient security measures, accidental loss, inadvertent disclosure, or unapproved dissemination, including incidents as a result of fraud, trickery, or other forms of deception, could expose FREYR or its customers or suppliers to a risk of loss or misuse of this information.

Any claim that FREYR's facilities, equipment, products, or systems are subject to cybersecurity risk or data breaches, whether legitimate or not, could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

To the extent FREYR experiences cybersecurity incidents in the future, its relationships with its customers and suppliers may be materially impacted, its brand and reputation may be harmed and it could incur substantial costs in responding to and remediating the incidents and in resolving any investigations or disputes that may result, any of which could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.



In addition, the cost and operational consequences of implementing and adding further data protection measures could be significant.

Any financial or economic crisis, or perceived threat of such a crisis, could affect FREYR's business.

In recent years, the global economies suffered dramatic downturns as the result of the COVID-19 pandemic, a deterioration in credit markets and the related financial crisis, political conflicts and unrest, as well as a variety of other factors. This has resulted in, among other impacts, volatility in security prices, diminished liquidity and credit availability, and rating downgrades and declining values of certain investments. The U.S. and certain other governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. The outcome of the actions taken by these governments is still ongoing, and consequently, the return of adverse economic conditions may negatively impact the demand for FREYR's battery cells and may negatively impact FREYR's ability to raise capital, on acceptable terms or at all.

If FREYR is unable to attract and retain key employees and qualified personnel and add significant staff, it could negatively impact its ability to operate its business and achieve its growth plans.

FREYR's success depends on its ability to attract and retain key personnel, including its executive officers, as well as qualified sales, marketing, manufacturing, plant operations, and support personnel. Additionally, FREYR's success depends on the ability to attract and retain personnel in highly technical positions including research and development, battery technology, and engineering. To build and staff its manufacturing facilities, FREYR will need to hire, train, and retain a considerable number of qualified and experienced operators and managers. The successful integration of these operators and their families in Mo i Rana will involve several challenges, including the location in the Arctic, providing sufficient and adequate housing in the small municipality, establishing English schooling for international children, and finding relevant local jobs for spouses. The failure to add and retain sufficient staffing for its plants and operations could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

Given the expected growth in the battery industry, there is an increased risk that competitors or other companies will seek to hire FREYR's experienced and key personnel. This could result in the loss of key employees or an increase in costs to retain key personnel. The loss of FREYR's executive officers and key employees and an inability to find suitable replacements as well as, any failure by FREYR's management team and key employees to perform as expected may have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

FREYR is an early-stage company with a history of financial losses and expects to incur significant expenses and generate losses for the foreseeable future.

As of December 31, 2022, FREYR has not yet initiated manufacturing or derived revenue from its principal business activities. FREYR believes that it will continue to use cash to fund operations and will incur net losses until it begins significant commercial production of its battery cells. FREYR expects the rate at which it uses cash and incurs losses to be significantly higher in future periods as it, among other things, ramps up spending to construct and equip its manufacturing plants and increases technology licensing, R&D, sales, marketing, and general and administrative functions to support its growing operations.

FREYR may find that these efforts are more expensive than it currently anticipates or that these efforts may not result in revenues when anticipated or at all, which would have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

Risks Relating to FREYR's Intellectual Property

If FREYR is unable to assert, enforce, and otherwise protect the intellectual property rights licensed from 24M this could negatively affect FREYR's business.

Under the 24M License, FREYR does not have the right to assert, enforce, or protect any of the intellectual property licensed from 24M. In addition, certain patents licensed from 24M are jointly owned by 24M and third parties. FREYR must therefore rely on 24M and the affected third parties to take actions necessary to support and defend their patents, and such actions may not be sufficient. FREYR may also face claims that its use of the 24M License or other intellectual property infringes the rights of others. For these claims, FREYR may seek indemnification from 24M under the 24M License, however, FREYR's rights to indemnification may be unavailable or insufficient to cover its costs and losses, including as necessary the cost of litigation.

Loss of the rights to the intellectual property in the 24M License could result in its competitors using the 24M intellectual property to offer products in direct competition with FREYR, potentially resulting in the loss of FREYR's competitive advantage, which could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

If FREYR is unable to protect its intellectual property rights, including its licensing rights to third-party intellectual property, its business and competitive position would be harmed.

FREYR seeks to establish and protect intellectual property rights through nondisclosure and invention assignment agreements with its employees and consultants, and through nondisclosure agreements with business partners and other third parties. Despite FREYR's efforts to protect its proprietary rights, third parties may attempt to copy or otherwise obtain and



use FREYR's intellectual property. Monitoring unauthorized use of FREYR's intellectual property will be difficult and costly, and the steps FREYR has taken, and will take in the future, to prevent misappropriation may not be sufficient. Any of FREYR's enforcement efforts, including litigation, could be time-consuming and expensive and could divert management's attention. In addition, existing intellectual property laws and contractual remedies may afford less protection than needed to safeguard FREYR's intellectual property. Failure to adequately protect such intellectual property could result in competitors offering similar products, potentially resulting in the loss of FREYR's competitive advantage, which could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

FREYR has not established or protected, and may not be able to establish, adequately protect, or prevent unauthorized use of any material intellectual property developed or owned by FREYR. Patent, copyright, trademark, and trade secrecy laws vary significantly throughout the world. A number of countries do not protect intellectual property rights to the same extent as the laws of European countries or the U.S. Failure to establish, adequately protect, or prevent unauthorized use of FREYR's intellectual property rights could result in its competitors using the intellectual property to offer similar products, potentially resulting in the loss of FREYR's competitive advantage, which could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

For FREYR to establish or adequately protect its intellectual property and prevent or stop infringement, FREYR may have to file infringement claims. Such claims can be time-consuming and costly to assert and there can be no assurance that any such claims will be successful. Policing unauthorized use of intellectual property is difficult and costly, and FREYR may not successfully prevent the misappropriation of its proprietary rights. Unauthorized use of intellectual property may damage FREYR's reputation, decrease the value of such property, and reduce its market share.

Loss of key personnel may also create a risk that such personnel may exploit knowledge, information, and know-how to the detriment of FREYR, and/or that FREYR may face difficulties to operate its technology or business methods as a result of the loss of such personnel. FREYR cannot be assured that its know-how and trade secrets will provide FREYR with any competitive advantage, as the know-how and trade secrets may become known to, or be independently developed by, others including FREYR's competitors, regardless of measures FREYR may take to try to preserve the confidentiality. FREYR cannot give assurance that its measures for preserving its trade secrets and confidential information are sufficient to prevent others from obtaining such information.

FREYR may need to defend itself against intellectual property infringement claims, which may be time-consuming and could cause it to incur substantial costs.

Companies, organizations, or individuals, including FREYR's current and future competitors, may hold or obtain patents, trademarks, or other proprietary rights that would prevent, limit, or interfere with FREYR's ability to make, use, develop, or sell its products, which could make it more difficult for FREYR to operate its business. From time to time, FREYR may receive inquiries from holders of patents or trademarks, inquiring whether FREYR is infringing their proprietary rights and/or seek court declarations that they do not infringe upon FREYR's owned and/or licensed intellectual property rights. Additionally, third parties may claim that 24M, or the holders of other intellectual property licensed by FREYR, are infringing on their technology. Companies holding patents or other intellectual property rights relating to battery cells may bring suits alleging infringement of such rights, or otherwise asserting their rights and seeking licenses. In addition, if FREYR, 24M or any of FREYR's suppliers are determined to have infringed upon a third party's intellectual property rights, FREYR may be required to do one or more of the following:

- Cease selling, incorporating, or using products that incorporate the challenged intellectual property;
- Pay substantial damages;
- Obtain a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms, or at all;
- Redesign its battery cells; or
- Change battery cell technology providers.

In the event of a successful claim of infringement against FREYR and its failure or inability to obtain a license for the infringed technology, FREYR's business, financial condition, revenues, operating results, and cash flows could be materially adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs and the diversion of resources and management's attention.

Risks Relating to Industry and Market Trends and Developments

The battery industry and its technology are rapidly evolving and may be subject to unforeseen changes, such as technological breakthroughs in existing or competitive technologies that could adversely affect the demand for FREYR's battery cells.

FREYR may be unable to keep up with technological changes in the rapidly evolving battery industry. FREYR's competitors include major battery manufacturers, automotive OEMs, battery industry start-ups, and potential new entrants to the industry. There are several development-stage companies seeking to improve conventional lithium-ion batteries or to develop new technologies or chemistries for batteries. Any failure by FREYR to successfully react to changes in existing technologies could materially harm its competitive position and growth prospects. Furthermore, the battery industry also competes with other emerging or evolving technologies, such as nuclear fusion, hydrogen energy storage, and carbon capture storage and sequestration.



FREYR expects competition in battery technology for EVs to intensify due to a regulatory push for EVs, continuing globalization, and consolidation in the worldwide automotive industry. Improvements in battery technology made by EV battery competitors or if a competing process or technology is developed that has superior operational or price performance, FREYR's business would be harmed.

If FREYR is unable to keep up with competitive developments, including if such technologies can be manufactured at lower prices or enjoy greater policy support than lithium-ion batteries, FREYR's competitive position and growth prospects may be harmed or FREYR's battery cells could become obsolete or noncompetitive. If FREYR's battery cells cannot effectively compete with other products, then FREYR's manufacturing facilities may be no longer needed and may have less or no value, and FREYR's business, financial condition, revenues, operating results, and cash flows could be materially adversely affected.

The battery industry continues to evolve, is highly competitive, and FREYR may not be successful in competing in this industry or establishing and maintaining confidence in its long-term business prospects among current and future partners and customers.

The battery market in which FREYR intends to compete continues to evolve and is highly competitive. Many of FREYR's competitors are large entities at a more advanced stage of development and commercialization and with more resources than FREYR. Although FREYR believes the 24M technology, has the potential to significantly reduce the cost of battery cells, there is no guarantee that the 24M technology or other technology acquired or licensed by FREYR, will be able to deliver the advantages and cost savings anticipated by FREYR. In addition, battery manufacturers may continue to reduce the cost of the conventional manufacturing process and expand their supply of battery cells, reducing FREYR's business prospects and negatively impacting FREYR's ability to sell its products at a competitive price and generate sufficient margins.

FREYR continues to commit significant resources to develop its manufacturing operations and establish its position in the competitive battery industry. There is no assurance FREYR will successfully identify and employ the right strategy to effectively compete. Customers, suppliers, potential partners and collaborators will be less likely to conduct business with FREYR if they are not convinced that its business will succeed in the long-term. Accordingly, in order to build and maintain its business, FREYR must establish and maintain confidence among current and future customers, suppliers, and business partners, as well as with analysts, rating agencies, and other parties to maintain its long-term financial viability and business prospects. Developing and maintaining such a positive image in the industry may be complicated by certain factors, including those that are largely outside of FREYR's control, such as the actions of 24M or our competitors as well as the general perception of the battery industry and competing technologies, any of which could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

FREYR's future growth and success are dependent upon increasing electrification of current energy sources driven by consumers' willingness to adopt electrified forms of transportation, the prices of such transportation, and continued government and social support for the increased development of renewable sources of energy.

FREYR's growth and future demand for FREYR's products are highly dependent upon the adoption by consumers of electrified forms of transportation, including EVs, the prices for such transportation, as well as the increased use of intermittent forms of energy which will require energy storage systems. The market for EVs is still rapidly evolving, characterized by rapidly changing technologies, pricing, competitive factors, government regulation, industry standards, and consumer demands and behaviors. If the market for EVs, in general, does not develop as expected or develops more slowly than expected, FREYR's business, financial condition, revenues, operating results, and cash flows could be materially adversely affected.

Additionally, one of FREYR's primary markets is ESS, which is largely driven by the installed capacity of renewable electricity generation and increasing demand for renewable sources of power. Since many of these renewable sources of power are intermittent, like wind and solar, the energy produced by them must be stored for use when there is demand. Should government requirements for these intermittent power sources be relaxed or social desires for lower carbon sources of energy decline, there could be a detrimental impact on one of FREYR's primary markets.

FREYR's competitiveness, brand, and reputation depend on the ability to build low-carbon battery cells from an ethically and sustainably-sourced supply chain. If FREYR is unable to do so, damage to FREYR's brand and reputation could harm FREYR's business.

FREYR's business will depend on establishing and maintaining its brand and reputation for building low-carbon battery cells from an ethically and sustainably-sourced supply chain, as well as FREYR's ability to qualify as a supplier of low-carbon batteries based on customers' expectations and requirements. If FREYR is unable to manufacture batteries with a lower carbon footprint than the traditional battery production process, or obtain its materials from ethical and sustainable suppliers, its brand, reputation, and ability to become a qualified supplier to certain customers could be significantly impaired, which could affect FREYR's business.

Additionally, FREYR expects to rapidly scale up its workforce, leading it in some instances to hire personnel or partner with third parties who, it may later determine, do not fit FREYR's culture or mission. If FREYR cannot manage its hiring and training processes to avoid potential changes to its culture and mission, its business and reputation may be harmed and its ability to attract customers would suffer. In addition, if FREYR were unable to achieve a similar level of brand recognition as its competitors, some of which currently have a broader brand footprint as a result of greater resources, longer



operational history, or more prominent branding as automotive OEMs, FREYR could lose recognition in the marketplace, among prospective customers, suppliers, and partners, which could affect its growth and financial performance.

Any significant decline in FREYR's reputation, brand, culture, or ability to deliver low-carbon, responsibly sourced battery cells, could have a material adverse effect on FREYR's business, financial condition, revenues, operating results, and cash flows.

FREYR's future growth and success depend on its ability to sell effectively to large customers.

FREYR's potential customers are large enterprises, including in ESS, automotive manufacturers, and maritime industry sectors. Therefore, FREYR's future success will largely depend on its ability to effectively sell its products to large customers. Sales to these customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller customers. These risks include, but are not limited to, the increased purchasing power and leverage held by large customers in negotiating contractual arrangements and longer sales cycles, with the associated risk that substantial time and resources may be spent on a potential customer that elects not to purchase FREYR's products.

Large enterprises often undertake a significant evaluation process that results in a lengthy sales cycle. In addition, product purchases by large organizations are frequently subject to budget constraints, multiple approvals, unanticipated administrative processing, and other delays. Additionally, large enterprises typically have longer implementation cycles, require greater product functionality and scalability, require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition, and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers.

FREYR may not be able to accurately estimate the future supply and demand for its battery cells, which could result in a variety of inefficiencies in its business and hinder its ability to generate revenues. If FREYR fails to accurately predict its manufacturing requirements, it could incur additional costs or experience delays.

FREYR's business is closely related to the production levels of its future customers, whose businesses are dependent on highly cyclical markets, such as the automotive, maritime, and renewable energy industries. This can make it more difficult to predict future revenues and appropriately budget for expenses. As a result, FREYR may have limited insight into trends that may emerge and affect its business.

Furthermore, FREYR's customers, in response to unfavorable or cyclical market conditions, may request delays to shipment dates or other contract modifications or may default, terminate, or not renew their contractual arrangements with FREYR. Consequently, the financial performance of FREYR could fluctuate with general economic cycles, a decline in which could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

FREYR's ability to provide forecasts of its needs and order materials from its suppliers will involve judgment and risk, as FREYR does not have a historical basis for estimating its material usage in large-scale manufacturing or the demand for FREYR's battery cells. In addition, lead times for suppliers to provide materials and components may vary significantly and depend on various factors, including contract terms, availability of materials, and demand for components. If FREYR overestimates its requirements, its suppliers may have excess inventory, which could increase costs, and if FREYR underestimates its requirements, its suppliers may have inadequate inventory, which could interrupt the manufacturing process and result in delays in shipments and revenues, which could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

The increase in competition and advances in technology in the battery industry is expected to cause substantial downward pressure on the prices of battery cells and may cause FREYR to lose sales or market share.

Global battery cell production capacity has been increasing, with significant new battery capacity projects currently in various stages of development. This has in the past, and may in the future, result in substantial downward pressure on the price of battery cells. Advances in battery technology and manufacturing techniques can also drive downward pressure on the price of battery cells. A principal component of FREYR's business strategy is to obtain a competitive advantage by reducing its costs to manufacture battery cells when compared to the cost structure of traditional battery manufacturers. If FREYR's competitors are able to reduce manufacturing costs faster or further than FREYR can, its battery cells may become less competitive. Further, if raw materials and other third-party component costs were to increase, FREYR may not meet its cost reduction targets. If FREYR cannot effectively execute its strategy to compete on a basis of low cost manufacturing, FREYR's competitive position could suffer and FREYR could lose market share. Intensifying competition could also cause FREYR to lose sales or market share. Such price reductions or the loss of sales or market share could have a negative impact on FREYR's revenue and margins, and could materially adversely affect FREYR's business, financial condition, operating results, and cash flows.



Risks Relating to Finance and Accounting

The manufacturing of battery cells is capital-intensive, and FREYR may not be able to raise additional capital on attractive terms, if at all, which could materially adversely affect FREYR's ability to operate its business and execute its growth plans. If FREYR does raise additional capital, through debt or equity financing, this could impose additional restrictions on FREYR's operations and/or have a dilutive effect on current stockholders.

The development, design, manufacturing, and sale of batteries is a capital-intensive business. Prior to generating revenues and positive operating cash flows, FREYR must invest significant capital to construct and equip its manufacturing plant or plants, fund R&D activities, hire personnel, and otherwise fund its operations and overhead spending.

FREYR's long-term operating needs and planned investments in its business and manufacturing footprint, as currently devised, will require significant financing to complete. Such financing may not be available at acceptable terms, or at all. Interest rates are subject to fluctuation, and rising interest rates could increase FREYR's cost of capital. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing. If FREYR is unable to raise substantial additional capital in the near term, its ability to invest in Giga Arctic, Giga America, and other gigafactories or development projects will be significantly delayed or curtailed.

If we raise funds by issuing debt securities, these debt securities would have rights, preferences, and privileges senior to those of holders of our ordinary shares. The terms of debt securities or other borrowings could impose significant restrictions on our operations. Additionally, debt financing may require certain conditions precedent to funding, including but not limited to, manufacturing of sample battery cells at a FREYR facility meeting customer specifications and the execution of definitive off-take agreements representing a minimum amount of revenue or percentage of production capacity.

If we raise funds or otherwise fund transactions by issuing FREYR ordinary shares or other equity securities, dilution to stockholders may result. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of holders of FREYR's ordinary shares.

Any of the above scenarios could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

FREYR's forward-looking disclosures rely in large part on assumptions and analyses, for which actual results may differ materially from these estimates.

FREYR's forward-looking disclosures reflect management's current estimates of future performance. Whether actual results and business developments will be consistent with FREYR's expectations and assumptions depends on a number of factors, including those both within and outside of FREYR's control. These include, but are not limited to:

- Success and timing of development activity;
- Estimated cost of constructing and equipping FREYR's gigafactories and other development activities;
- Government incentives that could impact the relative competitiveness of our gigafactories;
- Estimated cost of materials, supplies, and components, and FREYR's ability to pass such cost increases on to its customers;
- FREYR's ability to enter into definitive contracts with customers and suppliers on favorable terms, or at all;
- Customer acceptance of FREYR's products;
- Competition, including from established and future competitors;
- Whether FREYR can manage relationships with customers and key suppliers;
- FREYR's ability to retain existing executive officers and key personnel, as well as to attract, integrate, retain, and motivate qualified personnel; and
- General macroeconomic and battery industry trends.

Unfavorable changes in any of these or other factors could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

If FREYR is unable to establish and maintain effective internal control over financial reporting, investors may lose confidence in the accuracy of FREYR's financial reports and FREYR may face litigation or other action.

As a public company, FREYR is required to comply with the rules and regulations of the SEC, the Sarbanes-Oxley Act, the listing regulations of the NYSE, and various other accounting and reporting requirements. Company responsibilities required by the Sarbanes-Oxley Act include establishing corporate oversight and adequate internal control over financial reporting and disclosure controls and procedures. Effective internal controls are necessary for FREYR to produce reliable financial reports and to help prevent and detect financial fraud.

For the year ended December 31, 2022 and future periods, FREYR must perform system and process evaluation and testing of its internal controls over financial reporting, and management must report on the effectiveness of its internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act.



If FREYR fails to establish and maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of its financial reports, which could cause the price of FREYR's ordinary shares to decline. In addition, FREYR could become subject to investigations by the NYSE, the SEC or other regulatory authorities, which could require additional management attention and could have a material adverse effect on FREYR's business, financial condition, operating results, and cash flows.

If FREYR, or its independent registered public accounting firm, identifies a material weakness in its internal control over financial reporting, including one that is not sufficiently and swiftly remediated, FREYR may face inquiry or action by the SEC or other regulatory authorities, potential litigation, or other disputes which may include, but are not limited to, claims invoking the federal and state securities laws and/or contractual claims. Any such action, litigation, or dispute, whether successful or not, would require additional financial and management resources and could have a material adverse effect on FREYR's business, financial condition, results of operations, and cash flows.

FREYR's ability to use its net operating loss carryforwards and certain other tax attributes may be limited.

FREYR expects to incur significant net cash outflows and net operating loss carryforwards, while it constructs and equips its manufacturing plants and starts operations. As of December 31, 2022 we had significant net operating loss carryforwards in both Norway and Luxembourg. Utilization of these loss carryforwards assumes that prior to their expiration, FREYR will have sufficient taxable income in these countries to utilize the carryforwards, and that such usage is not limited based on anti-abuse provisions or other statutes and laws. Any such limitations on FREYR's ability to use its net operating loss carryforwards and other tax assets could adversely impact its tax expense, financial condition, results of operations, and cash flows.

Changes in government and economic incentives could have a material adverse effect on FREYR.

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law in the U.S. The IRA is expected to drive lower battery costs and prices in the U.S., while potentially leading to a surge in domestic ESS activity. The passage of the IRA, any responses by the European Union or the government of Norway, or any similar or competing economic incentive packages, could significantly impact the profitability of certain of FREYR's planned operations and as a result, could impact FREYR's decisions concerning the allocation of capital. Any new implementation, changes, reduction, elimination, or discriminatory application of government subsidies and economic incentives could have a material impact on the battery industry, FREYR's operations, and the relative competitiveness of its gigafactories.

While certain tax credits and other incentives for clean and renewable energy products have been available in the past and like the IRA, have been recently enacted, there is no guarantee these programs will continue to be available in the future. If current tax incentives are not available in the future, or if FREYR makes business decisions based on incentives that are later revised or removed, this could materially and adversely affect FREYR's business, financial condition, results of operations, and cash flows.

FREYR may be a passive foreign investment company, or "PFIC," for the current and future taxable years, which could result in adverse U.S. federal income tax consequences to U.S. investors.

A non-U.S. corporation is treated as a PFIC for any taxable year if either (1) at least 75% of its gross income for such year is passive income, or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income.

If FREYR is a PFIC for any taxable year (or portion thereof), that is included in the holding period of a U.S. holder of FREYR securities, the U.S. holder may be subject to adverse U.S. federal income tax consequences and/or additional reporting requirements. Based on its income and assets (including the value of its goodwill and other unbooked intangibles), FREYR does not believe it was a PFIC for its taxable year ended December 31, 2022, and does not expect to be a PFIC for its current taxable year or for foreseeable future taxable years.

However, no assurance can be given with respect to FREYR's PFIC status for the current taxable year or for foreseeable future taxable years, because whether FREYR is a PFIC for any given taxable year is a fact-intensive determination made annually at the close of each taxable year and depends on, among other things, the composition of FREYR's income and assets, and the market value of its shares and assets (which may be volatile). Accordingly, there can be no assurance of FREYR's PFIC status for any current or any subsequent taxable year. Moreover, if FREYR is treated as a PFIC for any taxable year that is included in the holding period of a U.S. holder of FREYR securities, FREYR will generally continue to be treated as a PFIC with respect to such U.S. holder, whether or not FREYR is a PFIC in subsequent years.

If FREYR determines it is a PFIC for any taxable year, it will endeavor to make available to U.S. holders such information as the U.S. Internal Revenue Service ("IRS") may require, including a PFIC Annual Information Statement, in order to enable the U.S. Holder to make and maintain a "qualified electing fund" election, but there can be no assurance that FREYR will timely provide such required information, and such election would likely be unavailable with respect to FREYR's warrants. U.S. holders of FREYR securities are urged to consult their own tax advisors regarding the possible application of the PFIC rules to them.



Risks Relating to Legal and Regulatory Compliance

FREYR may become subject to product liability claims, which could harm its business and liquidity if it is not able to successfully defend or insure against such claims.

FREYR may become subject to product liability claims, even those without merit. FREYR faces an inherent risk of exposure to claims in the event its battery cells do not perform as expected, or in the event of a malfunction resulting in personal injury or death. A successful product liability claim against FREYR could require FREYR to pay a substantial monetary award, in the form of compensatory or punitive damages, and generate significant legal fees. Moreover, a product liability claim could generate substantial negative publicity about FREYR, which would have a material adverse effect on FREYR's brand and reputation. Insurance coverage may not cover specific product liability claims, is unlikely to cover punitive damages, and may be insufficient to cover all expenses and monetary awards. Any lawsuit seeking significant monetary damages in excess of, or outside of, FREYR's insurance coverage, could materially and adversely affect FREYR's business, financial condition, results of operations, and cash flows.

FREYR may not be able to secure product liability insurance coverage at commercially acceptable terms, or at all, and past product liability claims may make it more difficult for FREYR to find insurance coverage in the future.

From time to time, FREYR may be involved in commercial or contractual disputes, warranty claims, and other legal proceedings, which could have an adverse impact on FREYR.

FREYR may be involved in commercial or contractual disputes, warranty claims, and other legal proceedings, which could be significant. These are typically claims that arise in the normal course of business including, without limitation, disputes with suppliers or customers; intellectual property matters; personal injury claims; environmental issues; tax matters; and employment matters. It is difficult to predict the outcome or ultimate financial exposure, if any, represented by these matters, and there can be no assurance that any such exposure will not be material.

Additionally, when FREYR begins to manufacture and distribute its battery cells, FREYR will be subject to warranty claims and will need to maintain warranty reserves to cover such claims. If FREYR's warranty claims are significant or unexpected, if warranty claims are more expensive to resolve than anticipated, or if FREYR's warranty reserves are inadequate, FREYR's business, financial condition, results of operations, and cash flows could be materially and adversely affected.

FREYR's Consolidated Articles of Association (the "Articles") include a forum selection clause, which may impact shareholders' ability to bring actions against FREYR.

The Articles provide that, unless FREYR consents in writing to the selection of an alternative forum, the federal district courts of the U.S. will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933 and the Securities Exchange Act of 1934. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As a result, a court may decline to enforce these exclusive forum provisions with respect to suits brought to enforce any duty or liability created by the Securities Act or any other claim for which the federal and state courts have concurrent jurisdiction, and FREYR shareholders may not be deemed to have waived its compliance with the federal securities laws and the rules and regulations thereunder. If a court were to find the exclusive forum provisions to be inapplicable or unenforceable in an action, FREYR may incur additional difficulties and costs associated with resolving such action in other jurisdictions.

Claims for indemnification by FREYR's directors and officers may reduce FREYR's available funds to satisfy successful third-party claims against FREYR and may reduce the amount of money available to FREYR.

The Articles provide that FREYR will indemnify its directors and officers, in each case to the fullest extent permitted by Luxembourg law. More specifically, the Articles and FREYR's existing and anticipated indemnification agreements with its directors and officers, provide that, subject to the exceptions and limitations listed below, every person who is, or has been, a director or officer of FREYR or a direct or indirect subsidiary of FREYR (an "Indemnified Person") shall be indemnified by FREYR to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him or her in connection with any claim, action, suit, or proceeding which he or she becomes involved as a party or otherwise by virtue of his or her being or having been such director or officer and against amounts paid or incurred by him or her in the settlement thereof.

The words "claim", "action", "suit", and "proceeding" include all actual or threatened claims, actions, suits, and civil or criminal proceedings, including appeals. The words "liability" and "expenses" include without limitation attorneys' fees, costs, judgments, amounts paid in settlement, and other liabilities. However, no indemnification shall be provided to an Indemnified Person:

- by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties of a director or officer;
- with respect to any matter as to which any director or officer has been finally adjudicated to have acted in bad faith and against the interest of FREYR; or
- in the event of a settlement, unless approved by a court or the Board of Directors.



FREYR may, to the fullest extent permitted by law, purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit, or surety bond on behalf of an Indemnified Person against any liability asserted against, incurred by, or incurred on behalf of him or her in their capacity as an Indemnified Person. The right of indemnification will be severable, will not affect any other rights to which an Indemnified Person may now or in the future be entitled, will continue as to a person who has ceased to be such director or officer and will inure to the benefit of the heirs, executors, and administrators of such a person. The right to indemnification is not exclusive and will not affect any rights to indemnification to which corporate personnel, including directors and officers, may be entitled by contract or otherwise under law. Expenses in connection with the preparation and representation of a defense of any claim, action, suit, or proceeding will be advanced by FREYR prior to the final disposition thereof upon receipt of any undertaking by or on behalf of the officer or director, to repay such amount if it is ultimately determined that he or she is not entitled to indemnification.

FREYR's battery cells and its website, systems, and data it maintains may be subject to intentional disruption, other security incidents, or alleged violations of laws, regulations, or other obligations relating to data handling which could have an adverse impact on FREYR.

FREYR may face significant challenges with respect to information security as well as maintaining the security and integrity of its systems, other systems used in its business, and the data stored on or processed by these systems. FREYR's information and data can include FREYR or third-party confidential information, personal information, and other information and data. Because FREYR's business relies on confidential data from third parties, any compromise of that data, or perception that any such compromise has occurred, could materially affect FREYR's business and reputation. Advances in technology, an increased level of sophistication and expertise of hackers, new discoveries in the field of cryptography, or other factors can result in a compromise or breach of the systems and security measures used in FREYR's business to protect information and data.

FREYR's ability to conduct its business and operations depends on the continued operation of information technology and communications systems, including systems that may be acquired or developed in the future. Systems used in FREYR's business, including data centers and other information technology systems, are vulnerable to damage or interruption. Such systems could be subject to break-ins, sabotage, and intentional acts of vandalism, as well as disruptions and security incidents as a result of non-technical issues, including both intentional and inadvertent acts or omissions by employees, service providers, or others. FREYR utilizes outsourced service providers and consultants and these companies face similar security and system disruption risks as FREYR. Some of the systems used in FREYR's business will not be fully redundant, and its disaster recovery planning cannot account for all eventualities. Any data security incidents or other disruptions to data centers or other systems used in FREYR's business could result in lengthy interruptions in its service.

Significant capital and other resources may be required in efforts to protect against information security breaches, security incidents, and system disruptions, or to alleviate problems caused by actual or suspected information security breaches and other data security incidents and system disruptions. The resources required may increase over time as the methods used by hackers and others who are engaged in online criminal activities or who seek to obtain unauthorized access to or disrupt systems and data, are increasingly sophisticated and constantly evolving. Any failure or perceived failure by FREYR or its service providers to prevent information security breaches, security incidents, system disruptions, or any compromise of security, that results in or is perceived or reported to result in unauthorized access to, loss, theft, alteration, release, or transfer of information or data of FREYR or third parties could harm FREYR's reputation. Such actual or perceived events could also expose FREYR to legal claims, regulatory investigations and proceedings, fines, penalties, and other liabilities and could divert the efforts of FREYR's technical and management personnel, require FREYR to incur significant costs to investigate or remediate, by putting in place additional tools and devices designed to prevent such incidents in the future.

Changes in laws relating to privacy and data protection could disrupt FREYR's business.

FREYR is also subject to various laws regarding privacy, data protection, and the protection of certain data relating to individuals. FREYR's handling of data relating to individuals is subject to a variety of laws and regulations relating to privacy, data protection, and data security, and it may become subject to additional obligations, including contractual obligations, relating to its maintenance and processing of this data. For example, the European Union's General Data Protection Regulation ("GDPR"), imposes stringent data protection requirements and provides for significant penalties for noncompliance. Laws, regulations, and other actual and potential obligations relating to privacy, data protection, and data security are evolving rapidly, and the related regulatory landscape is likely to remain uncertain for the foreseeable future. FREYR may be subject to new laws and regulations, or new interpretations of laws and regulations, in various jurisdictions in the future. These laws, regulations, and other obligations, and changes in their interpretation, could require FREYR to modify its operations and practices, restrict its activities, and increase its costs, and it is possible that these laws, regulations, and other obligations may be, or interpreted or asserted to be, inconsistent with each other or with FREYR's business or practices. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules, and regulations could have an adverse effect on FREYR's reputation, business, financial position, results of operations, and cash flows.

FREYR is subject to substantial regulation and unfavorable changes to, or failure by FREYR to comply with, these regulations could substantially harm its business and operating results.

FREYR's battery cells and its customers' markets are subject to substantial regulation under international, European, and local laws, including anti-bribery, export control, and safety, environmental, and sustainability laws (including the EU



Taxonomy Regulation (Regulation (EU) 2020/852). FREYR expects to incur significant costs in complying with these regulations. In particular, regulations related to batteries; materials to produce batteries, such as lithium; and EV and alternative energy industries, are currently evolving. FREYR faces risks associated with new regulations, including the proposed EU Batteries Regulation, and changes to existing regulations.

To the extent the laws change, FREYR's products may not comply with applicable international, European, or local laws and such changes could imply the need to materially alter FREYR's operations and may prompt the need to apply for further permits, which would have an adverse effect on FREYR's business and prospects. Compliance with changing regulations could be burdensome, time-consuming, and expensive. To the extent compliance with new regulations is cost prohibitive, FREYR's business, financial condition, results of operations and cash flows could be materially adversely affected.

Internationally, there may be laws in jurisdictions FREYR has not yet entered, or laws it is unaware of in jurisdictions it has entered, that may restrict its sales or other business practices. The laws in this area can be complex, difficult to interpret, and may change over time. Continued regulatory limitations and other obstacles that may interfere with FREYR's ability to commercialize its products could have a material adverse impact on its business, financial condition, results of operations, and cash flows.

As FREYR does not yet manufacture batteries and has not yet generated revenues, FREYR is far more exposed to regulatory risk compared to its peers in the industry that have stable sources of income. FREYR is an early-stage company and as a result, certain internal processes and procedures have only recently been implemented. FREYR must ensure that it operates in accordance with its own processes and policies, as well as statutory laws and regulations, and there may be a higher risk that FREYR fails to comply than more established companies. Any failure to comply with such policies could have a material adverse impact on FREYR's business, financial condition, results of operations, and cash flows.

FREYR is subject to export and import controls that could subject it to liability or impair its ability to compete in international markets.

The U.S. and various foreign governments have imposed controls, export license requirements and restrictions on the import or export of certain products, technologies, and software. FREYR must export and import its products in compliance with any applicable controls. FREYR may not always be successful in obtaining necessary governmental approvals, and failure to obtain required import or export approval for its products or limitations on its ability to export or sell its products may adversely affect its revenue. Noncompliance with these laws could have negative consequences, including government investigations, penalties, and reputational harm.

Changes in FREYR's products or changes in export, import, and economic sanctions laws and regulations may delay FREYR introducing new products in international markets, prevent its customers from using FREYR's products internationally or, in some cases, prevent the export or import of FREYR's products to or from certain countries altogether. Any change in export or import regulations or legislation; shift or change in enforcement; or change in the countries, persons, or technologies targeted by these regulations could result in decreased use of FREYR's products by, or in FREYR's decreased ability to, export or sell its products to existing or potential customers with international operations, adversely affecting FREYR's business, financial condition, results of operations, and cash flows.

FREYR is subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws in many jurisdictions, and non-compliance with such laws can subject FREYR to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures, and legal expenses.

FREYR is subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations in various jurisdictions in which it conducts, or in the future may conduct, activities, including the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, and other anti-corruption laws and regulations. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, and their employees, agents, representatives, business partners, and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector.

FREYR will sometimes leverage third parties to sell its products and conduct its business abroad. FREYR, its employees, agents, representatives, business partners, and third-party intermediaries have in the past and may in the future have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and FREYR may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners, or third-party intermediaries even if FREYR does not explicitly authorize such activities. FREYR cannot assure that all of its employees and agents have not and will not take actions in violation of applicable law, for which FREYR may be ultimately held responsible. As FREYR increases its international business, FREYR's risks under these laws may increase.

The FCPA also requires companies to make and keep books, records, and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. FREYR's policies and procedures are designed to ensure compliance with these laws, but FREYR cannot assure that none of its employees, agents, representatives, business partners, or third-party intermediaries have or will engage in improper conduct that violates FREYR's policies and applicable law, for which FREYR may be held responsible.



Non-compliance with anti-corruption, anti-bribery, anti-money laundering, or financial and economic sanctions laws could subject FREYR to whistleblower complaints, adverse media coverage, investigations, civil and criminal sanctions, settlements, prosecution, enforcement actions, loss of export privileges, suspension, or debarment from U.S. government contracts and other collateral consequences and remedial measures, all of which could adversely affect FREYR's reputation, business, financial condition, results of operations and cash flows. Responding to any investigation or action will likely result in a materially significant diversion of management's attention and resources, and significant defense costs, and other professional fees. In addition, changes in economic sanctions laws in the future could adversely impact FREYR's business and investments in its ordinary shares.

FREYR and its partners, suppliers, and customers are subject to requirements relating to environmental, permitting, and safety regulations as well as environmental remediation matters.

FREYR and its partners, suppliers, and customers are subject to numerous environmental laws and regulations governing, among other things, ESS siting and installation restrictions; solid and hazardous waste storage, treatment, and disposal; and remediation of releases of hazardous materials. There are significant capital, operating, and other costs associated with compliance with these environmental, permitting, and safety laws and regulations. Environmental laws and regulations may become more stringent in the future, which could increase costs of compliance or require FREYR to manufacture with alternative technologies and materials. Moreover, if FREYR or any of its partners, suppliers, or customers were found to be in violation of environmental, permitting, or safety laws, FREYR's reputation for building clean battery cells from an ethically and sustainably-sourced supply chain could be harmed, potentially resulting in significant damage to its brand.

FREYR's manufacturing process will have hazards including, but not limited to, hazardous materials, machines with moving parts, and high voltage and/or high current electrical systems. There may be safety incidents that damage machinery or products, slow or stop production, or harm employees. Consequences may include litigation, regulation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims, or other actions that impact FREYR's brand, reputation, finances, or ability to operate.

International trade policies may impact demand for FREYR's products and its competitive position.

Government policies on international trade and investment such as sanctions, import quotas, capital controls, or tariffs, whether adopted by non-governmental bodies, individual governments, or addressed by regional trade blocs, may affect the demand for FREYR's battery cells, impact its competitive position, or prevent FREYR from being able to sell products to certain customers or in certain countries. The implementation of more protectionist trade policies, such as more detailed inspections, higher tariffs, or new barriers to entry, in countries where FREYR sells products could negatively impact FREYR's business, financial position, and results of operations.

Possible new tariffs on materials and components used to manufacture FREYR's battery cells could have a material adverse effect on FREYR's business.

FREYR's business is dependent on the availability of components necessary to develop and manufacture its battery cells, particularly cathode and anode materials. Although FREYR expects to obtain such components from local suppliers whenever possible, it will be necessary to develop relationships with suppliers in other regions. Any tariffs imposed on the importation of components could lead to price fluctuations and delays in the delivery of such components. Disruptions in the supply of components could temporarily impair FREYR's ability to manufacture battery cells or require FREYR to pay higher prices in order to obtain these materials or components from other sources, which could affect FREYR's business, financial position, results of operations and cash flows.

Risks Relating to Ownership of FREYR Ordinary Shares

The concentration of ownership among FREYR's executive officers, directors, and their affiliates may prevent new investors from influencing significant corporate decisions.

As of February 17, 2023 FREYR's executive officers, directors, and their affiliates as a group own approximately 11.08% of FREYR's outstanding ordinary shares, after the inclusion of FREYR ordinary shares subject to warrants and options that are currently exercisable or exercisable within 60 days. As a result, these shareholders as a group could exercise a level of control over matters requiring shareholder approval, including the election of directors, amendment of the Articles, and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control or changes in management and will make the approval of certain transactions more difficult without the support of these shareholders.

FREYR qualifies as an "emerging growth company", a "smaller reporting company", and a "foreign private issuer" and as such, will benefit from reduced disclosure requirements. FREYR cannot be certain if such reduced disclosure requirements will make its ordinary shares less attractive to investors and make it more difficult to compare FREYR's performance with other public companies.

FREYR qualifies as an "emerging growth company", as defined in the JOBS Act, a "smaller reporting company", as defined in Item 10(f)(1) of Regulation S-K, and a "foreign private issuer" as defined in the Securities Act Rule 405 and Exchange Act Rule 3b-4. FREYR intends to take advantage of certain current and future exemptions from various public company reporting requirements, that are applicable to other public companies that do not qualify as an "emerging growth company", "smaller reporting company", or "foreign private issuer". Such exemptions include, but are not limited to, not



being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in Annual Reports on Form 10-K and proxy statements, and exemptions from the requirements to hold a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

As an “emerging growth company”, FREYR has, and may in the future, elect to use the extended transition period for complying with new or revised accounting standards, which allows FREYR to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, FREYR’s financial statements may not be comparable to companies that comply with public company effective dates.

FREYR may take advantage of any of these current or future exemptions, or delays in implementation timeframes, as long as it meets the applicable guidelines and criteria, and FREYR cannot predict if it will continue to meet such criteria. Additionally, FREYR cannot predict if investors will find its ordinary shares less attractive because it will rely on these exemptions. If some investors find FREYR ordinary shares less attractive as a result, there may be a less active trading market for FREYR ordinary shares and its stock price may be more volatile.

FREYR does not expect to declare dividends on its ordinary shares in the foreseeable future.

Given the capital-intensive nature of battery manufacturing, FREYR does not currently anticipate declaring any cash dividends to holders of its ordinary shares in the foreseeable future. Consequently, investors may need to rely on sales of their shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

FREYR may call certain of its unexpired warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making their warrants worthless, and the exercise of a significant number of the warrants could adversely affect the market price of FREYR ordinary shares.

As part of the Business Combination, FREYR assumed 24.6 million warrants consisting of 14.4 million public warrants (“Public Warrants”) and 10.3 million private warrants (“Private Warrants”). The warrants entitle the holder thereof to purchase one of FREYR’s ordinary shares at a price of \$11.50 per share, subject to adjustments. The warrants will expire on July 9, 2026, or earlier upon redemption or liquidation.

FREYR may call the Public Warrants for redemption once they become exercisable, in whole and not in part, at a price of \$0.01 per Public Warrant, so long as it provides at least 30 days prior written notice of redemption to each Public Warrant holder, and if, and only if, the reported last sales price of FREYR’s ordinary shares equals or exceeds \$18.00 per share for each of 20 trading days within the 30 trading-day period ending on the third trading day before the date on which we send the notice of redemption to the Public Warrant holders. However, FREYR may not exercise the redemption right if the issuance of the FREYR ordinary shares upon exercise of the warrants is not exempt from registration or qualification under applicable state blue sky laws or FREYR is unable to effect such registration or qualification. None of the Private Warrants are redeemable by FREYR so long as they are held by a certain holder or any of its permitted transferees.

Redemption of the outstanding warrants could force holders to:

- Exercise their FREYR Warrants and pay the exercise price therefore at a time when it may be disadvantageous for them to do so;
- Sell their FREYR Warrants at the then-current market price when they might otherwise wish to hold their FREYR Warrants; or
- Accept the nominal redemption price which, at the time the outstanding FREYR Warrants are called for redemption, is likely to be substantially less than the market value of their FREYR Warrants.

Additionally, if a significant number of warrant holders exercise their warrants instead of accepting the nominal redemption price, the issuance of these shares would dilute other equity holders, which could reduce the market price of FREYR’s ordinary shares.

There can be no assurance that FREYR will be able to comply with the continued listing standards of the NYSE.

FREYR trades its ordinary shares and Warrants on the NYSE under the symbols “FREY” and “FREY WS”, respectively. If the NYSE delists FREYR’s securities from trading on its exchange for failure to meet the listing standards and FREYR is not able to list such securities on another national securities exchange, FREYR expects such securities could be quoted on an over-the-counter market. If this were to occur, FREYR and its stockholders could face significant material adverse consequences including:

- A limited availability of market quotations for FREYR securities;
- Reduced liquidity for FREYR securities;
- A limited amount of news and analyst coverage; and
- A decreased ability to issue additional securities or obtain additional financing in the future.



ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal facilities in Luxembourg, Norway, the U.S., and Japan are utilized for selling and administrative activities and research and development. In Luxembourg, we lease office space to house our corporate headquarters. In Lysaker, Norway, we lease office space for the administration of our Norwegian operations and corporate shared services. In Mo i Rana we lease office space as well as the CQP and the land for Giga Arctic and own the assets under construction. In the U.S., we hold an approximately 368-acre parcel of land in Coweta County, Georgia for the development of Giga America and we lease office and lab space in Boston, Massachusetts. In Japan, we lease office and lab space for research and development activities. We lease other office and lab spaces to support additional personnel in various jurisdictions. We believe that our facilities are suitable and adequate for the conduct of our business.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may be involved in litigation relating to claims arising in the ordinary course of our business. To the knowledge of our management, there are no material litigation, claims, or actions currently pending or threatened against us, any of our officers, or directors in their capacity as such, or against any of our property.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.



PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's ordinary shares and Warrants trade on the New York Stock Exchange ("NYSE") using the ticker symbols "FREY" and "FREY WS", respectively. As of February 17, 2023, there were 24 holders of record of our ordinary shares and 10 holders of record of our Warrants.

Dividend Policy

To date, the Company has not declared or paid any dividends on our ordinary shares and does not currently anticipate paying any such dividends in the foreseeable future. The declaration and payment of dividends on the ordinary shares is at the discretion of our Board of Directors, subject to applicable laws and regulations.

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Securities Authorized for Issuance Under Equity Compensation Plans

| Plan category | (a) Number of securities to be issued upon exercise of outstanding options, warrants and rights | (b) Weighted-average exercise price of outstanding options, warrants and rights | (c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|---|---|---|
| Equity compensation plans approved by security holders | 5,924,379 | \$ 9.83 | 5,659,565 |
| Equity compensation plan not approved by security holders | 566,935 ⁽¹⁾ | \$ 3.23 | — |
| Equity compensation arrangement not approved by security holders | 850,000 ⁽²⁾ | \$ 10.00 | — |
| Total | 7,341,314 | | 5,659,565 |

(1) Represents ordinary shares issuable upon the exercise of stock options issued pursuant to the FREYR Legacy's 2019 Incentive Stock Option Plan, dated November 9, 2019 (the "2019 Plan"). Excludes options that are required per their terms to be settled in cash.

(2) Represents ordinary shares issuable upon the exercise of stock options issued pursuant to the employment agreement entered into on June 16, 2021 between FREYR Legacy and Tom Einar Jensen (the "Jensen Employment Agreement"). The stock options are subject to the achievement of certain key performance indicators ("KPIs"). As of December 31, 2022, 94 thousand options were awarded.

2019 Plan

Employees of FREYR Legacy were offered to participate in FREYR Legacy's 2019 Incentive Stock Option Plan. After the completion of the Business Combination, all FREYR Legacy options and FREYR Legacy warrants became fully vested and were exchanged for FREYR options and FREYR Warrants. Under the terms of the Business Combination, all employees were subject to a 12-month lock-up and certain executives were subject to a 24-month lock-up. The options and warrants are settled in shares if exercised during a lock-up period and settled in cash after the lock-up period.

CEO Employment Agreement

On June 16, 2021, FREYR entered into a new employment agreement with Mr. Jensen to serve as FREYR's Chief Executive Officer starting from July 9, 2021. The agreement included a commitment to award 850 thousand options to acquire Ordinary Shares of FREYR at a strike price of \$10 per share upon the closing of the Business Combination. These options were conditionally awarded to Mr. Jensen upon the closing of the Business Combination. The award is subject to the FREYR Board of Directors' assessment of Mr. Jensen's performance of certain KPIs.



Share Performance Graph

FREYR is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information otherwise required under this item.

ITEM 6. [RESERVED]



ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This MD&A should be read in conjunction with our consolidated financial statements and the accompanying notes thereto contained in Part I, Item 8 "Financial Statements and Supplementary Data" and Part I, Item 1 "Business" of this Annual Report on Form 10-K, for an overview of our operations and business environment.

Overview

FREYR is a developer of clean, next-generation battery cell production capacity. Our mission and vision are to accelerate the decarbonization of global energy and transportation systems by producing clean, cost-competitive batteries. Through our strategy of Speed, Scale, and Sustainability, we seek to serve our primary markets of ESS; commercial mobility, including marine applications and commercial vehicles; and EV.

We are in the design and testing phase related to our battery production process and we are in the final stages of the construction of our CQP and groundworks and foundation structures for our inaugural gigafactory Giga Arctic, both located in Mo i Rana, Norway. We have also announced the launch of our first clean battery cell manufacturing project in the U.S. located in Coweta County, Georgia and announced the exploration of a potential gigafactory site in Vaasa, Finland.

Our initial CQP production line is based on our licensed SemiSolid™ technology and partnership with 24M and lithium-ion chemistry. Future development and expansion could incorporate alternative chemistry models and additional advances in battery technology through our ongoing partnership with 24M or other joint ventures, and licensing opportunities. We will initially target market opportunities in ESS, commercial mobility, and EV with high density and slower charge requirements, with plans to target additional markets, including faster charge battery cells for the broader consumer EV market.

As of December 31, 2022, we have not yet initiated manufacturing or derived revenue from our principal business activities.

Results of Operations

Comparison of the Years Ended December 31, 2022 and 2021

The following table sets forth information on FREYR's consolidated results of operations (in thousands, except percentages):

| | For the years ended | | Change (%) |
|--|---------------------|-------------|------------|
| | December 31, | | |
| | 2022 | 2021 | |
| Operating expenses: | | | |
| General and administrative | \$ 107,357 | \$ 61,755 | 74% |
| Research and development | 13,574 | 13,816 | (2%) |
| Share of net loss of equity method investee | 1,557 | 62 | NM |
| Total operating expenses | 122,488 | 75,633 | 62% |
| Loss from operations | (122,488) | (75,633) | 62% |
| Other income (expense) | 23,369 | (17,745) | 232% |
| Loss before income taxes | (99,119) | (93,378) | 6% |
| Income tax expense | — | — | NM |
| Net loss | (99,119) | (93,378) | 6% |
| Net loss attributable to non-controlling interests | 328 | — | NM |
| Net loss attributable to ordinary shareholders | \$ (98,791) | \$ (93,378) | 6% |

NM - Not meaningful

Operating expenses

General and administrative

General and administrative expenses consist of personnel and personnel-related expenses, including share-based compensation, fees paid for contractors and consultants assisting with growing the business, office space related costs, travel costs, public relations costs, legal, accounting and audit fees, and depreciation expense.



General and administrative expenses increased by \$45.6 million or 74%, to \$107.4 million for the year ended December 31, 2022, from \$61.8 million for the year ended December 31, 2021. This is primarily due to higher headcount and increased spending associated with the ramp-up of activities as we continue to invest in building our business and move closer to the start-up of manufacturing operations. Overhead costs also increased due to the professional fees and other costs related to operating as a public company, partially offset by a decrease in compensation expense, largely attributable to employee options and warrants which vested immediately following the Business Combination in 2021.

We expect general and administrative expenses to continue to increase as we scale headcount and expand overhead to support the growth and development of our business, and as a result of increased professional fees and expenses, such as legal, audit, tax, and other administrative and professional services.

Research and development ("R&D")

R&D expenses consist primarily of compensation to employees engaged in research and development activities, including share-based compensation, internal and external engineering, supplies, and services, and contributions to research institutions. R&D expenses also include the development costs related to the 24M License.

R&D expenses decreased by \$0.2 million or 2%, to \$13.6 million for the year ended December 31, 2022, from \$13.8 million for the year ended December 31, 2021. This is primarily due to a decrease in share-based compensation costs, largely attributable to employee options and warrants which vested immediately following the Business Combination in 2021, partially offset by an increase in R&D activities in 2022.

We expect R&D expenses to increase in future periods as we increase our personnel and research activities.

Share of net loss of equity method investee

Share of net loss of equity method investee consists of our proportionate share of the net earnings or losses and other comprehensive income from FREYR Battery US LLC, which was accounted for under the equity method from its formation in December 2021 until November 2022. In November 2022, FREYR made an additional capital contribution which increased our common share ownership of FREYR Battery US LLC to 95%. The entity was determined to meet the characteristics of a variable interest entity ("VIE"), with the Company deemed its primary beneficiary. Therefore, on November 7, 2022, the Company began consolidating FREYR Battery US LLC.

Share of net loss of equity method investee increased by \$1.5 million to \$1.6 million for the year ended December 31, 2022 from \$0.1 million for the year ended December 31, 2021. The increase is primarily due to FREYR Battery US LLC's minimal activity in 2021, consisting mostly of initial formation costs incurred in December 2021, as compared to approximately 10 months of activity in 2022.

Other income (expense)

Other income (expense) primarily consists of the fair value adjustments on our warrant liability, convertible note, redeemable preferred shares, interest income and expense, net foreign currency transaction gains and losses, and grant proceeds received.

Other income increased by \$41.1 million or 232%, to income of \$23.4 million for the year ended December 31, 2022, from expense of \$17.7 million for the year ended December 31, 2021. Other income increased primarily due to a gain from the warrant liability fair value adjustment of \$14.2 million for the year ended December 31, 2022 compared to a loss from the warrant liability fair value adjustment of \$21.9 million for the year ended December 31, 2021.

Financial Condition, Liquidity, and Capital Resources

Liquidity and Capital Resources

As of December 31, 2022 we had approximately \$563.0 million of cash, cash equivalents, and restricted cash and current liabilities of approximately \$62.6 million. Our restricted cash includes \$117.1 million held in escrow for planned construction activities of Giga Arctic in 2023. To date, our principal sources of liquidity have been proceeds received from the Business Combination, issuance of equity securities, and amounts received from government grants. Historically, these funds have been used for constructing and equipping our battery manufacturing facilities, including the CQP and Giga Arctic, the purchase of land for Giga America, technology licensing, R&D activities, and general corporate purposes.

In December 2022, FREYR closed a public offering of 23.0 million ordinary shares at an offering price of \$11.50 per share for total gross proceeds of approximately \$264.5 million. FREYR filed a shelf registration statement on Form S-3 with the SEC on September 1, 2022, which was subsequently declared effective on September 12, 2022, of which the December public offering is a part. Under this shelf registration statement, FREYR may, from time to time, sell up to an additional aggregate amount of approximately \$235.5 million ordinary shares, preferred shares, debt securities, warrants, rights, and purchase units.

Our future liquidity requirements depend on many factors, including the timing and extent of the following: capital expenditures for construction of our battery manufacturing facilities and purchase of related equipment, spending to support technology licensing and R&D efforts, spending on other growth initiatives or expansion into new geographies, our future revenue generating activities, including market acceptance of our products and services, and overall economic conditions.



Until we can generate sufficient revenue to adequately support our liquidity requirements, we expect to fund short-term cash needs through our existing cash balances. We believe that we have sufficient liquidity to meet our contractual obligations and commitments for at least the 12 months following December 31, 2022.

Our long-term operating needs and planned investments in our business and manufacturing footprint, as currently devised, will require significant financing to complete. Such financing may not be available at terms acceptable to us, or at all. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing. If we are unable to raise substantial additional capital in the near term, our ability to invest in Giga Arctic, Giga America, and other gigafactories or development projects will be significantly delayed or curtailed which would have a material adverse impact on our business prospects and results of operations. If we raise funds by issuing debt securities, these debt securities would have rights, preferences, and privileges senior to those of holders of our ordinary shares. The terms of debt securities or other borrowings could impose significant restrictions on our operations. If we raise funds by issuing equity securities, dilution to stockholders may result. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of holders of our ordinary shares.

Cash Flow Summary

The following table summarizes our cash flows for the periods presented (in thousands):

| | For the years ended | | Change (%) |
|---------------------------------|----------------------|----------------------|---------------|
| | December 31, 2022 | December 31, 2021 | |
| Net cash (used in) provided by: | | | |
| Operating activities | (90,009) | (63,136) | 43% |
| Investing activities | (175,026) | (33,787) | 418% |
| Financing activities | 250,072 | 649,000 | (61%) |

Operating Activities

Net cash used in operating activities was \$90.0 million during the year ended December 31, 2022, compared to \$63.1 million during the year ended December 31, 2021. This increase in cash used in operating activities was driven by a \$45.5 million increase in net loss, adjusted for non-cash items. The increase in net loss, adjusted for non-cash items was primarily due to a gain on the warrant liability fair value adjustment for the year ended December 31, 2022 compared to a loss for the year ended December 31, 2021. Other factors include higher operating expenses from higher headcount and increased spending associated with the ramp-up of activities as we continue to invest in building our business and move closer to the start-up of manufacturing operations.

Investing Activities

Net cash used in investing activities was \$175.0 million during the year ended December 31, 2022, compared to \$33.8 million during the year ended December 31, 2021. The change in cash used in investing activities was primarily driven by \$180.8 million in purchases of property and equipment during the year ended December 31, 2022 compared to \$13.8 million during the year ended December 31, 2021. In 2022, the purchases of property and equipment primarily consist of the purchase of a 368-acre parcel of land in Coweta County, Georgia, for the development of Giga America and costs related to the construction of the CQP and Giga Arctic facilities and related production equipment in Mo i Rana, Norway. In addition, for the year ended December 31, 2022, we used \$3.0 million in cash for an investment in our former equity method investee in the U.S. and received proceeds of \$10.5 million from grants funding our property and equipment construction.

Financing Activities

Net cash provided by financing activities was \$250.1 million during the year ended December 31, 2022, compared to \$649.0 million during the year ended December 31, 2021. Net cash provided during 2022, consisted of net proceeds of \$251.1 million from a public offering of 23.0 million ordinary shares, partially offset by \$1.1 million in cash used for the purchase of treasury shares. Net cash provided during 2021, consisted of net proceeds of \$641.5 million from the Business Combination and \$7.5 million in proceeds from the issuance of redeemable preferred shares.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates, assumptions, and judgments that can significantly impact the amounts we report as assets, liabilities, revenues, and expenses and the related disclosures. We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances. Our actual results could differ significantly from these estimates.

Our significant accounting policies are described in more detail in Note 2 to our consolidated financial statements included in Part II, Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K. We believe



that the accounting policies discussed below are critical to understanding our historical and future performance as these policies involved a greater degree of judgment and complexity.

Convertible Note

We have elected to account for our convertible note receivable from 24M under the fair value option, with changes in fair value recognized as a convertible note fair value adjustment within the consolidated statement of operations and comprehensive loss.

We estimate the fair value of the convertible note at each balance sheet date using a scenario-based framework that incorporated various scenarios weighted based on the expected likelihood of occurrence. This framework utilizes significant assumptions and judgments about the expected timing and probability of each scenario, expected payoffs upon the event, and the discount rate. As these are significant inputs not observable in the market, this is classified as a Level 3 measurement within the fair value hierarchy.

Warrants and Warrant Liability

Our warrants entitle the holder to purchase one ordinary share of FREYR upon payment of the option price. Certain of our warrants may contain terms such as cash settlement and redemption provisions. We evaluate our warrants to determine if they are considered indexed to the ordinary shares of FREYR and would therefore be considered equity classified awards or would be considered liability classified awards.

Some terms of the warrants, such as those related to cash settlement and redemption, are valid only for a restricted group or class of holder, the warrants would be considered liability classified and such classification would be reevaluated upon distribution to a holder outside of that class. For equity classified warrants, the grant date fair value of the warrants is expensed over the vesting period. Liability classified warrants are measured at fair value at each balance sheet date. The fair value of the warrant is presented as warrant liability on the consolidated balance sheets with the corresponding change in value shown as warrant liability fair value adjustment within the consolidated statements of operations and comprehensive loss.

Prior to the completion of the Business Combination, we measured the fair value of our warrants using a scenario-based framework that considered varying levels of tranches of investments and the related equity valuation. The assumptions and estimates used in the analysis were based on information available at the time of the assessment. This model used significant inputs not observable in the market, which caused it to be classified as a Level 3 measurement within the fair value hierarchy. Subsequent to the consummation of the Business Combination, we measured the fair value of warrants using a Black-Scholes-Merton option pricing model. The assumptions and estimates used in this model incorporate significant inputs not observable in the market, including risk-free interest rate, expected term, and expected volatility, which caused this to be classified as a Level 3 measurement within the fair value hierarchy.

Share-Based Compensation

We issue share-based compensation from our long-term incentive plans. Awards are typically issued in the form of non-qualified stock options and restricted stock units ("RSUs") and awards may contain time based and/or performance based vesting conditions. Share-based compensation expense is generally determined based on the grant-date fair value of awards. Liability-classified awards are remeasured to fair value at each reporting date until settlement.

We have made an accounting policy election to recognize the expense for awards with a service condition and graded vesting features on a straight-line vesting method over the applicable vesting period and to account for forfeitures in compensation expense as they occur. Therefore, the fair value of awards is expensed on a straight-line method over the vesting period for awards expected to meet performance based vesting conditions. Any subsequent changes in the estimated number of awards expected to vest will be recorded as a cumulative catch-up adjustment to compensation cost in the period in which the change in estimate occurs.

The fair value of share-based compensation awards is calculated with commonly used valuation models. We used a lattice option pricing model for certain non-qualified stock options ("NQSOs") granted with a strike price above the grant date price and a Black-Scholes-Merton option pricing model for all other NQSOs. These models use inputs and assumptions, including the market price of the shares on the date of grant, risk-free interest rate, expected volatility, and expected life which involve significant judgment. The fair value of RSUs is measured based on the closing price of our ordinary shares.

Recent Accounting Pronouncements

See Note 2 – Summary of Significant Accounting Policies in the accompanying consolidated financial statements for information concerning new accounting standards and the impact or expected impact of the implementation of these standards on our financial statements.

Emerging Growth Company Status

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS



Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable.

We qualify as an emerging growth company, as defined in the JOBS Act, and therefore intend to take advantage of certain exemptions from various public company reporting requirements, including delaying the adoption of new or revised accounting standards until those standards apply to private companies. This may make a comparison of our consolidated financial statements with another public company that is either not an emerging growth company or is an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

FREYR is exposed to market risks arising from adverse changes in inflation and changing prices. This market risk is described further below. In addition, refer to Part I, Item 1A in this Annual Report on Form 10-K for additional discussion of these and other risks.

Currency Exchange Risk

We are exposed to currency risk from potential changes in currency values of our non-U.S. dollar denominated expenses, assets, liabilities, and cash flows. Our most significant currency exposure relates to the Norwegian Krone.

Inflation Risk

Increases in raw material prices, including those from inflationary pressures or from supply chain constraints, may adversely impact FREYR's costs and results of operations. Rising raw material costs, including steel and aluminum raw material inflation in the fiscal year 2022, may result in significant increases in costs from our suppliers and increased lead times associated with our raw materials, particularly since we have not established fixed prices and volumes with a majority of our prospective suppliers.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.



ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FREYR BATTERY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of FREYR Battery

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of FREYR Battery and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of operations and comprehensive loss, of shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2022.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers AS

Oslo, Norway

February 27, 2023

We have served as the Company's auditor since 2020.



Our financial statements for the fiscal years ended December 31, 2022 and 2021, and the reports thereon of the independent registered public accounting firms are included in this Annual Report.

FREYR BATTERY
CONSOLIDATED BALANCE SHEETS
(In Thousands)

| | As of December 31, | |
|---|---------------------------|-------------|
| | 2022 | 2021 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 443,063 | \$ 563,956 |
| Restricted cash | 119,982 | 1,671 |
| Prepaid assets | 8,293 | 15,882 |
| Other current assets | 8,117 | 1,282 |
| Total current assets | 579,455 | 582,791 |
| Property and equipment, net | 210,777 | 21,062 |
| Intangible assets, net | 2,963 | — |
| Convertible note | 19,954 | 20,231 |
| Equity method investments | — | 2,938 |
| Right-of-use asset under operating leases | 14,538 | — |
| Other long-term assets | 11 | 11 |
| Total assets | \$ 827,698 | \$ 627,033 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 6,765 | \$ 3,813 |
| Accrued liabilities and other | 51,446 | 19,773 |
| Share-based compensation liability | 4,367 | 2,211 |
| Total current liabilities | 62,578 | 25,797 |
| Warrant liability | 33,849 | 49,124 |
| Operating lease liability | 11,144 | — |
| Long-term share-based compensation liability | — | 6,627 |
| Total liabilities | 107,571 | 81,548 |
| Commitments and contingencies | | |
| Shareholders' equity | | |
| Ordinary share capital, no par value, 245,000 ordinary shares authorized as of both December 31, 2022 and December 31, 2021; 139,854 and 139,705 ordinary shares issued and outstanding, respectively, as of December 31, 2022; and 116,854 ordinary shares both issued and outstanding as of December 31, 2021 | 139,854 | 116,854 |
| Additional paid-in capital | 772,602 | 533,418 |
| Treasury stock | (1,041) | — |
| Accumulated other comprehensive income (loss) | 9,094 | (524) |
| Accumulated deficit | (203,054) | (104,263) |
| Total ordinary shareholders' equity | 717,455 | 545,485 |
| Non-controlling interests | 2,672 | — |
| Total equity | 720,127 | 545,485 |
| Total liabilities and equity | \$ 827,698 | \$ 627,033 |

See accompanying notes to consolidated financial statements



FREYR BATTERY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In Thousands, Except per Share Amounts)

| | Years ended December 31, | |
|--|-----------------------------|--------------------|
| | 2022 | 2021 |
| Operating expenses: | | |
| General and administrative | \$ 107,357 | \$ 61,755 |
| Research and development | 13,574 | 13,816 |
| Share of net loss of equity method investee | 1,557 | 62 |
| Total operating expenses | <u>122,488</u> | <u>75,633</u> |
| Loss from operations | <u>(122,488)</u> | <u>(75,633)</u> |
| Other income (expense): | | |
| Warrant liability fair value adjustment | 14,183 | (21,859) |
| Convertible note fair value adjustment | (277) | — |
| Interest income, net | 1,780 | 314 |
| Foreign currency transaction gain | 2,512 | 1,325 |
| Other income, net | 5,171 | 2,475 |
| Total other income (expense) | <u>23,369</u> | <u>(17,745)</u> |
| Loss before income taxes | <u>(99,119)</u> | <u>(93,378)</u> |
| Income tax expense | — | — |
| Net loss | <u>(99,119)</u> | <u>(93,378)</u> |
| Net loss attributable to non-controlling interests | 328 | — |
| Net loss attributable to ordinary shareholders | <u>\$ (98,791)</u> | <u>\$ (93,378)</u> |
| Weighted average ordinary shares outstanding - basic and diluted | 118,474 | 75,363 |
| Net loss attributable to ordinary shareholders per share - basic and diluted | <u>\$ (0.83)</u> | <u>\$ (1.24)</u> |
| Other comprehensive loss: | | |
| Net loss | \$ (99,119) | \$ (93,378) |
| Foreign currency translation adjustments | 9,618 | (1,182) |
| Total comprehensive loss | <u>(89,501)</u> | <u>(94,560)</u> |
| Comprehensive loss attributable to non-controlling interests | 328 | — |
| Comprehensive loss attributable to ordinary shareholders | <u>\$ (89,173)</u> | <u>\$ (94,560)</u> |

See accompanying notes to consolidated financial statements



FREYR BATTERY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In Thousands)

| | Ordinary Shareholders' Equity | | | | | | | Non-controlling interests | Total Equity |
|---|-------------------------------|---------|----------------------------|---|----------------|---------------------|----------|---------------------------|--------------|
| | Ordinary Shares | | Additional Paid-in Capital | Accumulated Other Comprehensive Income (Loss) | Treasury Stock | Accumulated Deficit | | | |
| | Shares | Amount | | | | | | | |
| Balance as of January 1, 2021 | 37,452 | \$ — | \$ 15,183 | \$ 658 | \$ — | \$ (10,885) | \$ — | \$ 4,956 | |
| Share-based compensation expense | — | — | 14,055 | — | — | — | — | 14,055 | |
| Net loss | — | — | — | — | — | (93,378) | — | (93,378) | |
| Reclassification of share-based compensation expense from equity to liability | — | — | (8,984) | — | — | — | — | (8,984) | |
| Norway demerger | — | — | (2,897) | — | — | — | — | (2,897) | |
| Issuance of ordinary shares in settlement of FREYR Legacy preferred shares | 1,490 | — | 14,895 | — | — | — | — | 14,895 | |
| PIPE Investment, net of transaction costs | 60,000 | — | 579,000 | — | — | — | — | 579,000 | |
| Business Combination, net of redemptions and transaction costs | 17,499 | — | 39,020 | — | — | — | — | 39,020 | |
| Luxembourg reorganization | — | 116,441 | (116,441) | — | — | — | — | — | |
| Conversion of warrants to ordinary shares | 413 | 413 | (413) | — | — | — | — | — | |
| Other comprehensive income | — | — | — | (1,182) | — | — | — | (1,182) | |
| Balance as of December 31, 2021 | 116,854 | 116,854 | \$ 533,418 | \$ (524) | \$ — | \$ (104,263) | \$ — | \$ 545,485 | |
| Share-based compensation expense | — | — | 9,976 | — | — | — | — | 9,976 | |
| Net loss | — | — | — | — | — | (98,791) | (328) | (99,119) | |
| Repurchase of shares | — | — | — | — | (1,052) | — | — | (1,052) | |
| Exercise of stock options | — | — | (11) | — | 11 | — | — | — | |
| Exercise of warrants | — | — | 1 | — | — | — | — | 1 | |
| Issuance of ordinary shares, net of transaction costs | 23,000 | 23,000 | 228,126 | — | — | — | — | 251,126 | |
| Reclassification of warrants from liability classified to equity classified | — | — | 1,092 | — | — | — | — | 1,092 | |
| Contribution from non-controlling interest holders | — | — | — | — | — | — | 3,000 | 3,000 | |
| Other comprehensive income | — | — | — | 9,618 | — | — | — | 9,618 | |
| Balance as of December 31, 2022 | 139,854 | 139,854 | \$ 772,602 | \$ 9,094 | \$ (1,041) | \$ (203,054) | \$ 2,672 | \$ 720,127 | |

See accompanying notes to consolidated financial statements



FREYR BATTERY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

| | For the years ended December 31, | |
|--|-------------------------------------|-------------------|
| | 2022 | 2021 |
| Cash flows from operating activities: | | |
| Net loss | \$ (99,119) | \$ (93,378) |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Share-based compensation expense | 8,643 | 14,818 |
| Depreciation and amortization | 478 | 120 |
| Loss on US joint venture consolidation | 1,619 | — |
| Reduction in the carrying amount of lease assets | 1,458 | — |
| Warrant liability fair value adjustment | (14,183) | 21,859 |
| Convertible note fair value adjustment | 277 | — |
| Share of net loss of equity method investee | 1,557 | 62 |
| Foreign currency transaction net unrealized gain | (2,868) | — |
| Other | 2 | (131) |
| Changes in assets and liabilities: | | |
| Prepaid assets and other current assets | (3,664) | (16,419) |
| Other long-term assets | — | (230) |
| Accounts payable, accrued liabilities and other | 17,385 | 10,163 |
| Operating lease liability | (1,594) | — |
| Net cash used in operating activities | <u>(90,009)</u> | <u>(63,136)</u> |
| Cash flows from investing activities: | | |
| Proceeds from property related grants | 10,461 | — |
| Purchases of property and equipment | (180,787) | (13,775) |
| Investments in equity method investee | (3,000) | — |
| Asset acquisition, cash acquired | 300 | — |
| Investments in convertible note | — | (20,000) |
| Purchases of other long-term assets | (2,000) | (12) |
| Net cash used in investing activities | <u>(175,026)</u> | <u>(33,787)</u> |
| Cash flows from financing activities: | | |
| Proceeds from issuance of ordinary shares, net | 251,124 | — |
| Repurchase of treasury shares | (1,052) | — |
| Proceeds from Business Combination | — | 70,836 |
| Proceeds from PIPE Investment, net | — | 573,666 |
| Proceeds from issuance of redeemable preferred shares | — | 7,500 |
| Payments for the Norway Demerger | — | (3,002) |
| Net cash provided by financing activities | <u>250,072</u> | <u>649,000</u> |
| Effect of changes in foreign exchange rates on cash, cash equivalents, and restricted cash | 12,381 | (1,395) |
| Net (decrease) increase in cash, cash equivalents, and restricted cash | <u>(2,582)</u> | <u>550,682</u> |
| Cash, cash equivalents, and restricted cash at beginning of period | <u>565,627</u> | <u>14,945</u> |
| Cash, cash equivalents, and restricted cash at end of period | <u>\$ 563,045</u> | <u>\$ 565,627</u> |
| Supplementary disclosures of cash flow information | | |
| Cash paid for interest | \$ — | \$ 3 |
| Cash paid for income taxes | — | — |
| Supplementary disclosures for noncash activities | | |
| Warranty liability assumed from business combination | \$ — | \$ 27,265 |
| Settlement of redeemable preferred shares through issuance of ordinary shares | — | 14,895 |
| Reclassification of share-based compensation expense from equity to liability | — | 8,984 |
| Accrued purchases of property and equipment and intangible assets | 25,360 | 7,559 |
| Investment in equity method investment through assumption of liability | — | 3,000 |
| Reconciliation to consolidated balance sheets: | | |
| Cash and cash equivalents | \$ 443,063 | \$ 563,956 |
| Restricted cash | 119,982 | 1,671 |
| Cash, cash equivalents, and restricted cash | <u>\$ 563,045</u> | <u>\$ 565,627</u> |

See accompanying notes to consolidated financial statements



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS AND BASIS OF PRESENTATION

Description of the Business

FREYR Battery ("FREYR," the "Company", "we", or "us") is a developer of clean, next-generation battery cell production capacity. Our mission and vision are to accelerate the decarbonization of global energy and transportation systems by producing clean, cost-competitive batteries. Through our strategy of Speed, Scale, and Sustainability, we seek to serve our primary markets of energy storage systems ("ESS"); commercial mobility, including marine applications and commercial vehicles; and electric vehicles ("EV").

We are in the design and testing phase related to our battery production process and we are in the final stages of the construction of our Customer Qualification Plant ("CQP") and groundworks and foundation structures for our inaugural gigafactory ("Giga Arctic"), both located in Mo i Rana, Norway. As of December 31, 2022, we have not yet initiated manufacturing or derived revenue from our principal business activities. Our Chief Executive Officer ("CEO"), who is the chief operating decision-maker, manages our operations as a single operating segment for purposes of allocating resources and evaluating financial performance.

Business Combination

On January 29, 2021, FREYR AS, a private limited liability company organized under the laws of Norway ("FREYR Legacy") and Alussa Energy Acquisition Corp., a Cayman Islands exempted company ("Alussa"), among others, entered into the Business Combination Agreement (the "BCA") to effect a merger between the companies (the "Business Combination"). FREYR, a Luxembourg public limited liability company was formed to complete the Business Combination and related transactions and carry on the business of FREYR Legacy. FREYR serves as the successor entity to FREYR Legacy, the predecessor entity.

The merger was completed in multiple stages, pursuant to the terms of the BCA, which included among other things, the transfer of FREYR Legacy's wind farm business to Sjonfjellet Vindpark Holding AS ("SVPH"), resulting in SVPH shares being held by FREYR Legacy's shareholders. On July 8, 2021, FREYR's ordinary shares and warrants began trading on the New York Stock Exchange. On July 9, 2021, FREYR completed the Business Combination with FREYR Legacy and Alussa. In connection with the consummation of the transactions contemplated by the BCA, FREYR Legacy and Alussa became wholly owned subsidiaries of FREYR.

The Business Combination was accounted for as a reverse recapitalization. Under this method of accounting, Alussa was treated as the "acquired" company for financial reporting purposes. This determination was primarily based on the following factors: (i) FREYR Legacy's existing operations comprised the ongoing operations of the combined company, (ii) FREYR Legacy's senior management comprised the senior management of the combined company and (iii) no shareholder had control of the Board of Directors or a majority voting interest in the combined company. In accordance with guidance applicable to these circumstances, the Business Combination was treated as the equivalent of FREYR issuing shares for the net assets of Alussa, accompanied by a recapitalization. The net assets of Alussa were stated at historical cost, with no goodwill or other intangible assets recorded.

As a result, the consolidated financial statements included herein reflect (i) the historical operating results of FREYR Legacy prior to the Business Combination, (ii) the combined results of FREYR, FREYR Legacy and Alussa following the closing of the Business Combination, (iii) the assets and liabilities of FREYR Legacy at their historical cost, (iv) the assets and liabilities of FREYR and Alussa at their historical cost, which approximates fair value, and (v) FREYR's equity structure for all periods presented.

In accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*, guidance applicable to these circumstances, the equity structure has been restated in all comparative periods up to the closing date, to reflect the number of shares of FREYR's ordinary shares issued to FREYR Legacy's shareholders in connection with the recapitalization transaction. As such, the shares and corresponding capital amounts and earnings per share related to FREYR Legacy's ordinary shares prior to the Business Combination have been retroactively restated as shares reflecting the exchange ratio established in the Business Combination.

Basis of Presentation

The consolidated financial statements have been prepared in conformity with the accounting principles generally accepted in the U.S. ("U.S. GAAP"). The consolidated financial statements include the accounts of FREYR and its wholly owned or controlled subsidiaries. All intercompany accounts and transactions have been eliminated. Certain prior period balances and amounts have been reclassified to conform with the current year's presentation in the consolidated financial statements and the accompanying notes.

The Company enters into relationships with or makes investments in other entities that may be variable interest entities ("VIE"). A VIE is consolidated in the financial statements if the Company has the power to direct activities that most significantly impact the economic performance of the VIE and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.



Use of Estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates and assumptions include, but are not limited to, estimates related to the valuation of warrant liability, share-based compensation, and the convertible note. We base these estimates on historical experiences and on various other assumptions that we believe are reasonable under the circumstances, however, actual results may differ materially from these estimates.

Risks and Uncertainties

We are subject to those risks common to our business and industry and also those risks common to early development stage companies, including, but not limited to, the possibility of not being able to successfully develop or market our products, the ability to obtain or maintain licenses and permits to support future business, competition, dependence on key personnel and key external alliances, loss of our grant contributor, the ability to maintain and establish relationships with current and future vendors and suppliers, the successful protection of our proprietary technologies, the possibility of the factory development being disrupted, compliance with government regulations, and the possibility of not being able to obtain additional financing when needed.

These financial statements have been prepared by management in accordance with U.S. GAAP and this basis assumes that we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

As of the date of this report, our existing cash resources, which were primarily provided as a result of the business combination, are sufficient to support our planned operations for at least the next 12 months from the date of issuance of these financial statements. Therefore, our financial statements have been prepared on the basis that we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks and highly liquid investments with maturities of 90 days or less from the date of purchase.

Restricted Cash

Certain cash balances are restricted as to withdrawal or use. Restricted cash primarily consists of the balance of an account held for the construction of Giga Arctic. Additionally, restricted cash includes funds held in a restricted account for the payment of upfront rental lease deposits and government income tax withholdings.

Fair Value Measurements and Fair Value Option

We define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities which are required to be recorded at fair value, we consider the principal or most advantageous market and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability. These could include risks inherent in valuation techniques, transfer restrictions, and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels. In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Under the fair value option, the Company has the irrevocable option, on an instrument-by-instrument basis, to report certain financial assets and financial liabilities at fair value with changes in fair value reported in earnings. Any changes in the fair value of liabilities resulting from changes in the instrument-specific credit risk would be reported in other comprehensive income.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Property and Equipment and Intangible Assets

Property and equipment is recorded at cost less accumulated depreciation. The cost of an asset includes the cost of the purchase or construction of the asset plus other costs necessary to bring the asset to the condition and location necessary for its intended use. Maintenance and repairs are charged to expense as incurred and improvements or major enhancements are capitalized.

The Company maintains arrangements with certain local government agencies which provide for ad valorem tax incentives in connection with the Company's capital investment in property and equipment purchases to outfit new facilities over a specified timeframe. To facilitate the incentives, the Company conveys the purchased property and equipment to the local government agency and will lease it back from such agency for nominal consideration. The Company retains access to and use of the property and equipment and title will be conveyed back to the Company for a nominal fee. As the Company continues to benefit from the property and equipment, it is recorded on the Company's consolidated balance sheets.

Depreciation begins when an asset is placed into service or is substantially complete and ready for its intended use. Depreciation is computed using the straight-line method, over the estimated useful lives of the related asset. Land and construction in progress are not depreciated. Leasehold improvements are depreciated over the shorter of the remaining expected lease term or the estimated useful lives of the improvements.

The estimated useful lives of our property and equipment are as follows:

| Asset Class | Useful Life |
|--|---|
| Computer software and office equipment | Three to five years |
| Leasehold improvements | Lesser of estimated useful life or remaining lease term |

The useful lives of our property and equipment are determined by management when those assets are initially recognized and are routinely reviewed for reasonableness. Useful lives are estimates based on current facts and circumstances, and actual useful lives may differ from these estimates. When a change is made to the estimated useful life of an asset, the remaining carrying value of the asset is prospectively depreciated or amortized over the remaining estimated useful life. Historically, changes in useful lives have not resulted in material changes to our depreciation and amortization expense.

Intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives, usually determined by the remaining legal or contractual life of the asset. Our current intangible assets have an estimated useful life of 20 years.

When assets are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the consolidated balance sheets and any resulting gain or loss is reflected in the accompanying consolidated statements of operations and comprehensive loss.

Impairment of Long-Lived Assets

We review our property, plant and equipment, and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. We measure recoverability by comparing the carrying amount to the future undiscounted cash flows that the asset is expected to generate. If the asset is not recoverable, its carrying amount would be adjusted down to its fair value. For the years ended December 31, 2022 and 2021, we have recognized no material impairments of our long-lived assets.

Convertible Note

We have elected to account for our convertible note receivable from 24M under the fair value option, with changes in fair value recognized as a convertible note fair value adjustment within the consolidated statement of operations and comprehensive loss.

We estimate the fair value of the convertible note at each balance sheet date using a scenario-based framework that incorporates various scenarios weighted based on the expected likelihood of occurrence. This framework utilizes significant assumptions and judgments about the expected timing and probability of each scenario, expected payoffs upon the event, and the discount rate. As these are significant inputs not observable in the market, this is classified as a Level 3 measurement within the fair value hierarchy.

Equity Method Investments

We utilize the equity method to account for investments, including joint ventures, when we possess the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. The ability to exercise significant influence is presumed when the investor possesses more than 20% of the voting interests of the investee. This presumption may be overcome based on specific facts and circumstances that demonstrate that the ability to exercise significant influence is restricted.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In applying the equity method, we record the investment at cost and subsequently increase or decrease the carrying amount of the investment by our proportionate share of the net earnings or losses and other comprehensive income of the investee.

Leases

A lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification as a short-term lease, operating lease or finance lease is made at the lease inception. The Company considers all relevant contractual provisions, including renewal and termination options, to determine the term of the lease. Renewal or termination options that are reasonably certain of exercise by the lessee and those controlled by the lessor are included in determining the lease term. The Company has made an accounting policy election to present the lease and associated non-lease operations as a single component based on the predominant component.

The Company made an accounting policy election not to recognize a right-of-use asset and a lease liability for short-term leases with an initial term of 12 months or less, therefore these leases are not recorded on the consolidated balance sheets. Expenses for short-term leases are recognized on a straight-line basis over the lease term in the consolidated statements of operations and comprehensive loss.

The Company recognizes lease liabilities and right-of-use assets for all operating and finance leases for which it is a lessee at the lease commencement date. Lease liabilities are initially recognized at the present value of the future lease payments during the expected lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate, based on the information available at the lease commencement date, in determining the present value of lease payments. Our incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The right-of-use asset is initially recognized at the amount of the initial measurement of the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs incurred by the Company. Right-of-use assets are recorded as other long-term assets in the consolidated balance sheets. Subsequent to initial recognition, the right-of-use asset is reflected net of amortization. Costs to get a leased asset to the condition and location necessary for its intended use are capitalized as leasehold improvements.

The Company remeasures its lease liabilities with a corresponding adjustment to the right-of-use asset due to an applicable change in lease payments such as those due to a lease modification not accounted for as a separate contract, certain changes in the expected term of the lease, and certain changes in assessments and contingencies. Subsequent to initial recognition, the operating lease liability is increased for the interest component of the lease liability and reduced by the lease payments made. Operating lease expenses are recognized as a single lease cost in the consolidated statements of operations and comprehensive loss on a straight-line basis over the lease term, which includes the interest component of the measurement of the lease liability and amortization of the right-of-use asset.

Government Grants

The Company recognizes grants over the periods in which we recognize the related costs for which the grants are intended to compensate. For grants related to income, we recognize the proceeds as other income, net in the consolidated statement of operations and comprehensive loss over the periods in which the related costs are incurred and the conditions for receiving the grants have been fulfilled. For grants related to the purchase or construction of property, we reduce the carrying amount of the property and equipment recorded on the consolidated balance sheets, as the grants are received and the conditions for receiving the grants have been fulfilled.

Research and Development Cost

Research and development costs that do not meet the criteria for capitalization are expensed as incurred. Research and development costs consist of compensation, employee benefits, and share-based compensation for employees engaged in research and development activities, as well as fees paid for external engineering, supplies and services, allocation of indirect costs, and contributions to research institutions.

Foreign Currency Translation and Transaction Gains and Losses

Our functional currency is U.S. dollars. Generally, the functional currency of our subsidiaries is the local currency. We translate the financial statements of these subsidiaries to U.S. dollars using period-end exchange rates for assets and liabilities. Revenues and expenses are translated into U.S. dollars using the average exchange rates prevailing for each period presented. We record translation gains and losses in accumulated other comprehensive income. We reflect net foreign exchange transaction gains and losses resulting from the conversion of the transaction currency to functional currency as a component of foreign currency exchange gain (loss) in other income (expense), net.

Share-Based Compensation

We issue share-based compensation from our long-term incentive plans. Awards are typically issued in the form of non-qualified stock options and restricted stock units ("RSUs") and awards may contain time based and/or performance based



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

vesting conditions. Share-based compensation expense is generally determined based on the grant-date fair value of awards. Liability-classified awards are remeasured to fair value at each reporting date until settlement.

We have made an accounting policy election to recognize the expense for awards with a service condition and graded vesting features on a straight-line vesting method over the applicable vesting period and to account for forfeitures in compensation expense as they occur. Therefore, the fair value of awards is expensed on a straight-line method over the vesting period for awards expected to meet performance based vesting conditions. Any subsequent changes in the estimated number of awards expected to vest will be recorded as a cumulative catch-up adjustment to compensation cost in the period in which the change in estimate occurs.

The fair value of share-based compensation awards is calculated with commonly used valuation models. We used a lattice option pricing model for certain NQSOs granted with a strike price above the grant date price and a Black-Scholes-Merton option pricing model for all other NQSOs. These models use inputs and assumptions, including the market price of the shares on the date of grant, risk-free interest rate, expected volatility, and expected life which involve significant judgment. The fair value of RSUs is measured based on the closing price of our ordinary shares.

Warrants and Warrant Liability

Our warrants entitle the holder to purchase one ordinary share of FREYR upon payment of the option price. Certain of our warrants may contain terms such as cash settlement and redemption provisions. We evaluate our warrants to determine if they are considered indexed to the ordinary shares of FREYR and would therefore be considered equity classified awards or would be considered liability classified awards.

Some terms of the warrants, such as those related to cash settlement and redemption, are valid only for a restricted group or class of holder, the warrants would be considered liability classified and such classification would be reevaluated upon distribution to a holder outside of that class. For equity classified warrants, the grant date fair value of the warrants is expensed over the vesting period. Liability classified warrants are measured at fair value at each balance sheet date. The fair value of the warrant is presented as warrant liability on the consolidated balance sheets with the corresponding change in value shown as warrant liability fair value adjustment within the consolidated statements of operations and comprehensive loss.

Prior to the completion of the Business Combination, we measured the fair value of our warrants using a scenario-based framework that considered varying levels of tranches of investments and the related equity valuation. The assumptions and estimates used in the analysis were based on information available at the time of the assessment. This model used significant inputs not observable in the market, which caused it to be classified as a Level 3 measurement within the fair value hierarchy. Subsequent to the consummation of the Business Combination, we measured the fair value of warrants using a Black-Scholes-Merton option pricing model. The assumptions and estimates used in this model incorporate significant inputs not observable in the market, including risk-free interest rate, expected term, and expected volatility, which caused this to be classified as a Level 3 measurement within the fair value hierarchy. We account for Private Warrants as derivative liabilities on the consolidated balance sheets. We measured the fair value at the close of the Business Combination and each reporting date, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss in the period of change.

Defined Contribution Benefit Plans

We have defined contribution benefit plans in accordance with Norwegian law for employees residing in Norway, as well as in certain other countries. We made contributions to our defined contribution benefit plans of \$2.5 million and \$0.6 million in the years ended December 31, 2022 and 2021.

Income Taxes

Income tax expense is based on relevant tax rates in effect in the countries in which we operate and earn income. Current income tax expense reflects an estimate of our income tax liability for the current year, including changes in prior year tax estimates as returns are filed, and tax audit adjustments, if any.

Deferred income tax assets and liabilities reflect temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, tax effected by applying the relevant tax rate, applicable to the periods in which the reversal of such differences is expected to affect taxable income. Changes in deferred income tax assets and liabilities are included as a component of income tax expense, unless they are associated with components of other comprehensive income, which are instead reflected as a change in other comprehensive income. The effect of changes in enacted tax rates on deferred income tax assets and liabilities are reflected in income tax expense in the period of enactment. A valuation allowance is provided when it is deemed more likely than not that some portion or all of a deferred tax asset will not be realized, after consideration of both positive and negative evidence about realization. Changes in the valuation allowances occurring in subsequent periods are included in the consolidated statements of operations and comprehensive loss.

Assets and liabilities are established for uncertain tax positions taken, or expected to be taken, in income tax returns when such positions, in our judgment, do not meet a more-likely-than-not threshold based on their technical merits. Estimated interest and penalties related to uncertain tax positions are included as a component of income tax expense.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Concentrations of Credit Risk

Financial instruments that are potentially subjected to credit risk consist of cash and cash equivalents and the convertible note. Cash and cash equivalents are placed with major financial institutions. We have not experienced any credit loss related to our cash and cash equivalents or the convertible note.

Emerging Growth Company

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We qualify as an emerging growth company, as defined in the JOBS Act, and therefore intend to take advantage of certain exemptions from various public company reporting requirements, including delaying the adoption of new or revised accounting standards until those standards apply to private companies. The effective dates shown below reflect the election to use the extended transition period, as applicable.

Adoption of Accounting Pronouncements

In December 2019, the FASB issued Accounting Standards Update (“ASU”) No. 2019-12, *Income Taxes (ASC 740): Simplifying the Accounting for Income Taxes*, which removes certain exceptions to the general principles in ASC 740 and also clarifies and amends existing guidance to improve the consistent application. We adopted this guidance as of January 1, 2022. Adoption of the standard did not have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (ASC 842)*, as amended, which generally requires lessees to recognize operating and financing lease liabilities and corresponding right-of-use assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements. We adopted this guidance as of January 1, 2022, on a modified retrospective basis and thus did not restate comparative periods. As a result, the comparative financial information and the required disclosures prior to the date of adoption have not been updated and continue to be reported under the accounting standards in effect for those periods. We elected the package of practical expedients permitted under the transition guidance, which allows us to carry forward our historical lease classification, our assessment of whether a contract is or contains a lease, and our initial direct costs for any leases that existed before the adoption of the new standard. A description of our accounting policy and accounting methods elected, is included under “Leases” above. Our right-of-use assets and corresponding lease liabilities for operating lease liabilities at adoption were \$9.9 million. There was no change to accumulated deficit as a result of adoption, and the implementation of this standard did not cause a material change in the Company’s operating expenses.

3. BUSINESS COMBINATION

As discussed in Note 1 – Business and Basis of Presentation, we completed the Business Combination on July 9, 2021. Immediately before the closing of the Business Combination, all outstanding redeemable preferred shares of FREYR Legacy were converted into ordinary shares of FREYR. Upon the consummation of the Business Combination, each share of FREYR Legacy issued and outstanding was canceled and converted into the right to receive 0.179038 ordinary shares in FREYR (the “Exchange Ratio”).

Upon the closing of the Business Combination, our articles of association were amended and restated to, among other things, increase the total number of authorized shares to 245.0 million shares without par value.

In connection with the Business Combination, on January 29, 2021, Alussa and FREYR entered into separate subscription agreements with a number of investors (each a “Subscriber”), pursuant to which the Subscribers agreed to purchase, and FREYR agreed to sell to the Subscribers, an aggregate of 60.0 million ordinary shares (the “PIPE Shares”), for a purchase price of \$10.00 per share and an aggregate purchase price of \$600.0 million, in a private placement pursuant to the subscription agreements (the “PIPE Investment”). The PIPE Investment closed simultaneously with the consummation of the Business Combination.

The Business Combination was accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, Alussa was treated as the “acquired” company for financial reporting purposes. See Note 1 – Business and Basis of Presentation for further details. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of FREYR issuing shares for the net assets of Alussa, accompanied by a recapitalization. The net assets of Alussa were stated at historical cost, with no goodwill or other intangible assets recorded.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table reconciles the elements of the Business Combination and PIPE Investment to the consolidated statement of cash flows and the consolidated statement of shareholders' equity for the year ended December 31, 2021 (in thousands):

| | Recapitalization |
|--|--------------------------|
| Cash - Alussa trust and cash, net of redemptions | \$ 104,535 |
| Cash - PIPE Investment | 600,000 |
| Less: Non-cash net liabilities assumed from Alussa | (26,129) |
| Less: Transaction costs | (60,386) |
| Net Business Combination and PIPE Investment | <u>618,020</u> |
| Add back: Non-cash net liabilities assumed from Alussa | 26,129 |
| Add: Accrued transaction costs | 353 |
| Net cash contribution from Business Combination and PIPE | <u><u>\$ 644,502</u></u> |

The number of ordinary shares issued immediately following the consummation of the Business Combination:

| | Number of Shares |
|--|---------------------------|
| Alussa Class A ordinary shares, outstanding prior to Business Combination | 28,750,000 |
| Less: redemption of Alussa Class A ordinary shares | (18,439,168) |
| Alussa Class A ordinary shares | <u>10,310,832</u> |
| Alussa Class B founder ordinary shares | 7,187,500 |
| Ordinary shares issued in PIPE Investment | 60,000,000 |
| Ordinary shares issued to FREYR Legacy preferred shareholders | <u>1,489,500</u> |
| Business Combination and PIPE Investment ordinary shares | 78,987,832 |
| FREYR Legacy ordinary shares ⁽¹⁾ | <u>37,452,359</u> |
| Total ordinary shares immediately after Business Combination and PIPE Investment | <u><u>116,440,191</u></u> |

(1) The number of FREYR Legacy ordinary shares was determined from the 209,196,827 of FREYR Legacy ordinary shares outstanding prior to the closing of the Business Combination converted at the exchange ratio of 0.179038. All fractional shares were rounded down.

4. PROPERTY AND EQUIPMENT, NET AND INTANGIBLES, NET

Property and Equipment, net

Property and equipment consisted of the following (in thousands):

| | As of December 31, | |
|--------------------------------|---------------------------|-------------------------|
| | 2022 | 2021 |
| Land | \$ 44,326 | \$ — |
| Construction in progress | 164,387 | 20,017 |
| Office equipment and other | 2,614 | 1,180 |
| | <u>211,327</u> | <u>21,197</u> |
| Less: Accumulated depreciation | (550) | (135) |
| Total | <u><u>\$ 210,777</u></u> | <u><u>\$ 21,062</u></u> |

Land consists of a 368-acre parcel of land in Coweta County, Georgia, which was purchased in 2022 for the development of Giga America. Construction in progress primarily includes costs related to the construction of the CQP and Giga Arctic facilities and the related production equipment in Mo i Rana, Norway. Depreciation expense was \$0.4 million and \$0.1 million for 2022 and 2021, respectively, and is included in general and administrative expenses in the consolidated statements of operations and comprehensive loss.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents property and equipment by geographic area (in thousands):

| | As of December 31, | |
|---------------|--------------------|------------------|
| | 2022 | 2021 |
| Norway | \$ 166,388 | \$ 21,062 |
| United States | 44,345 | — |
| Luxembourg | 44 | — |
| Total | <u>\$ 210,777</u> | <u>\$ 21,062</u> |

Intangibles, net

Intangible assets consisted of the following (in thousands):

| | As of December 31, 2022 | | |
|---------|-------------------------|--------------------------|---------------------|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| License | \$ 3,000 | \$ (37) | \$ 2,963 |

Intangible assets consist of a license to produce and sell lithium-iron phosphate cathode battery materials using Taiwan based Aleees' technology. The license has a 20-year useful life. There were no intangible assets recorded as of December 31, 2021. Amortization expense for the years ended December 31, 2022 and 2021 was \$38 thousand and zero, respectively. Future amortization expense was estimated as being \$150 thousand for each of the next five years.

5. ACCRUED LIABILITIES AND OTHER

Accrued liabilities and other consisted of the following (in thousands):

| | As of December 31, | |
|---|--------------------|------------------|
| | 2022 | 2021 |
| Accrued purchases | \$ 34,932 | \$ 11,481 |
| Accrued payroll and payroll related expenses | 12,936 | 6,476 |
| Operating lease liabilities (Note 6) | 3,257 | — |
| Accrued other operating costs and other current liabilities | 321 | 1,816 |
| Total | <u>\$ 51,446</u> | <u>\$ 19,773</u> |

6. LEASES

We currently lease our corporate headquarters, the building for the CQP, the land for the Giga Arctic facilities, as well as other facilities and properties. Our leases have remaining lease terms of up to 50 years, some of which include options to extend the leases and some of which include options to terminate the leases at our sole discretion. We do not assume renewals in our determination of the lease term unless the renewals are deemed to be reasonably assured. As of December 31, 2022, all of our leases are operating leases.

The components of lease liabilities included in our consolidated balance sheet consisted of the following (in thousands):

| | December 31, 2022 |
|--|-------------------|
| Accrued liabilities and other (Note 5) | \$ 3,257 |
| Operating lease liability | 11,144 |
| Total | <u>\$ 14,401</u> |



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Components of lease expenses consisted of the following (in thousands):

| | Year ended December 31, 2022 |
|-----------------------|---|
| Operating lease cost | \$ 2,232 |
| Variable lease cost | 170 |
| Short-term lease cost | 157 |
| Total lease cost | <u>\$ 2,559</u> |

The remaining minimum lease payments due on our long-term leases are as follows (in thousands):

| | December 31, 2022 |
|------------------------------------|------------------------------|
| 2023 | 3,339 |
| 2024 | 2,129 |
| 2025 | 2,157 |
| 2026 | 2,152 |
| 2027 | 1,273 |
| Thereafter | 18,571 |
| Total undiscounted lease payments | 29,621 |
| Less: imputed interest | (15,220) |
| Present value of lease liabilities | <u>\$ 14,401</u> |

Weighted average remaining lease term and discount rate are as follows:

| | December 31, 2022 |
|--|------------------------------|
| Weighted-average remaining lease term (in years) | 22.8 |
| Weighted-average discount rate | 6.88% |

Supplemental cash flow information related to leases were as follows (in thousands):

| | Year ended December 31, 2022 |
|--|---|
| Cash paid for amounts included in the measurement of lease liabilities | |
| Operating cash flows | \$ 2,528 |
| Lease liabilities arising from obtaining right-of-use assets | 15,878 |

7. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, we may be subject to legal and regulatory actions that arise in the ordinary course of business. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves significant judgment about future events. Management believes that any liability of ours that may arise out of or with respect to these matters will not materially, adversely affect our consolidated financial position, results of operations, or liquidity.

8. WARRANTS

Public and Private Warrants

As part of the Business Combination, as described in Note 3 – Business Combination, we assumed 24.6 million warrants consisting of 14.4 million public warrants (“Public Warrants”) and 10.3 million private warrants (“Private Warrants”).

The warrants entitle the holder thereof to purchase one of our ordinary shares at a price of \$11.50 per share, subject to adjustments. The warrants will expire on July 9, 2026, or earlier upon redemption or liquidation.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

We may call the Public Warrants for redemption once they become exercisable, in whole and not in part, at a price of \$0.01 per Public Warrant, so long as we provide at least 30 days prior written notice of redemption to each Public Warrant holder, and if, and only if, the reported last sales price of our ordinary shares equals or exceeds \$18.00 per share for each of 20 trading days within the 30 trading-day period ending on the third trading day before the date on which we send the notice of redemption to the Public Warrant holders. We determined that the Public Warrants are equity classified as they are indexed to our ordinary shares and qualify for classification within shareholders' equity. As such, the Public Warrants are presented as part of additional paid-in capital on the consolidated balance sheets.

The Private Warrants are identical to the Public Warrants, except that so long as they are held by a certain holder or any of its permitted transferees, the Private Warrants: (i) may be exercised for cash or on a cashless basis and (ii) shall not be redeemable by FREYR. We determined that the Private Warrants are not considered indexed to our ordinary shares as the holder of the Private Warrants impacts the settlement amount and thus, they are liability classified. The Private Warrants are presented as warrant liability on the consolidated balance sheets.

If Private Warrants are sold or transferred to another party that is not the specified holder or any of its permitted transferees, the Private Warrants become Public Warrants and qualify for classification within shareholders' equity at the fair value on the date of the transfer. See also Note 9 – Fair Value Measurement.

As of December 31, 2022, we had 24.6 million public and private warrants outstanding, consisting of 14.6 million Public Warrants and 10.0 million Private Warrants. As of December 31, 2021, we had 24.6 million public and private warrants outstanding, consisting of 14.4 million Public Warrants and 10.3 million Private Warrants.

EDGE Warrants

On March 1, 2019, FREYR Legacy entered into a consulting agreement with EDGE Global LLC ("EDGE") for FREYR Legacy's CEO and Chief Commercial Officer to be hired to perform certain services related to leadership, technology selection, and operational services (the "2019 EDGE Agreement"). FREYR Legacy issued 1.5 million warrants to EDGE under the 2019 EDGE Agreement with a subscription price of \$0.95 per share and an expiration date of May 15, 2024.

On September 1, 2020, FREYR Legacy amended the 2019 EDGE Agreement, effective as of July 1, 2020 (the "2020 EDGE Agreement"). FREYR Legacy issued an additional 687 thousand warrants to EDGE under the 2020 EDGE Agreement with an initial subscription price of \$0.99 per share, which was modified to \$1.22 per share on September 25, 2020.

We determined that the EDGE warrants are equity classified as they are indexed to our ordinary shares. Upon the consummation of the Business Combination on July 9, 2021, all unvested warrants under the 2019 and 2020 EDGE Agreements vested immediately. As such, on July 9, 2021, compensation cost was recognized for the remaining unrecognized fair value of these awards.

As of December 31, 2022 and 2021, we had 2.2 million EDGE warrants outstanding and exercisable.

9. FAIR VALUE MEASUREMENT

The following table sets forth, by level within the fair value hierarchy, the accounting of our financial assets and liabilities at fair value on a recurring basis according to the valuation techniques we use to determine their fair value (in thousands):

| | December 31, 2022 | | | | December 31, 2021 | | | |
|---------------------|-------------------|---------|-----------|-----------|-------------------|---------|-----------|-----------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | | | | | |
| Convertible Note | \$ — | \$ — | \$ 19,954 | \$ 19,954 | \$ — | \$ — | \$ 20,231 | \$ 20,231 |
| Liabilities: | | | | | | | | |
| Warrant Liabilities | \$ — | \$ — | \$ 33,849 | \$ 33,849 | \$ — | \$ — | \$ 49,124 | \$ 49,124 |

We measured our Private Warrants and the Convertible Note at fair value based on significant inputs not observable in the market, which caused them to be classified as Level 3 measurements within the fair value hierarchy. These valuations used assumptions and estimates that we believed a market participant would use when making the same valuation. Changes in the fair value of the Private Warrants were recognized as a warrant liability fair value adjustment within the consolidated statements of operations and comprehensive loss. Changes in the fair value of the Convertible Note were recognized as a convertible note fair value adjustment within the consolidated statement of operations and comprehensive loss.

As of December 31, 2022 and December 31, 2021, the carrying value of all other financial assets and liabilities approximated their respective fair values.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Private Warrants

The Private Warrants outstanding on December 31, 2022 and December 31, 2021, were valued using the Black-Scholes-Merton option pricing model. See Note 8 – Warrants above for further details. Our use of the Black-Scholes-Merton option pricing model for the Private Warrants as of December 31, 2022 and December 31, 2021, required the use of subjective assumptions:

- The risk-free interest rate assumption was based on the U.S. Treasury Rates commensurate with the contractual terms of the Private Warrants.
- The expected term was determined based on the expiration date of the Private Warrants.
- The expected volatility assumption was based on the implied volatility from a set of comparable publicly traded companies as determined based on the size and industry.

An increase in each of the risk-free interest rate, expected term, or expected volatility, in isolation, would increase the fair value measurement, and a decrease in each of these assumptions would decrease the fair value measurement, of the Private Warrants.

Using this approach, an exercise price of \$11.50 and a share price of \$8.68 and \$11.18 as of December 31, 2022 and December 31, 2021, respectively, we determined that the fair value of the Private Warrants was \$33.8 million and \$49.1 million, respectively.

Convertible Note

As of December 31, 2022 and December 31, 2021, we had an investment in a convertible note from 24M, for which we had made a fair value election, as we considered fair value to provide a more accurate reflection of the current economic worth of the instrument. See Note 14 – Convertible Note for further details.

The Convertible Note was valued using a scenario-based framework, where the fair value determined in various scenarios were weighted based on the estimated probability of occurrence. Within each scenario, a discounted cash flow approach was utilized, taking the expected payoff for the event, and discounting it based on the expected timing and a discount rate. Each of the assumptions in this model were considered significant assumptions. We noted that a change in the expected probability, expected payoff, timing, or discount rate, would result in a change to the fair value ascribed to the Convertible Note.

Redeemable Preferred Shares

On November 11, 2020, 7.5 million redeemable preferred shares were issued, each with a nominal value of NOK 0.01 per share for an aggregate subscription amount of NOK 71.5 million (\$7.5 million) to two affiliates of Alussa in exchange for a cash contribution of \$7.5 million (the “Preferred Share Preference Amount”). Concurrently, FREYR Legacy issued 92.5 million warrants that were subscribed together with the redeemable preferred shares and considered an embedded feature as they were not separately exercisable. On February 16, 2021, an additional 7.5 million redeemable preferred shares were issued, each with a nominal value of NOK 0.01 per share, for an aggregate subscription amount of NOK 64.1 million (\$7.5 million) to three affiliates of Alussa in exchange for a Preferred Share Preference Amount of \$7.5 million. As part of the Business Combination and after the Norway demerger, the FREYR Legacy preferred shares were repurchased by FREYR at an adjusted Preferred Share Preference Amount of \$14.9 million and the holders received 1.5 million ordinary shares of FREYR. Before settlement, the preferred shares were valued using a scenario-based framework, and within each scenario, a discounted cash flow approach was utilized, discounting the expected payoffs upon a conversion or redemption event. Each of the assumptions in this model were considered significant assumptions. Prior to settlement, changes in the fair value of the redeemable preferred shares were recognized as redeemable preferred shares fair value adjustment within the consolidated statements of operations and comprehensive loss.

The following table presents changes in the Level 3 instruments measured at fair value (in thousands):

| | For the year ended December 31, 2022 | | For the year ended December 31, 2021 | | |
|-------------------------------------|---|------------------|---|------------------|-----------------------------|
| | Asset | Liability | Asset | Liability | Redeemable Preferred Shares |
| | Convertible Note | Private Warrants | Convertible Note | Private Warrants | |
| Balance (beginning of period) | \$ 20,231 | \$ 49,124 | \$ — | \$ — | \$ 7,574 |
| Additions | — | — | 20,000 | 27,265 | 7,500 |
| Fair value measurement adjustments | (277) | (14,183) | 231 | 21,859 | (74) |
| Reclassification to Public Warrants | — | (1,092) | — | — | — |
| Settlements | — | — | — | — | (15,000) |
| Balance (end of period) | \$ 19,954 | \$ 33,849 | \$ 20,231 | \$ 49,124 | \$ — |



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. SHAREHOLDERS' EQUITY

Ordinary Shares

As of December 31, 2022 and December 31, 2021, 245.0 million ordinary shares without par value were authorized and 139.7 million and 116.9 million ordinary shares were outstanding as of December 31, 2022 and December 31, 2021, respectively. Holders of ordinary shares are entitled to one vote per share and to receive dividends when, as, and if, declared by our Board of Directors. As of December 31, 2022, we have not declared any dividends.

In December 2022, FREYR closed a public offering of 23.0 million ordinary shares at an offering price of \$11.50 per share for total gross proceeds of approximately \$264.5 million.

Share Repurchase Program

In May 2022, the Board of Directors approved a share repurchase program (the "Share Repurchase Program"). The shares purchased under the program are to be used to settle the exercise of employee options granted under the Company's equity compensation plans. We were authorized to repurchase up to 150 thousand of the Company's ordinary shares. The Share Repurchase Program had no time limit and was able to be suspended or discontinued at any time. We purchased 150 thousand ordinary shares at an average price of \$6.97 per share, excluding fees, during the year ended December 31, 2022 (no comparative amounts for the year ended December 31, 2021). As of December 31, 2022, the authorized share repurchase was completed and no ordinary shares remain available for repurchase under the program. There were 148.4 thousand and zero treasury shares outstanding as of December 31, 2022 and December 31, 2021, respectively.

Share-Based Compensation

2021 Plan

In June 2021, we adopted the 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 Plan provides for the grant of stock options, restricted stock, RSUs, stock appreciation rights, performance units, and performance shares to our employees, directors, and consultants. Generally, our stock options and RSUs vest annually over three years and our stock options are exercisable over a maximum period of five years from their grant dates. Options are typically forfeited when the employment relationship ends for employees and they do not typically forfeit for directors. Generally, our RSUs are liability-classified awards, as they are cash settled based on the closing price of the shares on the vesting date.

As of December 31, 2022, a total of 11.6 million shares were reserved for issuance to satisfy share-based compensation awards made under the 2021 Plan. All exercised options are settled in shares net of shares withheld to satisfy the award exercise price and related taxes.

A rollforward of employee options outstanding under the 2021 Plan was as follows (number of options in thousands):

| | Number of options | Weighted average exercise price |
|----------------------------------|----------------------|---------------------------------------|
| Outstanding at January 1, 2022 | 2,102 | \$ 10.05 |
| Granted | 4,103 | 9.74 |
| Exercised | (16) | 10.00 |
| Forfeited | (326) | 9.82 |
| Outstanding at December 31, 2022 | <u>5,863</u> | <u>9.83</u> |
| Exercisable at December 31, 2022 | 842 | \$ 10.04 |

The aggregate intrinsic value of options outstanding and exercisable as of December 31, 2022 was \$0.7 million and zero, respectively. The weighted average remaining life for options outstanding and exercisable as of December 31, 2022 was 4.1 years and 3.7 years, respectively.

A rollforward of RSUs outstanding under the 2021 Plan was as follows (number of RSUs in thousands):

| | Number of RSUs | Weighted average grant date fair value |
|----------------------------------|-------------------|---|
| Outstanding at January 1, 2022 | \$ — | \$ — |
| Granted | 61 | 7.39 |
| Outstanding at December 31, 2022 | <u>\$ 61</u> | <u>\$ 7.39</u> |



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The aggregate intrinsic value of RSUs outstanding as of December 31, 2022 was \$0.5 million. The weighted average remaining life for RSUs as of December 31, 2022 was 2.4 years.

2019 Plan

FREYR Legacy had an Incentive Stock Option Plan (the "2019 Plan"). According to the 2019 Plan, options or warrants could be granted to eligible employees.

As a result of the consummation of the Business Combination on July 9, 2021, all granted awards vested immediately. As such, on July 9, 2021, share-based compensation was recognized for the remaining unrecognized fair value of the 2019 Plan awards. No further options or warrants can be issued under the 2019 Plan.

Effective at the close of the Business Combination, the 2019 Plan was modified to require cash settlement after a lock-up period of one year for all non-executive employees or two years for all executive employees. The awards granted under the 2019 Plan are liability-classified awards, and as such, these awards are remeasured to fair value at each reporting date with changes to the fair value recognized as stock compensation expense in general and administrative expenses or research and development expenses in the consolidated statements of operations and comprehensive loss. Cumulative stock compensation expense cannot be reduced below the grant date fair value of the original award.

A rollforward of employee options and warrants outstanding under the 2019 Plan was as follows (number of options and warrants in thousands):

| | Number of options and warrants | Weighted average exercise price |
|--|--------------------------------------|---------------------------------------|
| Outstanding at January 1, 2022 | 1,008 | \$ 2.81 |
| Exercised | (331) | \$ 1.96 |
| Outstanding and exercisable at December 31, 2022 | <u>677</u> | <u>\$ 3.23</u> |

The aggregate intrinsic value of options and warrants outstanding and exercisable as of December 31, 2022 was \$3.7 million. The weighted average remaining life for options and warrants outstanding and exercisable as of December 31, 2022 was 2.7 years. The Company paid \$2.9 million for 2019 Plan options and warrants exercised in 2022.

CEO Option Awards

In June 2021, our Chief Executive Officer ("CEO") entered into a stock option agreement, as an appendix to an employment agreement, effective upon the consummation of the Business Combination. In accordance with the stock option agreement, on July 13, 2021 our CEO was granted 850 thousand options to acquire our shares at an exercise price of \$10.00 (the "CEO Options"). The CEO Options are subject to nine separate performance criteria, each of which is related to 1/9th of the total award amount. After the performance criteria are achieved and certified by the Board of Directors, the options will vest in equal parts subsequent to the certification date on the stated dates of December 31, 2022, September 30, 2023 and June 1, 2024. Compensation cost is recognized to the extent that achievement of the performance criteria is deemed probable. During the year ended December 31, 2022, 94 thousand of the CEO Options were awarded by the Board of Directors after the achievement of one of the performance criteria.

Nonemployee Awards

On December 4, 2020, FREYR Legacy entered into a license agreement with a third-party service provider for its support in initiating and enabling high-level discussions with Japanese technology providers. On February 16, 2021, FREYR Legacy's shareholders issued 413 thousand warrants with an exercise price of NOK 0.01, as payment-in-kind for the services provided in the license agreement. On March 8, 2021, the third-party service provider subscribed for the warrants, and the warrants were reclassified from liability to equity and remeasured to the fair value on the date of subscription. On November 26, 2021, the warrants were exchanged on a one-for-one basis for ordinary shares.

Valuation and Expense

Valuation Models and Assumptions

We generally estimate the fair value of stock options and warrants with service or service and performance vesting conditions using the Black-Scholes-Merton option pricing model. The grant date fair value is determined for equity-classified options, and liability-classified options and warrants are revalued at each reporting date. The fair value of RSUs is based on the closing fair market value of our common stock, which for our liability-classified RSUs is determined at each reporting date.



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The weighted average grant date assumptions and fair values for stock options and warrants calculated using the Black-Scholes-Merton option pricing model are as follows:

| | For the year ended December 31, | |
|-------------------------|--|-------------|
| | 2022 | 2021 |
| Valuation assumptions: | | |
| Expected term (years) | 3.45 | 4.22 |
| Expected volatility | 60.32 % | 49.30 % |
| Expected dividend yield | 0.00 % | 0.00 % |
| Risk-free interest rate | 3.16 % | 0.28 % |
| Grant date fair value | \$ 3.82 | \$ 7.60 |

The Company generally uses the simplified method when calculating the expected term due to insufficient historical exercise data. For stock options and warrants granted under the 2019 Plan, we used the contractual term as the expected term, as these awards were deeply in the money on the grant date. The expected volatility was derived from the average historical daily stock volatility of a peer group of public companies that we consider to be comparable to our business over a period equivalent to the expected terms of the share-based awards. The expected dividend yield was based on our expectation that we would not pay dividends in the foreseeable future. The risk-free interest rate was based on U.S. Treasury Rates for awards granted after the Business Combination and based on the AAA-Rated Euro Area Central Government Bond Yields for awards issued before the Business Combination.

We valued out of the money option awards granted in 2021, after the Business Combination, using a lattice option pricing model. The weighted average grant date assumptions and fair values for stock options calculated using a lattice option pricing model are as follows:

| | For the year ended December 31, 2021 | |
|----------------------------------|---|---------|
| | Valuation assumptions: | |
| Expected volatility | | 50.33 % |
| Expected dividend yield | | 0.00 % |
| Risk-free interest rate | | 0.79 % |
| Grant date fair value per option | \$ | 3.42 |

As the awards were issued out of the money, an assumption was made that the holders would choose to exercise when a certain exercise ratio was achieved of the share price over the exercise price, upon which the expected life was calculated. All other assumptions were consistent with those used in the Black-Scholes-Merton option pricing model.

Share-Based Compensation Expense

The following table summarizes share-based compensation expense by line item in the consolidated statements of operations (in thousands):

| | For the year ended December 31, | |
|----------------------------|--|-------------|
| | 2022 | 2021 |
| General and administrative | \$ 8,312 | \$ 12,998 |
| Research and development | 331 | 1,820 |

As of December 31, 2022, we had \$13.8 million of total unrecognized share-based compensation expense which will be recognized over a weighted-average period of 1.3 years.

11. GOVERNMENT GRANTS

For the year ended December 31, 2022 and 2021, we recognized grant income of \$4.0 million and \$2.3 million, respectively, in other income, net within the consolidated statements of operations and comprehensive loss. For the year ended December 31, 2022 and 2021, we recorded grant income of \$10.5 million and zero, respectively, as a reduction of property and equipment, net on our consolidated balance sheets, as these grants partially offset capitalized costs related to the construction in progress for the CQP. The 2022 reduction was attributable to the March 1, 2021 grant, which is discussed



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below. As of December 31, 2022 and 2021, we had \$0.2 million and \$1.4 million in deferred income from grants recorded as accrued liabilities and other on our consolidated balance sheets.

Significant Grant Awards

On February 12, 2021, we were awarded a grant of NOK 39.0 million (\$4.6 million based on NOK/USD exchange rate at the time of the transaction) for research, development, and innovation in environmental technology. The final conditions for the project were approved in December 2022. The grant may become repayable if grant proceeds are used to purchase or develop property and equipment or intangible assets that are later sold or moved out of Norway within five years of receipt of the grant.

On March 1, 2021, we were awarded a grant of NOK 142.0 million (\$16.5 million based on NOK/USD exchange rate at the time of the transaction) for the development and construction of the pilot plant in Mo i Rana, Norway. The grant is paid in arrears upon request based on progress and accounting reports with the last milestone becoming payable after the final project report is approved. The grant is subject to achieving successful financing of the pilot plant and other conditions, such as documenting and supporting costs incurred and obtaining a third-party attestation of our related records.

12. INCOME TAXES

As of December 31, 2022, FREYR has not yet initiated manufacturing or derived revenue from our principal business activities and, as a result, we generate losses before income taxes on our consolidated statements of operations. We also generate taxable losses in the majority of the jurisdictions in which we operate.

We had no provision for income taxes for the years ended December 31, 2022 and 2021. Additionally, we had no current tax expense, as a result of historical losses, and have no current deferred tax expense, as a result of the valuation allowance against our deferred tax assets.

A reconciliation of our income tax expense to the amount obtained by applying the statutory tax rate in Luxembourg is as follows (in thousands, except percentages):

| | For the year ended December 31, | |
|---|------------------------------------|-------------|
| | 2022 | 2021 |
| Pretax net loss | \$ (99,119) | \$ (93,378) |
| Statutory tax rate in Luxembourg | 25 % | 25 % |
| Income taxes calculated at statutory tax rate | (24,720) | (23,288) |
| Permanent difference - Fair value adjustments | (26,691) | 5,452 |
| Foreign tax differential | 2,197 | 1,513 |
| Changes in valuation allowance | 45,572 | 16,605 |
| Other permanent tax items - net | 3,642 | (282) |
| Income tax expense | \$ — | \$ — |
| Effective tax rate | 0 % | 0 % |

Deferred tax assets and liabilities are as follows (in thousands):

| | As of December 31, | |
|--|--------------------|-----------|
| | 2022 | 2021 |
| Deferred tax assets | | |
| Tax losses carryforwards | \$ 61,205 | \$ 16,295 |
| Stock-based compensation | 4,080 | 2,861 |
| Other | 147 | — |
| Total deferred tax assets before valuation allowance | 65,432 | 19,156 |
| Valuation allowance | (64,693) | (19,121) |
| Total deferred tax assets | 739 | 35 |
| Deferred tax liabilities | | |
| Property and equipment | 50 | 35 |
| Other | 689 | — |
| Total deferred tax liabilities | 739 | 35 |
| Net deferred tax asset | \$ — | \$ — |

As FREYR has not yet recorded taxable income in the jurisdictions of our net operating loss carryforwards, we maintain a full valuation allowance on our net deferred tax assets. The valuation allowance increased by \$45.6 million and \$16.7 million for the years ended December 31, 2022 and 2021, respectively. The increase in the valuation allowance was primarily related to an increase in net operating loss carryforwards. For the years ended December 31, 2022 and 2021, we



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

had net operating loss carryforwards of approximately \$259.7 million and \$70.7 million, respectively, primarily in Norway and Luxembourg. In Norway, net operating losses can be carried forward indefinitely, and in Luxembourg, net operating losses can be carried forward for 17 years to offset future income or profits.

We are required to pay income taxes and are subject to potential examination in our locations of operations, including Luxembourg, Norway, and the U.S. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws. Our tax years remain open for examination by all tax authorities since inception. We have not identified any uncertain tax positions or recorded any liabilities, or any associated interest or penalties for the years ended December 31, 2022 and 2021.

13. RELATED PARTY TRANSACTIONS

EDGE Agreements

The 2020 EDGE Agreement provided that FREYR Legacy should pay EDGE a monthly retainer fee. Additionally, FREYR Legacy agreed to make certain milestone payments to EDGE based on the closing of certain additional financing rounds as defined within the 2020 EDGE Agreement. See Note 8 – Warrants for further discussion on the warrant agreements between FREYR Legacy and EDGE. On January 18, 2021, the Board resolved to terminate the 2020 EDGE Agreement and enter into an employment contract with the continuing CEO and a consulting contract with the prior Chief Commercial Officer, subject to the closing of the Business Combination. See below for further detail on the consulting agreement with the prior Chief Commercial Officer.

For the year ended December 31, 2021, \$4.3 million in expenses related to the consulting services provided were recognized as general and administrative expenses within the consolidated statements of operations and comprehensive loss. No expenses were recorded for the year ended December 31, 2022. There were no unpaid amounts in accounts payable and accrued liabilities as of December 31, 2022 and 2021.

Consulting Agreement

Concurrent with the consummation of the Business Combination, we agreed to a consulting agreement with the prior Chief Commercial Officer and current member of the Board of Directors. Per the consulting agreement, the consultant will provide services related to scaling sustainable energy storage, as well as any other services requested by us, for a term of three years. During this term, we will pay the consultant an annual fee of \$0.4 million plus expenses. The expenses incurred for consulting services for the years ended December 31, 2022 and 2021 were \$0.4 million, and \$0.2 million, respectively. These expenses are recognized as general and administrative expenses within the consolidated statements of operations and comprehensive loss. The unpaid amount of less than \$0.1 million was recognized in accounts payable and accrued liabilities as of December 31, 2022 and 2021.

Metier

In 2020, we entered into a framework agreement with Metier OEC, which provides primarily project management and administrative consulting services. The CEO of Metier OEC is the brother of our current Executive Vice President, Project Execution. The total cost incurred for the years ended December 31, 2022 and 2021 were \$5.9 million and \$4.7 million, respectively. For the years ended December 31, 2022 and 2021, \$4.9 million and \$4.7 million, respectively, are recognized as general and administrative expenses within the consolidated statements of operations and comprehensive loss. For the year ended December 31, 2022, \$1.0 million of cost met the requirements for capitalization and is recognized as construction in process within the consolidated balance sheet. The unpaid amounts of \$0.7 million and \$0.3 million are recognized in accounts payable and accrued liabilities as of December 31, 2022 and 2021, respectively.

FREYR Battery US, LLC.

In October 2021, we formed a joint venture with Koch Strategic Platforms (“Koch”), with the purpose of advancing the development of clean battery cell manufacturing in the U.S. At the time of this initial investment, both parties agreed to contribute \$3.0 million for the initial costs related to developing the first gigafactory to project concept selection, and these contributions were made in January 2022. As of December 31, 2021, we held a 50% common stock ownership in the joint venture and utilized the equity method of accounting.

Between November 4, 2022 and November 7, 2022, the Company contributed \$49.0 million to the joint venture. On November 8, 2022, the joint venture finalized its gigafactory site selection process and purchased approximately 368 acres of land in Coweta County, Georgia for \$44.3 million. As a result of these contributions, the Company’s common share ownership in the joint venture increased to 95%. The joint venture’s progression towards the site selection milestone was deemed to be a reconsideration event and the joint venture was determined to meet the characteristics of a VIE. The Company was determined to be the primary beneficiary of the joint venture. Therefore, on November 7, 2022, the Company began consolidating the joint venture.

The capital contribution transaction met the definition of an asset acquisition as substantially all the fair value of the gross non-cash assets acquired consisted of a prepayment for the November 8, 2022 land acquisition. On November 7, 2022, the joint venture had assets with a fair value of \$2.8 million and liabilities with a fair value of \$39 thousand. The Company recognized a \$3.0 million non-controlling interest (“NCI”) for Koch’s 5% common share ownership in the joint venture. The fair value of the NCI was determined based on the share resale rights available to Koch until October 27, 2026. As a result of



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the asset acquisition, a loss of \$1.6 million was recognized in other income, net in the consolidated statements of operations and comprehensive loss.

14. CONVERTIBLE NOTE

On October 8, 2021, we invested \$20.0 million in an unsecured convertible note receivable from 24M, our battery platform technology licensor for our planned manufacturing facilities in Norway and the U.S.. The Convertible Note matures on October 8, 2024, carries an annual interest rate of 5%, and is convertible into common stock or preferred stock at our option beginning on October 8, 2023 or automatically upon a qualified initial public offering or direct listing in excess of our conversion price. Additionally, the Convertible Note contains a change of control provision that, if triggered, would result in repayment of 1.75x the note's original investment value plus any accrued interest. In December 2022, we signed a contract amendment that will result in the Convertible Note automatically converting to preferred stock on March 31, 2023 based on the contractual conversion price in the original contract. We have elected to account for the Convertible Note using the fair value option. See Note 9 – Fair Value Measurement for details on the valuation methodology.

15. NET LOSS PER SHARE

The Company's basic net loss per share attributable to ordinary shareholders for the year ended December 31, 2022 was computed by dividing net loss attributable to ordinary shareholders by the weighted-average ordinary shares outstanding.

For the year ended December 31, 2021, we computed net loss per share using the two-class method required for participating securities. Under the two-class method, undistributed earnings for the period are allocated to participating securities, including the redeemable preferred shares that were settled as part of the Business Combination, based on the contractual participation rights of the security to share in the current earnings as if all current period earnings had been distributed. As there was no contractual obligation for the redeemable preferred shares to share in losses, our basic net loss per share attributable to ordinary shareholders for the year ended December 31, 2021, was computed by dividing net loss attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding.

No dividends were declared or paid for the years ended December 31, 2022 and 2021.

Diluted net loss per share attributable to ordinary shareholders adjusts basic net loss per share attributable to ordinary shareholders to give effect to all potential ordinary shares that were dilutive and outstanding during the period. For the years ended December 31, 2022 and 2021, the treasury stock method was used to assess our warrants and share-based payment awards while the if-converted method was used to assess our redeemable preferred shares.

The computation of basic and diluted net loss per share attributable to ordinary shareholders is as follows (in thousands, except per share data):

| | For the year ended December 31, | |
|--|------------------------------------|-------------|
| | 2022 | 2021 |
| Numerator: | | |
| Net loss attributable to ordinary shareholders - basic and diluted | \$ (98,791) | \$ (93,378) |
| Denominator: | | |
| Weighted average ordinary shares outstanding - basic and diluted | 118,474 | 75,363 |
| Net loss per ordinary share: | | |
| Basic and diluted | \$ (0.83) | \$ (1.24) |



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The outstanding securities that could potentially dilute basic net loss per share in the future that were not included in the computation of diluted net loss per share as the impact would be anti-dilutive are as follows (in thousands):

| | As of December 31, | |
|--|--------------------|--------|
| | 2022 | 2021 |
| Public Warrants | 14,607 | 14,375 |
| Private Warrants | 10,018 | 10,250 |
| EDGE warrants | 2,176 | 2,176 |
| Employee options | 5,863 | 2,102 |
| Share-based compensation liability options and warrants ⁽¹⁾ | 567 | 1,008 |
| CEO Options ⁽²⁾ | 94 | — |
| Total | 33,325 | 29,911 |

(1) Share-based compensation liability options and warrants exclude 110 thousand of the total outstanding 677 thousand option and warrant liability awards, as these awards are required to be cash-settled due to the expiration of the lock-up period specified in the BCA. See Note 10 – Shareholders' Equity for further details.

(2) For the year ended December 31, 2022, the Company excluded 756 thousand of the total 850 thousand CEO Options, as it is not yet probable that the performance conditions for these options will be achieved. See Note 10 – Shareholders' Equity for further details.



ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Group Chief Financial Officer, our principal executive officer and principal financial officer, respectively, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2022, pursuant to Exchange Act Rule 13a-15. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by us is accumulated and communicated to the appropriate management on a basis that permits timely decisions regarding disclosure. Based upon that evaluation, our Chief Executive Officer and Group Chief Financial Officer concluded that our disclosure controls and procedures as of December 31, 2022, were effective at a reasonable assurance level.

In designing and evaluating our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of published financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Our system of internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the U.S. and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the consolidated financial statements.

Our management, including the Chief Executive Officer and the Group Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2022, based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2022.

Attestation Report of Independent Registered Public Accounting Firm

This Annual Report does not include an attestation report of the Company's registered public accounting firm due to the established rules of the U.S. Securities and Exchange Commission.

Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting, as identified in connection with the evaluation required by Rule 13a-15(d) and Rule 15d-15(d) of the Exchange Act, that occurred during the quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.



PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

DIRECTORS

The following table lists as of February 17, 2023 the names of our eight (8) directors, their respective ages, and positions with us, followed by a brief biography of each individual, including their business experience. There is no familial relationship between any of our executive officers and directors.

| Name | Age | Position |
|------------------------|-----|--|
| Torstein Dale Sjøtveit | 67 | Founder and Executive Chairman of the Board of Directors |
| Daniel Barcelo | 53 | Director |
| Mimi Berdal | 63 | Director |
| Jason Forcier | 51 | Director |
| Peter Matrai | 50 | Co-Founder and Director |
| Daniel Steingart | 45 | Director |
| Olaug Svarva | 65 | Director |
| Monica Tiúba | 44 | Director |

Executive Chairman

Torstein Dale Sjøtveit, Founder and Executive Chairman of the Board of Directors. Mr. Sjøtveit founded FREYR Legacy in, and has served as FREYR Legacy's Executive Chairman since, February 2018. Prior to FREYR Legacy, Mr. Sjøtveit was Group Chief Executive Officer of Sarawak Energy Berhad (SEB), in Malaysia, from November 2009 to November 2016. Prior to SEB, Mr. Sjøtveit held multiple senior leadership roles at large industrial companies, including President and Chief Executive Officer of Aker Yards ASA (now a subsidiary of STX Corporation) from August 2008 to June 2009 and Executive Vice President Aluminum Metal of Norsk Hydro ASA from August 2006 to August 2008. Mr. Sjøtveit served on the Board of Directors of Synchron AB from August 2017 to October 2018 and on the Board of Directors of International Hydropower Association from September 2011 to September 2017. During his tenure at Norsk Hydro, Aker Yards and Sarawak Energy, Mr. Sjøtveit served on other boards of directors including for Torvald Klaveness Group and the Norwegian Petroleum Association. Mr. Sjøtveit studied engineering at Porsgrunn Tekniske and Stavanger ingeniorhøgskole (now part of the University of Stavanger).

We believe Mr. Sjøtveit is qualified to serve on our Board of Directors because of his knowledge of FREYR Legacy's business, leadership experience and industry expertise.

Non-Employee Directors

Daniel Barcelo. Mr. Barcelo has served as a director of FREYR since the consummation of the Business Combination. He is also the founder and CEO of Alussa Energy LLC. Prior to founding Alussa Energy in 2019, he was a Director of Research and Portfolio Manager at Moore Capital Management from 2008 to 2011 and an Equity Research Analyst with Lehman Brothers from 1998 to 2004, Bank of America from 2004 to 2008, and Managing Director and Head of Oil & Gas at Renaissance Capital in Moscow, Russia from 2011 to 2012. He has also served as Chief Financial Officer of Ruspetro plc in Russia from 2012 to 2014, Head of Corporate Finance of Lekoil Limited in Nigeria from 2015 to 2016 and co-founder, Director, and Chief Financial Officer of Invicti Terra Argentina Limited in Argentina from 2017 to 2019. Mr. Barcelo is a graduate of Syracuse University with a Bachelor of Science in Finance and is also a CFA charterholder.

We believe Mr. Barcelo is qualified to serve on our Board of Directors due to his extensive experience in international energy finance and emerging markets.

Mimi Berdal. Ms. Berdal has served as a director of FREYR since the consummation of the Business Combination. Ms. Berdal has been a self-employed corporate adviser, lecturer, and investor since 2005. During this time, Ms. Berdal has had various board and professional assignments in private, public, and listed companies, including as member and Chairman of the Board of Renewable Energy Corporation ASA, subsequently REC Solar ASA, from 2011 to 2015 and member and Chairman of the Board of Norwegian gas infrastructure operator Gassco AS ("Gassco"), a Norwegian state-owned energy company, from 2007 to 2019. Due to her roles at Gassco, Ms. Berdal has been identified as a politically exposed person. Prior to 2005, Ms. Berdal was admitted to the Norwegian bar during her 17 years of practicing law as attorney and partner at the law firm Arntzen de Besche in Oslo, and three years as in-house legal adviser to TOTAL Norge AS. Her primary fields of expertise were petroleum and energy law, mergers and acquisitions, securities, and corporate law. At present, Ms. Berdal serves as Chairman of the Board of Goodtech ASA and Connect Bus AS, member of the Board of Electromagnetic Geoservices (EMGS) ASA, Energima AS, KLP Eiendom AS, Norsk Titanium AS and the Norwegian branch of Transparency International and Chairman of the Nomination Committee of Borregaard ASA. Ms. Berdal holds a Master of Laws from the University of Oslo.



We believe Ms. Berdal is qualified to serve on our Board of Directors because of her broad knowledge of the global energy market, including the renewable sector, and her extensive experience with capital markets.

Jason Forcier. Mr. Forcier has served as a director of FREYR since December 2022. He is the Chief Executive Officer (CEO) of SVP Worldwide and was the Chief Operations Officer (COO) and Executive Vice President (EVP) for Infrastructure and Solutions at Vertiv Holdings Co. from February 2020 to August 2022, after serving in several executive roles in that company since October 2017. Prior to that, Mr. Forcier was CEO at A123 Systems LLC (a global manufacturer of lithium-ion batteries) from 2013 to 2017, where he also served as President (Transportation) and EVP (Automotive) during his time there. He has previously held senior leadership positions at Lear Corporation and Robert Bosch LLC. Mr. Forcier earned his bachelor's degree in mechanical engineering from Kettering University, and he holds a master's degree in business administration from University of Michigan.

We believe Mr. Forcier is qualified to serve on our Board of Directors because of his experience leading and establishing manufacturing operations in the lithium-ion battery and other industries.

Peter Matrai. Mr. Matrai has served as a director of FREYR since the consummation of the Business Combination. He previously served as a director of FREYR Legacy. Mr. Matrai joined FREYR Legacy's Board of Directors in June 2019. Prior to and concurrently with joining FREYR Legacy, Mr. Matrai has served as Co-Founder and Managing Partner at EDGE Global LLC, which offers scaling services to sustainability-focused companies, since September 2017. Prior to EDGE Global LLC, Mr. Matrai was Senior Advisor at SYSTEMIQ Ltd. from May 2016 to September 2017. Prior to SYSTEMIQ Ltd., Mr. Matrai was Chief Financial Officer at Joule Unlimited from July 2015 to April 2016. Mr. Matrai has served on the Board of Directors of the not-for-profit HTTP Foundation since November 2004. Mr. Matrai holds a B.S. in Economics and M.Sc. in Finance from Budapest University of Economics, an M.Sc. in Financial Services and Banking Techniques from Université Panthéon-Assas and an M.B.A. from University of Chicago Booth School of Business.

We believe Mr. Matrai is qualified to serve on our Board of Directors because of his experience licensing and commercializing emerging low-emissions and disruptive technologies as well as his intimate familiarity with FREYR Legacy's business.

Daniel Steingart. Dr. Steingart has served as a director of FREYR since January 2023. Currently, he is the Stanley-Thompson Professor of Chemical Metallurgy at Columbia University in New York where he also serves as the Co-Director of the Columbia Electrochemical Energy Center. Dr. Steingart has served as Chief Scientist/Advisor to ElectraSteel since 2020, Co-Founder of Liminal Insights Inc. since 2015 and Industry Advisor to Sila Nanotechnologies Inc. since 2016. Prior to joining Columbia University in 2019, he was an associate professor in Princeton's Department of Mechanical and Aerospace Engineering and the Andlinger Center for Energy and the Environment from 2013 to 2019. Earlier, he was an assistant professor in chemical engineering at the City College of the City University of New York. Dr. Steingart holds a Ph.D. in Materials Science from the University of California, Berkeley.

We believe Dr. Steingart is qualified to serve on our Board of Directors because of his technical and industry credentials as an electrochemistry expert and research scientist, and an advisor to start-up companies in the energy sector.

Olaug Svarva. Ms. Svarva joined FREYR's board upon the consummation of the Business Combination. Prior to joining FREYR, Ms. Svarva was Chief Executive Officer at Folketrygdfondet, the investment manager of Norway's Government Pension Fund, from January 2006 to February 2018. Ms. Svarva has served on the Board of Directors of the Institute of International Finance since October 2019. Ms. Svarva has served as the Chair of the Board of Directors of Norfund, the Norwegian investment fund for developing countries, since June 2019. Ms. Svarva has served on the Board of Directors of Investinor AS since June 2018. Ms. Svarva has served as Chair of the Board of Directors of DNB ASA, Norway's largest financial institution, since April 2018. Ms. Svarva holds an Associate's degree from Trondheim University College, a B.S. in Business Administration from University of Denver, and an M.B.A. from University of Denver.

We believe Ms. Svarva is qualified to serve on our Board of Directors because of her extensive experience with financial markets, record of ESG-focused investing and strong executive and board leadership.

Monica Tiúba. Ms. Tiúba has served as a director of FREYR since the consummation of the Business Combination. Ms. Tiúba is a member of Tenaris' (NYSE: TS) Board of Directors and Chairperson of its audit committee. She is a Brazilian qualified lawyer and accountant with 20 years of professional experience in Brazil and Luxembourg. She started her career at Barbosa, Mussnich & Aragão law firm in Rio de Janeiro, Brazil, where she practiced corporate law, M&A, and tax litigation. She worked at EY and PwC, in their Brazil and Luxembourg offices, advising multinational clients, private equity houses and family offices. She gained banking experience working as international senior wealth planner at Banque Edmond de Rothschild, in Luxembourg. She also currently serves as member of the board of directors of investing for Development SICAV, a Luxembourg social impact fund and member of the investment committee of its sub-fund Forest and Climate Change Fund. Ms. Tiúba holds a specialization in EU tax law from Leiden University, and a Master of Laws in international taxation from the Vienna University of Economics.

We believe Ms. Tiúba is qualified to serve on our Board of Directors because of her extensive experience with the energy industry and financial markets.



Independence of Directors

The NYSE Listed Company Manual generally defines an “independent director” as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer’s Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board of Directors has determined that Daniel Barcelo, Mimi Berdal, Jason Forcier, Daniel Steingart, Olaug Svarva, and Monica Tiüba, are “independent directors” as defined in the NYSE listing standards and applicable SEC rules. FREYR’s independent directors have regularly scheduled meetings at which only independent directors are present. In addition, FREYR is subject to the rules of the SEC and the NYSE Listed Company Manual relating to the membership, qualifications, and operations of the Audit and Risk Committee, as discussed below.

Board Leadership Structure

Torstein Dale Sjøtveit serves as Chairman of the FREYR Board of Directors and Tom Einar Jensen serves as Chief Executive Officer of FREYR. FREYR has determined that this structure, with separate Chairman and CEO roles, is in the best interests of FREYR at this time because it allows the CEO to focus his time and energy on operating and managing FREYR and leverage the experience and perspectives of the Chairman.

Role of FREYR Board in Risk Oversight

One of the key functions of the FREYR Board of Directors is informed oversight of FREYR’s risk management process. The FREYR Board of Directors does not maintain a separate standing risk management committee, but has rather included in the scope and purpose of the Audit and Risk Committee that it shall assist and advise the Board of Directors in its oversight of the enterprise risk management of the Company. A description of the main standing committees of the board of directors and their functions, including those related to risk oversight, is shown below.

Meetings and Committees of the Board of Directors

The FREYR Board of Directors has established various standing committees, and in addition, special or limited duration committees may be established under the direction of FREYR’s Board of Directors when necessary to address specific issues.

Executive Management Committee

On November 15, 2022, the Board of Directors updated the Group’s management structure by appointing an Executive Management Committee (the “Executive Committee”) and approved its charter. Pursuant to the charter of the Executive Committee, the Board of Directors shall, in its sole discretion, appoint and remove members of the Executive Committee and its chairperson, with no fixed number of members and which shall include, at a minimum, the following director and officers of the Company:

- The Executive Chairman;
- The Chief Executive Officer;
- The Chief Operating Officer;
- The Group Chief Financial Officer; and
- The Chief Legal Officer.

As of February 17, 2023, the Executive Committee consists of Torstein Dale Sjøtveit, Tom Einar Jensen, Jan Arve Haugan, Oscar Brown, Are Brautaset, and Peter Matrai. The Chairperson of the Executive Committee is Torstein Dale Sjøtveit.

The purpose of the Executive Committee is to assist and advise the Board of Directors and oversee certain management and operational functions of the Company as set out in its charter, without prejudice to the powers conferred to the daily managers (délégés à la gestion journalière) of the Company or the legal powers of the Board of Directors. The Executive Committee meets at least once a month.

Audit and Risk Committee

The FREYR Board of Directors established an Audit and Risk Committee comprised of at least three independent directors. As of February 17, 2023, the Audit and Risk Committee consists of Monica Tiüba, Daniel Barcelo, and Olaug Svarva.

The Audit and Risk Committee is composed exclusively of “independent directors,” as defined for Audit and Risk Committee members under the NYSE Listed Company Manual and the rules and regulations of the SEC, who are “financially literate,” as defined in the NYSE Listed Company Manual. The NYSE Listed Company Manual defines “financially literate” as being able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement. In addition, FREYR includes at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual’s financial sophistication. Monica Tiüba serves as a financial expert and the Chairperson of the Audit and Risk Committee.



The Audit and Risk Committee has a written charter, and its purpose includes, but is not limited to, assisting and advising the FREYR Board of Directors in its oversight of:

- Accounting and financial reporting processes and internal controls of FREYR;
- The audit and integrity of FREYR's financial statements;
- FREYR's enterprise risk management;
- FREYR's compliance with applicable laws and regulations (including U.S. federal securities laws and other legal and regulatory requirements);
- The qualifications, independence, and performance of FREYR's independent registered public accounting firm;
- The implementation and performance of FREYR's internal audit function, as applicable; and
- Overseeing policies and strategies related to ESG matters and reporting.

The Audit and Risk Committee meets formally four times per year, or more often as required.

Compensation Committee

The FREYR Board of Directors established a Compensation Committee consisting of at least two directors. As of February 17, 2023, the Compensation Committee currently consists of Mimi Berdal and Jason Forcier. Each of the members of the Compensation Committee is independent under the applicable rules of the NYSE Listed Company Manual. The Chairperson of the Compensation Committee is Mimi Berdal.

The Compensation Committee has a written charter, and its purpose is to:

- Oversee FREYR's compensation policies, plans, benefits, programs, and overall compensation philosophy;
- Assist the FREYR Board of Directors in discharging its responsibilities relating to
 - a. overseeing compensation of FREYR's Chief Executive Officer and other individuals who are "officers" as defined in Rule 16a-1(f) under the Exchange Act and
 - b. evaluating and recommending their compensation plans, policies, and programs of FREYR;
- Administer FREYR's incentive compensation plans, equity compensation plans, and such other plans as designated from time to time by the Board of Directors of FREYR; and
- Prepare the report of the Compensation Committee if and as required by the rules and regulations of the SEC.

The Compensation Committee meets formally three times a year and otherwise as required.

Nominating and Corporate Governance Committee

The FREYR Board of Directors established a Nominating and Corporate Governance Committee that, as of February 17, 2023, consists of Olaug Svarva and Mimi Berdal. Both of the members of the Nominating and Corporate Governance Committee meet the requirements for independence under the current NYSE Listed Company Manual and SEC rules and regulations. The Chairperson of the Nominating and Corporate Governance Committee is Olaug Svarva.

The Nominating and Corporate Governance Committee has a written charter, and the committee's responsibilities include, but are not limited to:

- Reviewing the qualifications of, and recommending nominees for election to the Board of Directors and its committees, consistent with approved criteria;
- Developing, evaluating, and recommending corporate governance practices applicable to FREYR;
- Overseeing the evaluation of FREYR's management;
- Facilitating and overseeing the annual performance review of FREYR's Board of Directors and its committees; and
- Evaluating the adequacy of FREYR's corporate governance guidelines and reporting.

The Nominating and Corporate Governance Committee meets as deemed necessary by the committee.

Financing Committee

The FREYR Board of Directors established a Financing Committee on February 23, 2022. During its tenure, the Financing Committee consisted of Daniel Barcelo, Olaug Svarva, and Mimi Berdal. The Financing Committee has a written charter, and the committee's responsibilities include, but are not limited to, considering, evaluating, responding to, negotiating, recommending, and/or approving, as applicable, any external financing proposals related to gigafactory developments prior to the full Board of Director's review and approval of such proposals. The Financing Committee met periodically as deemed necessary by the committee. This committee was disbanded in February of 2023.



Code of Business Conduct and Ethics and Other Corporate Policies

On July 9, 2021, the Board of Directors adopted a Code of Business Conduct and Ethics that applies to all of our officers, directors, employees, employees in training, contract employees, and consultants. The Code of Business Conduct and Ethics codifies the business and ethical principles that govern all aspects of our business. FREYR will provide upon request, copies of our Code of Business Conduct and Ethics without charge.

Additionally, the Board of Directors adopted other policies and documentation and established a whistle-blower program to allow confidential reporting of violations of our policies. The Audit and Risk Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Committee Charter, Corporate Governance Guidelines, Code of Business Conduct and Ethics, and other policies are available on the Governance section of our website. See also Part I, Item 1 “Business” of this Annual Report on Form 10-K in the section “Available Information”.

EXECUTIVE OFFICERS

Set forth below are the names, ages, and biographical information for each of our current executive officers as of February 17, 2023.

| Name | Age | Position |
|------------------------|-----|---|
| Tom Einar Jensen | 52 | Co-Founder and Chief Executive Officer |
| Jan Arve Haugan | 65 | Chief Operating Officer |
| Oscar Brown | 52 | Group Chief Financial Officer |
| Ryuta Kawaguchi | 49 | Chief Technology Officer |
| Are Brautaset | 52 | Chief Legal Officer |
| Andreas Bentzen | 47 | Executive Vice President, Technology |
| Jeremy Bezdek | 49 | Executive Vice President, Global Corporate Development |
| Gery Bonduelle | 51 | Executive Vice President, Sales |
| Tilo Hauke | 54 | Executive Vice President, Supply Chain Management |
| Einar Kilde | 62 | Executive Vice President, Project Execution |
| Tove Nilsen Ljungquist | 58 | Executive Vice President, Operations |
| Hege Marie Norheim | 56 | Executive Vice President, Corporate Public Affairs and Sustainability |

Tom Einar Jensen, Co-Founder and Chief Executive Officer. Mr. Jensen has served as Chief Executive Officer of FREYR since July 2021. Mr. Jensen became a Co-Founder of FREYR Legacy and has served as FREYR Legacy’s Chief Executive Officer since October 2018. Prior to and concurrently with FREYR Legacy, Mr. Jensen has served as Co-Founder and Partner of EDGE Global LLC since September 2017. Prior to EDGE Global LLC and FREYR Legacy, Mr. Jensen served in multiple positions, most recently as Partner and Senior Advisor, at SYSTEMIQ Ltd. from April 2016 to September 2017. Prior to SYSTEMIQ Ltd., Mr. Jensen was Executive Vice President Head at Joule Unlimited Technologies, Inc. (“Joule Unlimited”) from April 2014 to March 2016. Prior to Joule Unlimited, Mr. Jensen was Chief Executive Officer at Agrinos AS from September 2009 to September 2013. Prior to Agrinos AS, Mr. Jensen held various positions in finance, strategy, and business development at Norsk Hydro. Mr. Jensen holds an M.Sc. in Finance and Economics from the Norwegian School of Economics.

Jan Arve Haugan, Chief Operating Officer. Mr. Haugan has served as Chief Operating Officer of FREYR and as President and Managing Director of FREYR Battery Norway since July 2021. He previously served as FREYR Legacy Chief Operating Officer and Deputy Chief Executive Officer since January 2021. Prior to joining FREYR Legacy, Mr. Haugan was head of Projects and Operations at Aker Horizons AS from June 2020 to January 2021. Prior to Aker Horizons AS, Mr. Haugan was Chief Executive Officer at Aker Energy AS from January 2018 to December 2019. Prior to Aker Energy AS, Mr. Haugan was Chief Executive Officer at Kvaerner ASA from July 2011 to December 2017. Mr. Haugan has served as chair of the Board of Directors of Tensio AS since July 2022. Mr. Haugan has served on the Board of Directors of Meraaker Hydrogen AS from July 2020 until July 2022. Mr. Haugan has served on the Board of Directors of IOR Norway AS since October 2020. Mr. Haugan has served on the Board of Directors of Kvaerner ASA, later merged with Aker Solutions ASA, since January 2018. Mr. Haugan holds an M.Sc. in Civil Engineering from University of Colorado at Boulder.

Oscar Brown, Group Chief Financial Officer. Mr. Brown joined FREYR in April 2022 and currently serves as Group Chief Financial Officer of FREYR. He comes with more than 30 years of energy industry experience, having most recently been Senior Vice President of Strategy, Business Development, and Supply Chain for Occidental Petroleum Corporation. Prior to joining Occidental, he held positions of increasing responsibility as an investment banker with CS First Boston, Lehman Brothers, Barclays Capital, and Bank of America Merrill Lynch, where he was co-head of Americas Energy Investment Banking. He is a board member, chairs the ESG Committee, and serves on the Compensation Committee of Western Midstream Partners LP (NYSE: WES) and is a past director of Plains All-American Pipeline LP (NYSE: PAA) and Plains GP Holdings LP (NYSE: PAGP). Mr. Brown holds a bachelor’s degree in Business Administration, Finance and Marketing from the University of Texas at Austin.



Ryuta Kawaguchi, Chief Technology Officer. Mr. Kawaguchi has served as Chief Technology Officer of FREYR since July 2021. He previously served as FREYR Legacy's Chief Technology Officer since August 2020. Prior to joining FREYR Legacy, Mr. Kawaguchi was a full-time consultant to FREYR Legacy at Tecosim Simulation Ltd. from February 2020 to July 2020. Prior to Tecosim Simulation Ltd., Mr. Kawaguchi was Solution Owner EV Battery at Dyson Automotive R&D Limited from July 2019 to January 2020. Prior to Dyson Automotive R&D Limited, Mr. Kawaguchi was a Solution Owner EV Battery at Dyson Technology Limited from September 2017 to June 2019. Prior to Dyson Technology Limited, Mr. Kawaguchi held multiple positions at Nissan Motor Corporation and Toyota Industries Corporation in the field of EV Battery and Fuel Cell. Mr. Kawaguchi holds a B.S. and an M.Sc. in Aeronautical Engineering from Nagoya University.

Are L. Brautaset, Chief Legal Officer. Mr. Brautaset has served as Chief Legal Officer of FREYR since July 2021. He previously served as FREYR Legacy's Chief Legal Officer since December 2020. Prior to joining FREYR Legacy, Mr. Brautaset was an independent attorney from June 2020 to November 2020. Prior to that, Mr. Brautaset was Chief Legal Officer at Aker Energy AS from January 2019 to June 2020. Prior to Aker Energy AS, Mr. Brautaset was Vice President Legal at Equinor ASA (formerly known as Statoil ASA) from August 2016 to January 2019. Prior to Equinor ASA, Mr. Brautaset was Head of Legal and Compliance at Statoil Tanzania AS from August 2013 to July 2016. Mr. Brautaset has more than 20 years of experience as in-house counsel and holds a Master of Laws from University of Oslo.

Andreas Bentzen, Executive Vice President, Technology. Dr. Bentzen currently serves as Executive Vice President, Technology, in FREYR. He joined the company in August 2022. Prior to joining FREYR, Dr. Bentzen co-founded Otovo, the leading European residential solar energy and storage company, where he served as the Chief Technology Officer for more than six years between January 2016 and July 2022. Dr. Bentzen has more than 20 years experience in technology and strategic management from both industrial and academic R&D, including working as technology and management consultant for Nofas AS and as the Vice President, Technology for REC Technology U.S., Inc. in San Francisco. He holds a Master of Science from the Norwegian University of Science and Technology (NTNU) and a Ph.D. in physics from the University of Oslo.

Jeremy Bezdek, Executive Vice President, Global Corporate Development. Mr. Bezdek has served as Executive Vice President, Global Corporate Development and as President of FREYR Battery U.S since December 2022. Mr. Bezdek served as a director of FREYR from 2021 to 2022. He had spent 26 years with Koch companies in a variety of finance, corporate development, and commercial leadership roles, most recently as the Managing Director of Koch Strategic Platforms, an investment arm of Koch Industries. In 2010, Mr. Bezdek lead the newly created Innovation and M&A team for Flint Hills Resources, LP ("FHR"), a subsidiary of Koch Industries, Inc. After serving as the business leader of the Biofuels and Ingredients business for 2.5 years, Mr. Bezdek moved to the Corporate Development role in late 2017 where he led M&A and venture activity for FHR. Mr. Bezdek holds a Bachelor of Science in Business Administration, Finance Concentration from the University of Kansas.

Gery Bonduelle, Executive Vice President, Sales. Mr. Bonduelle has served as Executive Vice President, Sales of FREYR since July 2021. He previously served as FREYR Legacy's Executive Vice President Sales since April 2021. Prior to joining FREYR Legacy, Mr. Bonduelle held multiple positions at EnerSys, most recently as Sales Vice President EMEA and APAC beginning in July 2020 and prior to that as Vice President Sales Reserve Power EMEA from January 2016 to July 2020. Mr. Bonduelle holds a B.S. and an M.Sc. in Mechanical Engineering from ENIM University.

Tilo Hauke, Executive Vice President, Supply Chain Management. Dr. Hauke has served as Executive Vice President, Supply Chain Management of FREYR since October 2021. He has more than 20 years of experience in the carbon and graphite industry, especially in materials and components for the renewable energy sector. Previously, from 2014 to 2020, Dr. Hauke served as Senior Vice President, Business Line Fuel Cell Components, and before that Group Vice President, Technology and Innovation, both for SGL Carbon SE. Dr. Hauke holds a PhD in solid state physics from University of Halle-Wittenberg and an MBA from University of Augsburg/Pittsburgh.

Einar Kilde, Executive Vice President, Project Execution. Mr. Kilde has served as Executive Vice President, Project Execution of FREYR since July 2021. He previously served as FREYR Legacy's Executive Vice President Projects since October 2019. Prior to joining FREYR Legacy, Mr. Kilde was Executive Vice President at Bane NOR from October 2017 to September 2019. Prior to Bane NOR, Mr. Kilde was Executive Vice President, Project Execution at Sarawak Energy Berhad from September 2010 to October 2017. Prior to Sarawak Energy Berhad, Mr. Kilde was Executive Vice President and Head of Wafer Division at Renewable Energy Corporation ASA from August 2007 to July 2009. Mr. Kilde holds a B.S. in Mechanical Engineering from University of Trondheim.

Tove Nilsen Ljungquist, Executive Vice President, Operations. Ms. Ljungquist has served as Executive Vice President Operations of FREYR since July 2021. She previously served as FREYR Legacy's Executive Vice President Operationalization since January 2021. Prior to joining FREYR Legacy, Ms. Ljungquist was Executive Vice President at Moreld AS from April 2020 to December 2020. Prior to Moreld AS, Ms. Ljungquist was Chief Executive Officer at Agility Subsea Fabrication from September 2014 to April 2020. She has also previously held multiple senior management roles at Norsk Hydro, among others as Managing Director of Hydro Clervaux, Luxembourg. Ms. Ljungquist holds an M.Sc. in Material Science and Engineering from Norwegian University of Science and Technology.

Hege Marie Norheim, Executive Vice President, Corporate Public Affairs and Sustainability. Ms. Norheim has served as Executive Vice President, Corporate Public Affairs and Sustainability of FREYR since July 2021. She previously served as FREYR Battery and FREYR Legacy's Executive Vice President, Human Resources, Sustainability and Communications since March 2021. Prior to joining FREYR Legacy, Ms. Norheim was a consultant at Spencer Stuart from August 2015 to February 2021 and also held executive roles at Norsk Hydro and Equinor, serving as Chief Sustainability



Officer and SVP Reserves & Field Development. Ms. Norheim has also held the positions of Senior Advisor in the Office of the Prime Minister of Norway and State Secretary to the Prime Minister and Minister of Finance. Ms. Norheim holds an M.Sc. in Economics and Business Administration from the Norwegian School of Economics and Hochschule St. Gallen in Switzerland.

ITEM 11. EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

The Company qualifies as a “smaller reporting company” under rules adopted by the SEC. Accordingly, the Company has provided scaled executive compensation disclosure that satisfies the requirements applicable to the Company. Under the scaled disclosure obligations, the Company is not required to provide, among other things, a compensation discussion and analysis, a Compensation Committee report, and certain other tabular and narrative disclosures relating to executive compensation.

For 2022, the following individuals were our named executive officers (each a “Named Executive Officer” or “NEO” and collectively the “Named Executive Officers” or “NEOs”):

- Tom Einar Jensen, Chief Executive Officer (“CEO”) and Co-Founder
- Jan Arve Haugan, Chief Operating Officer (“COO”)
- Oscar Brown, Group Chief Financial Officer (“CFO”)

SUMMARY COMPENSATION TABLE

The following Summary Compensation Table sets forth information regarding the compensation paid to, awarded to, or earned by our NEOs for the years ended December 31, 2022 and 2021.

| Name and Title | Year | Salary (\$) ⁽¹⁾ | Bonus (\$) ⁽¹⁾ | RSU Awards (\$) ⁽²⁾ | Option Awards (\$) ⁽²⁾ | Total (\$) |
|-------------------------------|------|----------------------------|---------------------------|--------------------------------|-----------------------------------|--------------|
| Tom Einar Jensen | 2022 | \$ 653,962 | \$ — ⁽³⁾ | \$ — | \$ 350,387 ⁽⁷⁾ | \$ 1,004,349 |
| Chief Executive Officer | 2021 | 600,719 ⁽⁴⁾⁽⁵⁾ | 4,467,802 ⁽⁴⁾ | — | — ⁽⁷⁾ | 5,068,521 |
| Jan Arve Haugan | 2022 | 544,968 | — ⁽³⁾ | — | 319,598 | 864,566 |
| Chief Operating Officer | 2021 | 581,843 | 350,561 | — | 2,072,953 | 3,005,357 |
| Oscar Brown | 2022 | 450,000 ⁽⁶⁾ | — ⁽³⁾ | 449,999 | 1,569,025 | 2,469,024 |
| Group Chief Financial Officer | 2021 | — | — | — | — | — |

- (1) All dollar amounts for salary and bonus information in this table that were paid in NOK, were converted to U.S. dollars for the purpose of this disclosure using the exchange ratio of .1044 or 0.116368684, the average exchange rates for 2022 and 2021, respectively.
- (2) Aggregate grant date fair value of share-based awards is computed in accordance with the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 718. See Note 10 – Shareholders’ Equity in the accompanying consolidated financial statements for further details.
- (3) Bonus amounts for 2022 were not determinable by the filing date, and therefore have been excluded from this table.
- (4) Includes 100% of compensation and bonus payments paid from January 1, 2021 to July 9, 2021 to EDGE Global in exchange for consulting services provided to FREYR Legacy pursuant to an agreement between the companies. Mr. Jensen and Mr. Matrai are co-owners of EDGE Global, and the above amount may not reflect the actual compensation for this work ultimately provided to Mr. Jensen.
- (5) Compensation from July 9, 2021 was based on an annual base salary of \$698,212, which was paid in NOK.
- (6) Represents the amount paid in 2022. Mr. Brown’s annual base salary in 2022 was \$600,000 and his employment began on April 1, 2022.
- (7) Consists of options that were included in Mr. Jensen’s stock option agreement, as an appendix to an employment agreement, effective upon the consummation of the Business Combination. On July 13, 2021, Mr. Jensen was granted these 850 thousand options, which had a total grant date fair value of \$3,153,500. The options are subject to the achievement of each of nine separate performance criteria, each of which is related to 1/9th of the total award amount. During the year ended December 31, 2022, 94 thousand of the CEO Options were awarded by the Board of Directors after the achievement of one of the performance criteria and will vest in thirds on December 31, 2022, on September 30, 2023 and on June 1, 2024. Compensation cost is recognized to the extent that achievement of the performance criteria is deemed probable. For additional information, see “—Agreements with Named Executive Officer”.



Narrative Disclosure to Summary Compensation Table

For the years ended December 31, 2022 and 2021, the compensation program for FREYR's NEOs consisted of salary, bonus, and share-based compensation delivered in the form of RSUs and stock option awards.

Salary and Bonus

FREYR seeks to maintain base salary amounts for each of the executive officers at or near industry norms after taking into account the executive's duties and authorities, contributions, prior experience, and sustained performance. Salaries should not exceed what is believed to be necessary to motivate executives to meet corporate goals. Base salaries are generally reviewed annually, subject to terms of employment agreements.

FREYR's bonus arrangement provides for annual cash bonus awards to executives to focus them on achieving key operational and financial objectives. Near the beginning of each year, the board, upon the recommendation of the Compensation Committee and subject to any applicable employment agreements, will determine performance parameters for appropriate executives. After the end of each year, the board and Compensation Committee determine the level of achievement for each corporate goal. FREYR's bonus plan provides for annual awards of up to 100% of the annual salary to the CEO and CFO, up to 75% of the annual salary to the COO, and up to 50% of the annual salary to Executive Vice Presidents, depending on the achievement of bonus targets. FREYR Legacy had a cash bonus arrangement providing for annual cash bonus awards to executive officers of up to 30% of annual salary depending on the achievement of bonus targets.

Share-Based Compensation

FREYR's and FREYR Legacy's share-based compensation in 2022 and 2021 was awarded under FREYR's 2021 Equity Incentive Plan ("2021 Plan") and FREYR Legacy's 2019 Incentive Stock Option Plan ("2019 Plan"). Our share-based compensation is described in more detail in Note 10 to our consolidated financial statements included in Part II, Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K. Links to our compensation plan documents can be found in our Exhibits included in Part IV, Item 15 "Exhibits and Financial Statement Schedules" in this Annual Report on Form 10-K.

Benefits and Perquisites

FREYR provides benefits to its NEOs on the same basis as provided to all of its employees in the same jurisdiction, including group life, disability insurance, and travel insurance. FREYR does not maintain any executive-specific benefit or perquisite programs.

Retirement Benefits

FREYR provides a defined contribution pension through an external provider in accordance with local laws to its NEOs on the same basis as provided to all of its employees in the same jurisdiction. FREYR does not provide a match for participants' elective contributions to the plan, nor does FREYR provide to employees, including its NEOs, any other retirement benefits, including but not limited to tax-qualified defined benefit plans, supplemental executive retirement plans, and nonqualified defined contribution plans.

Payments upon Termination or Change in Control

Other than as required by applicable law, or as outlined in the terms of employment agreements, FREYR has no defined severance benefits plan and does not typically offer guaranteed termination related payments. FREYR may consider the adoption of a severance plan for executive officers and other employees in the future. The majority of FREYR's stock-based compensation awards have early vesting provisions that are activated on a change in control.



Outstanding Equity Awards at Fiscal Year End

The following table presents information regarding outstanding equity awards held by FREYR's named executive officers as of December 31, 2022.

| Name | Grant Date | Option awards | | | | Stock awards | | |
|------------------|------------|---|---|--|----------------------------|------------------------|---|--|
| | | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Equity incentive plan awards: number of securities underlying unexercised unearned options (#) | Option Exercise Price (\$) | Option Expiration Date | Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#) | Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested (\$) |
| Tom Einar Jensen | 07/08/2020 | 1,488,862 ⁽¹⁾ | — | — | \$ 0.15 | 05/15/2024 | — | \$ — |
| Tom Einar Jensen | 10/06/2020 | 687,220 ⁽¹⁾ | — | — | 0.20 | 09/20/2025 | — | — |
| Tom Einar Jensen | 07/13/2021 | 31,481 ⁽²⁾ | 62,963 ⁽²⁾ | 755,556 ⁽²⁾ | 10.00 | 07/13/2026 | — | — |
| Jan Arve Haugan | 02/16/2021 | 149,197 ⁽³⁾ | — | — | 3.22 | 12/31/2025 | — | — |
| Jan Arve Haugan | 07/09/2021 | 395 ⁽⁴⁾ | 790 | — | 10.00 | 07/09/2026 | — | — |
| Jan Arve Haugan | 09/01/2021 | 66,667 ⁽⁴⁾ | 133,333 | — | 10.00 | 09/01/2026 | — | — |
| Jan Arve Haugan | 07/09/2021 | 50,000 ⁽⁵⁾ | — | — | 11.50 | 07/09/2026 | — | — |
| Jan Arve Haugan | 06/09/2022 | — | 93,621 ⁽⁴⁾ | — | 8.47 | 06/09/2027 | — | — |
| Jan Arve Haugan | 07/09/2022 | — | 2,567 ⁽⁴⁾ | — | 12.95 | 07/09/2027 | — | — |
| Oscar Brown | 05/09/2022 | — | 250,000 ⁽⁴⁾ | — | 7.39 | 05/09/2027 | 60,893 | 528,551 |
| Oscar Brown | 05/09/2022 | — | 225,000 ⁽⁴⁾ | — | 8.47 | 06/09/2027 | — | — |

- (1) These warrants are held by EDGE Global. Mr. Jensen and Mr. Matrai are co-owners of EDGE Global, and the above amount may not reflect the actual shares ultimately provided to Mr. Jensen. Each of Mr. Matrai and Mr. Jensen disclaims beneficial ownership of the shares held by EDGE Global except to the extent of his pecuniary interest therein.
- (2) These options were conditionally awarded as part of Mr. Jensen's employment agreement. The award is subject to the FREYR board's assessment of Mr. Jensen's performance. During the year ended December 31, 2022, 94 thousand of the CEO Options were awarded by the Board of Directors after the achievement of one of the performance criteria and will vest in thirds on December 12, 2022, on September 30, 2023 and on June 1, 2024. Compensation cost is recognized to the extent that the achievement of the performance criteria is deemed probable. For additional information, see "—Agreements with Named Executive Officer".
- (3) These options were scheduled to vest on April 1, 2023, but vested immediately due to the Business Combination. They are subject to a contractual lock-up until July 9, 2023.
- (4) These options were issued under the 2021 Plan.
- (5) These warrants were transferred by the Sponsor to Mr. Haugan following the Business Combination.

Agreements with Named Executive Officers

Details of the employment agreements for our Executive Chairman and NEOs are outlined below.

CEO Employment Agreement

We entered into an employment agreement with Mr. Jensen to serve as CEO (the "CEO Employment Agreement") in June 2021. The CEO Employment Agreement has no fixed term. Mr. Jensen's annual salary as of December 31, 2022 was NOK 6.3 million, and he is eligible to participate in the group bonus scheme with a bonus potential of twelve months base salary. Upon termination, except for certain instances of termination for cause, the CEO is entitled to a severance payment equal to 18 months of salary. The CEO Employment Agreement contains customary confidentiality, non-competition, non-solicitation, and intellectual property assignment provisions.

We entered into a stock option agreement, as an appendix to the CEO Employment Agreement, effective upon the consummation of the Business Combination. In accordance with the stock option agreement, on July 13, 2021 our CEO was granted 850 thousand options to acquire our shares at an exercise price of \$10.00 (the "CEO Options"). The CEO Options are subject to nine separate performance criteria, each of which is related to 1/9th of the total award amount. After the



performance criteria are achieved and certified by the Board of Directors, the options will vest in equal parts subsequent to the certification date on the stated dates of December 31, 2022, September 30, 2023 and June 1, 2024. Compensation cost is recognized to the extent that achievement of the performance criteria is deemed probable. During the year ended December 31, 2022, 94 thousand of the CEO Options were awarded by the Board of Directors after the achievement of one of the performance criteria.

COO Employment Agreement

We entered into an employment agreement with Mr. Haugan to serve as COO (the “COO Employment Agreement”) in May 2021. The COO Employment Agreement has no specific term. Mr. Haugan’s annual salary as of December 31, 2022 was NOK 5.2 million, and he is eligible to participate in the group bonus scheme with a bonus potential of nine months base salary and awards under the 2021 Plan. There are no stated severance benefits payable on termination. The Haugan Employment Agreement contains customary confidentiality, non-competition, non-solicitation, and intellectual property assignment provisions.

CFO Employment Agreement

We entered into an employment agreement with Mr. Brown to serve as its Group CFO (the “CFO Employment Agreement”) in May 2022. Mr. Brown’s annual salary as of December 31, 2022 was \$600 thousand and he is eligible to participate in the group bonus scheme with a bonus potential of twelve months base salary and awards under the 2021 Plan. Upon termination, except for certain instances of termination for cause, the CFO is entitled to a severance payment equal to 12 months of salary. The CFO Employment agreement included also included share-based compensation of a sign-on stock option grant, an annual stock option grant, and an annual grant of cash settled RSUs. The CFO Employment Agreement contains customary confidentiality, non-competition, non-solicitation, and intellectual property assignment provisions.

DIRECTOR COMPENSATION

The FREYR Board of Directors reviews Executive Chairman and director compensation periodically to ensure that the Executive Chairman and director compensation remains competitive such that FREYR is able to recruit and retain the Executive Chairman and qualified directors. FREYR’s director compensation program is designed to provide a combination of cash and share-based compensation and to align compensation with FREYR’s business objectives and the creation of shareholder value, while enabling FREYR to attract, retain, incentivize, and reward directors who contribute to the long-term success of FREYR.

Non-Employee Director Compensation

The FREYR Board of Directors approved the following yearly cash compensation for non-employee directors:

| Description | Cash Fee (\$) |
|---|----------------------|
| Annual director retainer | \$ 100,000 |
| Audit and Risk Committee Chairperson annual retainer | 35,000 |
| Compensation Committee Chairperson annual retainer | 25,000 |
| Nominating and Corporate Governance Committee Chairperson annual retainer | 25,000 |
| Audit and Risk Committee member annual retainer | 20,000 |
| Compensation Committee member annual retainer | 10,000 |
| Nominating and Corporate Governance Committee member annual retainer | 10,000 |
| Financing Committee member annual retainer | 10,000 |



2022 Director Compensation

The following table lists the compensation earned or paid to our non-employee directors, for the year ended December 31, 2022:

| Name | Fees Earned or Paid in Cash (\$) ⁽¹⁾ | Option Awards (\$) ⁽²⁾ | Total (\$) |
|--------------------------------------|---|-----------------------------------|--------------|
| Torstein Dale Sjøtveit | \$ 417,600 ⁽³⁾ | \$ 1,419,707 ⁽³⁾ | \$ 1,837,307 |
| Daniel Barcelo | 130,000 | 363,025 | 493,025 |
| Mimi Berdal | 125,000 | 363,025 | 488,025 |
| Jeremy Bezdek ⁽⁴⁾ | 125,000 | 363,025 | 488,025 |
| Germán Curá ⁽⁵⁾ | 72,917 | 363,025 | 435,942 |
| Jason Forcier ⁽⁶⁾ | — | — | — |
| Peter Matrai | 460,000 ⁽⁷⁾ | 476,841 ⁽⁷⁾ | 936,841 |
| Olaug Svarva | 147,500 | 363,025 | 510,525 |
| Jon Christian Thaulow ⁽⁸⁾ | 41,667 | — | 41,667 |
| Monica Tiúba | 135,000 | 363,025 | 498,025 |

- (1) All dollar amounts in this table that were paid in NOK, were converted to U.S. dollars for the purpose of this disclosure using the exchange ratio of .1044, the average exchange rate for 2022.
- (2) Aggregate grant date fair value of share-based awards is computed in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 718. See Note 10 – Shareholders' Equity in the accompanying consolidated financial statements for further details.
- (3) Includes compensation from the Executive Chairman Agreement discussed further below.
- (4) Mr. Bezdek was appointed to the Board of Directors on July 9, 2021 and resigned on January 9, 2023.
- (5) Mr. Curá resigned from the Board of Directors on August 1, 2022.
- (6) Mr. Forcier was appointed to the Board of Directors on December 21, 2022 and did not earn any fees during 2022.
- (7) Includes compensation from the Matrai Consulting Agreement discussed further below.
- (8) Mr. Thaulow was appointed to the Board of Directors on August 1, 2022 and resigned on December 21, 2022.

Agreements with Executive Chairman and FREYR Director

Details of the compensation agreements with our Executive Chairman and consulting Director are outlined below.

Executive Chairman Agreement

We entered into an executive chairman agreement with Mr. Sjøtveit (the "Executive Chairman Agreement") in June 2021. The Sjøtveit Agreement has a term of three years starting on and from the date of the Business Combination. Mr. Sjøtveit's annual salary as of December 31, 2022, was NOK 4.0 million and he is eligible for share-based awards under the 2021 Plan. The Executive Chairman Agreement contains customary confidentiality, non-competition, non-solicitation, and intellectual property assignment provisions.

Consulting Agreement with FREYR Director

We entered into an employment agreement with Mr. Matrai to serve as a consultant (the "Matrai Consulting Agreement") in May 2021. The Matrai Consulting Agreement has a term of three years starting on and from the date of the Business Combination. Mr. Matrai's annual consulting fee is \$360 thousand as of December 31, 2022 and is eligible to receive share-based compensation awards under the 2021 Plan. The Matrai Consulting Agreement contains customary confidentiality, non-competition, non-solicitation, and intellectual property assignment provisions. Mr. Matrai is expected to be engaged for the majority of his working time in the provision of services in accordance with the Matrai Consulting Agreement.



ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Beneficial Ownership of Securities

The following table sets forth information known to us regarding the beneficial ownership of shares of FREYR ordinary shares as of February 17, 2023 by:

- Each of FREYR's current executive officers and directors;
- All of FREYR's executive officers and directors as a group; and
- Each person known by FREYR to be the beneficial owner of more than 5% of the outstanding FREYR ordinary shares.

The beneficial ownership percentages set forth in the table below are based on 139,705,234 FREYR ordinary shares issued and outstanding as of February 17, 2023. We have deemed FREYR ordinary shares subject to warrants and options that are currently exercisable or exercisable within 60 days to be outstanding and to be beneficially owned by the person holding the warrant or option for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

| Name of Beneficial Owner | Number of Shares | Percentage of Outstanding Shares |
|--|-------------------|----------------------------------|
| Directors and Named Executive Officers: | | |
| Torstein Dale Sjøtveit ⁽¹⁾ | 8,196,324 | 5.86 % |
| Daniel Barcelo ⁽²⁾ | 926,976 | * |
| Mimi Berdal ⁽³⁾ | 16,666 | * |
| Peter Matrai ⁽⁴⁾ | 3,930,367 | 2.77 % |
| Olaug Svarva ⁽⁵⁾ | 25,617 | * |
| Monica Tiúba ⁽³⁾ | 16,666 | * |
| Tom Einar Jensen ⁽⁶⁾ | 3,738,515 | 2.63 % |
| Jan Arve Haugan ⁽⁷⁾ | 275,209 | * |
| All Directors and Executive Officers as a group (twenty (20) persons)⁽⁸⁾ | 15,920,734 | 11.08 % |
| 5% Holders: | | |
| Alussa Energy Sponsor LLC ⁽⁹⁾⁽¹⁵⁾ | 11,151,357 | 7.60 % |
| Certain entities affiliated with Encompass Capital Advisors ⁽¹⁰⁾⁽¹⁵⁾ | 12,621,705 | 8.59 % |
| ATS AS ⁽¹¹⁾ | 8,129,658 | 5.82 % |
| Entities affiliated with Teknovekst Invest AS ⁽¹²⁾⁽¹⁵⁾ | 8,390,446 | 6.01 % |
| Certain entities affiliated with Sylebra Capital Limited ⁽¹³⁾⁽¹⁵⁾ | 8,273,750 | 5.92 % |
| Certain entities affiliated with Koch Industries, Inc. ⁽¹⁴⁾⁽¹⁵⁾ | 11,500,000 | 8.23 % |

* Represents beneficial ownership of less than 1%.

- (1) Includes 66,666 FREYR ordinary shares subject to stock options which are vested and exercisable within 60 days of February 17, 2023 and 8,129,658 shares are held by ATS AS which is 100% owned by ATS Next AS. Mr. Sjøtveit and his wife are co-owners and Mr. Sjøtveit is a member, and his wife is the Chairperson, of the Board of Directors of both ATS AS and ATS Next AS. ATS AS is a wholly owned subsidiary of ATS Next AS. Mr. Sjøtveit disclaims beneficial ownership of the shares held by ATS Next AS except to the extent of his pecuniary interest therein.
- (2) Includes 685,311 FREYR ordinary shares, 224,999 FREYR ordinary shares subject to warrants, and 16,666 subject to stock options which are vested and exercisable within 60 days of February 17, 2023.
- (3) Includes 16,666 FREYR ordinary shares subject to stock options which are vested and exercisable within 60 days of February 17, 2023.



- (4) Includes 1,620,953 FREYR ordinary shares, 100,000 FREYR ordinary shares subject to warrants and 33,333 subject to stock options which are vested and exercisable within 60 days of February 17, 2023. Also includes 2,176,081 FREYR ordinary shares subject to exercisable warrants held by EDGE Global LLC. Mr. Matrai and Mr. Jensen are co-owners of EDGE Global LLC. Mr. Matrai disclaims beneficial ownership of the shares held by EDGE Global LLC except to the extent of his pecuniary interest therein. The business address of EDGE Global LLC is 325 Chestnut Street, Philadelphia, PA 19106.
- (5) Includes 16,666 FREYR ordinary shares subject to stock options which are vested and exercisable within 60 days of February 17, 2023 and 8,951 FREYR ordinary shares held by Primecon AS. Ms. Svarva and her husband, Jan Helgebostad, are co-owners of Primecon AS. Each of Ms. Svarva and Mr. Helgebostad disclaim beneficial ownership of the shares held by Primecon AS except to the extent of her or his pecuniary interest therein. The address of Primecon AS is Sollerudveien 36, 0283 Oslo.
- (6) Includes 1,530,953 FREYR ordinary shares, 31,481 FREYR ordinary shares subject to stock options which are vested and exercisable within 60 days of February 17, 2023. Also includes 2,176,081 FREYR ordinary shares subject to exercisable warrants held by EDGE Global LLC. Mr. Matrai and Mr. Jensen are co-owners of EDGE Global LLC. Mr. Jensen disclaims beneficial ownership of the shares held by EDGE Global LLC except to the extent of his pecuniary interest therein. The business address of EDGE Global LLC is 325 Chestnut Street, Philadelphia, PA 19106.
- (7) Includes 8,951 FREYR ordinary shares, 50,000 FREYR ordinary shares subject to warrants and 216,258 subject to stock options which are vested and exercisable within 60 days of February 17, 2023.
- (8) Includes 3,846,168 FREYR ordinary shares, 674,999 FREYR ordinary shares subject to warrants, and 1,084,877 subject to stock options which are vested and exercisable within 60 days of February 17, 2023. Also includes 8,129,658 shares are held by ATS AS, — FREYR ordinary shares, 2,176,081 FREYR ordinary shares subject to exercisable warrants held by EDGE Global LLC, and 8,951 FREYR ordinary shares held by Primecon AS.
- (9) Consists of 4,186,840 FREYR ordinary shares and 6,964,517 FREYR ordinary shares subject to exercisable warrants held by Alussa Energy Sponsor LLC. The business address of the Sponsor is 251 Little Falls Drive, Wilmington, Delaware 19808.
- (10) Includes 5,412,306 FREYR ordinary shares and 7,209,399 FREYR ordinary shares subject to exercisable warrants held by Encompass Capital Advisors LLC by virtue of its position as the subadvisor to certain funds and the investment manager to certain other funds. Encompass Capital Advisors Partners LLC and Todd Kantor, as the managing member of Encompass Capital Advisors LLC, may be deemed to beneficially own the securities beneficially owned by Encompass Capital Advisors LLC. The address of the foregoing entities is c/o Encompass Capital Advisors LLC, 200 Park Avenue, 11th Floor, New York, NY 10166.
- (11) Consists of 8,129,658 shares held by ATS AS, based on information provided by ATS AS, which is 100% owned by ATS Next AS. The business address of ATS AS is Kleivveien 19 B, 1356, Bekkestua, Norway.
- (12) Consists of 8,390,446 FREYR ordinary shares held in the aggregate by Teknovekst Invest AS through its subsidiary Teknovekst Ltd. The business address of each of the entities is Statsråd Ihlens vei 13, 2010, Strømmen, Norway.
- (13) Consists of 8,273,750 FREYR ordinary shares beneficially owned by Sylebra Capital Limited by virtue of its position as the investment sub-adviser to Sylebra Capital Partners Master Fund, Ltd, (SCP MF), Sylebra Capital Parc Master Fund (PARC MF), Sylebra Capital Menlo Master Fund (Menlo MF) and other advisory clients. The business address of each of the entities is 28 Hennessy Road, Floor 20, Wan Chai, Hong Kong.
- (14) Consists of 11,500,000 FREYR ordinary shares held by Wood River Capital, LLC, which is indirectly beneficially owned by Koch Industries, Inc. The business address of Koch Industries, Inc. is 4111 East 37th Street North, Wichita, Kansas 67220.
- (15) The foregoing information is based solely on the information on Schedules 13D/A and 13G/A filed with the SEC.

Equity Compensation Plans

Information about the securities authorized for issuance under our equity compensation plans is included in Part II, Item 5 “Market for Registrant’s Common Equity” in this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

CERTAIN RELATIONSHIPS AND TRANSACTIONS

FREYR Battery Related Person Transaction Policy

FREYR has a formal, written policy, that it is not permitted to enter into a related person transaction with its executive officers, directors (including director nominees), holders of more than 5% of any class of our voting securities, and any member of the immediate family of or any entities affiliated with any of the foregoing persons, without the prior approval or, in the case of pending or ongoing related person transactions, ratification of the Audit and Risk Committee. For purposes of FREYR’s policy, a related person transaction is a transaction, arrangement, or relationship where FREYR was, is, or will be involved and in which a related person had, has, or will have a direct or indirect material interest.



Certain transactions with related persons, however, are exempted from pre-approval including, but not limited to:

- Compensation of FREYR's executive officers and directors that is otherwise disclosed in its public filings with the SEC;
- Transactions with another company, other than an acquisition by FREYR of that company, if the only relationship that the related person has with such company is as a non-executive employee, non-executive director, or beneficial owner of less than 10% of such company's equity, provided that the aggregate amount involved in such transaction does not exceed the greater of \$1.0 million or 2% of that company's total annual revenues and that the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances;
- Any charitable contribution, grant, or endowment by FREYR to a charitable organization, foundation, or university, if the only relationship that the related person with such organization is as a non-executive employee or director, provided that the aggregate amount involved in such transaction does not exceed the greater of \$1.0 million or 2% of such organization's total annual receipts;
- Any transaction in which the related person's interest arises solely from beneficially owning the FREYR's ordinary shares if all of FREYR's shareholders receive the same benefit on a pro-rata basis (e.g., dividends); and
- Any indemnification or advancement of expenses made pursuant to FREYR's Articles of Association (the "Articles") or pursuant to any agreement.

No member of the Audit and Risk Committee may participate in any review, consideration, or approval of any related person transaction where such member or any of his or her immediate family members is the related person. In approving or rejecting the proposed agreement, our Audit and Risk Committee shall consider the relevant facts and circumstances available and deemed relevant to the Audit and Risk Committee, including, but not limited to:

- Whether the related person transaction is fair to FREYR and on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;
- The extent of the related person's interest in the transaction;
- Whether there are business reasons for FREYR to enter into the related person transaction;
- Whether the related person transaction would impair the independence of a non-employee director, including the ability of any director to serve on the Compensation Committee of FREYR's Board of Directors; and
- Whether the related person transaction would present an improper conflict of interest for any director or executive officer of FREYR, taking into account the size of the transaction, the overall financial position of the director, executive officer or related person, the direct or indirect nature of the director's, executive officer's or related person's interest in the transaction and the ongoing nature of any proposed relationship, and any other factors the Audit and Risk Committee deems relevant.

Related Party Transactions

Employment arrangements with any member of the immediate family of or any entities affiliated with FREYR's executive officers, directors, or holders of more than 5% of any class of FREYR's voting securities requires prior approval or ratification by FREYR's Audit and Risk Committee.

Ms. Ann Sjøtveit, the wife of Mr. Torstein Sjøtveit, received approximately \$156 thousand and \$232 thousand total salary and bonus for the fiscal years ended December 31, 2022 and 2021, respectively.

Ms. Savannah Kilde, the daughter-in-law of Einar Kilde, received approximately \$94 thousand and \$161 thousand total salary and bonus for the fiscal years ended December 31, 2022 and 2021, respectively.

Ms. Sjøtveit and Ms. Kilde also participate in share-based compensation plans consistent with their titles and positions within the Company.

Discussion of the Executive Chairman Agreement with Mr. Sjøtveit and the Matrai Consulting Agreement with Mr. Matrai are included in Part III, Item 12 "Executive Compensation" in this Annual Report on Form 10-K. See also Note 13 to our consolidated financial statements included in Part II, Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

DIRECTOR INDEPENDENCE

The NYSE Listed Company Manual generally defines an "independent director" as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer's Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board of Directors has determined that Mimi Berdal, Daniel Barcelo, Jason Forcier, Daniel Steingart, Olaug Svarva, and Monica Tiúba are "independent directors" as defined in the NYSE Listing Standards and applicable SEC rules. FREYR's independent directors have regularly scheduled meetings at which only independent directors are present. In addition, FREYR will be subject to the rules of the SEC and the NYSE Listed Company Manual relating to the membership, qualifications, and operations of the Audit and Risk Committee, as discussed above.



ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees Paid Independent Registered Public Accounting Firms

The Company's principal accountant for 2022 and 2021 was PricewaterhouseCoopers AS. The following table sets forth the aggregate fees and expenses billed to us by our independent registered public accounting firm for fiscal years 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|-----------------------------------|---------------------|-------------------|
| Audit Fees ⁽¹⁾ | \$ 1,349,207 | \$ 820,085 |
| Audit Related Fees ⁽²⁾ | 37,380 | 12,219 |
| Tax Fees ⁽³⁾ | — | — |
| All Other Fees ⁽⁴⁾ | — | — |
| Total | <u>\$ 1,386,587</u> | <u>\$ 832,304</u> |

- (1) Audit fees consist of fees billed for professional services rendered in connection with the audit of our consolidated financial statements, reviews of our quarterly condensed consolidated financial statements, and related accounting consultations and services that are normally provided by the independent registered public accountants in connection with statutory and regulatory filings or engagements for those fiscal years, and other fees billed in connection with the Business Combination.
- (2) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees." These services include attest services that are not required by statute or regulation and consultations concerning financial accounting and reporting standards.
- (3) Tax fees consist of fees billed for tax consulting services and professional services relating to tax compliance, tax planning, and tax advice.
- (4) Other fees consist of fees billed for advisory services that are not included in the above categories.

Approval of Audit and Permissible Non-Audit Services

Our Audit and Risk Committee charter requires the Audit and Risk Committee to review and approve all audit services and all permissible non-audit services to be performed for us by our independent registered public accounting firm. The Audit and Risk Committee will not approve any services that are not permitted by SEC rules.

The Audit and Risk Committee pre-approved all audit, audit related, tax, and non-audit related services to be performed for us by our independent registered public accounting firm.



PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. The following documents are filed as part of this Annual Report:

1. Financial Statements. The list of consolidated financial statements, and related notes thereto, along with the independent auditors' report are set forth in Part IV of this Annual Report on Form 10-K in the Index to Consolidated Financial Statements and Schedule presented below.

2. Consolidated Financial Statement Schedule. The consolidated financial statement schedule is included in Part IV of this Annual Report on Form 10-K on the page indicated by the Index to Consolidated Financial Statements and Schedule presented below. This financial statement schedule should be read in conjunction with the consolidated financial statements and related notes thereto.

Schedules not listed in the Index to Consolidated Financial Statements and Schedule have been omitted because they are not applicable, not required, or the information required to be set forth therein is included in the consolidated financial statements or notes thereto.

3. Exhibits. See Item 15(b) below.

b. Exhibits. The exhibits listed on the Exhibit Index are incorporated by reference into this Item 15(b) and are a part of this Annual Report.

**FREYR BATTERY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE**

| | |
|---|------------|
| <u>Report of Independent Registered Public Accounting Firm</u> | <u>F-2</u> |
| <u>Consolidated Financial Statements</u> | |
| <u>Consolidated Balance Sheets - As of December 31, 2022 and 2021</u> | <u>F-3</u> |
| <u>Consolidated Statements of Operations - Years Ended December 31, 2022 and 2021</u> | <u>F-4</u> |
| <u>Consolidated Statements of Shareholders' Equity - Years Ended December 31, 2022 and 2021</u> | <u>F-5</u> |
| <u>Consolidated Statements of Cash Flows - Years ended December 31, 2022 and 2021</u> | <u>F-6</u> |
| <u>Notes to Consolidated Financial Statements</u> | <u>F-7</u> |



Exhibit Index

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| <u>2.1</u> | <u>Business Combination Agreement, dated as of January 29, 2021, by and among Alussa Energy Acquisition Corp., Alussa Energy Sponsor LLC, FREYR AS, ATS AS, Norway Sub 1 AS, Norway Sub 2 AS, Adama Charlie Sub, FREYR Battery, and the Major Shareholders, included as Annex A to the proxy statement/prospectus (incorporated by reference to Exhibit 2.1 to FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>2.2</u> | <u>Plan of Merger, included as Annex C to the proxy statement/prospectus (incorporated by reference to Exhibit 2.2 to FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>3.1</u> | <u>Consolidated Articles of Association of FREYR Battery as of December 20, 2022 (incorporated by reference to Exhibit 3.1 to FREYR Battery's Current Report on Form 8-K filed with the SEC on December 23, 2022)</u> |
| <u>4.1</u> | <u>Form of Warrant Agreement between Alussa Energy Acquisition Corp., FREYR Battery and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 to FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>4.2</u> | <u>Form of Warrant Certificate of FREYR Battery, included as Exhibit A to the Form of Warrant Agreement between Alussa Energy Acquisition Corp., FREYR Battery and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 to FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>4.3</u> | <u>Form of Indenture for Debt Securities between the Registrant and the Trustee to be Named Therein (incorporated by reference to Exhibit 4.1 to FREYR Battery's Registration Statement on Form S-3 filed with the SEC on September 1, 2022).</u> |
| <u>4.4*</u> | <u>Description of Securities Registered under Section 12 of the Exchange Act.</u> |
| <u>10.1</u> | <u>Form of Registration Rights Agreement, included as Annex F to the proxy statement/prospectus (incorporated by reference to FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.2</u> | <u>Form of Purchaser Shareholder Irrevocable Undertakings, included as Annex H to the proxy statement/prospectus (incorporated by reference to FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.3</u> | <u>Form of FREYR Shareholder Irrevocable Undertakings, included as Annex I to the proxy statement/prospectus (incorporated by reference to FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.4</u> | <u>Form of Company Preferred Share Acquisition Agreement, included as Annex J to the proxy statement/prospectus (incorporated by reference to FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.5</u> | <u>Form of Subscription Agreement, included as Annex G to the proxy statement/prospectus (incorporated by reference to FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.6</u> | <u>License and Services Agreement, entered into December 15, 2020, between 24M Technologies, Inc. and FREYR AS (incorporated by reference to Exhibit 10.3 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 7, 2021).</u> |
| <u>10.7</u> | <u>First Amendment to License and Services Agreement, entered into on January 18, 2021, by and between 24M Technologies, Inc. and FREYR AS. (incorporated by reference to Exhibit 10.4 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 7, 2021).</u> |
| <u>10.8*+</u> | <u>Second Amendment to the Licenses and Services Agreement, entered into on April 27, 2022, by and between 24M Technologies, Inc. and FREYR AS.</u> |
| <u>10.9*+</u> | <u>Third Amendment to the Licenses and Services Agreement, entered into on December 21, 2022, by and between 24M Technologies, Inc. and FREYR AS.</u> |
| <u>10.10*+</u> | <u>License and Services Agreement, entered into on October 8, 2021, by and between 24M Technologies, Inc. and FREYR Battery KSP JV, LLC.</u> |
| <u>10.11*</u> | <u>Ground Lease Agreement, entered into on January 7, 2022, by and between Mo Industripark AS and FREYR Battery Norway AS (Agreement no. 3046D).</u> |
| <u>10.12*</u> | <u>The First Additional Agreement to Agreement no. 3046D (Ground Lease Agreement), entered into on May 9, 2022, by and between Mo Industripark AS and FREYR Battery Norway AS.</u> |
| <u>10.13*</u> | <u>Amendment to the Ground Lease Agreement (Agreement no. 3046D) entered into on February 9, 2022 by and between Mo Industripark AS and FREYR Battery Norway AS.</u> |
| <u>10.14*</u> | <u>Lease Agreement entered into on July 19, 2021 by and between Mo Industripark AS and FREYR Battery Norway AS (Agreement no. 3028A).</u> |
| <u>10.15#</u> | <u>Employment Agreement entered into on May 18, 2021 between FREYR AS (in its capacity as Norway Sub 2 AS, a subsidiary of FREYR Battery) and Einar Kilde (incorporated by reference to Exhibit 10.6 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |



| Exhibit Number | Description |
|-----------------------|--|
| <u>10.16#</u> | <u>Employment Agreement entered into on May 9, 2022 between FREYR Battery US Holding, Inc. and Oscar K. Brown (incorporated by reference to Exhibit 10.4 of FREYR Battery's Form 10-Q filed with the SEC on May 11, 2022).</u> |
| <u>10.17#</u> | <u>Employment Agreement entered into on May 18, 2021 between FREYR AS (in its capacity as Norway Sub 2 AS, a subsidiary of FREYR Battery) and Tove Nilsen Ljungquist (incorporated by reference to Exhibit 10.8 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>10.18#</u> | <u>Employment Agreement entered into on May 18, 2021 between FREYR AS (in its capacity as Norway Sub 2 AS, a subsidiary of FREYR Battery) and Ryuta Kawaguchi (incorporated by reference to Exhibit 10.9 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>10.19#</u> | <u>Employment Agreement entered into on May 18, 2021 between FREYR AS (in its capacity as Norway Sub 2 AS, a subsidiary of FREYR Battery) and Are Brautaset (incorporated by reference to Exhibit 10.10 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>10.20#</u> | <u>Employment Agreement entered into on May 18, 2021 between FREYR AS (in its capacity as Norway Sub 2 AS, a subsidiary of FREYR Battery) and Jan Arve Haugan (incorporated by reference to Exhibit 10.11 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>10.21#</u> | <u>Employment Agreement entered into on May 18, 2021 between FREYR AS (in its capacity as Norway Sub 2 AS, a subsidiary of FREYR Battery) and Hege Marie Norheim (incorporated by reference to Exhibit 10.12 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>10.22#</u> | <u>Employment Agreement entered into on May 14, 2021 between FREYR Battery and Gery Bonduelle (incorporated by reference to Exhibit 10.13 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>10.23#</u> | <u>Consultancy Agreement entered into on May 14, 2021 between FREYR Battery and Peter Matrai (incorporated by reference to Exhibit 10.14 of FREYR Battery's Registration Statement on Form S-4/A filed with the SEC on May 27, 2021).</u> |
| <u>10.24#</u> | <u>Executive Chairman Agreement entered into on June 6, 2021 between FREYR Battery and Torstein Dale Sjøtveit (incorporated by reference to Exhibit 10.24 of FREYR Battery's Current Report on Form 8-K filed with the SEC on July 13, 2021).</u> |
| <u>10.25#</u> | <u>Employment Agreement entered into on June 16, 2021 between FREYR AS and Tom Einar Jensen (incorporated by reference to Exhibit 10.25 of FREYR Battery's Current Report on Form 8-K filed with the SEC on July 13, 2021).</u> |
| <u>10.26*#</u> | <u>Employment Agreement entered into on December 12 2022 between FREYR Battery US Holdings, Inc. and Jeremy Bezdek.</u> |
| <u>10.27*#</u> | <u>Employment Agreement entered into on June 17, 2021 between FREYR AS and Tilo Hauke.</u> |
| <u>10.28*#</u> | <u>Employment Agreement entered into on March 23, 2022 between FREYR Battery Norway AS and Andreas Bentzen.</u> |
| <u>10.29#</u> | <u>FREYR AS Incentive Stock Option Plan, dated November 9, 2019 (incorporated by reference to Exhibit 10.14 of FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.30#</u> | <u>Option agreement by and between FREYR AS and EDGE Global LLC, dated May 15, 2019 (incorporated by reference to Exhibit 10.15 of FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.31#</u> | <u>Option agreement by and between FREYR AS and Tove Nilsen Ljungquist, dated September 30, 2020 (incorporated by reference to Exhibit 10.17 of FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.32#</u> | <u>Option agreement by and between FREYR AS and Jan Arve Haugan, dated December 31, 2020 (incorporated by reference to Exhibit 10.18 of FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.33#</u> | <u>2019 Incentive Stock Option Plan (incorporated by reference to Exhibit 99.1 of FREYR Battery's Registration Statement on Form S-8 filed with the SEC on December 17, 2021).</u> |
| <u>10.34</u> | <u>Investment Agreement by and between FREYR AS and Sunisho Metalex Corporation, dated December 4, 2020 (incorporated by reference to Exhibit 10.20 of FREYR Battery's Registration Statement on Form S-4 filed with the SEC on March 26, 2021).</u> |
| <u>10.35</u> | <u>Warrant Agreement, dated November 25, 2019, by and between Alussa Energy Acquisition Corp. and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 of Alussa Energy Acquisition Corp.'s Current Report on Form 8-K filed with the SEC on November 29, 2019).</u> |
| <u>10.36#</u> | <u>2021 Equity Incentive Plan (incorporated by reference to Exhibit 99.2 of FREYR Battery's Registration Statement on Form S-8 filed with the SEC on December 17, 2021)</u> |
| <u>10.37*#</u> | <u>Form of Stock Option Award Agreement (2021 Equity Incentive Plan).</u> |



| Exhibit Number | Description |
|-----------------------|---|
| 21.1* | <u>List of Subsidiaries.</u> |
| 23.1* | <u>Consent of PricewaterhouseCoopers AS, independent registered public accounting firm of FREYR Battery.</u> |
| 31.1* | <u>Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 31.2* | <u>Certification of Group Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 32.1* | <u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 32.2* | <u>Certification of Group Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 101* | The following financial information for the period ended December 31, 2022, formatted in Inline XBRL: (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Shareholders' Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to Consolidated Financial Statements. |
| 104* | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Documents filed herewith.

+ Portions of this Exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K.

Management contract and compensatory plan and arrangement.

ITEM 16. FORM 10-K SUMMARY.

Not applicable.



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FREYR Battery

Date: February 27, 2023

/s/ Tom Einar Jensen

Name: Tom Einar Jensen

Title: Chief Executive Officer

(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 27, 2023

/s/ Tom Einar Jensen

Name: Tom Einar Jensen

Title: Chief Executive Officer

(Principal Executive Officer)

Date: February 27, 2023

/s/ Oscar Brown

Name: Oscar Brown

Title: Group Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: February 27, 2023

/s/ Torstein Dale Sjøtveit

Name: Torstein Dale Sjøtveit

Title: Executive Chairman

Date: February 27, 2023

/s/ Daniel Barcelo

Name: Daniel Barcelo

Title: Director

Date: February 27, 2023

/s/ Mimi Berdal

Name: Mimi Berdal

Title: Director

Date: February 27, 2023

/s/ Jason Forcier

Name: Jason Forcier

Title: Director

Date: February 27, 2023

/s/ Peter Matrai

Name: Peter Matrai

Title: Director

Date: February 27, 2023

/s/ Daniel Steingart

Name: Daniel Steingart

Title: Director

Date: February 27, 2023

/s/ Olaug Svarva

Name: Olaug Svarva

Title: Director

Date: February 27, 2023

/s/ Monica Tiüba

Name: Monica Tiüba

Title: Director



Exhibit 4.4

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following is a summary of the material terms of FREYR Battery's ("FREYR," the "Company" or "our") Ordinary Shares and Warrants and is not intended to be a complete summary of the rights and preferences of our Ordinary Shares or Warrants. FREYR Battery's Consolidated Articles of Association as of December 20, 2022 (the "FREYR Articles") are included as exhibits to the Annual Report on Form 10-K of which this exhibit is a part. Read the applicable provisions of Luxembourg law and the Articles in their entirety for a complete description of the rights and preferences of FREYR's Ordinary Shares and Warrants.

DESCRIPTION OF CAPITAL STOCK

Ordinary Shares

The following is a summary of some of the terms of our Ordinary Shares, based on the FREYR Articles and the Luxembourg law of 10th August 1915 on commercial companies, as amended ("Luxembourg Company Law").

Authorized Share Capital

In accordance with the FREYR Articles, the authorized share capital of FREYR (including the issued share capital other than the Initial Shares (as defined hereinafter)) is set at \$245,000,000, represented by 245,000,000 Ordinary Shares without nominal value, valid for a period ending on June 9, 2026, the date which falls five years after the publication in the Luxembourg official gazette (*Recueil Électronique des Sociétés*, "RESA"), on June 8, 2021, of the resolutions of the former sole shareholder of the Company held on May 20, 2021.

Share Capital

As of June 21, 2021, FREYR's issued share capital amounted to \$40,000, represented by a total of 40,000 redeemable shares with no nominal value (the "Initial Shares"). All Initial Shares were fully paid and subscribed for. A shareholder in a Luxembourg *société anonyme* holding fully paid up shares is not liable, solely because of his or her or its shareholder status, for additional payments to FREYR or its creditors.

Upon effectiveness of the First Closing, FREYR redeemed and subsequently cancelled all the Initial Shares so that the share capital of FREYR is solely represented by the Ordinary Shares. The FREYR Articles further provide for an authorized share capital in the amount of \$245,000,000 (including the issued share capital but excluding the Initial Shares) divided into 245,000,000 ordinary shares with no nominal value.

On November 26, 2021, following the exercise of warrants by certain warrant holders, the FREYR Articles were amended to reflect under Article 5.1 an increase of the issued share capital from \$116,440,191 (represented by 116,440,191 Ordinary Shares) to \$116,853,504 (represented by 116,853,504 Ordinary Shares).

On November 7, 2022, following the exercise of warrants by certain warrant holders, the FREYR Articles were amended to reflect under Article 5.1 an increase of the issued share capital from \$116,853,504 (represented by 116,853,504 Ordinary Shares) to \$116,853,604 (represented by 116,853,604 Ordinary Shares).

On December 20, 2022, following the closing of an underwritten equity offering, the FREYR Articles were amended to reflect under Article 5.1 an increase of the issued share capital from \$116,853,604 (represented by 116,853,604 Ordinary Shares) to \$139,853,604 (represented by 139,853,604 Ordinary Shares).

During the year ended December 31, 2022, FREYR purchased 150,000 treasury shares. As of December 31, 2022, FREYR held 148,370 treasury shares.



FREYR Articles

FREYR is registered with the Luxembourg Trade and Companies' Register under number B251199.

Its corporate purpose, as stated in Article 4 of the FREYR Articles, is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, or other entities or enterprises, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities or rights of any kind including interests in partnerships, and the holding, acquisition, disposal, investment in any manner (in), development, licensing or sub licensing of, any patents or other intellectual property rights of any nature or origin as well as the ownership, administration, development and management of its portfolio. FREYR may carry out its business through branches in Luxembourg or abroad. FREYR may borrow in any form and proceed to the issue by private or public of bonds, convertible bonds and debentures or any other securities or instruments it deems fit. In a general fashion FREYR may grant assistance (by way of loans, advances, guarantees or securities or otherwise) to companies or other enterprises in which FREYR has an interest or which form part of the group of companies to which the Company belongs or any entity as FREYR may deem fit (including upstream or cross stream), take any controlling, management, administrative and/or supervisory measures and carry out any operation which it may deem useful in the accomplishment and development of its purposes. FREYR can perform all commercial, technical and financial or other operations, connected directly or indirectly in all areas in order to facilitate the accomplishment of its purpose. Finally, FREYR may conduct, or be involved in any way in, directly or indirectly, the development, financing, construction and operation of batteries and/or battery cells, as well as the production of any materials required for battery cell manufacturing, and sales of batteries and/or battery cells into markets including but without limitation, electric mobility, energy storage systems as well as marine and aviation applications and any related or connected activity.

Issuance of Ordinary Shares

Pursuant to Luxembourg law, the issuance of Ordinary Shares requires approval by the general meeting of shareholders of FREYR at the quorum and majority required for amending the FREYR Articles. The former sole shareholder of FREYR approved an authorized capital and authorized the Board of Directors to issue Ordinary Shares up to the maximum amount of such authorized capital for a maximum period of five years after the publication of the resolution of the sole shareholder approving such authorization in the Luxembourg RESA. The general meeting may amend, renew, or extend such authorized capital and such authorization to the Board of Directors to issue Ordinary Shares.

FREYR recognizes only one (1) holder per share. In case a share is owned by several persons, they shall appoint a single proxy who shall represent them in respect of FREYR. FREYR has the right to suspend the exercise of all rights attached to that share until such representative has been appointed.

Upon the consummation of the Business Combination, the Board of Directors of FREYR resolved on the issuance of Ordinary Shares out of the authorized capital. The Board of Directors also resolved on the applicable procedures and timelines to which such issuance will be subjected. If the proposal of the Board of Directors to issue new Ordinary Shares exceeds the limits of FREYR's authorized share capital, the Board of Directors must convene the shareholders to an extraordinary general meeting for the purpose of increasing the issued and/or the authorized share capital. Such meeting will be subject to the quorum and majority requirements required for amending the FREYR Articles.

Preemptive Rights

Under Luxembourg law, existing shareholders benefit from a preemptive subscription right on the issuance of the Ordinary Shares for cash consideration. However, FREYR's shareholders have, in accordance with Luxembourg law, authorized the Board of Directors to suppress, waive, or limit any preemptive subscription rights of shareholders provided by law to the extent that the Board of Directors deems such suppression, waiver, or limitation advisable for any issuance or issuances of the Ordinary Shares within the scope of FREYR's authorized share capital. Such authorization will be valid for a period ending on June 9, 2026, the date which falls five years after the publication in the RESA, on June 8, 2021, of the resolutions of the former sole shareholder of the Company held on May 20, 2021. The extraordinary general meeting of shareholders may, by two-thirds majority vote, limit, waive, or cancel such preemptive rights or renew, amend,



or extend them, in each case for a period not to exceed five years. Such shares may be issued above, at, or below market value. Under Luxembourg Company Law subject to certain formal requirements, which have not to date been undertaken and which include the approval of the extraordinary general meeting, such shares may also be issued below the accounting par value per share. The Ordinary Shares may also be issued by way of incorporation of available reserves, including share premium. In addition, the Board of Directors has been authorized by the general meeting to allocate, within the limits of the authorized share capital, existing shares or new shares, including free of charge, to directors, officers and staff members of the Company or of companies or other entities in which the Company holds directly or indirectly at least 10 per cent of the capital or voting rights. Such authorization shall by operation of law, operate as a waiver by existing shareholders of their preemptive subscription right for the benefit of the recipients of such shares allotted free of charge. The Board of Directors may determine the terms and conditions of such allocation, which may comprise a period after which the allocation is final and a minimum holding period during which the recipients must retain the shares.

Repurchase of Ordinary Shares

FREYR cannot subscribe to its own shares. FREYR may, however, itself or through its subsidiaries repurchase issued Ordinary Shares or have another person repurchase issued Ordinary Shares for its account, subject to the following conditions:

- prior authorization by a simple majority vote at an ordinary general meeting of shareholders, which authorization sets forth:
 - the terms and conditions of the proposed repurchase and in particular the maximum number of Ordinary Shares that may be repurchased;
 - the duration of the period for which the authorization is given, which may not exceed five years; and
 - in the case of repurchase for consideration, the minimum and maximum consideration per share, provided that the prior authorization shall not apply in the case of Ordinary Shares acquired by either FREYR, or by a person acting in his or her own name on its behalf, for the distribution thereof to its staff or to the staff of a company with which it is in a control relationship;
 - only fully paid-up Ordinary Shares may be repurchased;
 - the voting and dividend rights attached to the repurchased Ordinary Shares will be suspended as long as the repurchased Ordinary Shares are held by FREYR or its direct subsidiaries. The voting rights attached to Ordinary Shares held by indirect subsidiaries will also be suspended.

The repurchase offer must be made on the same terms and conditions to all the shareholders who are in the same position. In addition, as a listed company FREYR may repurchase Ordinary Shares on the stock market without having to make an offer to all of its shareholders.

The authorization will be valid for a period ending on the earlier of five years from the date of such shareholder authorization and the date of its renewal by a subsequent general meeting of shareholders.

In addition, pursuant to Luxembourg Company Law, FREYR may directly or indirectly repurchase Ordinary Shares by resolution of its Board of Directors without the prior approval of the general meeting of shareholders if such repurchase is deemed by the Board of Directors to be necessary to prevent serious and imminent harm to FREYR, or if the acquisition of Ordinary Shares has been made with the intent of distribution to its employees and/or the employees of any entity having a controlling relationship with FREYR.

Form and Transfer of Ordinary Shares

The Ordinary Shares are issued in registered form only and are freely transferable under Luxembourg law and the FREYR Articles. Luxembourg law does not impose any limitations on the rights of Luxembourg or non-Luxembourg residents to hold or vote the Ordinary Shares.



Under Luxembourg law, the ownership of registered shares is prima facie established by the inscription of the name of the shareholder and the number of shares held by him or her in the shareholders' register. Without prejudice to the conditions for transfer by book-entry where the Ordinary Shares are recorded in the shareholders' register on behalf of one or more persons in the name of a depository, each transfer of the Ordinary Shares shall be effected by written declaration of transfer to be recorded in the shareholders' register, with such declaration to be dated and signed by the transferor and the transferee or by their duly appointed agents. FREYR may accept and enter into the shareholders' register any transfer effected pursuant to an agreement or agreements between the transferor and the transferee, true and complete copies of which have been delivered to FREYR.

The FREYR Articles provide that FREYR may appoint registrars in different jurisdictions, each of whom may maintain a separate register for the Ordinary Shares entered in such register, and that the holders of shares shall be entered into one of the registers. Shareholders may elect to be entered into one of these registers and to transfer their shares to another register so maintained. FREYR's Board of Directors may however impose transfer restrictions for shares that are registered, listed, quoted, dealt in, or have been placed in certain jurisdictions in compliance with the requirements applicable therein.

In the case of Ordinary Shares held through the operator of a securities settlement system or depository, Ordinary Shares will be made available to the shareholders in book-entry form and, without prejudice to the provisions of the FREYR Articles, give to the shareholders in book-entry-form beneficial ownership of the rights attaching to the Ordinary Shares.

Liquidation Rights and Dissolution

In the event of FREYR's dissolution and liquidation, any surplus of the assets remaining after allowing for the payment of all of FREYR's liabilities will be paid out to the shareholders pro rata according to their respective shareholdings. The decision to dissolve and liquidate FREYR requires approval by an extraordinary general meeting of FREYR's shareholders.

Merger and De-Merger

A merger by absorption whereby one Luxembourg company, after its dissolution without liquidation, transfers all of its assets and liabilities to another company in exchange for the issuance of ordinary shares in the acquiring company to the shareholders of the company being acquired, or a merger effected by transfer of assets and liabilities to a newly incorporated company, must, in principle, be approved at an extraordinary general meeting of shareholders of the Luxembourg company, enacted in front of a Luxembourg notary. Similarly, a de-merger of a Luxembourg company is generally subject to the approval by an extraordinary general meeting of shareholders, enacted in front of a Luxembourg notary.

No Appraisal Rights

Neither Luxembourg law nor the FREYR Articles provide for appraisal rights of dissenting shareholders.

General Meeting of Shareholders

Any regularly constituted general meeting of shareholders represents the entire body of FREYR shareholders.

Any holder of an Ordinary Share is entitled to attend its general meeting of shareholders, either in person or by proxy, to address the general meeting of shareholders and to exercise voting rights, subject to the provisions of the FREYR Articles and compliance with the conditions governing attendance or representation at the meeting. Each Ordinary Share entitles the holder to one vote at a general meeting of shareholders. The FREYR Articles provide that general meetings of shareholders are convened in accordance with the provisions of law. The Luxembourg Company Law provides that convening notices for every general meeting shall contain the agenda and take the form of announcements filed with the register of commerce and companies and will be published in the RESA and in a newspaper published in the Grand Duchy of Luxembourg at least fifteen days before the meeting. The convening notices shall also be communicated by post (or, in respect of any shareholder



having individually agreed to receive convening notices by any other means of communications, by such means of communication) to registered shareholders at least eight days before the meeting.

A shareholder may participate in general meetings of shareholders by appointing another person as his or her proxy, the appointment of which shall be in writing. The FREYR Articles also provide that, in the case of Ordinary Shares held through the operator of a securities settlement system or depository, a holder of such Ordinary Shares wishing to attend a general meeting of shareholders should receive from such operator or depository a certificate certifying the number of Ordinary Shares recorded in the relevant account on the relevant record date. FREYR's Board of Directors may determine the formal requirements with which such certificates must comply.

The Board of Directors may determine a date preceding the general meeting as the record date for admission to, and voting any Ordinary Shares at, the general meeting (the "GM Record Date"). If a GM Record Date is determined for the admission to and voting at a general meeting only those persons holding Ordinary Shares on the GM Record Date may attend and vote at the general meeting (and only with respect to those Ordinary Shares held by them on the GM Record Date).

The annual general shareholder meeting must be held within six months from the end of the respective financial year at FREYR's registered office or in any other place in Luxembourg as may be specified in the convening notice of the meeting. Other general meetings of shareholders may be held at such place and time as may be specified in the respective convening notices of the meeting.

Luxembourg law provides that the Board of Directors is obliged to convene a general meeting of shareholders if shareholders representing, in the aggregate, 10% of the issued share capital so request in writing with an indication of the meeting agenda. In such case, the general meeting of shareholders must be held within one month of the request. If the requested general meeting of shareholders is not held within one month, shareholders representing, in the aggregate, 10% of the issued share capital may petition the competent president of the district court in Luxembourg to have a court appointee convene the meeting. Luxembourg law provides that shareholders representing, in the aggregate, 10% of the issued share capital may request that additional items be added to the agenda of a general meeting of shareholders. That request must be made by registered mail sent to FREYR's registered office at least five days before the general meeting of shareholders.

The Board of Directors of FREYR has the right to adjourn a general meeting for four weeks (up to six weeks, in case of a combined ordinary and extraordinary general meeting). It must do so if requested by one or more shareholders representing at least 10% of the share capital of FREYR. In the event of an adjournment, any resolution already adopted by the general meeting shall be cancelled and final resolutions will be adopted at the adjourned general meeting. Furthermore, one or more shareholders representing at least 10% of the share capital or at least 10% of the voting rights attached to the shares issued by FREYR may ask the Board of Directors of FREYR questions on one or more transactions of FREYR or any companies controlled by it.

Voting Rights

Each Ordinary Share entitles the holder thereof to one vote.

Neither Luxembourg law nor the FREYR Articles contain any restrictions as to the voting of Ordinary Shares by non-Luxembourg residents and there is no minimum shareholding (beyond owning a single Ordinary Share or representing the owner of a single Ordinary Share) to attend or vote at a general meeting of shareholders.

As described further below, Luxembourg law distinguishes between ordinary general meetings of shareholders and extraordinary general meetings of shareholders.

Ordinary General Meetings. At an ordinary general meeting, there is no quorum requirement and resolutions are adopted by a simple majority of validly cast votes. Abstentions are not considered "votes."

Extraordinary General Meeting. Extraordinary general meetings are required to be convened for among others any of the following matters: (i) the increase or decrease of the authorized or issued capital, (ii) the limitation or exclusion of preemptive rights or the authorization of the Board of Directors to limit or exclude such rights, (iii) the approval of a statutory merger or de-merger (*scission*), (iv) FREYR's dissolution and liquidation, and (v) any amendments to the FREYR Articles. Pursuant to the FREYR Articles, for any



resolutions to be considered at an extraordinary general meeting of shareholders, except for those on certain specific topics described below, the quorum shall be at least one half (50%) of FREYR's outstanding Ordinary Shares. If such quorum is not present, a second meeting may be convened, which does not need a quorum. Any extraordinary resolution shall be adopted, except otherwise provided by law and the FREYR Articles, by at least a two-thirds majority of the votes validly cast. Where there is more than one class of shares and the resolutions of the general meeting are such as to change the respective rights thereof, the resolutions must, in order to be valid, fulfill the conditions to quorum and majority with respect to each class. Abstentions are not considered "votes". The FREYR Articles provide for an increased majority of at least 75% of votes validly cast for the amendments to Articles 9.4, 9.5 and 17.3 to the FREYR Articles. Article 9.4 sets out the requirements for candidates for election to the Board of Directors, and Article 9.5 sets out the process for shareholders to propose candidates for the election to the Board of Directors to the general meeting of shareholders. Article 17.3 is the article setting the increased majority for Articles 9.4 and 9.5.

Minority Action Right. Luxembourg Company Law provides that one or more shareholders holding, in the aggregate, at least 10% of the securities having a right to vote at the general meeting that has granted discharge to the members of the Board of Directors for the execution of their mandate, may act on FREYR's behalf to file a liability claim for damages against one or more directors for mismanagement and/or a violation of Luxembourg Company Law, or of the FREYR Articles.

Dividends

Except for shares held in treasury, each Ordinary Share is entitled to participate equally in dividends if and when declared out of funds legally available for such purposes. The FREYR Articles provide that the annual ordinary general meeting of shareholders may declare a dividend and that the Board of Directors may declare interim dividends within the limits set by Luxembourg law.

Declared and unpaid dividends held by FREYR for the account of its shareholders do not bear interest. Under Luxembourg law, claims for dividends lapse in favor of FREYR five years after the date on which the dividends have been declared.

Board of Directors

The FREYR Articles stipulate that FREYR shall be managed by a Board of Directors composed of no less than eight directors who may but do not need to be shareholders of FREYR. The FREYR Board of Directors shall, to the extent required by law and otherwise may, appoint a chairperson amongst its members/the independent directors. The chairperson shall preside over all meetings of the Board of Directors and of shareholders. It also may appoint a secretary, who need not be a director and whose responsibility, powers and duties shall be determined by the Board of Directors. The FREYR Board of Directors will meet upon call by the chairperson or any two directors.

A meeting of the Board of Directors shall be quorate if the majority of the directors in office (and entitled to vote) is present or represented. Resolutions are adopted by the simple majority vote of directors present or represented. No valid decision of the Board of Directors may be taken if the necessary quorum has not been reached. In case of an equality of votes, neither the chairperson nor any other director shall have the right to cast the deciding vote. The Board of Directors may also take decisions by means of resolutions in writing signed by all directors entitled to vote. Each director has one vote except in case he/she has a conflict of interest in accordance with Luxembourg Company Law and the FREYR Articles.

The directors are appointed by the general meeting of shareholders for a period not exceeding six years and until their successors are elected; provided however that any one or more of the directors may be removed with or without cause (*ad nutum*) by the general meeting of shareholders by a simple majority of the votes cast. The directors shall be eligible for re-election indefinitely. Pursuant to the FREYR Articles, any proposal by shareholders of candidate(s) for election to the Board of Directors by the general meeting of shareholders must be (i) made by one or more shareholders who together hold at least 10% of the subscribed share capital of FREYR and (ii) received by FREYR in writing pursuant to the provisions set forth in the FREYR Articles.

Unless otherwise determined by the Board of Directors, candidates for election to the Board of Directors must provide to FREYR, (i) a written completed questionnaire with respect to the background and qualification of such person (which questionnaire shall be provided by FREYR upon written request), (ii) such information as



FREYR may request including, without limitation, as may be required, necessary or appropriate pursuant to any laws or regulation applicable to the Company (including any rules, policies or regulation of any securities market where shares of the Company are listed or trading) and (iii) the written representation and undertaking that such person is in compliance, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading and other policies and guidelines of FREYR or under applicable law that are applicable to directors. Any candidate to be considered must comply as to his/her qualification and affiliations with any laws, regulations, rules or policies applicable to FREYR.

If there is a vacancy on the Board of Directors because of death, retirement, resignation, dismissal, removal or otherwise, the remaining directors have the right to fill such vacancy until the next general meeting of shareholders with the affirmative vote of a majority of the remaining directors appointed by the general meeting of shareholders. Within the limits provided for by Luxembourg law, the Board of Directors may delegate FREYR's daily management and the authority to represent FREYR to one or more persons.

No director, solely as a result of being a director, shall be prevented from contracting with FREYR with regard to his tenure in any office or place of profit, or as vendor, purchaser, or in any other manner whatsoever. No contract or other transaction between FREYR and any other company or firm shall be affected or invalidated by the fact only that any one or more of the directors or officers of FREYR is financially interested in, or is a director, associate, officer, agent, adviser or employee of such other company or firm.

In the case of a conflict of interest of a director, such director shall indicate such conflict of interest to the Board of Directors and shall not deliberate or vote on the relevant matter. Any conflict of interest arising at board level shall be reported to the next general meeting of shareholders before any resolution is put to vote.

The FREYR Articles provide that directors and officers, past and present, will be entitled to indemnification from FREYR to the fullest extent permitted by Luxembourg law against liability and all expenses reasonably incurred or paid by him or her in connection with any claim, action, suit, or proceeding in which he or she would be involved by virtue of his or her being or having been a director or officer and against amounts paid or incurred by him or her in the settlement thereof. However, no indemnification will be provided against any liability to FREYR's directors or officers (i) by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties of a director or officer, (ii) with respect to any matter as to which any director or officer shall have been finally adjudicated to have acted in bad faith and not in FREYR's interest, or (iii) in the event of a settlement, unless approved by a court of competent jurisdiction or the Board of Directors.

There is no mandatory retirement age for directors under Luxembourg law and no minimum shareholding requirement for directors.

Amendment of Articles of Association

Save in respect of certain limited matters set out by Luxembourg Company Law and the FREYR Articles which allow the Board of Directors to implement certain amendments to the FREYR Articles, Luxembourg Company Law requires an extraordinary general meeting of shareholders to resolve upon an amendment of the FREYR Articles. The agenda of the extraordinary general meeting of shareholders contained in the convening notice must indicate the proposed amendments to the FREYR Articles.

DESCRIPTION OF WARRANTS

The following is a summary of some of the terms of the FREYR Public Warrants, FREYR Private Warrants and FREYR Working Capital Warrants. It does not purport to be complete.

As of December 31, 2021, 14,375,000 Public Warrants, 8,750,000 Private Warrants and 1,500,000 Working Capital Warrants were outstanding. As of December 31, 2022, 14,606,888 Public Warrants, 8,518,006 Private Warrants and 1,500,000 Working Capital Warrants were outstanding.

A form of the amended and restated warrant agreement between Alussa Energy Acquisition Corp. ("Alussa"), FREYR and Continental Stock Transfer and Trust Company is attached to this Annual Report on Form 10-K for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission on February 27,



2023 as Exhibit 4.1. Review the copy of the amended and restated warrant agreement for a complete description of the terms and conditions applicable to the Public Warrants, Private Warrants and Working Capital Warrants.

Public Warrants

Each whole FREYR Public Warrant entitles the registered holder to purchase one Ordinary Share at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing 30 days after the Second Closing (as defined in the form amended and restated warrant agreement). Pursuant to the form amended and restated warrant agreement, a warrant holder may exercise its FREYR Public Warrants only for a whole number of Ordinary Shares. This means that only a whole warrant may be exercised at any given time by a warrant holder. The FREYR Public Warrants will expire five years after Second Closing, July 9, 2026, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

FREYR will not be obligated to deliver any Ordinary Shares pursuant to the exercise of a FREYR Public Warrant and will have no obligation to settle such FREYR Public Warrant exercise unless a registration statement under the Securities Act with respect to the Ordinary Shares underlying the FREYR Public Warrant is then effective and a prospectus relating thereto is current, subject to FREYR satisfying its obligations described below with respect to registration. No FREYR Public Warrant will be exercisable for cash or on a cashless basis, and FREYR will not be obligated to issue any shares to holders seeking to exercise their FREYR Public Warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption is available. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such FREYR Public Warrant will not be entitled to exercise such FREYR Public Warrant and such FREYR Public Warrant may have no value and expire worthless.

Once the warrants become exercisable, FREYR may redeem the outstanding warrants (excluding Private Warrants and Working Capital Warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption, which we refer to as the 30-day redemption period, to each warrant holder; and
- if, and only if, the last reported sale price of the Ordinary Shares equals or exceeds \$18.00 per share (as adjusted for share splits, share capitalizations, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which FREYR sends the notice of redemption to the warrant holders.

FREYR established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the FREYR Public Warrant exercise price. If the foregoing conditions are satisfied and FREYR issues a notice of redemption of the FREYR Public Warrants, each warrant holder will be entitled to exercise his, her or its FREYR Public Warrant prior to the scheduled redemption date. However, the price of the Ordinary Shares may fall below the \$18.00 redemption trigger price as well as the \$11.50 FREYR Public Warrant exercise price after the redemption notice is issued. FREYR will not redeem the FREYR Public Warrants unless a registration statement under the Securities Act covering the Ordinary Shares issuable upon exercise of the FREYR Public Warrants is effective and a current prospectus relating to those Ordinary Shares is available throughout the 30-day redemption period, except if the FREYR Public Warrants may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act. If and when the FREYR Public Warrants become redeemable by FREYR, FREYR may not exercise its redemption right if the issuance of shares upon exercise of the FREYR Public Warrants is not exempt from registration or qualification under applicable state blue sky laws or it is unable to effect such registration or qualification.

If FREYR calls the FREYR Public Warrants for redemption as described above, FREYR's management will have the option to require all holders that wish to exercise FREYR Public Warrants to do so on a "cashless basis." In determining whether to require all holders to exercise their FREYR Public Warrants on a "cashless basis," FREYR's management will consider, among other factors, its cash position, the number of FREYR Public Warrants that are outstanding and the dilutive effect on its shareholders of issuing the maximum number



of Ordinary Shares issuable upon the exercise of its FREYR Public Warrants. In such event, each holder would pay the exercise price by surrendering the FREYR Public Warrants for that number of Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Warrants (as defined in the form amended and restated warrant agreement), multiplied by the excess of the "fair market value" (as defined in the form amended and restated warrant agreement) over the exercise price of the Warrants by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of the Ordinary Shares for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of the FREYR Public Warrants, provided that in all cases, the exercise price shall correspond to at least the accounting par value of the Ordinary Shares. If FREYR takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of Ordinary Shares to be received upon exercise of the FREYR Public Warrants, including the "fair market value" in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a FREYR Public Warrant redemption. If FREYR's management calls the FREYR Public Warrants for redemption and its management does not take advantage of this option, the Sponsor and its permitted transferees would still be entitled to exercise their Private Warrants and Working Capital Warrants for cash or on a cashless basis using the same formula described above that other warrant holders would have been required to use had all warrants holders been required to exercise their FREYR Public Warrants on a cashless basis, as described in more detail below.

A holder of a FREYR Public Warrant may notify FREYR in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such FREYR Public Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the Ordinary Shares outstanding immediately after giving effect to such exercise.

If the number of issued and outstanding Ordinary Shares is increased by a capitalization payable in Ordinary Shares, or by a sub-division of Ordinary Shares or other similar event, then, on the effective date of such capitalization, sub-division or similar event, the number of Ordinary Shares issuable on exercise of each FREYR Public Warrant will be increased in proportion to such increase in the issued and outstanding Ordinary Shares. A rights offering to holders of Ordinary Shares entitling holders to purchase Ordinary Shares at a price less than the fair market value will be deemed a capitalization of a number of Ordinary Shares equal to the product of (i) the number of Ordinary Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Ordinary Shares) multiplied by (ii) one minus the quotient of (x) the price per Ordinary Share paid in such rights offering divided by (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for Ordinary Shares, in determining the price payable for Ordinary Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of Ordinary Shares as reported during the ten trading day period ending on the trading day prior to the first date on which the Ordinary Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

If the number of issued and outstanding Ordinary Shares is decreased by a consolidation, combination, reverse share split or reclassification of Ordinary Shares or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of Ordinary Shares issuable on exercise of each FREYR Public Warrant will be decreased in proportion to such decrease in issued and outstanding Ordinary Shares.

Whenever the number of Ordinary Shares purchasable upon the exercise of the FREYR Public Warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of Ordinary Shares purchasable upon the exercise of the FREYR Public Warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of Ordinary Shares so purchasable immediately thereafter.

In case of any reclassification or reorganization of the issued and outstanding Ordinary Shares (other than those described above or that solely affects the par value of such Ordinary Shares), or in the case of any merger or consolidation of FREYR with or into another corporation (other than a consolidation or merger in which FREYR is the continuing corporation and that does not result in any reclassification or reorganization of



FREYR's issued and outstanding Ordinary Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of FREYR as an entirety or substantially as an entirety in connection with which FREYR is liquidated and dissolved, the holders of the FREYR Public Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the FREYR Public Warrants and in lieu of FREYR's Ordinary Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the FREYR Public Warrants would have received if such holder had exercised their warrants immediately prior to such event. However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such consolidation or merger, then the kind and amount of securities, cash or other assets for which each FREYR Public Warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such consolidation or merger that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders (other than a tender, exchange or redemption offer made by Alussa in connection with redemption rights held by shareholders of Alussa as provided for in Alussa's amended and restated memorandum and articles of association) under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding Ordinary Shares, the holder of a FREYR Public Warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if such warrant holder had exercised the FREYR Public Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the Ordinary Shares held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the warrant agreement. Additionally, if less than 70% of the consideration receivable by the holders of Ordinary Shares in such a transaction is payable in the form of shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Public Warrant properly exercises the FREYR Public Warrant within thirty days following public disclosure of such transaction, the FREYR Public Warrant exercise price will be reduced as specified in the amended and restated warrant agreement based on the per share consideration minus Black-Scholes Warrant Value (as defined in the amended and restated warrant agreement) of the FREYR Public Warrant.

The FREYR Public Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of FREYR Public Warrants being exercised. The warrant holders do not have the rights or privileges of holders of Ordinary Shares and any voting rights until they exercise their FREYR Public Warrants and receive Ordinary Shares. After the issuance of Ordinary Shares upon exercise of the FREYR Public Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

The amended and restated warrant agreement provides that the terms of the FREYR Public Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision but requires the approval by the holders of at least a majority of the then outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of FREYR Public Warrants.

Private Warrants and Working Capital Warrants

The FREYR Private Warrants and FREYR Working Capital Warrants (including the Ordinary Shares issuable upon exercise of the FREYR Private Warrants or FREYR Working Capital Warrants) were not transferable, assignable or salable until 30 days after Second Closing (except, among other limited exceptions to Alussa's officers and directors and other persons or entities affiliated with the Sponsor) and they were not redeemable by FREYR and will be exercisable on a cashless basis so long as they are held by the Sponsor or its



permitted transferees. Otherwise, the FREYR Private Warrants and FREYR Working Capital Warrants have terms and provisions that are identical to those of the FREYR Public Warrants. If the FREYR Private Warrants or FREYR Working Capital Warrants are sold or transferred to another party that is not the Sponsor or any of its permitted transferees, they become Public Warrants, and will therefore be redeemable by FREYR and exercisable by the holders on the same basis as FREYR Public Warrants.

If holders of the FREYR Private Warrants or FREYR Working Capital Warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Warrants (as defined in the form amended and restated warrant agreement), multiplied by the excess of the "fair market value" (as defined in the form amended and restated warrant agreement) over the exercise price of the Warrants by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of the Ordinary Shares for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant agent.

Exchange Listing

The Ordinary Shares, and FREYR Public Warrants, FREYR Private Warrants and FREYR Working Capital Warrants are currently listed on the NYSE under the symbols "FREY" and "FREY WS," respectively.



Exhibit 10.8

[CERTAIN INFORMATION IN THIS EXHIBIT IDENTIFIED BY [***] IS CONFIDENTIAL AND HAS BEEN EXCLUDED BECAUSE IT (I) IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THAT INFORMATION AS PRIVATE OR CONFIDENTIAL.]

**AMENDMENT 2 TO
THE LICENSE NAD SERVICES AGREEMENT**

This Amendment (“**Amendment**”) is effective as of April 27, 2022 (“**Amendment Effective Date**”) and hereby amends the License and Services Agreement between 24M Technologies, Inc. (“**24M**”) and Freyr AS, which has been succeeded by FREYR Battery Norway AS (“**Freyr**”), effective December 15, 2020 (the “**Agreement**”). In the event of a conflict between this Amendment and the Agreement, this Amendment shall govern.

For good and valuable consideration the parties hereby agree to amend the Agreement as follows.

1. Section 12.2 of the Agreement shall be deleted in its entirety and be of no further force or effect.
2. The dates in Sections 12.3 and 12.4 of the Agreement shall be changed from [***] to [***].

Except as modified by this Amendment, the Agreement shall remain in full force and effect. This Amendment may be signed electronically, by PDF, as well as in counterparts, all of which shall be originals and sufficient to legally bind the parties to this Amendment.

The duly authorized signatories of the parties have read, understood, and agree to the terms and conditions set forth above as of the Amendment Effective Date.

The duly authorized signatories of the parties have read, understand and agree to the terms and conditions set forth above, effective as of the date set forth above.

24M, INC.

FREYR BATTERY NORWAY AS

/s/ Naoki Ota

Signature

Naoki Ota

Print Name

President and CEO

Title

May 2, 2022

Date

/s/ Tom Einar Jensen

Signature

Tom Einar Jensen

Print Name

Chief Executive Officer

Title

May 2, 2022

Date



Exhibit 10.9

[CERTAIN INFORMATION IN THIS EXHIBIT IDENTIFIED BY [***] IS CONFIDENTIAL AND HAS BEEN EXCLUDED BECAUSE IT (I) IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THAT INFORMATION AS PRIVATE OR CONFIDENTIAL.]

THIRD AMENDMENT TO LICENCE AND SERVICES AGREEMENT

This **Third Amendment to the License and Services Agreement** (the “**Third Amendment**”) is made as of this 21st. day of December 2022 (the “**Third Amendment Effective Date**”) by and between:

- (i) **24M Technologies, Inc.**, incorporated in Delaware with its principal office at 130 Brookline St., Cambridge, MA 02139 (“**24M**”) and
- (ii) **FREYR Battery Norway AS**, a Norwegian limited liability corporation with company registration number 929 340 019 having its registered place of business at Halvor Heyerdahls vei 33, 8626 Mo i Rana, Norway (“**FREYR**”),

each a “Party” and together the “Parties”.

Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings set forth in the Agreement (as defined below).

RECITALS

(A) 24M and FREYR entered into that certain License and Services Agreement as of 15 December 2020 (the “**Agreement**”);

(B) clause 16.10 of the Agreement provides that the Agreement may be varied or amended by an amendment in writing and duly executed by or on behalf of each of the Parties to the Agreement; and

(C) 24m and FREYR wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises made herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Amendment

1.2 Clause 7.1 (e) is added to the Agreement and reads as follows:

(e) **Additional Service Fee.** FREYR shall pay 24M an Additional Service Fee of eight million seven hundred fifty thousand U.S. dollars (\$8,750,000) in four equal payments (the “**Additional Service Fee**”), in accordance with the following schedule. If the Additional Service timeline outlined in Schedule 2A is significantly delayed, the Parties will negotiate in good faith a revision to the Additional Service Fee payment schedule to reflect the delay.

- (i) Two million one hundred eighty-seven thousand five hundred U.S. dollars (\$2,187,500) on 31 December 2022



(ii) Two million one hundred eighty-seven thousand five hundred U.S. dollars (\$2,187,500) on 1 April 2023

(iii) Two million one hundred eighty-seven thousand five hundred U.S. dollars (\$2,187,500) on 1 September 2023

(iv) Two million one hundred eighty-seven thousand five hundred U.S. dollars (\$2,187,500) on 1 February 2024

1.3 Clause 7.2 (f) is added to the Agreement and reads as follows:

In consideration of the Additional Service Fee plus any incurred travel, lodging, meals and similar expenses reasonably incurred by 24M and any capital costs incurred by 24M and approved in advance by FREYR in providing Additional Services, 24M will provide FREYR with the services as set forth in Clause 7.4 and Schedule 2A (the “**Additional Services**”). 24M agrees to: (i) provide the Services diligently, and (ii) comply with the requirements of this Agreement and Schedule 2A in the performance of the Services, and (iii) provide the Services within the Period of Performance specified in Schedule 2A.

1.4 Clause 7.2 (g) is added to the Agreement and reads as follows:

Completion of Additional Services may require the purchase of equipment, other capital expenditures or external test services not included in the Additional Service Fee. Should 24M determine such expenditures are required, it will advise FREYR in advance and upon FREYR’s approval, 24M will purchase the required capital or test services and the agreed expenditure will be billed to FREYR in addition to the Additional Service Fee. Should FREYR not approve the expenditure nor otherwise provide for the requirement, 24M will work in good faith to modify the objectives and scope to reflect this change.

1.5 Clause 7.2 (h) is added to the Agreement and reads as follows:

Provided 24M has appropriately staffed on the time frame required for the Additional Services as outlined in Schedule 2A, the Parties further agree that notwithstanding any other provision in this agreement, Additional Services shall in no event extend beyond December 31, 2024. FREYR can choose to extend certain [***] if mutually agreed to by FREYR and 24M at a mutually agreed upon price.

1.6 Amendment 2A is added to the Agreement and reads as follows:



Exhibit 10.10

[CERTAIN INFORMATION IN THIS EXHIBIT IDENTIFIED BY [***] IS CONFIDENTIAL AND HAS BEEN EXCLUDED BECAUSE IT (I) IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THAT INFORMATION AS PRIVATE OR CONFIDENTIAL.]

LICENSE AND SERVICES AGREEMENT

BETWEEN

(1) 24M TECHNOLOGIES, INC.

AND

(2) FREYR BATTERY KSP JV, LLC



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LICENSE AND SERVICES AGREEMENT

This LICENSE AND SERVICES AGREEMENT (the “Agreement”) commences on and from 8th October 2021 (the “Effective Date”) and is entered into by and between:

- (1) **24M TECHNOLOGIES, INC**, incorporated in Delaware, U.S.A. and whose principal office is situated at 130 Brookline Street, Cambridge, MA 02139 (“**24m**”); and
- (2) **FREYR BATTERY KSP JV, LLC**, a Delaware limited liability company (“**FREYR BATTERY KSP**”),

each a “**Party**” and together the “**Parties**”.

RECITALS

- (1) 24m has developed 24m Proprietary Technology, including know how, related to the development and manufacture of Semi-Solid Battery (as defined herein) cells.
- (2) FREYR BATTERY KSP is a newly-formed entity that intends to build and operate a plant or plants to manufacture Semi-Solid Battery cells and modules in the United States of America.
- (3) FREYR BATTERY KSP wishes to license the 24m Proprietary Technology (as defined herein) and receive the Services (as defined herein) from 24m to enable the construction and scale of manufacturing facilities for such purposes.
- (4) 24m has agreed to license the 24m Proprietary Technology and provide the Services to FREYR BATTERY KSP to facilitate the manufacture and commercialization of the Semi-Solid Battery cells and modules by FREYR BATTERY KSP, in accordance with the terms of this Agreement.

a. DEFINITIONS AND INTERPRETATION

- 1.i In this Agreement, unless the context requires otherwise:
 - “**24m Developed Improvement**” has the meaning set out in clause 4.2;
 - “**24m Indemnified Persons**” has the meaning set out in clause 10.4;
 - “**24m Licensed Patents**” means all patents and patent applications (i) owned or Controlled by 24m or any of its Affiliates as of the Effective Date, or (ii) other than patents and patent applications constituting Materials IP, that 24m or an Affiliate develops or acquires ownership or Control of at any time during the Term of this Agreement, in each case that are necessary or useful for, or otherwise related to, the composition, manufacture, assembly, test, operation and service of Semi- Solid Battery cells and Semi-Solid Battery modules, including:
 - (a) all patents and patent applications set out in Schedule 1 ([***) as at the Effective Date, it being understood that such patents and patent



applications relate to technology capable of producing cells with a gravimetric energy density below 350 Wh/kg at 20°C;

- (b) effective upon 24m obtaining the required governmental consents or exemptions further described in Schedule 1a (“Required Approvals”), all patents and patent applications set out in Schedule 1a (["**"]) as at the Effective Date, it being understood that such patents and patent applications relate to technology capable of producing cells with a gravimetric energy density above 350 Wh/kg at 20°C; and
- (c) any patents and patent applications claiming inventions created in whole or in part by 24m in the performance of the Services or the fulfilment of 24m’s liabilities, responsibilities and obligations pursuant to this Agreement;
- (d) any patents and patent applications claiming 24m Developed Improvements;
- (e) any patents and patent applications claiming FREYR BATTERY KSP Developed Improvements; and
- (f) in respect of each of the above: (i) all extensions and renewals thereof; (ii) applications for any of the foregoing and the right to apply for any of the foregoing in any country; (iii) rights under licenses, consents, orders, statutes or otherwise in relation to the foregoing; (iv) rights of the same or similar effect or nature which now subsist; and (v) the right to sue for past and future infringements of any of the foregoing rights; but in no case will the foregoing clauses (i) through (v) inclusive include any patents or patent applications to the extent they claim technology solely related to producing cells with a gravimetric energy density above 350 Wh/kg at 20°C, until 24m obtains the Required Approvals.

“24m Licensed Technology”

means all Related Information (i) owned or Controlled by 24m or any of its Affiliates as of the Effective Date, (ii) that 24m or an Affiliate develops or acquires ownership or Control of at any time during the Term of this Agreement, or (iii) that 24m or an Affiliate otherwise discloses, delivers or transfers to FREYR BATTERY KSP under this Agreement, in each case that is not in the public domain or



that is otherwise proprietary to 24m or an Affiliate, including:

- (a) all 24m Developed Improvements;
- (b) all FREYR BATTERY KSP Developed Improvements;
- (c) all IPR, including unregistered utility models, unregistered designs, unregistered design rights, topography rights, database rights, know-how and copyrights (including moral rights), in the foregoing; and
- (d) in respect of each of the foregoing: (i) applications for any of the foregoing and the right to apply for any of the foregoing in any country; rights under licenses, consents, orders, statutes or otherwise in relation to the foregoing; rights of the same or similar effect or nature which now subsist; and (ii) the right to sue for past and future infringements of any of the foregoing rights,

but in each case, excluding the patent rights and trademark rights;

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| “24m Licensee” | means an entity with whom 24m has entered into licensing arrangements related to the 24m Proprietary Technology, but excluding FREYR BATTERY KSP or its Affiliates; |
| “24m Proprietary Technology” | means 24m Licensed Patents and 24m Licensed Technology; |
| “Affiliates” | means, with respect to any person, any other person directly or indirectly Controlling, (including, but not limited to, all directors and officers of such person) Controlled by, or under direct or indirect common Control with, such person. For the purposes of this definition, “Control” when used with respect to any person, means the power to direct the management and policies of such person, directly or indirectly, through the ownership of more than fifty percent (>50%) voting securities, by contract or otherwise, and the terms “Controlling” and “Controlled” shall be construed accordingly; |
| “Applicable Law” | means any of the following, to the extent that it applies to a Party, its Affiliates or its employees and contractors: <ul style="list-style-type: none">(a) any statute, regulation, by-law, ordinance or subordinate legislation in force from time to time;(b) the common law and the law of equity;(c) any binding court order, judgment or decree; |



- (d) any applicable industry code, policy or standard enforceable by law; and
- (e) any applicable policy, requirement, rule or order that is given by a regulator;

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| “ASEAN” | means those member states belonging to the Association of Southeast Asian Nations as at the Effective Date; |
| “Business Days” | means a day (other than a Saturday or Sunday) on which banks in Norway and/or New York, New York, USA are open for ordinary banking business; |
| “Calendar Year” | means a period of 12 consecutive months beginning on and including January 1 st and ending on and including December 31 st ; |
| “Confidential Information” | <p>means, in respect of a Party, information in any form (whether written, electronic, graphic, oral or otherwise) that falls within any of the following categories:</p> <ul style="list-style-type: none">(a) it has been provided by the Party and was marked confidential (or a similar designation) or was stated to be confidential at the time of disclosure;(b) it concerns the customers, finances, sales, marketing, products, suppliers, employees, strategies, business operations, projections, forecasts or management, or it would ordinarily be deemed by a reasonable person to be confidential or proprietary to each Party;(c) information contained in, or relating to, the items licensed to the other Party pursuant to clause 3 (Grant of Licence); and(d) information identified in this Agreement as Confidential Information of a Party; <p>Notwithstanding the foregoing, the Confidential Information shall not include, and no obligation shall be imposed regarding information which:</p> <ul style="list-style-type: none">(a) is publicly known at the time of disclosure or becomes publicly known after disclosure through no wrongful act or breach of this Agreement by the other Party;(b) is already in the possession of the other Party at the time of disclosure without reference to the Party’s Confidential Information;(c) is rightfully and lawfully obtained by the other Party from a third party without any confidentiality obligation, directly or indirectly, to the Party or its |



Affiliates;

- (d) is independently developed by or for the other Party without reference to the Party's Confidential Information; or
- (e) is approved for public release by written authorization of the Party;

“Control”

means, whether arising by ownership, license or otherwise:

(i) with respect to a patent, patent application or patent right, that 24m or its Affiliate possesses the right to grant and authorize the licenses, and sublicenses, as applicable, of the scope granted to FREYR BATTERY KSP under this Agreement, and (ii) with respect to Information, that 24m or its Affiliate possesses the Information and the rights to disclose and deliver the Information, or a copy thereof, to FREYR BATTERY KSP under this Agreement; in either case without violating the terms of any agreement under which 24m or its Affiliate as of the Effective Date holds or after the Effective Date first acquires rights in such subject matter. For example, if 24m has a license to a patent, but is not permitted under such license to license it to FREYR BATTERY KSP, then such patent shall not be considered Controlled by 24m for purposes of this Agreement until such time as 24m has the right to license it to FREYR BATTERY KSP under the terms of this Agreement. Similarly, if 24m has a license to a patent, but is permitted under such license to license it to FREYR BATTERY KSP for some but not all purposes under this Agreement, then such patent shall be considered Controlled by 24m only for those purposes for which 24m has the right to license it to FREYR BATTERY KSP under the terms of this Agreement.

“COVID-19”

means SARS-CoV-2 or COVID-19, and any evolutions or mutations thereof or related or associated epidemics, pandemic or disease outbreaks.

“COVID-19 Measures”

means any quarantine, “shelter in place,” “stay at home,” workforce reduction, social distancing, shut down, closure, sequester, safety or similar law, directive, guidelines or recommendations promulgated by any industry group or any governmental authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to COVID-19, including the CARES Act and Families First Act.

“Effective Date”

has the meaning set out in the preamble;



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| “Energy Storage System” | means a grid connected electricity storage system that has more than 200 kWh of lithium-ion battery storage capacity, excluding any applications related to automotive charging or discharging. |
| “EVs” | means vehicles designed to carry people or goods, including passenger cars, busses, class 8 trucks and other commercial vehicles and motorcycles, and any and all components thereof, but specifically excluding, bicycles, trains, golf cart, airport transports, fork-lifts (and similar industrial machines), three-wheeler cart/taxi, military vehicles, drones, air taxi, airplanes or other aviation applications, or watercraft or watercraft applications. |
| “Exceptions” | has the meaning set out in clause 6; |
| “Existing IPR” | has the meaning set out in clause 4.1; |
| “Force Majeure Event” | means acts of God, fire, flood, war, acts of terrorism, riot, civil commotion, governmental actions, labour disputes (save where such disputes involve personnel of the non- performing Party), pandemic, epidemic, quarantine and any similar events that are not reasonably foreseeable and beyond the reasonable control of the non-performing Party; <i>provided</i> that, as an ongoing issue of which both Parties are aware, COVID-19 and COVID-19 Measures in effect as of the Effective Date shall not be considered Force Majeure Events; |
| “FREYR BATTERY Indemnified Persons” | KSP has the meaning set out in clause 10.1; |
| “Improvement” | means any improvement, enhancement, derivative of or modification to the 24m Proprietary Technology including any such modifications in the manufacturing processes or otherwise related to manufacture of the Products but in all cases excluding the 24m Proprietary Technology itself (without reference, for purposes of this exclusion, to clauses (d) and (e) in the definition or “24m Licensed Patents” and clauses (a) and (b) in the definition of “24m Licensed Technology”), |
| “Indemnitee” | means the Party that is receiving the benefit of the relevant indemnity; |
| “Indemnitor” | means the Party that is giving the relevant indemnity; |
| “Insolvency Event” | means the occurrence of any of the following events (or any event analogous to any of the following in a jurisdiction |



other than the United States) in relation to the relevant entity:

- (a) the entity passing a resolution for its winding up or a court of competent jurisdiction making an order (which order is not dismissed or vacated within 90 days) for the entity to be wound up or dissolved or the entity being dissolved;
- (b) the appointment by a court of competent jurisdiction of an administrator of or a receiver or administrative receiver of, or an encumbrancer taking possession of or selling, the whole or part of the entity's undertaking, assets, rights or revenue; or
- (c) the entity makes an application to a court of competent jurisdiction for protection from its creditors, however, a resolution by the relevant entity or a court order that such entity be wound up for the purpose of a bona fide reconstruction or amalgamation will not amount to an Insolvency Event;

“IPR”

means all rights of any nature in patents, registered designs, registered trademarks and service marks, and all extensions and renewals thereof, unregistered trademarks and service marks, business and customer names, unregistered designs, internet domain names and email addresses, design rights, topography rights, rights in inventions, utility models, database rights, rights in Information and copyrights (including moral rights); applications for any of the foregoing and the right to apply for any of the foregoing in any country; rights under licenses, consents, orders, statutes or otherwise in relation to the foregoing; rights of the same or similar effect or nature which now subsist; and the right to sue for past and future infringements of any of the foregoing rights;

“Information”

means all technical, scientific and other know-how and information, trade secrets, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, discoveries, inventions, designs, drawings, assembly procedures, computer programs, apparatuses, prototypes, specifications, data, results, and other material, including manufacturing and quality control procedures and data, in each case (whether or not confidential, proprietary, patented or patentable, of commercial advantage or not) in written, electronic or any other form now known or hereafter developed.

**“Major
Automobile Companies”**

means any company that produces more than five-hundred thousand cars and/or more than ten thousand trucks or buses annually.



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| “Materials IP” | means claims of patents and patent applications that both (i) 24m or an Affiliate develops (that has the earliest priority date after the Effective Date of this Agreement) or first acquires ownership or Control of, only after the Effective Date of this Agreement, and (ii) solely relate to Novel Chemical Entities and/or methods of manufacturing Novel Chemical Entities. For the avoidance of doubt, Materials IP excludes claims of patents and patent applications that relate to preparations (e.g., mixing) of electrolyte, active material and other materials, combinations of such compositions within a battery cell, formulas related to battery cell activation and other processes and methods of manufacturing the battery cells. |
| “North America” | means the United States, Canada and Mexico. |
| “Novel Chemical Entity” | means a chemical compound, molecule or chemical intermediate that has a novel structure and/or previously unknown or unrecognized functions or properties (as it relates to that compound) that are useful in a Semi-Solid Battery cell. |
| “Permitted New Licensees” | has the meaning set out in clause 6; |
| “Product” | means Semi-Solid Battery cells or any product containing a Semi-Solid Battery cell, the manufacture or sale of which would, but for the license granted in this Agreement, infringe a Valid Claim of a 24m Licensed Patent. For the avoidance of doubt, Product includes Semi-Solid Battery cells or products containing Semi-Solid Battery cells, that is manufactured and/or sold in a jurisdiction that does not infringe a Valid Claim, provided its manufacture or sale in any jurisdiction would infringe a Valid Claim; |
| “Quarter” | means calendar quarters, 1 January – 31 March; 1 April – 30 June; 1 July – 30 September; and 1 October – 31 December, and “Quarterly” shall be construed accordingly; |
| “Related Information” | means all Information necessary or useful for, or otherwise related to, the composition, manufacture, assembly, test, operation and service of Semi-Sold Battery cells and Semi- Solid Battery modules, including: (a) all Information regarding materials required to manufacture Semi-Solid Battery cells and Semi-Solid Battery modules; |



- (b) all specifications and drawings for pilot and high volume Semi-Solid Battery cell and Semi-Solid Battery module manufacturing equipment and facilities;
- (c) all manufacturing and testing process and procedures for Semi-Solid Battery cells and Semi-Solid Battery modules; and
- (d) all Information (including specifications) regarding the machines, the equipment and the facilities used for manufacturing or evaluating Semi-Solid Battery cells and Semi-Solid Battery modules;

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| “Related Parties” | means any person or entity that is related to any of the senior management of FREYR BATTERY KSP, owns more than 5% of FREYR BATTERY KSP or otherwise exerts significant influence or control over FREYR BATTERY KSP; |
| “Reserved Companies” | means any company that produces more than five-hundred thousand cars and/or more than ten thousand trucks or buses annually. |
| “Reserved IP” | Means any IPR and/or Information licensed to 24m from Volkswagen Battery Technology Development, LLC. or an Affiliate of Volkswagen Battery Technology Development, LLC. |
| “Restricted Information” | means the Information set forth or described in Schedule 4B. |
| “Royalty” | has the meaning set out in clause 5.1, and “Royalties” shall be construed accordingly; |
| “Scandinavian Region” | means Denmark, Norway, Sweden, Finland, Greenland, and Iceland; |
| “Semi-Solid Battery” | means a battery that has at least one electrode comprised of a liquid electrolyte and a solid for which the manufacturing process did not use a drying process; |
| “Term” | has the meaning set out in clause 2.1; |
| “Valid Claim” | means a claim of an issued and unexpired patent included within the 24m Licensed Patents that (a) has not been held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time |



allowed for appeal, and (b) has not been admitted to be invalid or unenforceable through reissue, disclaimer or otherwise.

- 1.2 In this Agreement, unless the context requires otherwise:
- (a) a statutory provision, includes a reference to:
 - (i) the statutory provision as modified or re-enacted from time to time (whether before or after the Effective Date); and
 - (ii) any subordinate legislation made pursuant to the statutory provision (whether before or after the Effective Date);
 - (b) a Party, person or entity, includes a reference to that Party's, person's or entity's successors, personal representatives or assigns;
 - (c) an agreement, includes a reference to such agreement as amended from time to time;
 - (d) a "**Schedule**" or "**Appendix**" unless the context otherwise requires, is a reference to a schedule or appendix to this Agreement; and
 - (e) the singular includes the plural and vice versa, unless the context otherwise requires.
- 1.3 The headings in this Agreement will not affect the interpretation of this Agreement (and unless the context requires otherwise, a reference to a Schedule includes the associated Appendices).
- 1.4 Whenever the words "include", "includes", "including" or "in particular" (or similar derivatives) are used, they are deemed to be followed by the words "without limitation".
- 1.5 This Agreement is the result of arm's length negotiations between the Parties and will be construed to have been drafted by both Parties such that any ambiguities in this Agreement will not be construed against either Party as a result of that Party having drafted or proposed the relevant clause.

2 COMMENCEMENT AND DURATION

- 2.1 This Agreement shall take effect from the Effective Date and, unless terminated earlier in accordance with clause 12 (*Termination*), shall continue until the expiration, lapse, cancellation, abandonment or invalidation of the last Valid Claim of the 24m Licensed Patents (the "**Term**"). FREYR BATTERY KSP's license with respect to then-existing 24m Licensed Technology will survive the expiration, but not an earlier termination (subject to clause 12.5 with respect to FREYR BATTERY KSP Developed Improvements) of the Agreement, [***].

3. GRANT OF LICENSE

- 3.1 24m Licensed Patents. Subject to the terms of this Agreement, 24m hereby grants the following rights to FREYR BATTERY KSP and its Affiliates:
- (a) during the Term a royalty-bearing, exclusive (except as provided in clause 3.3 and subject to clause 6), irrevocable (except in accordance with clause 12 (*Termination*)),



non-transferable (except in accordance with clause 16.2 (*Assignment / Novation*)) and non-sub-licensable (except as provided in clause 3.4) license under the 24m Licensed Patents, to:

- (i) manufacture Products in North America solely for use in or as part of EVs and for Energy Storage Systems; and
- (ii) use, sell, offer to sell and import on a worldwide basis Products manufactured in North America solely for use in or as part of EVs or Energy Storage Systems, subject to the following restrictions (“**Restrictions**”):
 - (A) FREYR BATTERY KSP may not sell or offer to sell the Products within ASEAN until 24m’s exclusive license with GPSC expires, currently December 31, 2022.
 - (B) FREYR BATTERY KSP may not sell or offer to sell the Products within Japan until 24m’s exclusive license with Kyocera expires, currently December 31, 2022.

Notwithstanding the foregoing, with respect to any 24m Licensed Patents claiming FREYR BATTERY KSP Developed Improvements, the foregoing license is granted on a perpetual, non-exclusive, irrevocable, fully paid-up and royalty-free basis.

- (b) during the Term a royalty-bearing, non-exclusive, irrevocable (except in accordance with clause 12 (*Termination*)), non-transferable (except in accordance with clause 16.2 (*Assignment / Novation*)) and non-sub-licensable (except as provided in clause 3.4) license under the 24m Licensed Patents, to:
 - (i) manufacture Products, subject to the following restrictions (“**Manufacturing Restrictions**”):
 - (A) FREYR BATTERY KSP’s license under this clause 3.1(b)(i) shall not include the right to manufacture Products within ASEAN until after December 31, 2022, unless 24m’s exclusivity with GPSC expires earlier;
 - (B) FREYR BATTERY KSP’s license under this clause 3.1(b)(i) shall not include the right to manufacture Products within Japan until after December 31, 2022, unless 24m’s exclusivity with Kyocera expires earlier;
 - (C) FREYR BATTERY KSP’s license under this clause 3.1(b)(i) shall not include the right to manufacture Products within the European Economic Area (“**EEA**”) until after December 31, 2023 unless 24m’s exclusivity with FREYR expires earlier; and
 - (D) FREYR BATTERY KSP’s license under this clause 3.1(b)(i) shall not include the right to manufacture Products within the Scandinavian Region until after December 31, 2030 unless 24m’s exclusivity with FREYR expires earlier;

and



- (ii) use, sell, offer to sell and import Products on a worldwide basis, subject to the Restrictions.

3.2 24m Licensed Technology. 24m hereby grants to FREYR BATTERY KSP and its Affiliates a non-exclusive (subject to clause 6), perpetual, irrevocable, royalty-free, fully-paid, non-transferable (except in accordance with clause 16.2 (*Assignment / Novation*)) and non-sublicensable (except as provided in clause 3.4) license to use the 24m Licensed Technology, in order to:

- (a) manufacture Products on a worldwide basis subject to Manufacturing Restrictions; and
- (b) use, sell, offer to sell and import Products on a worldwide basis, subject to the Restrictions

Notwithstanding the foregoing, with respect to any FREYR BATTERY KSP Developed Improvements, the foregoing license is granted on a perpetual, non-exclusive, irrevocable, fully paid-up and royalty-free basis.

3.3 Exclusivity. Subject to the Exceptions, the right for 24M to manufacture and sell a maximum of [***] MWh per year and except for the Permitted New Licensees under clause 6, the licenses granted to FREYR BATTERY KSP and its Affiliates under clauses 3.1 and 3.2 are exclusive solely with respect to (i) the manufacture of Products within North America for use in or as part of EVs and/or Energy Storage Systems and (ii) the worldwide use, sale, offer for sale and import of Products that are manufactured in North America solely for use in or as part of EVs and/or Energy Storage Systems. Otherwise, the licenses granted to FREYR BATTERY KSP and its Affiliates under clauses 3.1 and 3.2 are non-exclusive. The Parties acknowledge and agree that: (a) Products that are manufactured by a third party outside of North America can be imported into North America for use, sale and be offered for sale for use in EVs and/or Energy Storage Systems; and (b) products may be manufactured in North America for use in applications other than EVs and/or Energy Storage Systems (e.g., airplanes).

3.4 Sublicensing. The licenses granted to FREYR BATTERY KSP and its Affiliates under clauses 3.1 and 3.2 are sublicensable to:

- (a) equipment manufacturers and other contracted suppliers, solely in support of, and to supply to or for, FREYR BATTERY KSP and its Affiliates hereunder and not for the independent use by a third party;
- (b) contracted resellers and contracted distributors solely in order to permit such contracted resellers and contracted distributors to sell, offer for sale and import Products manufactured by or for FREYR BATTERY KSP and its Affiliates; and
- (c) downstream customers solely in order to use the Products manufactured by or for FREYR BATTERY KSP and its Affiliates.

3.5 No Implied License. Except as expressly provided in this Agreement, nothing herein is intended to confer, by implication, estoppel, or otherwise, upon FREYR BATTERY KSP a license to or rights in any IPR of 24m.

3.6 Materials IP Option. In the event that 24m develops Materials IP that is potentially useful in or in the manufacture of a Product manufactured by or for FREYR BATTERY KSP, then 24m will notify FREYR BATTERY KSP of such Materials IP (the "**Materials Notice**").



FREYR BATTERY KSP will then have the option to acquire a license to any such Materials IP or a supply of materials made through the practice of such Materials IP (to the extent such materials are made commercially available by 24m, a 24m Affiliate, or a third party authorized by 24m or a 24m Affiliate (each, an “**Authorized Supplier**”) for use in and/or in the manufacture of Products manufactured by or for FREYR BATTERY KSP by sending written notice to 24m of its desire to take such a license or obtain a supply of such materials within six (6) months of its receipt of a Materials Notice (the “**Materials Request**”). Upon receipt of a Materials Request, 24m will in good faith negotiate a license or as applicable supply agreement with FREYR BATTERY KSP for such Materials IP or for a supply of materials that include or are made through the practice of such Materials IP for Products or the manufacture of Products manufactured by or for FREYR BATTERY KSP on commercially reasonable terms and royalties/fees, which terms and royalties/fees will be no less favorable to FREYR BATTERY KSP than the terms then or subsequently offered by 24m or its Affiliate to any other Enabled Licensee under similar terms, volumes, commitments and circumstances. The term “**Enabled Licensee**” means an entity to whom 24m or an Affiliate of 24m has granted or subsequently grants a license to the 24m Proprietary Technology for use in the manufacture of Semi-Solid Batteries for EVs or Energy Storage Systems and the Materials IP. The parties will use good faith efforts to conclude any such license or supply agreement negotiations within six (6) months of 24m’s receipt of a Materials Request.

4. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS

- 4.1 Ownership of Background IPR. Except as provided in clause 4.3, nothing in this Agreement will assign or transfer ownership of any IPR, corporate names, trademarks, and associated goodwill, of either Party which are (i) owned or Controlled by that Party or any Affiliate as of the Effective Date (the “**Existing IPR**”), or (ii) developed or acquired by that Party or any Affiliate (itself or working with any third party, including any 24m Licensee) during the Term of this Agreement.
- 4.2 24m Developed Improvements. As between the Parties and subject to the licenses provided in clause 3, any Improvement that is conceived, first reduced to practice, invented or developed by 24m or any Affiliate (itself or working with any third party, including any 24m Licensee) after the Effective Date (“**24m Developed Improvements**”) shall be owned by 24m.
- 4.3 FREYR BATTERY KSP Developed Improvements. As between the Parties, any Improvement that is conceived, first reduced to practice, invented or developed by FREYR BATTERY KSP or any Affiliate, independently or in cooperation with 24m or any Affiliate, shall be owned by 24m (“**FREYR BATTERY KSP Developed Improvements**”); *provided* that (a) FREYR BATTERY KSP Developed Improvements exclude [***], and (b) 24m hereby grants to FREYR BATTERY KSP a license to FREYR BATTERY KSP Developed Improvements on a non-exclusive, perpetual, irrevocable, fully-paid up and royalty free basis, in accordance with clause 3. In connection with the foregoing, FREYR BATTERY KSP hereby assigns, and agrees to assign, all of its



right, title, and interest in and to the FREYR BATTERY KSP Developed Improvements, including any IPR related thereto that arises from the conception, first reduction to practice, invention or development of the FREYR BATTERY KSP Developed Improvement by FREYR BATTERY KSP or any Affiliate, subject to such FREYR BATTERY KSP Developed Improvements being automatically licensed back to FREYR BATTERY KSP pursuant to clause 3, without further action by the Parties, on a perpetual, irrevocable, fully paid-up and royalty-free basis.

4.4 Deliveries.

- (a) By 24m. Following 24m's initial delivery of all Related Information required under clause 7.4, and continuing throughout the Term of this Agreement, on a quarterly basis 24m shall disclose in writing and transfer and deliver to FREYR BATTERY KSP, at no cost and, where possible, through electronic means such as file transfer or FTP, copies of all material 24m Developed Improvements and all other material Related Information that 24m or its Affiliates have developed or acquired ownership or Control of at any time during the Term of this Agreement (to the extent not previously disclosed, transferred or delivered to FREYR BATTERY KSP hereunder), but excluding Information claimed in a claim of a patent or patent application that constitutes Materials IP. FREYR BATTERY KSP acknowledges and agrees that, with respect to the Restricted Information, FREYR BATTERY KSP may be required to enter into an agreement directly with the third-party owner of rights in or to such Information in order to receive access to such Information in connection with this Agreement.
- (b) By FREYR BATTERY KSP. Following 24m's initial delivery of all Related Information required under clause 7.4, and continuing throughout the Term of this Agreement, on a quarterly basis FREYR BATTERY KSP shall disclose in writing and transfer and deliver to 24m, at no cost and, where possible, through electronic means such as file transfer or FTP, copies of all material FREYR BATTERY KSP Developed Improvements that FREYR BATTERY KSP or its Affiliates have developed or acquired ownership or Control of at any time during the Term of this Agreement (to the extent not previously disclosed, transferred or delivered to 24m hereunder), but excluding any Information claimed in claim of a patent or patent application that would constitute Materials IP if it had been developed, or if ownership or Control had been acquired, by 24m or a 24m Affiliate after the Effective Date of this Agreement.

5. ROYALTY PAYMENTS

- 5.1. Royalty. In consideration of the licenses granted by 24m under clause 3.1 of this Agreement, FREYR BATTERY KSP shall pay to 24m the royalty payments set out below (the "**Royalty**") on aggregate Revenues earned for the sale of Products during each Calendar Year:



| Portion of aggregate Revenues from Products sold during Calendar Year (based on aggregate, rated capacity of Products sold, in kWh) | | | Royalty (% of Revenue) |
|---|----|----------------|------------------------|
| [***] kWh/year | to | [***] kWh/year | [***]% |
| [***] kWh/year | to | [***] kWh/year | [***]% |
| [***] kWh/year | to | [***] kWh/year | [***]% |
| [***] kWh/year | to | [***] kWh/year | [***]% |
| [***] kWh/year | to | [***] kWh/year | [***]% |
| [***] kWh/year | to | [***] kWh/year | [***]% |
| [***] kWh/year | | | [***]% |

“Revenue” for the purpose of calculating the Royalty in the table above means the actual revenue per Calendar Year (not the cumulative amount from the production) FREYR BATTERY KSP earned for the sale of Products to customers of FREYR BATTERY KSP who are not Affiliates nor Related Parties of FREYR BATTERY KSP (“Non-affiliates”). If FREYR BATTERY KSP leases (to third parties or Related Parties or Affiliates), uses (for its own benefit as a commercial end user) or sells Products to Affiliates or Related Parties of FREYR BATTERY KSP, then Revenue shall be the revenue that would have been received if Products were sold at the market price as represented by the price paid by unaffiliated parties in an arms-length transaction, which shall be deemed to be the actual revenue received by the Affiliate or Related Party from the subsequent resale of the Products to customers (that are not an Affiliates or Related Parties of FREYR BATTERY KSP) if the Products are so resold. For the foregoing purposes, the Parties agree to negotiate in good faith a representative market price based on available information of sales of Products by FREYR BATTERY KSP, if any, and other manufacturers after considering differences in quality, purchase volumes and other relevant considerations.

For the avoidance of doubt, for the [***] kWh of sales each Calendar Year the Royalty is [***]% of Revenue. For example, if FREYR BATTERY KSP’s quarterly sales volumes are [***] kWh for the first, second and third quarters and [***] kWh in the fourth quarter, then the Royalty will be [***]% of Revenue for the [***] kWh of sales and [***]% of Revenue for the remaining [***] kWh of sales.

Notwithstanding anything to the contrary in this Agreement, if a Product includes Semi-Solid Battery cells as part of or in combination with other products, services or components that do not use or practice 24m Licensed Patents (e.g., a module that does not use or practice 24m Licensed Patents that includes Semi-Solid Battery cells), Revenue from such combination sales for purposes of calculating the amounts due shall be the revenue that would have been received if the Semi-Solid Battery cells were sold alone at the market price as represented by the price paid by unaffiliated parties in an arms-length transaction.

- 5.2. Minimum Annual Royalty. Beginning with Calendar Year 2025, FREYR BATTERY KSP shall pay to 24m minimum annual Royalties equal to three million U.S. Dollars (\$3,000,000) per Calendar Year (“Minimum Annual Royalties”).
- 5.3. Royalty Abatement on Initial Sales. Notwithstanding clause 5.1, the Parties agree that the [***] kWh of Product sold by FREYR BATTERY KSP from its U.S. manufacturing factory before December 31, 2025 shall be free of any running Royalty.
- 5.4. Revenue. In addition to the foregoing set out in clause 5.1:
 - (a) Revenue shall mean the actual revenue earned or calculated from sales or use of Product sold, less:



- (i) any tax regarding sales, use, occupation, tariff, excise or import/export, or other governmental charges imposed on the production, importation, exportation, use or sale on particular sales or the provision of a service (but not income taxes derived from such sales);
- (ii) any packing for the shipping of Products, freight, postage, insurance, or other transportation charges itemized as such on the invoice; and
- (iii) refunds, returns, and credits for the foregoing.

5.5 Royalty Calculation and Invoicing. The Royalty calculated in accordance with this clause 5 (*Royalty Payments*) shall be paid Quarterly in arrears. Within twenty (20) Business Days after the end of each relevant Quarter, FREYR BATTERY KSP shall provide full details to 24m of the total Revenue earned during that Quarter and the corresponding amount of the Royalty calculated in accordance with clauses 5.1 (the "**Royalty Report**"). The amount of the Royalty shall be converted by FREYR BATTERY KSP into US Dollars using the average exchange rate during the Quarter in which the Royalty is calculated. 24m shall provide an invoice to FREYR BATTERY KSP within five (5) Business Days following receipt of the Royalty Report. If there has been any underpayment or overpayment of the Royalty, FREYR BATTERY KSP shall ensure that there is an adjustment to the next Quarterly payment following discovery of such underpayment or overpayment.

The Minimum Annual Royalty under clause 5.2 shall be paid each Calendar Year in arrears. In its Royalty Report for the 4th Quarter of each Calendar Year, actual Royalties accrued for the entire Calendar Year shall be credited against the Minimum Annual Royalty, and any remainder added to the Royalty calculation of the Royalty Report for the 4th Quarter.

5.6 Royalty Payment. FREYR BATTERY KSP shall pay all undisputed Royalties in US dollars within [***] of receipt of each invoice from 24m. FREYR BATTERY KSP will pay 24m a late fee for any amount that is not paid when due at a rate of [***] per month or the maximum rate permitted by applicable law, whichever is less, from the due date until paid.

5.7 Taxes

- (i) All Royalty payments are exclusive of VAT (or other similar taxes) and shall be paid by FREYR BATTERY KSP free of all deductions and withholdings whatsoever, except where otherwise required by law.
- (ii) If any deduction or withholding is required by law, FREYR BATTERY KSP will pay to 24m a sum that will, after such deduction or withholding has been made, leave 24m with the same amount as 24m would have been entitled to in the absence of such deduction or withholding. FREYR BATTERY KSP shall provide to 24m a statement showing the gross Royalty paid, the amount of the sum deducted, and the actual Royalty paid.
- (iii) Any taxes, duties or fees arising out of or in connection with each Party's income shall be borne by the Party the respective taxes are levied upon.



6. NON-COMPETE

Provided FREYR BATTERY KSP is not in material default of this Agreement and has met the Minimum Commitments, and with the exception of: (i) licenses or other binding agreements to grant licenses to no more than two (2) of the Reserved Companies for Products made by or for such Reserved Companies, for use in or as part of EVs and/or Energy Storage Systems made by or for them that are marketed and sold under trademarks owned or controlled by them or (ii) licenses or binding agreements to grant licenses that are in effect as of the Effective Date set forth in Schedule 4C (the direct grants and licenses in clauses (i) and (ii) are, collectively, the “**Exceptions**”), 24M will refrain, and will cause its Affiliates to refrain, from directly or indirectly granting any license for the manufacture of Products within North America for use in or as part of EVs and/or Energy Storage Systems (and also from the worldwide use, sale, offer for sale and import of Products manufactured in North America for use in or as part of EVs and/or Energy Storage Systems) as follows: (a) no new licensees until the second anniversary of the Effective Date, (b) up to one (1) new licensee until the fourth anniversary of the Effective Date, (c) up to three (3) new licensees until the seventh anniversary of the Effective Date (in the aggregate, including those granted prior to the fourth anniversary of the Effective Date), and (d) except for the Exceptions, up to five (5) new licensees until the tenth anniversary of the Effective Date (in the aggregate, including those granted prior to the seventh anniversary of the Effective Date) (the permitted new licensees in clauses (a) through (d) are, collectively, the “**Permitted New Licensees**”). Notwithstanding the foregoing, there shall be no further limitations on any licenses after the tenth anniversary of the Effective Date and 24m may license any third party to make any Products in North America for any reason, including use in or as part of EVs and/or Energy Storage Systems (and also the worldwide use, sale, offer for sale and import of Products manufactured in North America for any purposes, including use in or as part of EVs and/or Energy Storage Systems). For the avoidance of doubt, the Parties acknowledge and agree that if a given Minimum Commitment is missed, then the provisions of this Section 6 shall no longer apply to 24m after such date.

The term “**Minimum Commitments**” shall mean that FREYR BATTERY KSP has (a) built a United States manufacturing facility for the manufacture of Products by 2025 and (b) met the sales volumes as set forth below:

| Year | Sales Volume Commitment |
|------|-------------------------|
| 2022 | [***] GWh |
| 2023 | [***] GWh |
| 2024 | [***] GWh |
| 2025 | [***] GWh |
| 2026 | [***] GWh |
| 2027 | [***] GWh |
| 2028 | [***] Gwh |



| | |
|------|-----------|
| 2029 | [***] GWh |
| 2030 | [***] GWh |

Further, 24m agrees, that as appropriate, to position FREYR BATTERY KSP as a preferred battery cell producer for potential customers that wish to use 3rd party suppliers for the production of their batteries in North America.

For clarity, Products manufactured under this Agreement for Reserved Companies will count for purposes of the Minimum Commitments.

7. SERVICE AGREEMENT

- 1 Service Fee. FREYR BATTERY KSP shall pay 24m a Service Fee to cover Services to support the design, equipment selection and purchasing for FREYR BATTERY KSP's first U.S. manufacturing facility (the "Service Fee") on each anniversary of the Effective Date, until such time as FREYR BATTERY KSP is manufacturing at least [***] of Products. The service fees and detailed scope of Services shall be as mutually agreed between FREYR BATTERY KSP and 24M. 24m shall agree to perform such services reasonably requested by FREYR BATTERY KSP. However, the service scope shall not exceed the scope of the FREYR, AS Services, FREYR BATTERY KSP shall dedicate the appropriate resources to the project and the service fee will not exceed ten million dollars (\$10 million).
- 2 Services.
 - (a) All Services are dependent on FREYR BATTERY KSP actively providing the resources required to complete its tasks.
 - (b) The Parties further agree that regardless of the capacity or status of FREYR BATTERY KSP, Services shall be completed within [***] of the start production start but in no event shall Services extend beyond December 31, 2025.
- 3 Technical Training.
 - (a) 24m and FREYR BATTERY KSP will define what, if any, technical training will be provided by 24m to FREYR BATTERY KSP trainees. In all cases, FREYR BATTERY KSP will pay all costs associated with its trainees, including wages, benefits, taxes, food, lodging, travel and incidental expenses during any training.
- 4 Information Provision. Except with respect to information which 24m determines, in its sole discretion with the advice of counsel, is designated as "critical technology" pursuant to 31 C.F.R. § 800.215 or other information 24m is not permitted to disclose under other nondisclosure agreements, applicable laws, rules, or regulations, including but not limited to, those for export control, 24m will disclose and/or provide, and continue to disclose and/or provide, to FREYR BATTERY KSP the following Information and/or tangible materials it has in its possession that are necessary or reasonably relevant for FREYR BATTERY KSP to construct and operate a [***] factory to produce Products, including:



- (a) any information regarding materials, excluding Information claimed in a claim or a patent or patent application that constitutes Materials IP, required to manufacture Semi-Solid Battery cells and/or the Semi-Solid Battery modules;
- (b) specifications and drawings for pilot and high volume Semi-Solid battery manufacturing equipment and facilities; and
- (c) manufacturing process and testing process of the Semi-Solid Battery cells and modules, and any information (including, but not limited to, specifications) regarding the machines, the equipment or the facilities used for manufacturing or evaluating such Semi-Solid Battery cells and/or such Semi-Solid Battery modules.

FREYR BATTERY KSP may reasonably request any such information set forth above in this clause 7.4 from time to time during the Term of this Agreement, and 24m shall reasonably cooperate with FREYR BATTERY KSP to promptly provide such information.

- 5 On Site Support. 24m will provide support for FREYR BATTERY KSP in the specification, selection and installation of the facility and manufacturing equipment necessary to initially produce [***] of Products. This includes:
 - (a) technical advice and/or onsite technical support to install the mass production equipment and the support of FREYR BATTERY KSP personnel in the initial start-up and debug of said equipment.
- 6 Limitations. Without obtaining U.S. or other jurisdiction/country's government clearance, license, permit or exemption or relying on License Exception TSR, 24m will not disclose or provide to FREYR BATTERY KSP or FREYR BATTERY KSP Affiliates any information regarding technologies capable of producing an energy density above 350 Wh/kg at 20°C and other information that requires such clearance, license, permit or exemption. For the avoidance of doubt, 24m will withhold and retain from FREYR BATTERY KSP any information it determines, in its sole discretion with the advice of counsel, is subject to U.S. export control restrictions or is "critical technology" or technical information that is not available in the public domain and is necessary to design, fabricate, develop, test, produce, or manufacture a critical technology, including processes, techniques, or methods.
- 7 Joint Steering Committee.
 - (a) Joint Steering Committee. The Parties will establish, as soon as practicable after the Effective Date, a Joint Steering Committee (the "JSC") to oversee and coordinate the performance of the Services and information sharing regarding Improvements that arise in connection with this Agreement. The JSC shall be comprised of two (2) employees from FREYR BATTERY KSP and two (2) employees from 24m, or such other equal number as the Parties may agree in writing. Subject to the foregoing, each Party shall appoint its respective representatives to the JSC, and may change its representatives from time to time, in its sole discretion, effective upon notice to the other Party designating such change in accordance with this Agreement. Each JSC representative of each Party shall be a senior employee of such Party and shall have appropriate technical credentials, experience and knowledge pertaining to Products. One (1) of the members of the JSC shall be designated the JSC chairperson (the "JSC Chair"). FREYR BATTERY KSP will appoint the initial JSC Chair from its representatives, and thereafter the Parties will alternate in appointing the chairperson for twelve (12)-month



terms . The JSC Chair will be responsible for calling meetings of the JSC, circulating agenda and minutes and performing administrative tasks required to assure efficient operation of the JSC.

- (b) JSC Meetings. The JSC shall meet (in person, or by telephone or videoconference) in accordance with a schedule established by mutual written agreement of the Parties no less frequently than once every three (3) months during the Term. The location for in-person meetings shall be as in as provided in the mutually agreed schedule. Alternatively, the JSC may meet by means of teleconference, videoconference or other similar means. As appropriate, additional employees or consultants may from time to time attend the JSC meetings as nonvoting observers, provided that any such additional attendees shall agree in writing to comply with confidentiality obligations similar in all material respects to those under this Agreement; and provided further that no third party personnel may attend unless otherwise agreed by both Parties in writing. Each Party shall bear its own expenses related to the attendance of the JSC meetings by its representatives. Each Party may also call for special meetings to resolve particular matters requested by such Party upon fifteen (15) Business Days prior written notice to the other Party.
- (c) The JSC Chair or his/her designee shall keep minutes of each JSC meeting that records in writing all decisions made, action items assigned or completed and other appropriate matters. The JSC Chair or his/her designee shall send meeting minutes to all members of the JSC promptly after a meeting for review. Each member shall have ten (10) Business Days from receipt in which to comment on and to approve/provide comments to the minutes (such approval not to be unreasonably withheld, conditioned or delayed). If a member, within such time period, does not notify the JSC Chair that s/he does not approve of the minutes, the minutes shall be deemed to have been approved by such member.
- (d) JSC Functions. The JSC's responsibilities are as follows:
 - (i) Observing the activities of each Party (including those of its Affiliates and third parties acting under its authority) in connection with the Services;
 - (ii) Periodically reviewing the progress of the activities in connection with the Services;
 - (iii) Approving any mutually agreed written amendments or changes to the Services;
 - (iv) Determining the status of Improvements arising in connection with this Agreement; and
 - (v) Fulfilling such other responsibilities as may be allocated to the JSC by mutual written agreement of the Parties.
- (e) JSC Disputes. The JSC will endeavor to make decisions by consensus, with each of FREYR BATTERY KSP's and 24m's representatives having, collectively, one vote. If consensus is not reached by the Parties' representatives pursuant to such vote, the matter will be referred to two (2) internal mediators, one (1) from each Party, each of which is an employee designated by such Party. In the event such mediators cannot resolve an issue that is escalated to them by the JSC, within sixty (60) days after such escalation, the issue will be deemed a dispute and handled in accordance with clause 15.2.



- (f) Authority. For clarity and notwithstanding the creation of the JSC, each Party shall retain the rights and authority granted to it hereunder, and the JSC shall not be delegated or vested with such rights or authority unless such delegation or vesting is expressly provided herein, or the Parties expressly so agree in writing. Unless expressly set forth in this clause 7.7, the JSC shall not have the power to amend, waive or modify any term of this Agreement, and no decision of the JSC shall be in contravention of any terms and conditions of this Agreement.

8 RECORD KEEPING, AUDIT AND INSPECTION

- 8.1 Accounting Records. For a period of [***] years following the Calendar Year to which they relate, FREYR BATTERY KSP shall keep accounting records and financial statements in relation to sales and use in accordance with US GAAP to substantiate the Royalty paid to 24m under this Agreement, including details of the gross and net revenue of the FREYR BATTERY KSP operations that manufacture the Products (the “Accounting Records”).
- 8.2 Audits. 24m shall have the right at its own cost and on an annual basis to appoint independent third-party auditors reasonably acceptable to FREYR BATTERY KSP (the “Auditors”) to inspect and audit the accounting records of FREYR BATTERY KSP to validate and verify the Royalty paid to 24m. FREYR BATTERY KSP shall provide the Auditors with such reasonable assistance as they may require for the purpose of validating and verifying the Royalties paid by FREYR BATTERY KSP. The Auditors shall disclose to 24m only the information necessary to determine the amount and accuracy of payments reported and actually paid or otherwise payable under this Agreement. The Auditor will send a copy of the report to FREYR BATTERY KSP at the same time it is sent to 24m. Such inspections may be made no more than once each Calendar Year and during normal business hours. Such records for any particular Calendar Quarter shall be subject to no more than one audit. The Auditors shall be obligated to execute a reasonable confidentiality agreement prior to commencing any such inspection. The Parties will endeavor in such inspection to minimize disruption of FREYR BATTERY KSP’s normal business activities to the extent reasonably practicable. If an audit reveals an underpayment of the Royalty, FREYR BATTERY KSP shall have fifteen (15) days to communicate in writing any objections to the audit findings (“FREYR BATTERY KSP Objection”). If FREYR BATTERY KSP fails to timely deliver a FREYR BATTERY KSP Objection to 24m, FREYR BATTERY KSP shall promptly make payment of the underpaid amount to 24m, plus any interest as required under clause 5.5. If such underpayment is more than [***] of the royalty actually paid, then FREYR BATTERY KSP will reimburse 24m its audit fees. If an audit reveals an overpayment, 24m shall have fifteen (15) days to communicate in writing any objections to the audit findings (“24m Objection”). If 24m fails to timely deliver a 24m Objection to FREYR BATTERY KSP, 24M promptly reimburse FREYR BATTERY KSP for such overpayment . If FREYR BATTERY KSP timely delivers a FREYR BATTERY KSP Objection or 24m timely files a 24m Objection, the Parties shall select an independent review auditor within thirty (30) days of delivery of the objection. The independent review auditor will review the audit findings and evidence, and make a final determination of any underpayment of the Royalty. Such final determination shall be final and binding on the Parties. The objecting Party (FREYR BATTERY KSP or 24m as applicable) shall pay all independent review auditor fees.

9 REPRESENTATION, WARRANTIES AND UNDERTAKINGS

9.1 Mutual Representations, Warranties and Undertakings

Each Party represents, warrants and undertakes to the other Party that as of the Effective Date:



- (a) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is duly qualified or licensed to do business and is in good standing as a foreign corporation in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification;
- (b) it has all requisite power and authority to enter into this Agreement, to grant the rights and licenses it grants hereunder and to perform its obligations hereunder;
- (c) the persons entering into this Agreement on its behalf have been duly authorized to do so, including by all necessary corporate and stockholder action, if required, and no further corporate or stockholder action is required on the part of it to authorize this Agreement, to grant the rights and licenses set out in this Agreement, and to perform its obligations under this Agreement;
- (d) this Agreement and the obligations created hereunder are binding upon it and enforceable against it in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any other agreement, or any judgment or court order, to which it is bound;
- (e) there is no proceeding pending or threatened, or any other event, matter, occurrence or circumstance which to the Party's knowledge, challenges or may have a material adverse impact on this Agreement or the ability of the Party to perform its obligations pursuant to this Agreement;
- (f) once duly executed and delivered, and assuming due execution and delivery by the other Party, this Agreement (i) will constitute its legal, valid and binding obligations, enforceable in accordance with its terms except as enforceability may be affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and general equitable principles (whether considered in a proceeding in equity or at law) and (ii) does not conflict with: (A) any provision of its certificate of incorporation or bylaws; (B) any law, rule, regulation, order, writ, judgment, decree, determination or award of any court, governmental body or administrative or other agency having jurisdiction over it; or (C) any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound; and
- (g) no consent, notice, waiver, approval, order or authorization of, or registration, declaration or filing with, any governmental authority or regulatory authority or any third party is required by, or with respect to, it in connection with the execution and delivery of this Agreement.

9.2 24m Representations, Warranties and Undertakings

24m represents, warrants and undertakes to FREYR BATTERY KSP that:

- (a) except as set forth in Schedule 4A, it is the sole and exclusive owner of, and holds all rights in, the 24m Proprietary Technology, free of any encumbrance, lien, or claim of ownership by any third party;
- (b) except as set forth in Schedule 4B, 24m does not possess, use or provide to its other licensees any Related Information that it does not have the right to disclose, deliver and



license to FREYR BATTERY KSP as 24m Licensed Technology on the terms set forth in this Agreement;

- (c) during the Term, all of 24m's and its Affiliates' rights, title and interest in any 24m Proprietary Technology shall be and remain owned or held, as applicable, by 24m, except where 24m has, in its reasonable business judgment, decided to cancel, abandon, allow to lapse or not renew such issuance, registration or application in any 24m Proprietary Technology;
- (d) as of the Effective Date, Schedule 1 ([**]) and Schedule 1a ([**]) comprises a true and complete list of all 24m Licensed Patents, and other than the 24m Licensed Patents listed on Schedule 1 ([**]) and Schedule 1a ([**]) 24m and its Affiliates, do not own or otherwise have rights to any other patents or patent applications;
- (e) it has the right to grant the licenses and rights, and perform the Services, set out in this Agreement and has not, and will not during the Term, grant or permit an Affiliate to grant any right to any third party that would conflict with the licenses and rights set out in this Agreement;
- (f) it will identify any Reserved IP in writing;
- (g) except as set forth in Schedule 4E, neither 24m nor any of its Affiliates has previously entered into any agreement, whether written or oral, with respect to the assignment, transfer, license, conveyance or encumbrance of, or otherwise assigned, transferred, licensed, conveyed or encumbered its right, title, or interest in or to any patent, patent application, Information or IPR (including by granting any covenant not to sue with respect thereto) that would otherwise be (or rights to which would otherwise be) included in the 24m Proprietary Technology but for such assignment, transfer, license, conveyance, or encumbrance;
- (h) neither 24m nor any of its Affiliates has received any written notice from any person, or has knowledge of, any claim or potential claim, whether or not asserted, that: (i) the 24m Licensed Patents are invalid or unenforceable, or (ii) the use or practice of the 24m Proprietary Technology for the manufacture or sale of Semi-Solid Battery cells, Semi-Solid Battery modules, or components thereof, does or would be reasonably expected to, violate, infringe or misappropriate the IPR of a third party;
- (i) the Services under this Agreement will be performed in a professional and workman-like manner;
- (j) there are no actual, pending, or alleged or threatened in writing, adverse actions, suits, claims, interferences or formal governmental investigations by or against 24m or any of its Affiliates in or before any court or governmental authority;
- (k) there are no material unsatisfied judgments or outstanding orders, injunctions, decrees, stipulations or awards (whether rendered by a court, an administrative agency or by an arbitrator) against 24m;
- (l) during the Term, it will inform FREYR BATTERY KSP promptly of the existence of any proceedings, pending or threatened, or of any other event, matter, occurrence or



circumstance to which 24m is a party which may have a material adverse effect upon the performance of the Services or the fulfilment of 24m's liabilities, responsibilities and obligations pursuant to this Agreement, including the licenses; and

9.3 FREYR BATTERY KSP Representations, Warranties and Undertakings

FREYR BATTERY KSP represents, warrants and undertakes to 24m that:

- (i) it will obtain and continue to hold all necessary licenses and regulatory approvals to manufacture the Products in accordance with this Agreement;
- (ii) it will not do or omit to do anything to diminish the rights of 24m in the 24m Proprietary Technology or impair the registration of any patent related to the 24m Proprietary Technology by 24m; and
- (iii) during the Term, it will inform 24m promptly of the existence of any proceedings, pending or threatened, or of any other event, matter, occurrence or circumstance to which FREYR BATTERY KSP is a party which may have a material adverse effect upon the performance its obligations or the fulfilment of FREYR BATTERY KSP's liabilities, responsibilities and obligations pursuant to this Agreement.

9.4 Export Control. FREYR BATTERY KSP acknowledges that the technology provided by 24M pursuant to this Agreement is subject to U.S. export control laws, including the U.S. Export Administration Regulations ("EAR"), and may be subject to the export control laws of other jurisdictions (collectively, the "Export Control Laws"). FREYR BATTERY KSP agrees not to sell, export, reexport, transfer, divert, or otherwise dispose of the products provided by 24M, directly or indirectly, in violation of the EAR or any applicable Export Control Laws. FREYR BATTERY KSP further warrants that the products provided by 24M pursuant to this Agreement will not be used, exported, reexported, or transferred without prior authorization from the U.S. government to any "military end user" or for a "military end use."

9.5 DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS ARTICLE 9, EACH PARTY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ABSENCE OF ERRORS, ACCURACY, COMPLETENESS OF RESULTS, THE PROSPECTS OR LIKELIHOOD OF SUCCESS (FINANCIAL OR OTHERWISE) OF THE EVALUATION, OR THE VALIDITY, SCOPE, OR NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY.

10. **INDEMNITIES**

10.1 IPR Indemnity

Subject to 11.3, 24m shall on written request indemnify, defend and hold harmless FREYR BATTERY KSP and all of its Affiliates, respective officers and employees ("**FREYR BATTERY KSP Indemnified Persons**") in respect of any third party claims brought against any of the FREYR BATTERY KSP Indemnified Persons that the use of the 24m Proprietary Technology by FREYR BATTERY KSP in accordance with licenses granted by 24m under clause 3 (*Grant of Licence*) infringes or otherwise misappropriates any IPR of any third party.



10.2 Exceptions to IPR Indemnity

FREYR BATTERY KSP shall not be entitled to recover for third party claims under the IPR indemnity set out in clause 10.1 (*IPR Indemnity*) to the extent that such third party claim is based upon:

- (a) any modifications made to the 24m Proprietary Technology by FREYR BATTERY KSP or its Affiliates (except where pursuant to the specific written direction of 24m);
- (b) any combination by, or for, FREYR BATTERY KSP or any of its Affiliates of the 24m Proprietary Technology with products, data or materials not provided by 24m, including FREYR BATTERY KSP Developed IPR; unless such claim is solely based on the 24M Proprietary Technology; or
- (c) failure to use, within a reasonable time of them having been provided, any corrections or enhancements of the 24m Proprietary Technology; provided that any relevant corrections or enhancements are provided free of charge and provide equivalent functionality and in any event, no less functionality than the original 24m Proprietary Technology,

provided in each case that 24m notifies FREYR BATTERY KSP of any potential infringement of such third party rights of which 24m is reasonably aware.

10.3 Treatment of Infringing IPR

If a claim is brought which is the subject of clause 10.1 (*IPR Indemnity*) then, in addition to the IPR indemnity obligation and notwithstanding clause 10.5 (*Defence of Claims*), 24m may, at its option:

- (a) use commercially reasonable efforts to procure the necessary rights to provide and use such IPR in the 24m Proprietary Technology as required in order to continue to grant the licenses under this Agreement; or
- (b) if 24m cannot procure such rights, use commercially reasonable efforts to replace or modify the infringing elements of the 24m Proprietary Technology so that they no longer infringe third party rights, provided that the replacement or modification does not materially degrade the functionality and performance of the 24m Proprietary Technology.
- (c) [***].

10.4 FREYR BATTERY KSP Indemnities

Subject to 11.3, FREYR BATTERY KSP shall upon written request indemnify, defend and hold harmless 24m and all of its Affiliates, respective officers and employees (the “**24m Indemnified Persons**”), against any costs, claims, losses, liabilities, expenses (including reasonable legal costs) or damages assessed against, or incurred by any of the 24m Indemnified Persons, to the extent arising out of or in connection with any third party claims brought against any of the 24m Indemnified Persons:



- (a) as a result of a defect in the manufacture of the Products by FREYR BATTERY KSP; and
- (b) that FREYR BATTERY KSP has failed to perform its obligations under this Agreement in accordance with Applicable Law.

10.5 Defence of Claims

- (a) Upon a third party threatening or bringing a claim in respect of which a Party has given an indemnity pursuant to this Agreement:
 - (i) the Indemnitee will notify the Indemnitor as soon as reasonably practicable upon becoming aware of the claim; and
 - (ii) the Indemnitor will defend the claim in accordance with sub-clause (b).
- (b) The Indemnitor will assume control of the defence and settlement of the claim, as follows:
 - (i) Subject to 11.3, the Indemnitor will, at its own expense, defend the claim and have control of the conduct of the defence and settlement of the claim, provided however that the Indemnitee will have the right to:
 - (A) participate in any defence and settlement, such participation to be at its own cost where it is not pursuant to a request for participation from the Indemnitor;
 - (B) review the terms of any settlement and reasonably veto any proposed admission of liability by the Indemnitee and any such settlement or admission (including its terms) will be Confidential Information of both Parties; and
 - (C) join the Indemnitor as a defendant in legal proceedings arising out of the claim; and
 - (ii) the Indemnitee will:
 - (A) not make admissions (except under compulsion of Applicable Law), agree to any settlement or otherwise compromise the defence or settlement of the claim without the prior written approval of the Indemnitor, which will not be unreasonably withheld, delayed or conditioned; and
 - (B) give, at the Indemnitor's request and cost, all reasonable assistance in connection with the defence and settlement of the claim; and
 - (C) the Indemnitor will be subrogated to the rights and defences of the Indemnitee in respect of the claim.

11. LIMITS OF LIABILITY

- 11.1 Notwithstanding anything in clause 11.2 below, nothing in this Agreement shall exclude or restrict either Party's liability for:



- (a) [***];
- (b) [***]; or
- (c) [***];
- (d) [***];
- (e) [***];
- (f) [***];
- (g) [***]; or
- (h) [***].

11.2 TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, PUNITIVE, OR ENHANCED DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY, OR OTHERWISE (INCLUDING THE ENTRY INTO, PERFORMANCE, OR BREACH OF THIS AGREEMENT), REGARDLESS OF WHETHER SUCH LOSS OR DAMAGE WAS FORESEEABLE OR THE PARTY AGAINST WHOM SUCH LIABILITY IS CLAIMED HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. SUBJECT TO CLAUSE 10.1, EACH PARTY'S AGGREGATE, CUMULATIVE LIABILITY FOR DAMAGES (DIRECT, INDIRECT OR CONSEQUENTIAL – IF ANY) INCURRED IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED [***] ("LIABILITY CAP").

11.3 With respect to 24m's performance of indemnification obligations under clause 10.3, 24m's aggregate, cumulative liability for damages (direct, indirect and consequential – if any) incurred in connection with such indemnification obligations shall not exceed [***] of the total amounts paid under this Agreement [***]. With respect to each party's performance of other indemnification obligations under clause 10 (that is, excluding 24m's performance of indemnification obligations under clause 10.3), each party's aggregate, cumulative liability for damages (direct, indirect and consequential – if any) incurred in connection with such indemnification obligations shall not exceed [***] of the total amounts paid under this Agreement [***]. Additionally, with respect to any breach by 24m of its obligations in clause 6, 24m's aggregate, cumulative liability for direct damages incurred in connection with this Agreement shall not exceed [***] the Liability Cap.



11.4 Each Party acknowledges its general duty at law to mitigate its losses incurred in relation to this Agreement.

12. TERMINATION

12.1 Either Party may terminate this Agreement, by giving written notice to the other Party if such other Party:

- (a) commits a material breach of this Agreement (including, in the case of FREYR BATTERY KSP, non-payment of the Royalties in accordance with clause 5) that is not cured within [***] days of being given written notice to do so; provided that if the Party alleged to be in breach disputes such breach by written notice to the other Party within such [***]-day period, then the non-breaching Party shall not have the right to terminate this Agreement pursuant to this clause 12.1(a) unless and until it has been determined that this Agreement, as applicable, was materially breached in accordance with clause 15 (Dispute Resolution) below, and the breaching Party fails to comply with its obligations hereunder within [***] days after such determination; or
- (b) suffers an Insolvency Event.

12.2 24m may convert all exclusive licenses under this Agreement to non-exclusive licenses on written notice if FREYR BATTERY KSP fails to achieve a sustained production rate of 1 GWh per year by December 31, 2025; provided that any delay by 24m in providing Services under this Agreement that impacts FREYR BATTERY KSP's ability to achieve this milestone shall automatically result in a [***] extension of such date, without regard to any default or non-performance by FREYR BATTERY KSP. Such date may also be extended in 24m's sole discretion.

12.3 At any time on or after [***], and provided that FREYR BATTERY KSP has not commercially sold Products hereunder for a period of [***] consecutive months prior to the date this clause is invoked, FREYR BATTERY KSP shall have the right to terminate this Agreement in whole with respect to the entire license grant, for any reason or no reason, upon [***] days' prior written notice to 24m referencing this clause 12.3. In such case FREYR BATTERY KSP and its Affiliates shall be prohibited from the manufacture, use, sale or import of Products in a manner that would infringe or otherwise misappropriate 24m Proprietary Technology no longer licensed to FREYR BATTERY KSP hereunder; provided that without granting FREYR BATTERY KSP any rights or licenses under any patents or copyrights, this sentence does not restrict FREYR BATTERY KSP from using 24m Licensed Technology upon and after the earlier of (a) the 24m Licensed Technology becoming publicly known through no wrongful act or breach of this Agreement by FREYR BATTERY KSP and (b) the [***] anniversary of the Effective Date; provided that all 24m exclusivity and non-compete obligations (e.g., 3.3, 6 and 12.4) shall expire.

12.4 At any time after [***], and provided FREYR BATTERY KSP has not commercially manufactured Products for a period of [***] consecutive months prior to the date this clause is invoked, FREYR BATTERY KSP shall have the right to terminate this Agreement in part on a patent-by-patent, product-by-product or country-by-country basis, for any or no reason, upon [***] days' prior written notice to 24m referencing this clause 12.3.



- 12.5 In the event of an early termination of this Agreement (a) by 24M in accordance with clause 12, all Royalty and Service Fee payments then-paid or accrued shall be fully earned and non-refundable; and (b) by either Party in accordance with clause 12, FREYR BATTERY KSP's licenses with respect to the 24m Proprietary Technology (other than FREYR BATTERY KSP Developed Improvements and any patents and patent applications claiming FRYER Developed Improvements) will terminate; and (c) the exclusivity and non-compete shall expire (e.g., 3.3, 6 and 12.4).
- 12.6 Clauses 4 (with the exception of Clause 4.4), 5 (with the exception of Clauses 5.2 and 5.3) (with respect to Royalty and Service Fee payments then accrued), 8 (limited, in the case of Clause 8.2, to the [***] period following termination of this Agreement), 11, 13, and 15 and Clauses 2.1 (last sentence only), 3.1 (last sentence only), 3.2 (last sentence only), 9.4, 9.5, 10.1, 10.2, 10.4, 10.5, 12.3 (last sentence only), 12.5, and 12.6 shall survive termination of this Agreement.

13. CONFIDENTIALITY

13.1 Subject to clause 13.2, each Party:

- (a) shall treat as strictly confidential all Confidential Information received from the other Party; and
- (b) shall not, and shall procure that its Affiliates shall not, except with the prior written consent of the other Party (which shall not be unreasonably withheld, conditioned or delayed), make use of (save for the purposes of performing its obligations under this Agreement) or disclose to any person (other than its representatives in accordance with clause 13.3) any Confidential Information.

13.2 Notwithstanding the foregoing, either Party shall have the limited right to disclose Confidential Information in the event:

- (a) such disclosure is required by Applicable Law or by any stock exchange or any supervisory, regulatory, governmental or anti-trust body having applicable jurisdiction and the Party using or disclosing Confidential Information (or whose Affiliate uses or discloses such Confidential Information) has (to the extent legally permissible and reasonably practicable in the circumstances) given the other Party sufficient prior notice in order for such other Party to obtain a protective order or other appropriate remedy;
- (b) such disclosure is required pursuant to governmental or judicial order requirement, provided, however, that the other Party shall give the Party reasonable prior written notice so that the Party may seek a protective order or other legal remedy to maintain such information in confidence; or
- (c) such disclosure is required in order to facilitate any assignment or proposed assignment of the whole or any part of the rights or benefits under this Agreement which is permitted by this Agreement or actual or potential Financing Party; provided, however, such disclosure is made only to those parties on an as-needed basis and any third party who has access to the Confidential Information signs a non-disclosure agreement containing restrictions on confidentiality at least as protective of the Confidential Information as set forth herein.



13.3 Each Party undertakes that it shall (and shall procure that its Affiliates shall) only disclose Confidential Information to its representatives where it is reasonably required for the purposes of exercising its rights or performing its obligations under this Agreement and only where the representatives are informed of the confidential nature of the Confidential Information and the provisions of this clause 13 (*Confidentiality*).

13.4 The provisions of this clause shall survive the termination of this Agreement.

14. FORCE MAJEURE

14.1 A Party shall not be in breach of this Agreement, or liable for any failure or delay to perform, in whole or in part, its obligations under this Agreement if such failure is due to any Force Majeure Event, provided that it shall:

- (a) promptly notify the other Party in writing of the nature and extent of the Force Majeure Event causing its failure or delay in performance; and
- (b) use best endeavours to prevent or mitigate the effect of the Force Majeure Event to carry out its obligations under this Agreement in any way that is reasonably practicable and to resume the performance of its obligations as soon as reasonably possible.

15. DISPUTE RESOLUTION

15.1 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, between the Parties ("**Dispute**") shall be settled through friendly negotiations by the Parties to occur within thirty (30) days of the Dispute first being raised by a Party.

15.2 If any Dispute cannot be settled through negotiations within such thirty (30) days period, the Dispute shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The seat of the arbitration shall be Delaware, United States. The number of arbitrators shall be 3. The language of arbitration shall be English.

15.3 In all cases, the award rendered by the arbitrators shall be final and binding upon the Parties.

15.4 When any Dispute occurs and when any Dispute is under arbitration, except for the matters in dispute, the Parties shall continue to fulfil their respective obligations, and shall be entitled to exercise their respective rights under this Agreement.

16. MISCELLANEOUS

16.1 Further Assurance. Each Party will do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement and give effect to this Agreement.

16.2 Assignment / Novation. Neither Party may assign, sub-license (except as provided in clause 3), or otherwise transfer, or purport to assign, sub-license (except as provided in clause 3), or otherwise transfer any right or obligation (as applicable), pursuant to this Agreement without the prior approval of the other Party except that either party may assign this Agreement to (a) an Affiliate, or (b) a successor in connection with a change of control. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and



permitted assigns. Notwithstanding the foregoing, FREYR BATTERY KSP may, without the prior approval of 24m, assign, mortgage, pledge or otherwise directly or indirectly assign its rights under this Agreement to (A) any reputable Financing Party that is not a competitor to 24m or a manufacturer of lithium-ion batteries or (B) any entity through which FREYR BATTERY KSP is obtaining financing from a reputable Financing Party where neither the entity nor the Financing Party are competitors to 24m or manufacturers of lithium-ion batteries.

- 16.3 Financing. The Parties acknowledge that FREYR BATTERY KSP may obtain debt or equity financing or other credit support from lenders, investors or other third parties (each, a “**Financing Party**”) in connection with the manufacturing and commercialization of the Semi-Solid Battery cells and modules. In furtherance of FREYR BATTERY KSP’s financing arrangements and in addition to any other rights or entitlements of FREYR BATTERY KSP under this Agreement, 24m shall use good faith efforts to timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by FREYR BATTERY KSP or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement.
- 16.4 Continuation of Rights in Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by 24m to FREYR BATTERY KSP are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, licenses of rights to “intellectual property” as defined under Section 101(56) of the Bankruptcy Code. The parties agree that FREYR BATTERY KSP, as a licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against 24m under the Bankruptcy Code, FREYR BATTERY KSP shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, and same, if not already in its possession, shall be promptly delivered to FREYR BATTERY KSP (i) upon any such commencement of a bankruptcy proceeding upon written request therefor by FREYR BATTERY KSP, unless 24m elects to continue to perform all of its obligations under this Agreement, or (ii) if not delivered under (i) above, upon the rejection of this Agreement by or on behalf of 24m upon written request therefor by FREYR BATTERY KSP.
- 16.5 Compliance with Laws and Anti-bribery and Corruption. Each Party shall perform its obligations, and exercise its rights, pursuant to this Agreement in accordance with Applicable Laws and shall refrain from any conduct that would cause the other Party to be in violation of any Applicable Laws related to bribery and corruption, including the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1, et seq. (the “**FCPA**”).
- 16.6 Independent Contractors. Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the Parties, constitute any Party the agent of another Party, or authorise any Party to make or enter into any commitments for or on behalf of any other Party.
- 16.7 CFIUS. If the Committee on Foreign Investment in the United States (“**CFIUS**”) inquires about the transaction or requests the Parties or a Party to file a declaration or notice with respect to the transaction, then each of 24m and FREYR BATTERY KSP shall use reasonable best efforts to (A) provide as promptly as practicable to each other’s counsel and to CFIUS



any additional or supplemental information and documentary material as may be necessary, proper or advisable in connection with the transaction, including preparing and submitting a joint voluntary declaration or notice and thereafter to achieve CFIUS approval; (B) permit the other party to review reasonably in advance any communication (subject to mutually acceptable appropriate redactions to maintain confidentiality of business information) proposed to be given by it to CFIUS, and consult with each other in advance of any meeting or conference with CFIUS, and, to the extent permitted by CFIUS, give the other party reasonable opportunity to attend and participate in any such meeting or conference; and (C) keep each other timely apprised of the status of any communications with, and any inquiries or requests for additional information or documentary material from, CFIUS, in each case (A)-(C), to the extent permitted by applicable law and subject to customary and mutually acceptable confidentiality practices and all applicable privileges (including the attorney-client privilege). For the sake of clarity, neither 24M nor FREYR BATTERY KSP shall have any obligation under this agreement to take any action, or refrain from taking any action, in order to satisfy any conditions or mitigation measures that CFIUS may deem necessary to obtain CFIUS approval. Each party shall account for its own costs associated with obtaining such approval, and the parties agree to share any such costs equally, as calculated following the submission of final accountings by each party.

- 16.8 Waiver. No delay or omission by either Party in enforcing or exercising any right, power or remedy will impair that right, power or remedy or be construed to be a waiver of it. A waiver by either Party of any of its rights, powers or remedies or of any breach will not be construed to be a waiver of any other right, remedy or power or any other succeeding breach. No waiver or discharge of any kind will be valid unless in writing and signed by an authorized representative of the Party against whom such waiver or discharge is sought to be enforced.
- 16.9 Severability. If a court of competent jurisdiction or other competent body decides that any provision of this Agreement is void or otherwise ineffective but would be valid and effective if appropriately modified, then such provision will apply with the modification necessary to make it valid and effective. If such a provision cannot be so modified, the provisions' invalidity or ineffectiveness will not affect or impair the validity or legal effect of any other provision of this Agreement.
- 16.10 Variation. No variation or amendment of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of each of the Parties to this Agreement.
- 16.11 Notices. Any notice given by a Party to the other Party will be in English and will be sent by registered air mail, fax or electronic mail to the respective addresses as set herein. Any notice sent by registered air mail will be deemed to have been served seven (7) days after posting. Any notice sent by fax or electronic mail will be deemed to have been served one (1) day after dispatch. Either Party may change its address for notices upon prior seven (7) days' written notice to the other Parties.

24m:

Address: 130 Brookline Street, Suite 200, Cambridge, MA 02139, U.S.A.

Email: [***]

Attention: Naoki Ota, CEO



FREYR BATTERY KSP:

Address: Strandveien 50, 1366 Lysaker, Norway

E-mail: [***] and contract-notifications@freyrbattery.com

Attention: Tom Einar Jensen, FREYR CEO

- 16.12 Rights of Third Parties. Except as expressly provided otherwise in this Agreement, a person who is not a Party to this Agreement shall have no right to benefit from this Agreement or to enforce any of its terms.
- 16.13 Counterparts. This Agreement may be executed in counterparts.
- 16.14 Entire Agreement. Except in the case of fraud or fraudulent misrepresentation:
- (a) this Agreement sets out the entire agreement between the Parties and supersedes any prior drafts, representations, negotiations, understandings and arrangements of any nature, relating thereto;
 - (b) each Party acknowledges that, in entering this Agreement, it has not relied on any statement, representation, assurance or warranty other than those expressly set out in this Agreement; and
 - (c) if there is any conflict between the terms of this Agreement and any other agreement, this Agreement shall prevail unless expressly stated otherwise in such agreement and agreed to in writing by both Parties.
- 16.15 Governing Law. This Agreement, and all questions regarding the existence, validity, interpretation, breach or performance of this Agreement, shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, United States, without reference to its conflicts of law principles.



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized representatives.

FREYR BATTERY KSP JV, LLC

24m Technologies, Inc.

/s/ Balazs Peter Matrai

/s/ Naoki Ota

Name: Balazs Peter Matrai

Naoki Ota

Title: Manager

Chief Executive Officer

/s/ Jeremy Bezdek

Name: Jeremy Bezdek

Title: Manager



SCHEDULE 1

[***]



SCHEDULE 2 SERVICES

MILESTONES AND DELIVERABLES

[***]



SCHEDULE 4
EXCEPTIONS TO 24M REPRESENTATIONS AND WARRANTIES

[***]



Ground Lease Agreement

between

Mo Industripark AS, reg. no. 914 780 152
(hereafter referred to as the Lessor)

and

Freyr Battery Norway AS, reg. no. 926 089 862
(hereafter referred to as the Lessee)

Agreement no.: 3046D
(hereafter referred to as the Ground Lease Agreement)

1. The property:
Municipality no.: 1833

Municipality name: Rana.

Land. no. 20.

The property encompasses 81,540 sqm as marked on the sketch map attached as Appendix 1. The Lessor shall ensure that the area is measured when conducting the handover inspection (Nw: "Overtakelsesforretning"). Deviations is marked in the agreement.

2. Purpose of the Ground Lease

The property shall be used for the construction and operation of buildings, infrastructure and installations for storage, office and production activities. The Lessee can, inter alia, use the property for testing and production of batteries and battery systems, storage of e.g. raw materials and battery products and all related activities.

The Lessee shall construct the buildings and infrastructure as described in Appendix 2.

Any changed use of the Property or any significant alterations of the buildings and installations which shall be constructed on the Property, requires the consent of the Lessor. Consent may not be denied without just cause.

3. Security

The Lessee shall provide a security on the terms set out in Appendix 3.1 and 3.2.

4. Condition and future use of the Property

Simultaneous with entering into the Ground Lease Agreement, the Lessor and the Lessee shall enter into an agreement on the implementation of preparatory work for the Property (**Agreement on preparatory work**), enclosed as Appendix 4.

The Lessee acquires the Property as-is in accordance with clause 5 by signing the agreement. However, the Lessee may claim justification of non-essential environmental concerns and other historical factors relating to previous activity on the Property that appears before the takeover in accordance with section 5, provided that; i) The Lessee was not or had to be aware of the circumstances based on information that existed when signing the agreement, ii) the Lessee was not able to construct buildings and installations on the property, or otherwise use the property in for normal purposes, without the circumstances being corrected, and iii) the justification has been made in writing to the Lessor prior to handover. The Lessors justification shall be proportionate to the total obligations undertaken by the Lessee in the Agreement on preparatory work, the ground rent, the lease period and other relevant conditions.

The Lessor is not responsible for the Property to be used in accordance with the Lessees plans and purpose.



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If the Lessees establishment requires re-zoning and/or other public law permits for the intended use of the Property, the Lessee is responsible for this and all costs associated with re-zoning and/or obtaining such required permits. The Lessor shall provide necessary assistance to the Lessee to obtain such re-zoning and/or other public law permits.

All environmental issues concerning the ground and installations in the ground that was present when the Lessee acquired the Property, is the Lessors responsibility. Except for issues described in the Agreement on preparatory work, the Lessor is not obliged to take any action (including relocation and handling) regarding installations or contamination in the ground unless agreed upon between the Parties or an order from public authorities. All environmental conditions concerning or as a result of the Lessees activities or measures are the responsibility of the Lessee. Any order from public authorities or requirements under applicable regulations regarding handling of contaminated grounds etc., is the Lessees responsibility as far as this is caused by or triggered by the Lessees activities or measures on the Property.

Any requirements from municipal authorities or the Norwegian Environment Agency regarding the use of the property is the Lessees responsibility. However, the Lessee have a general obligation to provide the Lessor with relevant information in such circumstances.

The Lessees infrastructures and installations shall not be installed in such a manner that they prevent, or entail additional costs, for the Lessors necessary access to the Lessors infrastructure.

The Lessor is entitled to access and use the Property for supervision, maintenance and upgrading of the Lessors infrastructure. Such access and use shall be made in accordance with the established security rules and systems of the Lessee.

5. Conditions and lease period

The Ground Lease commences when the following conditions are fulfilled:

- (a) All work in accordance with the Agreement on preparatory work has been accomplished and documented and approved by public authorities where necessary.
- (b) The Lessee have made the Investment decision.

If the condition set out in section (b) above is not fulfilled or waived by the Lessee by 30 June 2022, the Ground Lease Agreement will be repealed. In such circumstances, the Lessee shall pay a reimbursement corresponding to the 9 months ground rent, which is due for payment within 60 days from the abovementioned date. Neither of the parties shall be entitled to make any claim against each other as a result of the repeal of the Ground Lease Agreement, except where this follows from the Agreement on preparatory work or other agreement between the Parties.

As soon as the conditions of this clause 5 (a) and (b) are fulfilled, the Lessee shall acquire the Property. A handover shall take place, were a handover protocol signed by both Parties shall be made.

The lease period is 50 years from the date the parties have signed the handover protocol.

Upon expiry of the lease period, the Lessee is entitled to require prolongment of the Ground Lease Agreement for one additional period of 20 years and two periods of 10 years. The Lessee may determine the sequence of the option periods. The prolongments take place on the same terms, except for the ground rent, which the Parties may require adjusted to market price. The market price shall not be influenced by the increase in value arising from the Lessees measures or measures from others granted by the Lessee, including work carried out in accordance with the Agreement on preparatory work. If the parties do not agree, the ground rent will be settled by a value discretion according to section 43 of the Ground Lease Act.

If the Lessee wants to prolong the Ground Lease Agreement, the Lessor shall be notified in writing no later than 12 months before the expiry of the relevant lease period.

6. Ground rent and other costs

The Parties have agreed upon a ground rent of NOK 40 per sqm per year. Provided that the Ground Lease can be included in a voluntary VAT-registration, the Lessor shall register and add VAT to the ground rent. The same applies to the additional payment to the ground rent that shall be paid in accordance with the Agreement on preparatory work.



OFFICE TRANSLATION

The ground rent is subject to annual index regulation with effect from 1 January every year, the first time effective from 01/01/2022. The rent cannot be negatively regulated unless there is a significant fall in the consumer price index, in which case the parties shall meet to agree on compensating measures.

The regulation shall follow the consumer price index published by Statistics Norway. The original lease index value is the value index as per month of October 2020, and the annual adjustments are based on the index figure for the month of October of the year before the adjustments are implemented.

In addition to the ground rent, the Lessee shall pay compensation to the Lessor in accordance with the Agreement of preparatory work through an additional pay to the ground rent (annuity). The model for calculating the additional pay is set out in Appendix B to the Agreement of preparatory work. This additional payment will be invoiced from the Lessor and is due for payment at the same time as the ground rent, unless the additional payment is settled as a one-time payment, see the Agreement on preparatory work. The additional payment is not subject to KPI adjustment.

Furthermore, the Lessee shall at its own expense pay property tax and government fees etc. incurring for the Property during the lease period.

All costs regarding land-measuring and public registry of measuring letters and the Ground Lease Agreement in the land register shall be covered by the Lessee. The Lessor shall ensure the Property being measured and registered in the cadaster register (Nw: "Matrikkelen"). The Lessee is obliged to delete the registration in the land registry if the conditions are not met, cf. clause 5.

7. Payment of the ground rent - mortgage rights

The ground rent is paid in advance with monthly periods and due for the first of each month after the acquirement of the Property. In the case of delayed payment of ground rent, the Lessor will be entitled to demand interest on overdue payments in accordance with the late payment interest act.

The Lessor shall have first priority mortgage right in the Ground Lease and the buildings for up to 3 years of unpaid ground rent.

8. Assignment and mortgage of the ground rent

The Lessee may, with the written approval of the Lessor, transfer the ground lease and any buildings and installations constructed by the Lessee on the Property to others. The Lessor cannot refuse the approval of new Lessee without just cause.

The Lessee can, at its own unfettered discretion, rent out all or part of its own buildings.

The Lessee may mortgage the ground rent if the mortgage also includes all structures and other installations the Lessee have constructed on the Property.

9. Framework conditions and related agreements

The Ground Lease Agreement is depending on that the Lessee have approved and no later than the time of entering into the current agreement, have signed the Framework Agreement for delivery of goods and services at Mo Industripark AS.

The Lessee is obliged to respect and comply with the framework and regulations that applies at all times for activities within the area the Property is placed.

MIP shall make the area adjacent to the Central Property available for 150 parking lots that will be regulated by a separate agreement.

10. Liquidation at expiry of the lease period

Upon expiry of the lease period, the Lessee has a right and obligation to remove buildings and permanent installations belonging to him.



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If the removal of buildings/parts of buildings and permanent installations would result in unnecessary waste of values as regulated in Section 40 of the Ground Lease Act, both the Lessee and the Lessor may demand that the Lessor acquires ownership to the buildings/parts of buildings and permanent installations for compensation. The

acquisition and determination of the compensation, shall take place in accordance with the Grounds Lease Act no. 20 December 1996, 106 §§ 39-41.

The Lessee has a right and obligation to dismantle and remove production-specific equipment and furnishing unless agreed upon otherwise between the Parties.

11. Option to purchase buildings and installations

If the Lessee chooses to prolong the lease period according to Clause 5 of the Agreement, the Lessor is entitled, but not obliged to, demand redemption of buildings and installations on the Property provided that;

- i) The Lessee or the Lessee's affiliated parties, including Joint Venture partners, no longer use the Property in their own production activities.
- ii) The Lessor executes the option within 3 months after the Lessee have notified that the prolongment right will be executed, cf. clause 5, last paragraph of the agreement.

The transfer takes place within 9 months after the option was executed. From the acquisition date, the Lessee will be released from his contractual duties.

The compensation for applying the option is set to the market value for the buildings and installations, as well as the Lessee's added value increase to the Property, at the time of MIP's acquisition.

12. Disputes

Any disputes that may arise from the Ground Lease Agreement shall be settled in accordance with the provisions set out in the Ground Lease Act at all times. The jurisdiction in which the Property is located is agreed upon as the legal venue.

13. Relationship to the Ground Lease Act

The Ground Lease Act applies to the Ground Lease, and the Ground Lease Agreement shall be supplemented by the provisions of the Ground Lease Act.

The ground Lease Agreement has been issued in 2 – two copies; 1 – one – to each of the Parties.

14. Appendix to the Ground Lease Agreement

Appendix 1: Sketch map of the property
Appendix 2: Schedule/description of planned buildings
Appendix 3.1: Parent company warranty (ground lease agreement)
Appendix 3.2: Parent company warranty (Guarantee for clean-up in the Lessee's building period)
Appendix 4: The Agreement on preparatory work
Appendix 5: Report from geotechnical basic surveys in 2021 (Multiconsult report 10226675-RIG-RAP-001 dated 23 May 2021)
Appendix 6: Report from environmental geological surveys in 2020 (Multiconsult report 10220075-RIGm-RAP-001 dated 11.08.2020)
Appendix 7: Report from environmental geological surveys in 2021 (Multiconsult report 10226628-RIGm-RAP-001 dated 7 May 2021)
Appendix 8: Description of building lines and limitations

[SIGNATURE PAGE FOLLOWS ON THE NEXT PAGE]



OFFICE TRANSLATION

The Agreement has been electronically signed.

The validity of this Agreement assumes the subsequent approval of FREYR Battery Norway AS' board.

For Mo Industripark AS:

1/7/2022

/s/ Lisbeth Flångeng

.....
Chairman of the Board
Lisbeth Flångeng

1/7/2022

/s/ Anette Skog Lillevik

.....
Board member
Anette Skog Lillevik

For Freyr Battery Norway AS:

1/6/2022

/s/ Jan Arve Haugan

.....
Chairman of the Board
Jan Arve Haugan

1/6/2022

/s/ Tom Einar Jensen

.....
Chief Executive Officer
Tom Einar Jensen

The agreement was signed on 07/01/2022



THE FIRST ADDITIONAL AGREEMENT

TO

Agreement no. 3046D (Ground Lease Agreement) - between Mo Industripark and FREYR

This first additional agreement (hereafter "**Change Agreement**") to *Agreement no. 3046D the (Ground Lease Agreement)* has been entered into between:

- (1) **Mo Industripark AS**, Reg. no. 914 780 152, with registered business address at Halvor Heyerdahlsvei 48, 8626 Mo i Rana, Norway ("**MIP**"); and
- (2) **FREYR Battery Norway AS**, Reg. no. 926 089 962, with registered business address Halvor Heyerdahlsvei 33, 8626 Mo i Rana, Norway ("**FREYR**"),

hereafter referred to hereafter as the "**Party**" or collectively as the "**Parties**".

Background/Preamble

The Parties entered into a Letter of Intent (hereafter "**LOI**") 20 November 2020, giving FREYR exclusive rights to lease the ground as described in the LOI as "the Exclusive Areas". FREYR's rights according to the LOI was exercised by the Parties on 7 January 2022 when they entered into *Agreement no. 3046D (Ground Lease Agreement) and Agreement no. 3057 (Agreement on preparatory work)*.

According to the Ground Lease Agreement clause 5, the agreement commences when the preparatory work on the property have been carried out and approved, and that FREYR has made an investment decision. The Ground Lease Agreement will automatically lapse if the investment decision is not made by 30 June 2022.

On the basis of the abovementioned, the Parties have agreed on the following:

1. Changes

- 1.1 Agreement no. 3046D (Ground Lease Agreement) clause 5 – *Conditions and lease term* - second paragraph, is changed to the following (alteration of previous text is indicated by the text being crossed out and underscoring of new text):

If the condition of paragraph (b) above is not fulfilled or waived by the lessee by 31.12.2022, the Ground Lease Agreement will be repealed. In this situation, the lessee shall pay a reimbursement corresponding to 9 months ground rent, which is due for payment within 60 days from the abovementioned date. Furthermore, neither of the parties shall be entitled to make any claim against the other party as a result of the waiver of the Ground Lease Agreement, except where this follows from the Agreement on preparatory work or other agreement between the Parties.

No other changes shall be made to clause 5.

2. Payment for access to the property, etc.

- 2.1 In addition to the compensation FREYR shall pay in accordance with Appendix B to the



OFFICE TRANSLATION

Agreement on preparatory works clause 2.7, FREYR shall, from the date set out in the Ground Lease Agreement Section 5 a) pay running compensation for the preparatory work, cf. the Ground Lease Agreement clause 6 fourth paragraph Section 6, estimated as if the ground lease had been initiated.

- 2.2 The deadline according to clause 1.1 above can be prolonged if agreed upon at the request of FREYR. Any additional costs accrued according to the prolongment, including any consequences for MIPs VAT deduction regarding the costs of preparatory work, are FREYRS' responsibility and will be covered by FREYR.

3. Other provisions

3.1 Choice of law and dispute resolution

This Change Agreement is governed by and shall be interpreted in accordance with Norwegian law. Dispute concerning the validity or interpretation of this Change Agreement and any other dispute in connection with this Change Agreement shall, if possible, be resolved by negotiation between the Parties.

If negotiations do not proceed, any dispute shall be resolved by ordinary court proceedings. The Parties accept the same legal venue as regulated in the Ground Lease Agreement for disputes that arise from the Change Agreement.

This Change Agreement entered into / 2022 and is issued in 2 (two) copies, 1 (one) to each of the Parties.

Mo i Rana 9/5-2022

For Mo Industripark AS

/s/ Arve Ulriksen

.....

Arve Ulriksen
General Manager

For FREYR Battery Norway AS

/s/ Are Brautaset

.....

Are Brautaset
Chairman of the Board



OFFICE TRANSLATION
Exhibit 10.13

AMENDMENT
TO
THE GROUND LEASE AGREEMENT

between

Mo IndustriPark AS, reg. no. 914 780 152

(hereafter referred to as the Lessor)

and

FREYR Battery Norway AS, org. no. 926 089 862

(hereafter referred to as the Lessee)

Agreement no.: 3080D

1. Background

The Lessor and the Lessee (separate as "**the Party**" and collectively as "**the Parties**") entered into a Ground Lease Agreement 7 January 2022, agreement number 3046D, regarding a property of 81,540 m² with land no. 20 in Rana municipality with an additional agreement dated 9 May 2022 ("**the Ground Lease Agreement**").

The Parties wants to make certain changes to the Ground Lease Agreement in regards to an expansion of the area defined as the Property, which is further described in detail and formalized in this additional Agreement ("**the Additional Agreement**").

Defined terms of this Additional Agreement shall be given the same content of meaning as set out in the Ground Lease Agreement, unless otherwise specified.

2. The leased object and purpose of the ground lease

The Lessor shall lease out an additional area to the Lessee encompassing approximately 2,700 m² as shown on the enclosed sketch map, which borders the Property ("**Additional Area**").

The Lessee shall use the Additional Area for logistic purposes.



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3. Lease period

The Lessee will acquire the Additional Area with effect from 01.08.2022 and shall pay a ground rent from this date. The Lease Period is correspondent to the Lease Period in the Ground Lease Agreement.

4. Ground rent

The Ground rent is regulated in accordance with the Ground Lease Agreement.

5. Special terms/information

The Lessee is familiar with Ferroglobe's activity on the adjacent property to the Additional Area, which may, inter alia, cause heat exposure, dust, steam, etc.

The Additional Area is acquired as-is. All ground work and similar measures that must be carried out on the Additional Area as a result of the Lessees establishment on the Additional Area shall be paid by the Lessee. The Lessee is entitled to develop the Additional Area to withstand the axle pressure (Nw: "akseltrykk") that may be caused by heavy traffic in the area.

6. Relationship to the Ground Lease Agreement

This Additional Agreement shall be considered as an integrated part of the Ground Lease Agreement and the Ground Lease Agreement shall otherwise remain unchanged.

* * *

The Agreement has been electronically signed.

For Mo Industripark AS:

9/1/2022

/s/ Arve Ulriksen
.....
Arve Ulriksen
General Manager

For FREYR Battery Norway AS:

9/2/2022

/s/ Tove Nilsen Ljungquist
.....
Tove Nilsen Ljungquist
EVP Operations



OFFICE TRANSLATION

Exhibit 10.14

3028A

Lease Agreement

between

Mo Industripark AS

Business registration no 914 780 152
(hereinafter referred to as the Lessor or MIP)

and

Freyr Battery Norway AS

Business registration no 926 089 862
(hereinafter referred to as the Tenant)

Agreement no. 3028A - Kamstålbygget

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3028A

1. The Lease Object.

- 1.a. The lease agreement encompasses building no. 315 with the areas specified in the enclosed area drawings (Appendix 1). Address Terminalveien 22, 8624 Mo i Rana. Land no/title no 20/538 in Rana Municipality.
- 1.b. More about the leased area:
Building 315 Leased area, GRA 13,560m²
- 1.c. The Tenant takes over the premises as described in the Building Description (Appendix 2) and in accordance with the takeover protocol (form included as Appendix 3). In connection with takeover of the rental object, a takeover inspection shall be carried out. From such takeover inspection, a takeover protocol shall be completed and signed by both parties.
- 1.d. The purpose of the lease agreement is: Production activities, including production, testing, recycling, storing raw materials and batteries and all related activities.
- 1.e. The Tenant shall provide surety in accordance with terms included in Appendix 5.

2. Furnishing / alteration of the premises.

If the Tenant's use makes it necessary to make structural changes to the building's supporting structures, external roofs and walls and similar of the premises, the Lessor's written consent must be given before the work is started. The Lessor's consent cannot be denied without just cause.

The Lessor is deemed to have consented to the structural changes described in Appendix 4 upon entering into this agreement.

Unless otherwise agreed in writing between the Parties, or is set out in Appendix 4, the Lessor's consent pursuant to clause 2 in this agreement does not entail that the Tenant is given the right to return the premises without these being returned in the condition they were in upon takeover.

The assembly of production equipment, installations, machinery and fixtures as part of interior fittings for use of the premises does not require the consent of the Lessor. The Tenant's obligation to reverse changes applies correspondingly to such installations, etc.

3. Rental price, rent payments and adjustment of rent.

- 3.a. From the commencement of the lease and up until 30 June 2024, the rent is NOK 5,474,850 excluding VAT per year (NOK 475 x 0.85 x 13560). Thereafter, the rent is NOK 6,441,000, excluding VAT per year (NOK 475 x 13560). In addition, additional rent will added to the extent this is agreed in writing.

The rental amounts stated herein are subject to index regulation in line with Clause 3.3.

- 3.b. The rent is due in advance once per month.
Payment must be made by the first of each month.
MIP is entitled to calculate interest on overdue rent due according to the Late Payment Interest Act.
- 3.c. The rent is subject to annual index adjustment with effect from 1 January every year, the first time effective from 1 January 2022. Such adjustment shall not lead to the rent being decreased, unless there is a significant fall in the consumer price index, in which case the parties shall meet to agree on compensating measures. The adjustment is made on the basis of the development in Statistics Norway's consumer price index.



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The basic index is the price index as of October 2020, and the annual adjustments are made based on the index figure for the month of October in the year before the adjustment is implemented. The other provisions in the Tenancy Act Chapter 4 regarding adjustment of rent shall not apply to this agreement.

Regardless of the index adjustment set out above, the Lessor is entitled to increase the rent proportionately if public fees or taxes applicable to real property increase significantly. Likewise, the Lessor is entitled to adjust the rent in the event that new public charges are introduced on real property. If any other public regulations that entail investment or increased costs are imposed on the Lessor, up to half of the share that fall on the rental object may form basis for adjustment of the rent. If other public regulations that result in investments or increased costs are imposed on the Lessor due to the Tenant's activities, this gives the Lessor the right to adjust the rent correspondingly to the increased costs. Such regulation may take place from the date the amendments receive a cost effect for the Lessor.

4. Lease period.

The lease commences 12 August 2021 and expires without termination on 11 August 2031. If the premises are ready for takeover at an earlier time, the lease shall commence when the takeover protocol has been signed by the Tenant.

In addition, the Tenant is entitled to extend the lease with an additional two periods of 5 years on the same terms.

The lease period will automatically be extended with an additional lease period if the Tenant does not provide written notification about termination no later than 6 months prior to the expiry of the current lease period.

From the date of entering into the agreement and up until 31 December 2021, the Tenant has the right to terminate the agreement with 3 months' written notice, subject to the payment of six months' rent from the expiry of the termination period. The rental object shall be handed over to the Lessor no later than by the end of the termination period. The Tenant shall also cover the Lessor's costs related to adaptation of the rental object as described in the Preparatory Work Agreement. The Tenant's obligation to return the rental object to the state it was in at takeover, cf clause 10, applies correspondingly.

5. Value Added Tax.

5.a. As per signing the agreement, the parties have assumed that the entire rental object shall be covered by the Lessor's voluntary registration in the Value Added Tax Register. The Tenant ensures that the use of the premises meets the conditions for registration from the date of contract signing and for the entire lease period.

5.b. The Lessor has the right to add value added tax at the rate applicable at any given time to the rent, etc., which is at any time covered by the Lessor's voluntary registration.

5.c. If the Lessor approves of sub-lease, the Tenant shall include in the sub-lease agreement that the sub-lease shall be treated as subject to value added tax, and invoice the rent with the addition of value added tax. Corresponding documentation as in Clauses 5.4. and 5.5. shall then be obtained from the sub-tenant.

5.d. The Tenant must immediately provide the Lessor with information on circumstances that may result in a change in the value added tax status of all or part of the rental object. The Tenant shall, within 14 days, respond in writing to the Lessor's annual Tenant's declarations regarding the Tenant's use of the rental object during the year.

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- 5.e.** If the Lessor has consented to the Tenant making investments on the rental object and the costs are covered by the Adjustment Rules in the Value Added Tax Act, the Tenant shall, without undue delay, prepare and present to the Lessor a statement satisfying the at any time applicable requirements in the Norwegian Value Added Tax Act for registration and documentation on acquisition and manufacturing of capital goods.
- 5.f.** Upon termination of the lease, the Tenant and any sub-tenants shall retain their own adjustment obligations.
- 5.g.** The Tenant shall keep the Lessor indemnified from any loss, including reduced right to deduction and reversal/adjustment of deducted input VAT as well as interest, surcharges and other costs associated with such losses, as a result of (i) changes to the rules that cause the Tenant's use/business to no longer be subject to VAT, (ii) the Tenant's change of use, (iii) sublease, corporate/organizational changes, (iv) defects or negligence etc.
- 5.h.** Any claims arising from the provisions of this clause 5 shall fall due for payment upon demand. Claims arising from the Lessor's obligation to reverse/adjust deducted input VAT will, however, fall due for payment no earlier than 14 days before the due date for the Lessor's payment obligation to the Norwegian state.

6. Use of the Premises

The premises are assumed to be used in accordance with the purpose. Changes of use require the written consent of the Lessor. The Lessor's consent cannot be denied without just cause.

Sublease is subject to the consent of the Lessor. Consent may not be denied without just cause.

7. The Lessor's obligations during the lease period.

7.a. The Lessor's liability for operating costs.

7.1.i. Building insurance.

The Lessor shall cover general building insurances.

Obtaining other insurances is the Tenant's responsibility. If the Tenant's changes of business lead to increased building insurance premiums or other claims from the Lessor's insurance company, these shall be covered by the Tenant.

7.1.ii. Property tax.

The Lessor covers the costs of property tax related to the rental object and associated common areas. Any increase in property tax as a result of the Tenant's measures or investments shall be covered by the Tenant.

7.b. The Lessor's maintenance obligations.

The Lessor's maintenance obligations under this clause also include replacement as far as the relevant component can no longer be maintained.

7.2.i. External maintenance.

The Lessor is responsible for external maintenance, exclusive gates, doors and any glass in the external wall. The maintenance obligation does not include the Tenant's own installations, including but not limited to signs, ventilation outlets, etc.

The Lessor shall notify the Tenant as quickly as possible and no later than six weeks before external maintenance is initiated unless such period entails the risk of damage to the rental object or other installations, etc.



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- 7.2.ii. **Internal maintenance.**
The Lessor is responsible for the building's general basic installations that existed at the takeover date such as power supply up to the Tenant's fuse box, waterborne heating up to heat exchanger, water supply and sewer drainage to the Tenant's premises. The Tenant shall be responsible for any installation or cost, including basic installations, installed by the Tenant itself or that has been specifically installed for the Tenant's activities.
- 7.2.iii. **Retention of rent**
If the Lessor does not perform necessary maintenance without unfounded delay in accordance with his obligations under the agreement, the Tenant may withhold rent corresponding to the costs of obtaining such maintenance until such maintenance has been carried out.

8. The Tenant's operational and maintenance obligations.

- 8.a. Cleaning and waste management**
The costs of cleaning the rental object and handling waste is the Tenant's responsibility.
- 8.b. Water and Drainage**
The costs of water and drainage in the rental object is the Tenant's responsibility.
- 8.c. Energy**
Energy costs relating to heating, lighting and operations in the building is the Tenant's responsibility.
- 8.d. The Tenant's obligations to cover operating expenses.**
Unless otherwise stipulated in the other provisions in the agreement, it is the Tenant's duty to cover any costs in respect of the Tenant's own operation of the rented premises and areas otherwise covered by the lease agreement.
- 8.e. The Tenant's responsibility for maintenance.**
The Tenant's maintenance obligations also include replacing smaller installations and fixtures as far as the relevant component can no longer be maintained. The Tenant is responsible for replacing installations, etc., that the Tenant has brought into the rental object. The Tenant is fully responsible for internal maintenance of the rented premises to which he has exclusive access. Among other things, the liability includes (i) all permanent installations in the rented premises to the extent these are not part of the building's general basic installations that the Lessor is responsible for, see Clause 7.2.2. (ii) surface treatment of floor walls and ceilings, (iii) special equipment, installations or fixtures – including lifting equipment, control panels, gas, air and welding installations, (iv) all other installations, etc., that the Tenant has brought into the rental object.

Costs relating to service and maintenance of the ventilation system is the Tenant's responsibility.

The Tenant is also responsible for the maintenance of gates, doors and any glass in the external wall.

The Tenant acknowledges and accepts that its liability under this agreement so far concerns gates, doors and any glass on the external wall exceeds the liability pursuant to the rules in the Tenancy Act.

The Tenant is responsible for keys distributed to the Tenant. Any new keys/cylinders must be paid by the Tenant. The same applies to any loss of keys where the cylinder is required.



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The Tenant is obliged to treat the rented premises and the property in general with due care and is liable for all damage to the rented premises and the property owed to him or other persons to which he has granted access to the premises or to the property in general.

- 8.f.** All maintenance work shall be carried out properly and craftmanslike and with no unfounded delay. If the Tenant does not perform the necessary maintenance of the premises and installations within a reasonable time after written notice from the Lessor, the Lessor is entitled to allow such work carried out at his expense.

9. Breach of Contract/Eviction of the Tenant.

- 9.a.** The Tenant is responsible for any costs resulting from clearing the rental object due to forced eviction or other vacation.
- 9.b.** The Tenant accepts forced eviction if the rent or any agreed additional payments are not paid, see Section 13-2, paragraph three (a) of the Enforcement Act. The Tenant accepts forced eviction upon the expiration of the rental period, see Section 13-2, paragraph three (b) of the Enforcement Act.
- 9.c.** In the case of material breach of the lease agreement, the Lessor may terminate the lease, and the Tenant shall then immediately vacate the rental object.
- 9.d.** If the Tenant is evicted or vacates the premises at the request of the Lessor due to default or vacates the rental object as the result of bankruptcy, the Tenant shall pay the rent for the remaining lease period. The payment obligation applies only to the extent that the Lessor is not able to cover his loss through other rental. The Lessor shall loyally seek to rent out the property in accordance with the general duty to mitigate losses. The Tenant must also pay any costs resulting from eviction and tidying/cleaning of the rental object. The same applies to any costs associated with the reversal of the Tenant's works and costs relating to new lease.

10. Vacation.

The Premises shall be returned with the same structural furnishings and standards as at the Tenant's takeover, unless otherwise is agreed in writing between the Parties. The premises must be returned tidied and cleaned with all window panes intact and in otherwise good condition, except for deviation caused by ordinary wear and tear.

When the Tenant removes its assembled operational equipment, all connections, inputs and foundations of the operating equipment shall be removed and the premises shall be repaired after the disassembly. Constructional changes carried out by the Tenant shall be reversed unless otherwise is agreed or set out in Appendix 4, cf section 2.

Fixtures, cords, mountings, flooring etc., which the Tenant has brought to the premises are not covered by the Tenant's removal obligation upon winding up and shall devolve on the Lessor without compensation.

No later than six months before the expiry of the lease, the parties shall carry out a joint inspection of the rental object to determine any work that may be necessary to bring the rental object to the state required upon its return.

11. Disputes.

Disputes in connection with this agreement with any additional agreements are subject to the rules in the Norwegian Dispute Act with Rana municipality as the legal venue.



3028A

12. Miscellaneous provisions

Unless otherwise is determined in the Agreement, the Norwegian Tenancy Act applies to this agreement. The following provisions of the Tenancy Act do not apply; Sections 2-15, 3-5, 3-6, 3-8, 4-3, 5-4, paragraph one, 5-8, first to and including fourth paragraphs, 7-5, 8-4, 8-5, 8-6, paragraph two and 10-5.

Either party may allow the agreement to be registered in the Land Registry at its own expenses.

This Agreement is conditional upon the Tenant having approved and, no later than at the time of entering into the current agreement, having signed the "Framework Agreement for delivery of goods and services from Mo Industripark AS".

13. Special additions

The parties have made themselves familiar with the appendices to the agreement and approve by their signature the appendices as part of the agreement.

Appendices:

1. Specification of the rental object (area drawings).
2. Building description.
3. Takeover Protocol.
4. The Tenant's planned constructional changes.
5. Surety.

This Agreement has been made in two copies, of which the parties have retained one each.

Mo., on 19 July 2021

/s/ Arve Ulriksen
Lessor's signature

/s/ Tom Einar Jensen
Tenant's signature



Exhibit 10.26

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of December 12, 2022, by and between **FREYR Battery US Holding, Inc.**, a Delaware corporation (the "Company"), and **Jeremy Bezdek** (the "Employee" and, together with the Company, the "Parties").

RECITALS

WHEREAS, the Parties intend that the Employee shall be employed by the Company as President of Freyr Battery US and EVP Corporate Development – FREYR Battery Group pursuant to the terms of this Agreement effective as of **January 1st, 2023** (the "Effective Date").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties hereto agree as follows:

- 1 At-Will Employment. The Employee's employment with the Company will be "at will" and can be terminated by either the Employee or the Company at any time for any reason; provided, however, that the Employee agrees to provide the Company with at least one (1) month of notice (the "Notice Period"), in writing, prior to any such termination, and provided further that the Company may, in its discretion, accept such resignation and terminate the Employee's employment with immediate effect at any time prior to the completion of the Notice Period and the Company shall not be required to pay the Employee for the remainder of any such notice period.
- 2 Employment and Duties.
 - (a) Title. Starting on the Effective Date, the Employee will be employed as **President of Freyr Battery US and EVP Corporate Development** – FREYR Battery Group. The Employee shall report to the Chief Executive Officer of FREYR Battery Group, or other such position as the Company may determine.
 - (b) Location. The Employee's principal place of work shall initially be Wichita, Kansas. The Employee's place of work may be transferred to other locations in the United States upon mutual agreement of the Employee and the Company. The Employee acknowledges that the Employee's work will necessitate a considerable amount of travel, including travel abroad.
 - (c) Services. During employment with the Company, the Employee shall (i) be a full-time employee of the Company; (ii) carry out the duties assigned to the Employee's position as are reasonably prescribed by the Company from time to time and consistent with the Employee's position; (iii) comply with all Company policies, instructions and guidelines, as in effect from time to time; and (iv) devote all of the Employee's business time and best efforts to the performance of the Employee's duties to the Company and will not engage in any other business, profession or occupation for compensation without the prior written consent of the Company. The Employee shall not accept any external board membership without the prior written consent of the Company (which such consent shall not be unreasonably withheld if



the proposed board membership does not conflict with the Employee's duties to the Company or put the Employee in a position of actual or perceived conflict of interest). Notwithstanding the foregoing, the Employee may manage the Employee's (and his family's) personal investments; provided, however, that such activities do not materially interfere, individually or in the aggregate, with the performance of the Employee's duties hereunder, breach the terms of this Agreement, or have a material adverse impact on the Company.

- (d) Working Hours. Standard business hours for the Company are 9:00 am to 5:00 pm Monday to Friday. The Employee will be required to work hours in excess of the ordinary working hours as may be reasonably required to carry out the Employee's duties properly and effectively in accordance with the needs of the Company. The Employee's position is considered exempt under the Fair Labor Standards Act and applicable state law. As a result, the Employee will not be entitled to overtime pay for hours worked in excess of the Employee's normal work schedule.

3 Compensation, Bonus and Benefits.

- (a) Salary. Beginning on the Effective Date, the Company will pay the Employee a salary at the annual rate of USD 500,000.00 ("Base Salary"), which shall be paid monthly (or more frequently if required by law) and in accordance with the Company's usual and regular payroll practices, as in effect from time to time.
- (b) Bonus. The Employee will be eligible to earn an annual cash bonus pursuant to the FREYR Battery group annual cash bonus scheme, the terms and objectives of which are subject to the sole discretion of the Company and subject to change from time to time, with a target annual cash bonus of 75% of Base Salary, as of fiscal year 2023. If, within two (2) years after any bonus (whether as part of the Company's bonus scheme or otherwise), any option or other award (including the Sign-On Options described below) is paid to the Employee, the Company is required to restate its accounts to a material extent or if the Company becomes aware of any material malfeasance or material wrongdoing on the Employee's part, then the Company shall be entitled to recalculate the bonus that it would otherwise have awarded in the relevant financial years, had these facts been known at the time the bonus was granted. The Employee shall repay to the Company on demand the difference between such recalculated bonuses and the aggregate value of the awards actually paid to the Employee (as determined by the Company). Without limitation of the foregoing, the Employee agrees that the Employee shall be subject to and comply with any additional or different recoupment policies as may be adopted by the Company from time to time, including any such policy as may be required by law or listing rule.
- (c) Sign-On Options. Subject to the required approval, the Employee will receive a one-time award of 150,000 non-qualified options to purchase shares of the common stock of Parent (the "Sign-On Options"). The Sign-On Options will be granted in accordance with the standard grant schedule for the LTIP Program for the relevant year, and will be subject to the terms of the Long-Term Incentive Program 2021 (as amended from time to time, the "Equity Plan"), and any applicable award agreement issued thereunder. The Sign-On Options will vest in three (3) equal tranches over a period of three (3) years from the grant date and once vested will



remain exercisable for a term not to exceed five (5) years from the grant date under the Equity Plan, subject in each case to the Employee's continued active employment with the Company. The per share exercise price of such Sign-On Options will equal the Fair Market Value per Share (as each is defined in the Equity Plan) on the grant date. If, during twelve (12) months immediately following the occurrence of a Change in Control (as defined in the Equity Plan), the Employee experiences a termination of employment under circumstances which would entitle him to severance under Section 4(b) of this Agreement, all then-unvested Sign-On Options will vest and be cancelled in exchange for a cash payment equal to the aggregate spread (if any) with respect to such Sign-On Options. Except as set forth in this Agreement, all equity or equity-based awards shall be governed by the terms and conditions of the Equity Plan and applicable award agreement, including but not limited to the Sign-On Options, LTIP Options and LTIP RSUs.

- (d) Annual Long-Term Incentive Program ("LTIP") Options. The Employee will be eligible to participate in the FREYR Battery LTIP. Subject to the required approval, the Employee will receive an award of 200,000 options to purchase Parent common stock (the "LTIP Options"), to be granted per annum for each of 2023, 2024 and 2025. All LTIP Options will be granted in accordance with the standard grant schedule for the LTIP Program for the relevant year. The LTIP Options shall vest in three (3) equal tranches over a period of three (3) years from the grant date and once vested will remain exercisable for a term not to exceed five (5) years from the grant date under the Equity Plan. The per share exercise price of such LTIP Options will equal the weighted average and the exchange rate of a Share for the five (5) day period immediately preceding the grant date. If, during the twelve (12) months immediately following the occurrence of a Change in Control, the Employee experiences a termination of employment under circumstances which would entitle him to severance under Section 4(b) of this Agreement, all then-unvested LTIP Options will vest and be cancelled in exchange for a cash payment equal to the aggregate spread (if any) with respect to such LTIP Options.
- (e) Annual LTIP Restricted Stock Units ("RSUs"). Subject to the required approval, the Employee will receive RSUs with respect to a number of Shares with a Fair Market Value at the time of grant equal to \$250,000.00 per year (the "LTIP RSUs") issued pursuant to the Equity Plan, for each of 2023, 2024 and 2025. All LTIP RSUs will be granted in accordance with the standard grant schedule for the LTIP Program for the relevant year. The LTIP RSUs shall vest in three (3) equal tranches over a period of three (3) years from the grant date and be settled in cash within thirty (30) days thereafter. If, during the twelve (12) months immediately following the occurrence of a Change in Control event, the Employee experiences a termination of employment under circumstances which would entitle him to severance under Section 4(b) of this Agreement, all then-unvested LTIP RSUs will vest and be cashed out.
- (f) Tax Equalization. If necessary, the Company agrees to pay to the Employee an amount sufficient to compensate the Employee for any tax liability (including any tax liability on any such payment) that the Employee incurs in any country relating to compensation paid to the Employee from the Company, if and only if the Company has requested that the Employee perform work in such country, such that the Employee will be, from an economic perspective, no worse off than if the Employee had lived, worked and incurred tax liabilities only in the United States.



- (g) Paid Time Off. The Employee will be entitled to six (6) weeks of paid vacation time per calendar year. Unused vacation days will rollover each year. This paid time off excludes any Company shut down days, as well as public holiday observed by the Company, which will also be paid. The Employee is also entitled to five (5) paid personal days and ten (10) paid sick days. Any time off, whether paid or unpaid, must be taken at times appropriate to the local work situation and be approved beforehand by the Employee's direct manager, whenever possible. The Employee should give the Company as much notice as possible prior to taking any paid time off. The Company understands that instances of unforeseen sickness and emergencies may arise, and will work with the Employee in these situations.
- (h) Other Benefits. The Employee will be eligible to participate in all benefit plans made available by the Company to its similarly-situated employees, as in effect from time to time, currently including the Company's health, dental care and vision care plans, pursuant to the terms of such plans as in effect from time to time.

Until such time as the Company adopts a matching 401(k) plan with a minimum 3% match, or until family health insurance monthly premiums are <\$500/month (adjusted for inflation) with a \$10,000 deductible, the Employee will receive an annual award of \$25,000, less applicable tax withholdings, and payable by the end of each applicable fiscal year.

- (i) Technology. The Company will provide the Employee with a laptop for business use. The Company will provide the Employee with a mobile phone and cover reasonable cost for business use and, to a reasonable extent, private use in accordance with the Company's policies, as in effect from time to time. Further, the Company will reimburse fifty (50) percent of internet subscription at home, up to \$50.00 per month.
- (j) Deductions from Salary. Deductions from salary and bonus may be made to the extent required or permitted by applicable labor law under the following circumstances: (i) cash advances made (x) upon the written request or by signed agreement of the Employee and (y) as part payment of future wages to be earned, (ii) incorrect wage overpayments or excess cash advances, and (iii) amounts received through employee misconduct, such as any misuse of the Company's funds (e.g., by credit card). The Company will provide the Employee with written notice prior to making any such deductions. All amounts payable to the Employee will be subject to applicable tax withholding.

4 Termination of Employment.

- (a) Accrued Benefits. Upon the termination of the Employee's employment with the Company for any reason, the Employee shall be entitled to receive the following: (i) any accrued but unpaid Base Salary through the date of termination; (ii) reimbursement for expenses and fees incurred by the Employee prior to the date of termination in accordance with Section 5; and (iii) vested and accrued benefits, if any, to which the Employee may be entitled under the Company's employee benefit



plans as of the date of termination (the amounts and benefits described in clauses (i) through (iii), collectively, the "Accrued Benefits"). The Accrued Benefits shall in all events be paid in accordance with applicable law, the Company's payroll procedures, expense reimbursement procedures and/or plan terms, as applicable. The Employee shall not be entitled to receive any compensation or benefits other than the Accrued Benefits in connection with a termination of the Employee's employment with the Company for any reason, and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates, except in the event of a termination of Employee's employment by the Company without Cause (as defined below).

(b) Termination by the Company without Cause.

- i. Without limiting Section 1 of this Agreement, if the Employee's employment is terminated at any time by the Company without Cause, the Company shall pay or provide to the Employee (A) the Accrued Benefits and (B) upon the Employee's execution of a separation agreement containing a general release of claims substantially in the form attached as Exhibit A hereto (the "Release") and the expiration of the applicable revocation period with respect to such Release within 60 days following the date of termination (the date on which the Release becomes effective, the "Release Effective Date"), and subject to the Employee's continued compliance with the covenants and obligations set forth in this Agreement, the Release or any other agreement between the Employee, on the one hand, and the Company or any of its affiliates, on the other, containing non-solicitation, non-disparagement, confidentiality or similar restrictive covenants, an aggregate amount equal to twelve (12) months of Base Salary ("Severance"). Severance, if any, shall be payable in substantially equal installments over a six (6)-month period, in accordance with the Company's standard payroll practices, commencing on the first payroll date following the Release Effective Date, subject to the terms and conditions herein; provided, however, that the first installment of the Severance shall include all payments that would have been made had such installments commenced immediately following the Employee's last day of employment; provided, further, that to the extent that the Employee's period to consider the Release spans two (2) calendar years, such first installment shall occur in the second calendar year, to the extent that such installment constitutes nonqualified deferred compensation for purposes of Section 409A of the Internal Revenue Code, as amended (the "Code"), and shall include all payments that would have been made had such installments commenced immediately following the Employee's last day of employment.
- ii. For purposes of this Agreement, the Company may terminate the Employee's employment with "Cause" upon: (A) the Employee's commission of any felony (or state law equivalent) or any crime involving moral turpitude or dishonesty; (B) the Employee's misconduct in connection with the performance of his duties to the Company; (C) the Employee's failure to perform his duties or failure to comply with any valid and legal directive of the Company; (D) a material breach by the Employee of this Agreement or



any fiduciary duty owed by the Employee to the Company, (E) any action taken by the Employee in violation of the Company's code of conduct or other material written policies or guidelines established by the Company from time to time applicable to employees or executives generally, including, without limitation, written policies or guidelines related to discrimination, harassment, retaliation or ethics; (F) any fraud by the Employee upon the Company, embezzlement or misappropriation of corporate funds or activities; or (G) the Employee's engagement in conduct that brings or is reasonably likely to bring the Company into public disgrace, embarrassment or disrepute.

- 5 Business Expenses. The Company shall, on the presentation of invoices or vouchers or other evidence of actual payment, reimburse the Employee for expenses, including business travel expenses reasonably incurred by the Employee in the performance of the Employee's duties under the Agreement, in accordance with the Company's policies, as in effect from time to time. Determination of the reasonableness of business expenses is at the sole discretion of the Company.
- 6 Code of Conduct and Company Policies. The Employee will comply with all codes of conduct and all other policies which have been made available to the Employee and as in effect from time to time.
- 7 Confidentiality.
 - (a) The Employee understands that during the Employee's employment with the Company, the Employee will have access to unpublished and otherwise confidential and proprietary information ("Confidential Information"), whether oral, written or contained on computer systems or other media, relating to the business and affairs of the Company or its affiliates or any client of the Company or its affiliates, or otherwise obtained or known by the Employee as a consequence of or through the Employee's employment. The Employee agrees to hold in trust and confidence all Confidential Information and observe all Company policies and procedures concerning such Confidential Information. The Employee further agrees not to disclose or use, either during the Employee's employment with the Company or at any time thereafter, any Confidential Information unless authorized to do so by the Company in writing, except that the Employee may disclose and use such information (i) when necessary in the performance of the Employee's duties for the Company; and (ii) as otherwise required by law.
 - (b) For purposes hereof, Confidential Information includes, but is not limited to, the contents of this Agreement, information of both a technical and nontechnical nature relating to the business of the Company and its affiliates, its actual or anticipated businesses, research or development, finances, strategic or financial plans, business plans, methods, processes, developments, records, formula, prices, techniques, operations, investments, marketing plans, technical and sales information, customer and client information, future transactions, employee lists and compensation, management compensation, intellectual property, computer programs, files, procedure and reference manuals, technology or the implementation or exploitation thereof, and any other information communicated to the Employee in circumstances



where it is evident that such information is confidential, including, without limitation, information pertaining to trading, customers, clients, prices, costs, processes, codes, material results, technology, system designs, system specifications, materials of construction, trade secrets and equipment designs (including information disclosed to the Company by others under agreements to hold such information confidential). Confidential Information also includes information encompassed in materials, surveys, charts, drawings, designs, plans, proposals, reports, research, marketing and sales plans, costs, quotations, specification sheets and recording media. Confidential Information further includes information which relates, directly or indirectly, to the computer systems and computer technology of the Company and its affiliates including, but not limited to, source codes, object codes, reports, flow charts, screens, algorithms, use manuals, installations and/or operation manuals, computer software, spreadsheets, data computations, formulas, techniques, databases and any other form or compilation of computer related information.

- (c) The Employee's obligations with respect to Confidential Information will continue, whether or not the Employee resigns or the Employee's employment with the Company is terminated by the Company, until such information becomes generally available from public sources through no fault of the Employee. Upon resignation or termination of the Employee's employment with the Company for any reason, the Employee will promptly deliver to the Company all documents, records, files, notebooks, manuals, letters, notes, reports, customer and supplier lists, cost and profit data, e-mails, apparatus, drawings, blueprints and any other material of the Company, including all materials pertaining to Confidential Information developed by the Employee or others, and all drafts, copies and originals of such materials, whether of a technical, business or fiscal nature, whether on hard copy, tape, disk or any other format, which are in the Employee's possession, custody or control. Furthermore, if the Employee receives a subpoena or request for disclosure of any Confidential Information, the Employee agrees to provide prompt written notice to the Chief Legal Officer in FREYR Battery SA prior to responding to such subpoena or request; the Employee further agrees to cooperate with the Company in taking steps to maintain the confidentiality of such Confidential Information.
- (d) The Employee acknowledges that any breach of confidentiality during the Employee's employment or at any time thereafter may lead to liability and may constitute grounds for dismissal and/or render the Employee liable to legal action and/or damages.

- 8 Permitted Disclosures. Pursuant to 18 U.S.C. § 1833(b), the Employee will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Company that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Employee's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Employee may disclose the trade secret to the Employee's attorney and use the trade secret information in the court proceeding,



the Employee (i) files any document containing the trade secret under seal, and (ii) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not (x) prohibit the Employee from providing truthful testimony or accurate information in connection with any investigation being conducted into the business or operations of the Company, or any related targets, by any government agency or other regulator that is responsible for enforcing a law on behalf of the government, or otherwise providing information to the appropriate government regulatory agency or body regarding conduct or action undertaken or omitted to be taken by the Company that the Employee reasonably believes is illegal or in material non-compliance with any financial disclosure or other regulatory requirement applicable to the Company, or in connection with any dispute between the parties; (y) require the Employee to obtain the approval of, or give notice to, the Company or any of its representatives to take any action permitted under the preceding clause (x); or (z) apply to information that (i) was at the time of receipt within the public knowledge without any breach by the Employee or (ii) subsequently is lawfully acquired from a third party without continuing restriction on use, without any breach by the Employee.

- 9 Non-Disparagement. The Employee may not, either during or at any time subsequent to the Employee's employment with the Company, directly or indirectly, engage in any conduct or make any statement disparaging in any way the business or reputation of the Company, or any goods or services offered by the Company, nor shall the Employee engage in any other conduct or make any other statement that could reasonably be expected to impair the goodwill or reputation of the Company.
- 10 Non-Competition.
- (a) The Employee agrees that during the employment with the Company and for a period of six (6) months immediately following termination of employment (the "Restricted Period") for any reason, the Employee shall not, whether for the Employee's own account or for any other person or entity, render advice or provide any services in an executive, management or supervisory role, or in a role that is the same as or similar in function or purpose as those provided to the Company at any time during the twenty-four (24) calendar month period preceding the termination of the Employee's employment with the Company for any reason, to any person or business that develops or produces green battery cells, or any other products developed by the Company during the Employee's employment with regard to which the Employee developed or obtained Confidential information ("Competing Business").
- (b) If the Employee is uncertain whether an activity is covered by the prohibitions set out in this clause, the Employee shall, whether during the employment or following termination of employment, present the issue to the Company in writing and await a written statement from the Company before engaging in the activity at question. The Company shall provide a written statement on the applicability of Section 10(a) within two (2) weeks after having received the written request from the Employee.



- (c) If the Company determines that the prohibition against competition in Section 10(a) applies, the Company shall compensate the Employee during the Restricted Period an amount corresponding to the Employee's pro-rated base salary for the duration of the Restricted Period calculated on the basis of the Employee's annual salary the last twelve (12) months (such amount, the "Non-Compete Payment"), payable in equal installments in accordance with the Company's payroll practices, as in effect from time to time, beginning on the first payroll date following the last day of the Employee's employment with the Company. If the Employee acquires or receives income during the Restricted Period, the Company is entitled to reduce the Non-Compete Payment correspondingly, up to a maximum of half of the total compensation the Employee would be entitled to from the Company before such reduction. The Employee shall provide the Company with information regarding income from such other work in the prohibition period. If the Employee does not meet this requirement, the Company is entitled to withhold compensation until the information is presented.
- (d) If the Employee violates the provisions of Section 10(a), the Employee will no longer be entitled to payment by the Company and agrees to immediately reimburse the Company for compensation payments made in accordance with Section 10(c). In the event of violation of the provisions of Section 10(a), Section 11 or Section 12, the Company may demand that the infringement immediately ceases and may take necessary legal actions. In addition, the Company may demand that the Employee pays the enrichment the Employee and/or new employer/client etc. have achieved as a result of the breach of non-competition or non-solicitation clauses in Section 10(a), Section 11 and Section 12. Payment of compensation does not entail that the infringement may continue.
- 11 Non-Solicitation of Customers. The Employee agrees that during employment and the twelve (12) months immediately following the termination of the Employee's employment for any reason, the Employee shall not directly or indirectly solicit or otherwise (including by assisting or aiding any third party), (i) solicit the business of or perform any services for any actual customer, any person or entity that has been a customer within the one-year period preceding the date of such solicitation or any actively solicited prospective customer as to whom the Employee provided any services or as to whom the Employee has knowledge of Confidential Information, (ii) encourage or assist any Competing Business to solicit or service any actual customer, any person or entity that has been a customer within the twelve (12) month-period preceding the date of such solicitation or any actively solicited prospective customer of the Company covered by this section, or otherwise seek to encourage or induce any such customer to cease doing business with, or lessen its business with, the Company or (iii) otherwise knowingly interfere with or damage (or attempt to knowingly interfere with or damage), or take action that would reasonably be expected to interfere with or damage, the Company's relationship with its customers.
- 12 Non-Solicitation of Employees. The Employee agrees that during the Restricted Period, the Employee shall not, directly or indirectly (including by assisting or aiding any third party), (i) solicit, recruit or induce any employee of the Company to terminate employment with the Company or (ii) either individually or as owner, agent, employee,



director, manager, officer, consultant or otherwise, employ, offer employment to or otherwise interfere with the employment relationship of the Company with any person who at the time of such action is, or who during the six (6)-month period preceding such action was, an employee of the Company and with whom the Employee did business or for about whom the Employee developed or obtained Confidential Information; provided, however, that, following the termination of the Employee's employment, the foregoing will not preclude the Employee from initiating or directing, on the Employee's own behalf or for a third party, a general employment solicitation that is not directed primarily at the foregoing employees.

13 Use of Company Technology. The Company's electronic mail system, on-premises internet subscription and all other data systems are the exclusive property of the Company. The Employee agrees that, with the exception of occasional incidental use, the Company's electronic mail system, on-premises internet subscription and all other data systems shall be used by the Employee solely in connection with the Employee's work for the Company. The Employee acknowledges that the Employee shall have no right to access and shall not access the Company's electronic mail system or other data systems after termination of employment.

14 Intellectual Property.

(a) The terms and provisions of this Section 14 shall apply to all Creations (as defined below) and all intellectual property rights ("IPR") related thereto that are conceived, reduced to practice, made, created or developed, or otherwise delivered or provided, by the Employee in the course of the Employee's employment with the Company, whether outside working hours or outside the Company's premises, or made with the use of the Company's information, time, material, facilities, employees or advisors, and which in any way is related to the Company's business. "Creations" shall in this agreement mean any work of art or literature, integrated circuit design, software, copyright, design, trademark, trade name, distinctive sign, know-how, trade secret, information, data, databases, test results, discoveries, formulae, inventions, improvements, ideas and concepts. All Creations which the Employee makes, develops, or conceives during the term of the employment and for a period of one (1) year after termination, shall be deemed to have been made in the course of the Employee's employment by the Company or with the use of the Company's information, time, material, facilities, employees or advisors, unless the Employee demonstrates otherwise. The Employee understands that nothing in this Section 14 applies to any invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the Employee's own time, unless the invention (i) relates directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or (ii) results from any work performed by the Employee for the Company.

(b) The Employee acknowledges and agrees that all Creations and related IPR are works-for-hire and are owned exclusively by the Company. To the extent all Creations and related IPR are not works-for-hire and owned exclusively by the Company, the Employee hereby assigns and agrees to assign to the Company, its successors or



assigns, all of the Employee's right, title and interest in and to the Creations and IPR related thereto, including the right to make changes to and further assign such Creations and related IPR. The Employee waives, to the extent permitted under United States law, any moral rights in the Creations, including the right to be known as the creator of the Creations. The Employee shall disclose in writing to the Company any Creations and related IPR as such from time to time may arise, as reasonably required in order for the Company to assume ownership of and obtain intellectual property protection for such Creations and related IPR. At the Company's request, the Employee undertakes to issue and sign confirmatory declarations of assignment relating to the Creations and related IPR. The Employee further undertakes to cooperate with the Company, and to execute and deliver all such further documents as the Company reasonably requires, during and after the termination of this Agreement, in order to obtain, protect and maintain Company's ownership and interests in the Creations and the related IPR.

- (c) Where the Employee can clearly document that a Creation was conceived, reduced to practice, made, developed or created by the Employee before the effective date of the Employment Contract ("Prior Creations"), such Prior Creations and any related IPR applications or registrations issued thereon shall be excluded from this Section 14. The Employee also agrees not to incorporate or provide or deliver for use any Prior Creations or related IPR owned by the Employee or in which the Employee has an interest into a Company product or process, without the Company's prior written consent. If in the course of employment, the Employee incorporates or provides or delivers for use a Prior Creation into a Company product or process, the Company shall be and hereby is automatically granted a perpetual, non-exclusive, royalty-free irrevocable worldwide, transferable and sub-licensable license to make, have made, modify, use and sell any such Company product or process which incorporates such Prior Creation.
- (d) The Employee agrees that any and all information and documentation relating to the Creations, including computer software code, is the property of the Company. The Employee undertakes to store such information and documentation on the Company's computer system, in cloud accounts or otherwise in accordance with Company's instructions. To the extent it is necessary to store such information and documentation locally, the Employee undertakes to store it in discrete files separate from personal information. The Employee agrees that the Company is entitled to access, at any time, computers and/or network resources used by the Employee for the purpose of securing the Company's interests in such information and documentation to the extent necessary.

- 15 Return of Property. Upon termination of employment, the Employee shall return to the Company all property of the Company in the Employee's possession, custody or control belonging to the Company, including but not limited to business cards, credit and charge cards, keys, security and computer passwords, mobile phones, personal computer equipment, Creations, original and copy documents or other media on which information is held in the Employee's possession relating to the business or affairs of the Company.



- 16 Data Privacy. In order to manage the Employee's employment, the Company will need to process certain personal data relating to the Employee. Information regarding which personal data is being processed, how such personal data is being processed and which rights the Employee has in this regard, is outlined on the Company's intranet. The Employee is responsible for familiarizing himself or herself with the applicable content of such policy.
- 17 Cooperation. Following the termination of employment, the Employee shall provide reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during the Employee's employment hereunder. The Company shall reimburse all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by the Employee as a result of such cooperation.
- 18 Remedies. The Employee acknowledges and agrees that a violation or threatened violation of any of the Employee's obligations under this Agreement will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) restraining the Employee from committing any violation of the covenants or obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity in connection with the foregoing provisions of this Agreement.
- 19 Background Check. The Employee gives their consent to the Company to perform criminal record check of records for felony or misdemeanour convictions in all jurisdictions in which the Employee has lived or worked during the previous ten years.
- 20 Enforceability/Modification. It is expressly understood and agreed that although the Employee and the Company consider the restrictions contained in this Agreement to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against the Employee, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be deemed enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein. Without limiting the foregoing, if any provision of this Agreement or any application thereof to any circumstances, is determined to be void and unenforceable, in whole or in part, by a court applying any applicable law, such provision or application shall be modified to the extent necessary to give the terms of this Agreement maximum effect. The existence of any claim or cause of action by the Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants contained in this Agreement.



- 21 Notice. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement, including under Section 1, Section 10(b) and Section 15, shall be in writing and shall be given by electronic mail transmission (with confirmed receipt) or by personal delivery, as applicable. Notices shall be sent to the Company at:

Freyr Battery
Attention: Jan Dahm-Simonsen
Email: payroll@freyrbattery.com

Notices shall be sent to the Employee at:

Jeremy Bezdek
Email: jeremy.bezdek@outlook.com

- 22 Binding Effect/Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, estates, successors (including, without limitation, by way of merger) and assigns. Notwithstanding the provisions of the immediately preceding sentence, the Employee shall not assign all or any portion of this Agreement without the prior written consent of the Company.
- 23 Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions, covenants, representations, and arrangements, written or oral, between them as to such subject matter, including, without limitation, any prior employment agreement or offer letter by and between the Employee and the Company.
- 24 Modifications and Waivers. No provision of this Agreement may be modified, altered or amended except by an instrument in writing executed by the parties hereto. No waiver by any party hereto of any breach by any other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the time or at any prior or subsequent time. The failure of a party to enforce at any time the provisions of this Agreement or to require at any time performance by any other party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement or any part hereof, or the right of any party to enforce each and every provision in accordance with its terms.
- 25 Severability. If any provision of this Agreement, or any application thereof to any circumstances, is invalid, in whole or in part, such provision or application shall to that extent be severable and shall not affect other provisions or applications of this Agreement.
- 26 Governing Law; Consent to Jurisdiction; Jury Trial Waiver. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Delaware without reference to the principles of conflicts of law of the State of Delaware or any other jurisdiction, and where applicable, the laws of the United States. The parties hereby agree that any actions or proceedings brought by the Employee relating to this Agreement must be brought in the courts situated in Wilmington, Delaware. The



Employee hereby irrevocably submits to the exclusive jurisdiction of such courts and waives the defense of *forum non conveniens* (i.e., inconvenient forum) to the maintenance of any such action or proceeding in such venue. EACH PARTY TO THIS AGREEMENT WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM.

- 27 Headings. The headings contained herein are solely for the purposes of reference, are not part of this Agreement and shall not in any way affect the meaning or interpretation of this Agreement.
- 28 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
- 29 Electronic Signature. This Agreement may be electronically signed.

[signature page follows]



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

For the Company

The Employee

/s/ Peter Matrai

/s/ Jeremy Bezdek

Name: Peter Matrai
Position: CEO FREYR BATTERY US
HOLDING INC.
Date:

Name: Jeremy Bezdek
Date:



Exhibit A

Form of Release

Jeremy Bezdek ("**Employee**") and FREYR Battery US Holding, Inc. (the "**Company**") hereby enter into and agree to be bound by this General Waiver and Release of Claims (the "**Release**"). Employee acknowledges that he is required to execute this Release in order to be eligible for certain post-termination benefits (the "**Post-Termination Benefits**") as set forth in **Section 4(b)(i)** of his Employment Agreement with the Company, dated _____, 2022 (the "**Employment Agreement**"). Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings specified in the Employment Agreement.

1. **SEPARATION DATE.** Employee acknowledges and agrees that his separation from the Company was effective as of [], 20[] (the "**Separation Date**").

2. **WAGES FULLY PAID.** Employee acknowledges and agrees that he has received payment in full for all salary and other wages, including, without limitation, any accrued, unused vacation or other similar benefits earned through the Separation Date.

3. **EMPLOYEE'S GENERAL RELEASE OF CLAIMS.**

a. **Waiver and Release.** Pursuant to **Section 4(b)(i)** of the Employment Agreement, and in consideration of the Post-Termination Benefits to be provided to Employee as outlined in the Employment Agreement and this Release as set forth herein, Employee, on behalf of herself and his heirs, executors, administrators and assigns, forever waives, releases and discharges the Company and its officers, directors, shareholders, members, managers, employees, agents, servants, accountants, attorneys, heirs, beneficiaries, successors and assigns (together with the Company, the "**Company Released Parties**"), from any and all claims, demands, causes of actions, fees, damages, liabilities and expenses (including attorneys' fees) of any kind whatsoever, whether known or unknown, suspected or unsuspected (collectively, "**Claims**"), that Employee has ever had or might have against the Company Released Parties, or any of them, in any way arising out of, relating to, or connected with, the Employment Agreement, Employee's services to, or employment by the Company or the termination thereof, including, but not limited to, (i) any Claims under Title VII of the Civil Rights Act, as amended, the Americans with Disabilities Act, as amended, the Family and Medical Leave Act, as amended, the Fair Labor Standards Act, as amended, the Equal Pay Act, as amended, the Employee Retirement Income Security Act, as amended (with respect to unvested benefits), the Civil Rights Act of 1991, as amended, Section 1981 of Title 42 of the United States Code, the Sarbanes-Oxley Act of 2002, as amended, the Worker Adjustment and Retraining Notification Act, as amended, the Age Discrimination in Employment Act, as amended, the Uniform Services Employment and Reemployment Rights Act, as amended, the Kansas Act Against Discrimination, the Kansas Age Discrimination in Employment Act, the Kansas Minimum Wage and Maximum Hours Law, the Discrimination Against Military Personnel Act, the Discrimination Against Employees who are Victims of Domestic Violence or Sexual Assault and/or any other federal, state or local law (statutory, regulatory or otherwise) that may be legally waived and released and (ii) any tort and/or contract claims, including any claims of breach of contract, fraud, wrongful discharge, defamation, emotional distress, tortious interference with contract, invasion of privacy, nonphysical injury, personal injury or sickness or any other harm. Employee acknowledges that, to the extent permitted by law, if the Equal Employment Opportunity Commission or any other administrative agency brings any charge or complaint on his behalf or for his benefit, this Release bars



Employee from receiving, and Employee hereby waives any right to, any monetary or other individual relief related to such a charge or complaint. This Release, however, excludes the following "**Excluded Claims**": (w) any claims made under state workers' compensation or unemployment laws, and/or any claims that cannot be waived by law, (x) claims with respect to the breach of any covenant (including any payments under the Employment Agreement) to be performed by the Company after the date of this Release, (y) any rights to indemnification or contribution or directors' and officers' liability insurance under the Employment Agreement, any operative documents of the Company or any applicable law,; and (z) any claims for vested benefits under any employee benefit plan (excluding any severance plan and including claims under the Consolidated Omnibus Budget Reconciliation Act of 1985) or any claims that may arise after the date Employee signs the Release.

b. Acknowledgement of ADEA Waiver. Without in any way limiting the scope of the foregoing general release of claims, Employee acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 (the "**ADEA**") and that such waiver and release is knowing and voluntary. This waiver and release does not govern any rights or claims that might arise under the ADEA after the date this Release is signed by Employee. Employee acknowledges that: (i) the consideration given for this Release is in addition to anything of value to which Employee otherwise would be entitled to receive; (ii) he has been advised in writing to consult with an attorney of his choice prior to signing this Release; (iii) he has been provided a full and ample opportunity to review this Release, including a period of at least twenty-one (21) days within which to consider it (which will not be lengthened by any revisions or modifications); (iv) he has read and fully understands this Release and has had the opportunity to discuss it with an attorney of his choice; (v) to the extent that Employee takes less than twenty-one (21) days to consider this Release prior to execution, he acknowledges that he had sufficient time to consider this Release with counsel and that he expressly, voluntarily and knowingly waives any additional time; and (vi) Employee is aware of his right to revoke this Release at any time within the seven (7)-day period following the date on which he executes this Release by providing notice before the end of this seven (7)-day period. Employee further understands that he shall relinquish any right he has to Post-Termination Benefits described in the Employment Agreement if he exercises his right to revoke this Release. Notice of revocation must be made in writing and must be received by the Company by [●], 20[●], no later than 5:00 p.m. Pacific Time on the seventh (7th) calendar day immediately after the day on which Employee executes this Release.

4. NO CLAIMS BY EMPLOYEE. Employee affirms and warrants that he has not filed, initiated or caused to be filed or initiated any claim, charge, suit, complaint, grievance, action or cause of action against the Company or any of the other Company Released Parties.

5. NO ASSIGNMENT OF CLAIMS. Employee affirms and warrants that he has made no assignment of any right or interest in any claim which he may have against any of the Company Released Parties.

6. NON-ADMISSION. Employee acknowledges and agrees that neither this Release nor anything in it shall be considered as any admission by the Company or any other Company Released Party of any improper conduct or fault whatsoever.

7. ADVICE OF COUNSEL. Employee acknowledges: (a) that he has been advised to consult with an attorney regarding this Release; (b) that he has, in fact, consulted with an attorney regarding this Release; (c) that he has carefully read and understands all of the



provisions of this Release; and (d) that he is knowingly and voluntarily executing this Release in consideration of the Post-Termination Benefits provided under the Employment Agreement.

8. **REMEDIES.** If Employee breaches this Release or Sections 7, 9, 10, 11, 12, 14 or 15 of the Employment Agreement, or materially fails to comply with or otherwise materially breaches any of the promises, representations or releases in this Release or the Employment Agreement, in addition to all other legal and equitable remedies available to the Company in the event of a breach, (a) the Company may immediately stop any payments relating to the Post-Termination Benefits and may seek additional relief or remedy as provided under applicable law, and (b) Employee will be responsible for payment of all reasonable attorneys' fees and costs that the Company incurred in the course of enforcing the terms of this Release, including demonstrating the existence of a breach and any other contract enforcement efforts. Any such cessation of payments or benefits shall not limit, restrict or otherwise affect Employee's release of Claims or any other obligations of Employee set forth in this Release, or Employee's continuing obligations under the Employment Agreement.

9. **GOVERNING LAW.** This Release and the performance hereof shall be construed and governed in accordance with the laws of the State of Delaware, and the Parties waive the application of conflicts of law provisions or principles of any state or jurisdiction.

10. **SEVERABILITY.** In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Release shall continue in full force and effect without said provision or portion of provision.

11. **SUCCESSORS AND ASSIGNS.** Employee agrees that this Release will be binding upon, and pass to the benefit of, the successors and assigns of the Company. Any payments and benefits due to the Employee hereunder shall be payable to his estate or representative in the event of his death or disability.

12. **AMENDMENTS.** This Release may not be amended or modified other than by a written instrument signed by an authorized representative of the Company and Employee.

13. **DESCRIPTIVE HEADINGS.** The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Release.

14. **COUNTERPARTS.** This Release may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Facsimile and .pdf signatures will suffice as original signatures.

15. **THIRD PARTY BENEFICIARIES.** Each Company Released Party is intended to be a third-party beneficiary of this Release, and this Release may be enforced by each such Company Release Party in accordance with the terms hereof in respect of the rights granted to such Company Released Party hereunder.

16. **ENTIRE AGREEMENT.** This Release and the Employment Agreement set forth the entire agreement and understanding of the parties relating to the subject matter hereof and, except as otherwise provided herein, supersedes all prior discussions, agreements and understandings of every kind and nature between the parties hereto.



[signature page follows]

[Remainder of page intentionally left blank.]



By his signature, Jeremy Bezdek hereby knowingly and voluntarily executes this Release, and this Release shall be effective, as of the date indicated by his signature below.

ACCEPTED AND AGREED:

FREYR BATTERY US HOLDING INC.

For the Company

The Employee

Name: Peter Matrai

Position: CEO

Date:

Name: Jeremy Bezdek

Date:



Exhibit 10.27

This **CONTRACT OF EMPLOYMENT** (the "Contract") is made 17th June, 2021 between

Freyr AS (organization number 920 388 620)

(hereinafter referred to as the "Company")

and

Tilo Hauke

of

Uhlandweg 1, 86637 Wertingen, Germany

(hereinafter referred to as the "Employee")

Please be informed that all employees in FREYS AS will be transferred over to FREYR Battery Norway AS (with organization number 926 089 862) during the third quarter of 2021. For the purpose of this contract this transfer is to be considered a business transfer under the same terms and conditions as outlined below. Further, when FREYR has set up a parent company in the EU, the employee relationship can be transferred from the AS in Norway to that company. The change in the regulatory framework may result in a need to adapt some of the terms. This will not worsen the overall offer and only be implemented based on agreement between the parties.

1 Position, term, place of work, reporting line

- 1.1 The Employee is employed as **EVP Supply Chain** of FREYR AS, with effect from **1st January** or before.
- 1.2 The Employee's place of work shall be the Employee's home in Germany. It is expected that this will change to Freyr's offices in Luxembourg in mid-2022. The Employee acknowledges that the Employee's work may necessitate a considerable amount of travel, also abroad.
- 1.3 In this position The Employee shall report to the CEO – unless, or until, otherwise informed.

2 Duties

- 2.1 The Employee is obliged to carry out the duties that are or will be assigned to the Employee's position and that naturally fall within the scope of the position or other duties as the Company may reasonably require. The Company may issue instructions and guidelines which the Employee shall adhere to as part of this Contract.
- 2.2 The Employee shall devote the Employee's full working capacity to the Company and the Employee's duties under this Contract. The Employee shall not, without the Company's prior written consent, undertake any other work, paid or unpaid, whether as part of the Employee's own commercial activity or for any other employer or principal.

3 Working hours

- 3.1 The Employee shall be employed full time, 40 hours per week, with working hours as determined by the Company at any time.



4 Salary

- 4.1 The Company shall pay the Employee a gross base salary at the rate of **EUR 250,000** per annum, inclusive of compensation for overtime.
- 4.2 The Employee will receive a car allowance of EUR 1,000 per month, paid at the same time as salary.
- 4.3 The Employee will further receive 100,000 options as sign-on, granted on work Start Date, vested after 1 year and to be exercised within 5 years of granting, with a strike price of \$10 per option
- 4.4 The Employee's salary shall be paid on the 20 day of each month to the bank account provided by the Employee, in instalments of 1/12 of the annual amount.
- 4.5 The Employee's salary shall be reviewed annually on 1 January, the first review to be done with effect from **01.01.2023**.

5 Bonus

- 5.1 The Employee will participate in the Company's bonus scheme, terms and objectives of which are at any time under the sole discretion of the Company. In the first instance this bonus is set at maximum 50% of base salary.
- 5.2 Such bonus is interpreted and deemed to be inclusive of holiday allowance, statutory payable bonus or profit sharing or other statutory benefits. At payment, holiday allowance, statutory payable bonus or profit sharing or other statutory benefits will be deducted from the bonus amount.

6 Long-term incentive program ("LTIP")

- 6.1 The Employee may participate in the Company's LTIP, terms and objectives of which are at any time under the sole discretion of the Company.
- 6.2 If at any time after any bonus, option or other award is paid to the Employee the Company is required to restate its accounts to a material extent or the Company becomes aware of any material malfeasance or material wrongdoing on the Employee's part, then the Company shall be entitled to recalculate the bonus that it would otherwise have awarded in the relevant financial years, had these facts been known at the time the award was granted. The Employee shall be liable for and, if so required by the Company to repay on demand the difference between such recalculated bonuses and the aggregate value of the Awards actually granted to the Employee.

7 Vacation and holidays

- 7.1 The Employee is entitled to 30 days of vacation per calendar year, excluding Company shut down days. Vacation days must be taken at times appropriate to the local work situation, approved beforehand by the Employee's direct manager.

8 Other benefits

- 8.1 *Limitations*
Only gross base salary according to clause 4.1 – and no other benefits – shall generate basis for pension benefits.
- 8.2 *Social security*
All social insurances will follow normal German practice.



Any voluntary or additional benefits may be altered at the Company's discretion, though without affecting accrued entitlements.

8.3 *Laptop, mobile phone, etc.*

The Company will reimburse the costs of the Employee's mobile phone and laptop and cover cost for business use and, to a reasonable extent, private use. However, if the private use is abused the Company reserves the right to withdraw such privilege. Further, the Company will reimburse 50% of internet subscription at home.

8.4 A pension scheme shall apply to the Employee in conformity with the stipulations of an additional agreement to be concluded between the Employer and the Employee.

9 Deduction from salary, etc.

9.1 Deductions from salary, bonus, and holiday allowance may be made to the extent permitted by German law, and, e.g. under the following circumstances:

- i. Amounts received as advance on travel or business expenses or loans from the Company.
- ii. Incorrect or advance payments in salary, bonus, vacation, or holiday allowance.

10 Illness

10.1 The Employee is entitled to sick pay in accordance with the German statutory provisions or extended Company rules according to the Company's policies.

10.2 The Employee is obliged to report any absence due to illness or accident to the Company without undue delay. The Employee shall provide evidence of illness by a medical certificate and renewals if necessary, to the extent not limited by statutory provisions

11 Business expenses

11.1 The Company shall on the presentation of invoices or vouchers or other evidence of actual payment, reimburse the Employee for all expenses, including business travel expenses, reasonably incurred by the Employee in the performance of the Employee's duties under the Contract, and in accordance with the Company's policies.

12 Code of conduct and provisions

12.1 The Employee shall comply with all codes of conduct and all other rules and regulations applicable to the Employee's duties and to the business of the Company which have been made available to the Employee.

12.2 The Employee shall comply with the Company's prevailing policies, rules, and procedures, and all other applicable instructions laid down in the Company's guidelines, personnel handbook or similar manuals which have been made available to the Employee.

12.3 The Employee is obliged, without delay, to read and understand the Company's rules, regulations, and guidelines which are disclosed and made available to the Employee on the Company's intranet, or presented on other mediums.



13 Confidentiality

- 13.1 The Employee acknowledges that the Employee may acquire access to confidential information of the Company and consistent with the position. The Employee agrees that all such confidential information is disclosed to the Employee in confidence and is strictly for the Employee's use on behalf of the Company.
- 13.2 The Employee shall not make use of or disclose to any person, and shall use his/her best endeavors to prevent the use, publication or disclosure of any information of a confidential or secret nature concerning the business of the Company that comes to the his/her knowledge during the course of or in connection with the employment with the Company, or concerning the business of any person having dealings with the Company and which is obtained directly or indirectly in circumstances in which the Company is subject to a duty of confidentiality in relation to that information.
- 13.3 For the purpose of this clause, information of a confidential or secret nature means non-public information of the Company, including but not limited to business plans, products, technical data, specifications, documentation, presentations, product plans, business methods, product functionality, customer information, contracts, formulas, competitive analysis, databases, formats, methodologies, strategic plans, marketing plans, customer lists, prospect lists, pricing information or information related to engineering, marketing or finance, regardless of whether such documents are marked confidential or not and regardless of whether such information exists in written form or stored by electronic media or on other form of information carrier.
- 13.4 This clause 13 shall continue to apply after the termination of the Employee's employment with the Company, whether terminated lawfully or not, without limitation in time.
- 13.5 The Employee is prevented from malicious disparage or otherwise making harmful or unfavorable statements regarding the Company or any of its services, operations, processes or methods.
- 13.6 The Employee acknowledges that any breach of confidentiality during the Employee's employment or at any time thereafter may lead to liability and may constitute grounds for dismissal and/or render the Employee liable to legal action and/or damages.



14 Non-competition and non-solicitation

- 14.1 The Employee may not during the employment with the Company and for a period of six months after the end of the notice period, take employment with, have ownership interests in (excluding via investment funds), or in any other way – directly or indirectly – be involved in any activity that wholly or partially competes with the Company. The Employee shall similarly not engage in or perform work for customers and/or suppliers, if such activity can be deemed to have any negative impact to the competitive situation of the Company.
- 14.2 The Employee must not, in relation to the termination and for a period of three months after the end of the agreed notice period, directly or indirectly solicit or otherwise engage in direct or indirect communication with any present or past customers, suppliers or partners of the Company for himself or any other person. This applies to customers, suppliers or partners that the Employee has had contact with or been responsible for in any way during the last year before a statement is given by the Company in accordance with clause 14.6 below.
- 14.3 The Employee shall, during period of three months after the end of the agreed notice period, not directly or indirectly solicit, recruit, or endeavor to entice away any of Company's employees.
- 14.4 The Company may decide in writing at any time during or in connection with termination of the employment that the provisions in 14.1 to 14.3 shall not apply in whole or in part.
- 14.5 In case of any uncertainty as to whether an activity is covered by the prohibitions set out in this clause, the Employee is obliged both during the employment and following a termination to present the issue to the Company and await a written statement from the Company before engaging in any relevant activity.
- 14.6 The Company shall provide a written statement on the applicability of clause 14.1 and 14.2 within four weeks after (i) having received a written request from the Employee at any time during the employment, or (ii) after the termination of the employment by the Employee. In case of a termination from the Company, the statement shall be given at the same time as the notice of termination or, if applicable, within one week after summary dismissal. The restrictions in clause 14.1 and 14.2 may be discharged in case a written statement from Company is not timely given in accordance with this clause 14.6.
- 14.7 If the prohibition against competition, cf. clause 14.1, shall apply, the Company shall compensate the Employee during the prohibition period corresponding to the Employee's base salary calculated on the basis of the Employee's annual salary the last 12 months. The compensation does not form basis for holiday pay or pension entitlements.
- If the Employee acquires or receives income in the prohibition period, the Company is entitled to reduce the compensation correspondingly, up to a maximum of half of the total compensation the Employee could be entitled to from the Company. The Employee shall provide the Company information regarding income from such other work in the prohibition period. If the Employee does not meet this requirement, the Company is entitled to withhold compensation until the information is presented.
- 14.8 If the Employee violates the provisions of clause 14.1, the Employee will no longer be entitled to payment by the Company and agrees to immediately reimburse the Company for compensation payments made in accordance with this clause. In the event of violation of the provisions of clauses 14.1 - 14.3, the Company may demand that the infringement immediately ceases and may take



necessary legal actions. In the event of violation, the Employee shall pay liquidated damages equal to minimum three months' base salary or indemnify the Company's financial loss if greater. In addition, the Company may demand that the Employee pays the enrichment he and/or new employer/client etc. have achieved as a result of the illegal situation. Payment of compensation does not entail that the infringement may continue.

- 14.9 If the aforementioned clause is in conflict with applicable mandatory legislation, the clause is maintained to the extent it is in accordance with legislation. In the event of the introduction of new statutory provisions that regulate the validity of the above clause, the Company may unilaterally make the necessary amendments to the clause. The Company may not by way of such amendments extend the scope of the clause.

15 Restrictions on use of email and internet

- 15.1 The Company's electronic mail system, internet subscription and all other data systems are the exclusive property of the Company.
- 15.2 The Company's electronic mail system, internet subscription and all other data systems shall be, as far as possible, used by the Employee solely in connection with the Employee's work for the Company.
- 15.3 The Employee acknowledges that the Employee shall have no right to access and shall not access the Company's electronic mail system or other data systems after termination of employment.

16 Intellectual property

- 16.1 All intellectual property rights, including patentable inventions, trademarks, design rights or copyrights, that are created or developed by the Employee during the course of his employment with the Company shall fully and wholly devolve upon and be the property of the Company or shall be transferred to the Company if such transfer is necessary under applicable statutory legislation. The same applies to similar creations that are not legally protected by patent, copyright or similar but that the Company has an interest in employing.
- 16.2 The Company shall by virtue of the employment of the Employee have an unrestricted, exclusive and gratuitous right to exploit the intellectual property rights and creations referred to in 16.1. Such intellectual property rights and creations shall without exception be deemed to have been created or developed in the course of the Employee's employment with the Company if the exploitation of the right or creation falls within the scope of the Company's business. This also applies in situations where the Employee has created or developed the right outside working hours or outside the Company's premises.
- 16.3 The Employee is not entitled to any separate compensation for the Company's utilization of rights as mentioned in this clause 16. The Employee shall unsolicited inform the Company of any rights that may fall within the scope of this clause, unless it is obvious that the Company is already aware of such rights.

17 Termination and notice

- 17.1 The employment relationship may be terminated by each of the parties in accordance with applicable employment law. The termination notice period for each party shall be one month during the six months Employee trial period. The termination notice period shall be three months unless the parties, or applicable law, dictate/agree otherwise. Termination shall be notified in writing, and the notice period shall be calculated from and including the first day of the month following the issuance of such notice.



17.2 Upon termination of employment, the Employee shall return to the Company all property in the Employee's possession, custody or control belonging to the Company, including but not limited to business cards, credit and charge cards, keys, security and computer passwords, mobile phones, personal computer equipment, original and copy documents or other media on which information is held in the Employee's possession relating to the business or affairs of the Company.

17.3 Upon termination of employment, the Employee shall repay any debts to the Company, and release the Company of any guarantee or security for loans or responsibilities on behalf of the Employee.

18 General

18.1 This Contract of Employment shall regulate all matters relating to the Employee's employment with the Company.

18.2 The Company will at payment of salary, bonus, allowances etc. withhold taxes, also related to taxable benefits, from such payable compensations and pay the withheld taxes to appropriate authorities in accordance with statutory provisions. The Employee acknowledges and agrees that any further tax liability on the Employee's hand shall be carried solely by the Employee.

18.3 The Employee acknowledges that the Employee has carefully read this Contract, has had an opportunity to discuss it with advisors should so be desired, and understands all the terms and conditions therein.

18.4 In respect of all issues not regulated by the terms of this Contract, statutory provisions shall prevail.

18.5 If any provision of this Contract should be declared legally invalid or unenforceable by a competent court, such declaration shall in no way effect the validity or enforceability of any other provision thereof, nor shall any such declaration of legal invalidity or unenforceability operate to nullify or rescind this Contract, but shall only serve to render ineffective any such provision declared legally invalid or unenforceable. In lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid and unenforceable provision as may be possible and be legal, valid and enforceable.

18.6 This Contract shall be governed by and construed in accordance with German law, including any statutory modification or re-enactment during the time the Contract being in force.

[signature page follows]



This Contract has been prepared and signed by the parties of this Contract in two identical original copies, one copy having been delivered to and to be retained by each of the parties.

For the Company

Employee

/s/ Tom Jensen

/s/ Tilo Hauke

Name: Tom Jensen

Name: Tilo Hauke

Position: CEO

Date: 17th June

Date: 17th June

/s/ Richard Taylor

Name: Richard Taylor

Position: VP Recruitment & on-boarding

Date: 17th June



Exhibit 10.28

This **CONTRACT OF EMPLOYMENT** (the "Contract")
is made 23 March 2022

between

FREYR Battery Norway AS
(organization number 926 089 862)

(hereinafter referred to as the "Company",
together with its subsidiaries, affiliates, successors or assigns, the "Group")

and

Andreas Bentzen

(hereinafter referred to as the "Employee")

1. Position, term, place of work, reporting line

- 1.1. The Employee is at the start of his tenure employed as Executive Vice President, Technology in the Company with effect from September 1st 2022, or such other date which may be mutually agreed between the Employee and the Company.
- 1.2. The Employee's place of work shall be the Company's offices, for the time being in Lysaker, Norway. The Employee acknowledges that the Employee's work may necessitate a considerable amount of travel, also abroad.
- 1.3. The Employee shall report to President and Managing Director of the Company, unless, or until, otherwise informed.

2. Duties

- 2.1. The Employee is obliged to carry out the duties that are or will be assigned to the Employee's position and that naturally fall within the scope of the position or other duties as the Company may reasonably require. The Company and the Group may issue instructions and guidelines which the Employee shall adhere to as part of this Contract.
- 2.2. The Employee shall devote the Employee's full working capacity to the Company and the Employee's duties under this Contract. The Employee shall not, without the Company's prior written consent, undertake any other work, paid or unpaid, whether for the Employee's own account, or for any other employer or principal.

3. Working hours

- 3.1. The Employee shall be employed full time, 7,5 hours per day excluding lunch break, with working hours as determined by the Company at any time.
- 3.2. The Employee recognizes that the Employee has a managerial and/or particularly independent position (Nw. "SCPrlig uavhengig stilling"), cf. the Working Environment Act (the WEA, Nw.: arbeidsmiljøloven) section 10-12 (1) and (2), thus the provisions in the WEA related to working hours shall not apply, with the exception of the requirement to maintain a thoroughly sound



working environment. Work exceeding normal working hours must be expected, and no extra compensation is paid in respect of any overtime work required, unsocial hours, travel time etc., cf. Section 10-12 of the WEA. The Employee shall work such hours as necessary for the proper performance of the Employee's duties.

4. Salary

- 4.1. The Company shall pay the Employee a gross base salary at the rate of NOK 3.000.000,- per annum, inclusive of compensation for overtime.
- 4.2. The Employee's salary shall be paid on the 20th day of each month to the bank account provided by the Employee, in instalments of 1/12 of the annual amount. No salary is paid during vacation periods. Instead, a holiday allowance pursuant to the provisions of the Holidays Act (Nw.: Ferieloven) is paid during holiday absence.
- 4.3. The Employee's salary shall be reviewed annually during the first quarter and have retroactive effect as of 1st January that year. The first review of the Employee's salary will occur in 2023.

5. Bonus

- 5.1. The Employee may participate in the Company's bonus scheme, terms and objectives of which are at any time under the sole discretion of the Company.
- 5.2. The Employee may be eligible for consideration of an annual bonus of up to 50% of base salary, with an upside up to 62,5% should the employee exceed his expected deliverables in any given calendar/bonus year.

Any bonus paid is interpreted and deemed to be inclusive of any holiday allowance, statutory payable bonus or profit sharing or other statutory benefits (including pension accrual, if applicable). At payment, holiday allowance, statutory payable bonus or profit sharing or other statutory benefits will be deducted from the bonus amount.

- 5.3. If within two years after any bonus (whether as part of the Company's bonus scheme or otherwise), option (pursuant to clause 6) or other award is paid to the Employee the Company or Group is required to restate its accounts to a material extent or the Company becomes aware of any material malfeasance or material wrongdoing on the Employee's part, then the Company shall be entitled to recalculate the bonus that it would otherwise have awarded in the relevant financial years, had these facts been known at the time the bonus was granted. The Employee shall, if so required by the Company, be liable to repay on demand the difference between such recalculated bonuses, options or other awards and the aggregate value of the awards actually granted to the Employee.

6. Sign-on options and Long-term incentive program

- 6.1. The Employee will receive a sign-on package of 100,000 options. The options will be granted the quarter following work start date. These options are expected to vest in 1 /3 tranches over 3 years and must all be exercised within 5 years of the grant date under an options policy that is under the sole discretion of the Company.

The Employee will be invited to participate in the Company's Long-term incentive program ("LTIP") every year, terms and objectives of which are at any time under the sole discretion of the Company, starting from year 2023. LTIP options will be calculated on 150% of the base salary for any given calendar year.



7. Vacation and holidays

The Employee is entitled to 25 days of vacation per calendar year, excluding potential Company shut down days, with holiday allowance in accordance with the Holidays Act, as well as statutory determined holidays. Vacation days must be taken at times appropriate to the local work situation and be approved beforehand by the Employee's direct manager, in accordance with the Holiday Act.

8. Other benefits

8.1. Social security

In addition to statutory state provided schemes, the Employee is entitled to participate in the Company's pension scheme and life, accident, and travel insurance schemes.

Such additional benefits may be altered at the Company's discretion, though without affecting accrued entitlements.

8.2. Laptop, mobile phone, etc.

The Company will provide the Employee with a laptop for business use.

The Company will provide the Employee with a mobile phone and cover reasonable cost for business use and, to a reasonable extent, private use in accordance with the Company's policies. Further, the Company will reimburse 50% of internet subscription at home.

9. Deduction from salary, etc.

9.1. Deductions from salary, bonus, and holiday allowance may be made to the extent permitted by the Working Environment Act Section 14-15, and, e.g. under the following circumstances:

- (i) Amounts received as advance on travel or business expenses or loans from the Company.
- (ii) Incorrect or advance payments in salary, bonus, vacation, or holiday allowance.
- (iii) Amounts received by negligence conduct by the Employee, such as any misuse of the Company's funds e.g. by credit card.

10. Illness

10.1. The Employee is entitled to sick pay in accordance with statutory provisions or extended Company rules according to the Company's policies.

10.2. The Employee is obliged to report any absence due to illness or accident to the Company without undue delay.

11. Business expenses

11.1. The Company shall on the presentation of invoices or vouchers or other evidence of actual payment, reimburse the Employee for all expenses, including business travel expenses, reasonably incurred by the Employee in the performance of the Employee's duties under the Contract, and in accordance with the Company's policies.

12. Code of conduct and provisions

12.1. The Employee shall comply with all codes of conduct and all other rules and regulations applicable to the Employee's duties and to the business of the Company which have been made available to the Employee.



- 12.2. The Employee shall comply with the Company's prevailing policies, rules, and procedures, and all other applicable instructions laid down in the Company's guidelines, personnel handbook or similar manuals which have been made available to the Employee.
- 12.3. The Employee is obliged, without delay, to read and understand the Company's rules, regulations, and guidelines which are disclosed and made available to the Employee on the Company's intranet or presented on other mediums.

13. Confidentiality

- 13.1. The Employee acknowledges that the Employee may acquire access to confidential information of the Group through the Employee's position. The Employee agrees that all such confidential information is disclosed to the Employee in confidence and is strictly for the Employee's use on behalf of the Company or Group.
- 13.2. The Employee shall not make use of or disclose to any person, and shall use the Employee's best endeavors to prevent the use, publication or disclosure of any information of a confidential or secret nature concerning the business of the Company or the Group that comes to the Employee's knowledge during the course of or in connection with the employment with the Company, or concerning the business of any person having dealings with the Company or the Group and which is obtained directly or indirectly in circumstances in which the Company or the Group is subject to a duty of confidentiality in relation to that information.
- 13.3. For the purpose of this clause, information of a confidential or secret nature means non-public information of the Company or the Group, including but not limited to business plans, products, technical data, specifications, documentation, presentations, product plans, business methods, product functionality, customer information, contracts, formulas, competitive analysis, databases, formats, methodologies, strategic plans, marketing plans, customer lists, prospect lists, pricing information or information related to engineering, marketing or finance, regardless of whether such documents are marked confidential or not and regardless of whether such information exists in written form or stored by electronic media or on other form of information carrier.
- 13.4. This clause 13 shall continue to apply after the termination of the Employee's employment with the Company, whether terminated lawfully or not, without limitation in time.
- 13.5. The Employee is prevented from malicious disparage or otherwise making harmful or unfavorable statements regarding the Company or the Group or any of its services, operations, processes or methods.
- 13.6. The Employee acknowledges that any breach of confidentiality during the Employee's employment or at any time thereafter may lead to liability and may constitute grounds for dismissal and/or render the Employee liable to legal action and/or damages.

14. Non-competition and non-solicitation



- 14.1. The Employee may not during the employment with the Company and for a period of six months after the end of the notice period, take employment with, have ownership interests in, or in any other way - directly or indirectly - be involved in any activity that wholly or partially competes with the Company or other companies in the Group. The Employee shall similarly not engage in or perform work for customers and/or suppliers, if such activity can be deemed to have any negative impact to the competitive situation of the Company or the Group.
- 14.2. The Employee must not, in relation to the termination and for a period of six months after the end of the agreed notice period, directly or indirectly solicit or otherwise engage in direct or indirect communication with any present or past customers, suppliers or partners of the Company or of the Group for himself or any other person, if such activity may have a negative impact on the Company. This applies to customers, suppliers or partners that the Employee has had contact with or been responsible for in any way during the last year before a statement is given by the Company in accordance with clause 14.6 below.
- 14.3. The Employee shall not, during a period of six months after the end of the agreed notice period, directly or indirectly solicit, recruit, or endeavor to entice away any of the Company's or the Group's employees.
- 14.4. The Company may decide in writing at any time during or in connection with termination of the employment that the provisions in 14.1 to 14.3 shall not apply in whole or in part.
- 14.5. In case of any uncertainty as to whether an activity is covered by the prohibitions set out in this clause, the Employee is obliged, both during the employment and following a termination, to present the issue to the Company and await a written statement from the Company before engaging in any relevant activity.
- 14.6. The Company shall provide a written statement on the applicability of clause 14.1 and 14.2 within four weeks after (i) having received a written request from the Employee at any time during the employment, or (ii) after the termination of the employment by the Employee. In case of a termination from the Company, the statement shall be given at the same time as the notice of termination or, if applicable, within one week after summary dismissal. The restrictions in clause 14.1 and 14.2 may be discharged in case a written statement from Company is not timely given in accordance with this clause 14.6, unless the Company within that time has requested reasonable additional time to consider the request.
- 14.7. If the prohibition against competition, d. clause 14.1, applies, the Company shall compensate the Employee during the prohibition period corresponding to the Employee's base salary calculated on the basis of the Employee's annual salary the last 12 months. The compensation does not form basis for holiday pay or pension entitlements.
- 14.8. If the Employee acquires or receives income in the prohibition period, the Company is entitled to reduce the compensation correspondingly, up to a maximum of half of the total compensation the Employee would be entitled to from the Company before such reduction. The Employee shall provide the Company with information regarding income from such other work in the prohibition period. If the Employee does not meet this requirement, the Company is entitled to withhold compensation until the information is presented.



- 14.9. If the Employee violates the provisions of clause 14.1, the Employee will no longer be entitled to payment by the Company and agrees to immediately reimburse the Company for compensation payments made in accordance with clause Error! Reference source not found. and 14.7. In the event of violation of the provisions of clauses 14.1 - 14.3, the Company may demand that the infringement immediately ceases and may take necessary legal actions. In addition, the Company may demand that the Employee pays the enrichment he and/or new employer/client etc. have achieved as a result of the breach of non-competition or non-solicitation clauses in 14.1-14.3. Payment of compensation does not entail that the infringement may continue.
- 14.10. If the aforementioned clause is in conflict with applicable mandatory legislation, the clause is maintained to the extent it is in accordance with legislation. In the event of the introduction of new statutory provisions that regulate the validity of the above clause, the Company may unilaterally make the necessary amendments to the clause. The Company may not by way of such amendments extend the scope of the clause.

15. Restrictions on use of email and internet

- 15.1. The Company's electronic mail system, internet subscription and all other data systems are the exclusive property of the Company.
- 15.2. The Company's electronic mail system, internet subscription and all other data systems shall be, as far as possible, used by the Employee solely in connection with the Employee's work for the Company.
- 15.3. The Employee acknowledges that the Employee shall have no right to access and shall not access the Company's electronic mail system or other data systems after termination of employment.

16. Intellectual property

- 16.1. All intellectual property rights, including patentable inventions, trademarks, design rights or copyrights, that are created or developed by the Employee during the course of his employment with the Company shall fully and wholly devolve upon and be the property of the Company or shall be transferred to the Company if such transfer is necessary under applicable statutory legislation. The same applies to similar creations that are not legally protected by patent, copyright or similar but that the Company or the Group has an interest in employing.
- 16.2. The Company shall by virtue of the employment of the Employee have an unrestricted, exclusive and gratuitous right to exploit the intellectual property rights and creations referred to in 16.1. Such intellectual property rights and creations shall without exception be deemed to have been created or developed in the course of the Employee's employment with the Company if the exploitation of the right or creation falls within the scope of the Company's or the Group's business. This also applies in situations where the Employee has created or developed the right outside working hours or outside the Company's premises.
- 16.3. The Employee is not entitled to any separate compensation for the Company's utilization of rights as mentioned in this clause. The Employee shall unsolicited inform the Company of any



rights that may fall within the scope of this clause, unless it is obvious that the Company is already aware of such rights.

17. Probationary period

17.1. The Employee will initially serve a six months' probationary period. If the Employee has been absent from the Employee's employment during the probationary period, the Company may extend the probationary period by a period equal to the length of the absence. An extension may only take place when the Employee has been notified in writing of the extension before the end of the probationary period. The right to extend the probationary period shall not apply to absences caused by the Company. During the probationary period the parties have a mutual right to terminate the employment by giving a one month's written notice, which unless otherwise agreed in writing shall be calculated from and including the first day of the month following the receipt of such notice. This clause overrules clause 18.1.

18. Termination and notice

18.1. The employment may be terminated by each of the parties based on a mutual notice period of three months. Termination shall be notified in writing, and the notice period shall be calculated from and including the first day of the month following the issuance of such notice.

18.2. The Employee will be entitled to accelerated vesting of all options received in accordance with clause Error! Reference source not found. and a salary compensation equal to 1,5 times base annual salary (which shall include the notice period) if:

- i. the Employee is asked by the Company to terminate the employment, or the Company wishes to change the Employee's role's content significantly and beyond what lies within management's prerogative, and therefore terminate this Contract at the same time as offering a new one, and the Employee does not accept the new contract, with the result being that the employment relationship is either terminated by the Company or the Employee, and provided that the Employee does not dispute such termination, for any other reason than where the Employee (a) commits an act of gross misconduct or shows gross breach of duty which can justify termination of the employment agreement with immediate effect according to applicable law; (b) commits any serious breach or (after warning) repeated or continued material breach of the Employee's obligations under the Contract; (c) is guilty of fraud, dishonesty or conduct tending to bring the Employee or the Company into disrepute; (d) is declared bankrupt; (e) is convicted of any criminal offence; (f) retires; or (g) reaches the Company's retirement age, or
- ii. where the Employee's employment is terminated within 12 months of a change of control of the Company as defined in the Company's LTIP and the Employee's employment has been terminated for a reason other than those listed in clause 16.2 (i) (a) - (g) above, provided that the Employee must be available to work for the Company full time for a period of 12 months.

No severance payment shall be paid and the Employee shall not be entitled to accelerated vesting of options if the Employee disputes the termination or terminates the employment (except as provided for above).

18.3. Upon termination of employment, the Employee shall return to the Company all property in the Employee's possession, custody or control belonging to the Company, including but not limited to business cards, credit and charge cards, keys, security and computer passwords, mobile phones, personal computer equipment, original and copy documents or other media on which



information is held in the Employee's possession relating to the business or affairs of the Company.

- 18.4. Upon termination of employment, the Employee shall repay any debts to the Company, and release the Company of any guarantee or security for loans or responsibilities on behalf of the Employee.

19. Garden leave

- 19.1. If the Company or the Employee gives notice to terminate the Contract, the Employee agrees, subject to the Company continuing to provide the Employee's salary and contractual benefits (other than bonuses), that the Company may, immediately following the date that the termination has been handed over, or at any time during the period of notice (three months) or any part of such period, in its absolute discretion require the Employee (i) to perform only such duties as it may allocate to the Employee, (ii) not to have any contact with customers, clients, suppliers, employees or member of the Company, (iii) not to attend any premises of the Company, (iv) resign as a director or from any office of the Company, and / or (v) to take any accrued holiday and/or the Company may appoint another person to perform the Employee's responsibilities jointly and require the Employee to provide such handover and transitional services as may be reasonably required.

20. Data Privacy

- 20.1. In order to manage the Employee's employment, the Company will need to process certain personal data relating to the Employee. Information regarding which personal data is being processed, how such personal data is being processed and which rights the Employee has in this regard, is outlined on the Employer's intranet. The Employee is obliged to familiarize with the applicable content of such policy.

21. General

- 21.1. This Contract of Employment shall regulate all matters relating to the Employee's employment with the Company.
- 21.2. The Company will at payment of salary, bonus, allowances etc. withhold taxes, also related to taxable benefits, from such payable compensations and pay the withheld taxes to appropriate authorities in accordance with statutory provisions. The Employee acknowledges and agrees that any further tax liability on the Employee's hand shall be carried solely by the Employee.
- 21.3. The Employee acknowledges that the Employee has carefully and diligently read this Contract, has had an opportunity to discuss it with advisers should so be desired, and understands all the terms and conditions therein.
- 21.4. In respect of all issues not regulated by the terms of this Contract, statutory provisions shall prevail.
- 21.5. If any provision of this Contract should be declared legally invalid or unenforceable by a competent court, such declaration shall in no way affect the validity or enforceability of any other provision thereof, nor shall any such declaration of legal invalidity or unenforceability operate to nullify or rescind this Contract but shall only serve to render ineffective any such



provision declared legally invalid or unenforceable. In lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid and unenforceable provision as may be possible and be legal, valid and enforceable.

21.6. This Contract shall be governed by and construed in accordance with Norwegian law, including any statutory modification or re-enactment during the time the Contract being in force.

This Contract has been prepared and signed by the parties of this Contract in two identical original copies, one copy having been delivered to and to be retained by each of the parties.

For the Company

Employee

/s/ Jan Arve Haugan

/s/ Andreas Bentzen

Name: Jan Arve Haugan

Name: Andreas Bentzen

Position: President & Managing Director

Date: 28 March 2022

Date: 30 March 2022

/s/ Jan Dahm-Simonsen

Name: Jan Dahm-Simonsen

Position: SVP Human Resources

Date: 30 March 2022



Award Acceptance

| Submit | Deadline | Status | Grant Status |
|--------|----------|---------|--------------|
| N/A | N/A | Pending | Active |

Award Overview

Please review the number of options granted to you in the Award Details section below. Learn more about your award by reviewing the Vesting Details section. The award terms and conditions are contained in the 2021 Stock Options Plan Documentation available under Resources>Document Library. In the Award Documentation section of this task, you will find the plan terms and conditions. To review this document, please click on the document link.

To accept your award, please check both the 'Plan Terms & Conditions' checkbox and then 'Grant Acceptance' checkboxes below, then select the 'Accept' button.

Once you have selected the 'Accept' button, you will be redirected to a Task Confirmation. If you wish to review your task information at any time, please click on the 'Review task history' link in the 'My Task' box on your homepage. Once you have accepted your award, it will be available to view in your 'My Equity Statement'.

Award Details

| Recipient Name | Grant Type | Grant Number | Grant Date | Units Granted | Grant Price/Par Value | Grant Expiration Date | Plan Name |
|----------------|------------|--------------|------------|---------------|-----------------------|-----------------------|-----------|
| | | | | | | | |

Vesting Details

| Vesting Number | Vesting Schedule | Vesting Date | Vesting Amount |
|----------------|------------------|--------------|----------------|
| | | | |
| Totals | | | |

Award Documentation

Please download and review the below documentation.

Plan Terms & Conditions

Grant Acceptance

I accept and agree to be bound by all of the terms set out above and to accept and be bound by the Rules of the Plan (and any amendment made from time to time and in accordance with the Rules of the Plan).



Exhibit 21.1

Subsidiaries of FREYR Battery

| Subsidiary | Jurisdiction |
|--|---------------------|
| FREYR Battery US Holding, Inc. | Delaware |
| Alussa Energy Acquisition Corp. | Cayman Islands |
| FREYR Battery Norway AS | Norway |
| FREYR Battery Giga Arctic AS | Norway |
| FREYR Battery Giga Arctic Property AS | Norway |
| FREYR Battery Norway Holding AS | Norway |
| FREYR Battery Finland Oy | Finland |
| FREYR Battery Finland Joint Venture Oy | Finland |
| FREYR Battery UK, Ltd | United Kingdom |
| FREYR Battery Japan GK | Japan |
| FREYR Battery US, LLC (95%) | Delaware |



Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-267235) and S-8 (No. 333-261725) of FREYR Battery of our report dated February 27, 2023 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers AS
Oslo, Norway
February 27, 2023



Exhibit 31.1

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tom Einar Jensen, certify that:

1. I have reviewed this annual report on Form 10-K of FREYR Battery;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2023

By: /s/ Tom Einar Jensen
Tom Einar Jensen
Chief Executive Officer
(Principal Executive Officer)



Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Oscar K. Brown, certify that:

1. I have reviewed this annual report on Form 10-K of FREYR Battery;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2023

By: /s/ Oscar K. Brown
Oscar K. Brown
Group Chief Financial Officer
(Principal Financial Officer)



Exhibit 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of FREYR Battery (the "Company") on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tom Einar Jensen, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 27, 2023

By: /s/ Tom Einar Jensen
Tom Einar Jensen
Chief Executive Officer
(Principal Executive Officer)



Exhibit 32.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of FREYR Battery (the "Company") on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Oscar K. Brown, Group Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 27, 2023

By: /s/ Oscar K. Brown
Oscar K. Brown
Group Chief Financial Officer
(Principal Financial Officer)



To the General Meeting of FREYR Battery Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of FREYR Battery Norway AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement 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, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 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.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises 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 information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 28 April 2023

PricewaterhouseCoopers AS

Thomas Whyte Gaardsø
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Auditor's report

Signers:

| Name | Method | Date |
|-----------------------|---------------|------------------|
| Gaardsø, Thomas Whyte | BANKID | 2023-04-28 12:52 |

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of the document.



Skatteetaten

Vår dato
31.10.2022

Din/Deres dato
17.10.2022

Saksbehandler
Vibeke Horne

800 80 000
Skatteetaten.no

Din/Deres referanse
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Org.nr
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Vår referanse
2022/5858962

Postadresse
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FREYR BATTERY NORWAY AS
Postboks 174
8601 MO I RANA

Att. Marianne Holsing

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 17. oktober 2022 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

| | |
|--|-----------------------------|
| FREYR Battery Giga Arctic Property AS | org. nr. 929 340 051 |
| FREYR Battery Norway Holding AS | org. nr. 929 339 991 |
| FREYR Battery Norway AS | org. nr. 929 340 019 |

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

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

De nevnte selskapene har FREYR Battery som ultimate morselskap. FREYR Battery er et utenlandsk aksjeselskap og er børsnotert på New York Stock Exchange.

Selskapene har som formål å utvikle, finansiere, konstruere og drifte anlegg for produksjon av miljøvennlige litium-ion battericeller. FREYR Battery sitt mål er å bli en av Europas største produsenter av battericeller, og forventet kundebase er hovedsakelig utenfor Norge. FREYR Battery sine leverandører og samarbeidspartnere er i stor grad utenlandske selskaper. Aksjonærene i FREYR Battery er også i stor grad utenlandske selskaper og privatpersoner. Arbeidsspråket i FREYR Battery-konsernet er engelsk, samt at store deler av styret og de ansatte ikke er norsktalende.

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 er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. 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

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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The Board of Directors' report 2022 for FREYR Battery Norway AS

Incorporation

FREYR Battery Norway AS ("FREYR Norway") was founded 1 May 2022, as an initial step in a demerger process initiated to optimize the Norwegian company structure. Parties to the demerger was former FREYR Battery Norway AS (the transferring entity) and acquiring, new companies FREYR Battery Norway AS and FREYR Battery Giga Arctic Property AS. Prior to the demerger, FREYR Battery Norway AS changed name to FREYR Battery Giga Arctic AS. At the time of the demerger, all assets, rights and obligations connected to the operation of Giga Arctic, including assets associated with the factory, agreements relating to the purchase of raw materials for battery production, agreements concerning sale of battery cells and related to products has remained within FREYR Battery Giga Arctic AS. Assets, rights and obligations related to land lease, building and infrastructure related to Giga Arctic was transferred to FREYR Battery Giga Arctic Property AS. Remaining assets and liabilities were allocated to FREYR Battery Norway AS. The demerger decision was registered 14 September 2022 and completed 26 November 2022, with accounting and tax effect as from 1 January 2022.

Operations and location

FREYR Norway is a wholly-owned subsidiary of FREYR Battery SA ("FREYR Battery"), a company domiciled in Luxembourg. FREYR Battery is listed on the New York Stock Exchange following the above-mentioned Business Combination. The company has offices in three locations in Norway: Mo i Rana, Lysaker and Trondheim.

FREYR Battery's mission and vision are to accelerate the decarbonization of energy and transportation systems globally by delivering some of the world's cleanest and most cost-effective batteries. To achieve this, we aim to provide industrial-scale clean battery solutions to reduce global emissions. In July 2021, investment decision was made related to FREYR Norway's Customer Qualification Plant ("CQP"). We are in the final stages of the construction of our 13 thousand square meter CQP in Mo i Rana, Norway. Our initial CQP production line is based on our in-licensed technology from 24M Technologies Inc ("24M"). Once in operation, the CQP will be used for validating industrial scale production, testing materials and battery cells and sample cell production, as well as continual improvement and optimization of the manufacturing process for all Giga factories within the FREYR Battery Group. It is important that our initial product development and continued optimization of our battery products meet evolving customer needs. Future development and expansion could incorporate alternative chemistry models and additional advances in battery technology through our ongoing cooperation with 24M and/or joint ventures, and licensing opportunities.

All FREYR Battery employees in Norway are employed by FREYR Norway. In addition to developing and building the CQP, the employees provide services to other group entities.

Comments related to the financial statements

This year's revenue of NOK 210 million represents the recharge of services provided to other entities within the FREYR Battery Group.

Research and development ("R&D") costs amounted to NOK 91 million in 2022. The cost has been expensed as incurred, as the requirements for a balance sheet recognition were not met. R&D expense consists primarily of compensation to external engineering, supplies and services, and contributions to research institutions. R&D expense also includes costs related to the 24M license and service agreement.

Net cash outflow in 2022 from operating activities was NOK 316 million, which is the cash flow before the demerger effect of NOK – 201 million and share based compensation of NOK 24 million was taken into account. This gives a total net cash outflow from operating activities of NOK 493 million. Included in the other operating activities are income of NOK 210 million which in general is recharge to other group entities. Further, the major cost affecting the operating cash flow is employee benefit expenses on NOK 379 million. Increase in cash of NOK 256 million is due to positive working capital movements.

The capital investments during 2022 amounted to NOK 544 million, of which NOK 529 million has been investment in the CQP. The company received capital increases from its parent company of NOK 1 251 million during the year.

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The company's liquidity reserve as of 31 December 2022 amounted to NOK 1 097 million. This includes NOK 8.8 million of restricted cash. The Group has the ability to self-finance committed investments.

Short-term debt as of 31 December 2022 constituted 85% of the Company's total debt, compared to 53% as of 31 December 2021. The Company's financial position is sound and adequate to settle its short-term debt as of 31 December 2022 with the Company's liquid assets.

Total assets at year ended amounted to approximately NOK 2.3 billion. The equity ratio was 60% as of 31 December 2022.

Future challenges and outlook

The global battery market is projected to grow significantly over the next decade driven by the ongoing energy industry's transformation from traditional fossil fuel energy production systems to renewable energy sources requiring ESS and the decarbonization of transport of commercial and passenger mobility. We believe FREYR Battery's Giga factories will be well positioned to capitalize on these industry trends and strives to accelerate this decarbonization by developing and producing cleaner batteries at giga scale through our strategy of Speed, Scale, and Sustainability. Our initially targeting market opportunities in ESS, marine applications, commercial vehicles, and EVs with high density and slower charge requirements, with plans to target additional markets, including faster charge battery cells for the broader consumer EV market.

FREYR Battery Group's competitors include major battery manufacturers currently supplying the markets, automotive original equipment manufacturers ("OEMs"), and potential new entrants, including CATL (China), BYD (China), LG Chem (South Korea), Samsung SDI (South Korea), SK Innovation (South Korea), Panasonic (Japan), and Northvolt (Sweden). Additionally, there are several development-stage companies seeking to improve conventional lithium-ion batteries or to develop new technologies for batteries. These companies are in varying stages of development and commercialization.

FREYR Battery Group seeks to compete with these companies by fulfilling the customers' needs for localized production and supply of batteries and on the basis of its sustainable, low-cost production practices. Localized production of batteries allows for a more secure supply and lower transportation costs, and initiatives in Europe and the U.S. are seeking to source batteries outside of China to minimize political and national security concerns. The Group's production strategy includes manufacturing batteries using renewable energy and our licensed technology from 24M, which allows for a simplified manufacturing process, lower costs, and more efficient recycling after the end of the product's lifecycle.

FREYR Battery Group believes that it will continue to incur operating and net losses until at least the time other entities in the group that it provides services to begins significant commercial production of its battery cells, which is not expected to occur until late 2024/early 2025 and may occur later.

Financial and operational risks

Overall view on objectives and strategy

The company is exposed to financial and operational risks. The goal is to reduce the financial and operational risks as much as possible.

FREYR Battery Group's business plan includes operations in international markets, including manufacturing and supply activities in Norway, initial sales in North America and Europe, and eventual expansion into other international markets. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. If failing to coordinate and manage these activities effectively, its business, financial condition, prospects or results of operations could be adversely affected. International sales entail a variety of risks, including currency exchange fluctuations, challenges in staffing and managing foreign operations, tariffs and other trade barriers, unexpected changes in legislative or regulatory requirements of foreign countries into which FREYR sells its products and services, difficulties in obtaining export licenses or in overcoming other trade barriers, laws and business practices favouring local companies, political and economic instability, difficulties protecting or procuring intellectual property rights, and restrictions resulting in delivery delays and significant taxes or other burdens of complying with a variety of foreign laws. In February 2022, armed conflict escalated between Russia and Ukraine. The EU and other governments in jurisdictions in which we plan to operate in have imposed severe sanctions and export controls against Russia and Russian interests and have threatened additional sanctions

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and controls. It is not possible to predict the broader consequences of this conflict, which could include further sanctions, embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains and financial markets.

Foreign currency risk

The company is exposed to foreign exchange risk following transactions and balances in different currencies. The company did not enter into derivatives in 2022. This is however, continuously being assessed by the Board of Directors. In 2022 the exchange rate risk was primarily reduced by exchanging USD to currencies in which the cost/payments would incur.

Market risk

The company is exposed to an increase in prices for raw materials and components, some of which are obtained in volatile markets. FREYR Battery Group's business model, brand and reputation will also depend on the ability to find ethically sourced materials. The company has at year-end 2022 not entered into commodity derivatives or other agreements to reduce the commodity risk and the related market risk.

The company is also exposed to changes in the interest rate, as this will impact return on current cash and fund investments. The company had no external, interest-bearing loans at year-end. Changes in the interest rate can also affect future investment opportunities.

Credit risk

The risk for losses on receivables is considered to be low, as there has been no external sales to date. However, on the supplier side there are prepayments that represent a counterparty credit risk. In addition, the company is exposed to default risk of the financial counterparties where cash or cash equivalents are held.

Liquidity risk

The company's liquidity is sufficient for its current obligations. Any new significant investment decisions will require new funding in place prior to the investment decision being made.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. Although the company has significant losses to date, not generated any revenue and continued net losses are expected over the next years, cost and liquidity forecasts for the year 2023 and the company's long-term strategic forecasts support this assumption. The company's economic and financial position is sound, considering the current phase of the company.

Allocation of net loss

The Board of Directors has proposed the net loss of FREYR Norway to be attributed to:

Share premium reserve: NOK 320 630 322

Net loss allocated: NOK 320 630 322



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The working environment and the employees

Talent acquisition

In 2022, 120 new colleagues joined us at FREYR Norway. Our recruitment efforts resulted in 86,000 visits to our career pages on our website, where most jobs are posted. This, in turn, yielded 8,000 applications in our recruiting system, with an average of 47 candidates applying to each position posted online.

One of the critical challenges we face is related to the system for attracting, selecting, signing, and onboarding new people, as we plan to escalate our annual rate of hiring from 120 new employees to more than 1,000 in the future. In addition, the labor market is highly competitive in the type of qualifications and experience that the company requires. Acquiring this key talent serves as an additional critical challenge for us.

To meet these challenges, we have begun constructing a Prospect Pipeline – a key part of our strategy. Within this pipeline, we and potential candidates can start interacting. Prospects are presented with relevant information about the company and they are asked if they have the potential to make a powerful contribution to the energy transition, in terms of their experience, talent, and values. The objective is to build a large cohort of qualified and motivated prospects who are ready to apply when relevant jobs are posted.

In addition to front-loading the Prospect Pipeline, a strong in-house talent acquisition team has been established, which works in collaboration with external partners to provide a seamless candidate journey. In 2022, for example, this team increased the number of applications per job from 20 at the start of the year to an overall average of 47 for the full year, while simultaneously implementing new systems, tools, and routines.

The strategy for talent acquisition applies for all entities within the group.

Our values

Our values are at the heart of our Company culture, defining the way we work and how we relate to others. We have four values: innovation, collaboration, empowerment, and respect.

In 2022, we conducted several workshops across the organization to define behavioural indicators that connect to each of our four values. This work will continue into 2023. It will culminate in the building of a common understanding of what "living our values" looks like in practice – setting expectations for all employees that will be evaluated as part of their performance reviews.

Employee engagement

The Group CEO, Tom Einar Jensen, often states in regular all-hands meetings that "FREYR is about you!" Our success is entirely dependent upon our people, their efforts, and their steadfast commitment to our business objectives, as well as FREYR Battery Group's purpose to decarbonize transport and energy systems.

In a recent employee survey from September 2022, the average employee ranked our performance related to engagement and satisfaction very favourably and in line with our previous survey results. This illustrates a high degree of engagement and job satisfaction, and we will continue to focus on building a culture where people thrive.

Human capital development

We aim to attract and retain the industry's most skilled employees – people who see opportunities and have the competence to excite our customers, and to possess market-leading interdisciplinary competence. To do so, we must facilitate continuous learning and personal development in a work environment that is characterized by diversity, high ethical standards, employee well-being, and strong professional engagement.

Our approach to learning and development is inspired by the 70-20-10 model, which places the emphasis (70%) on on-the-job learning, with 20% learning based on interaction with others, and the remaining 10% from formal learning. This is central to our learning culture and is dependent on successfully designing work to optimize on-the-job learning.

In 2022, we implemented our Learning Management System. This was a key milestone on our journey to creating a learning culture. Employees completed more than 800 hours of learning in the second half of 2022. This

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number doesn't include our external learning activities, such as the learning and development opportunities with 24M, our technology partner, in Boston.

Human Capital Development Policy

Our Human Capital Development Policy enables us to:

- Recruit, retain, and develop employees with high competence and desired behaviour.
- Design an inclusive, value-creating, safe, and diverse work environment that values consideration for each other, openness, communication, flexibility, and work-life balance, and provides equal opportunities for all.
- Provide a safe and secure work environment that promotes well-being and high commitment.
- Build a great place to work and learn, where employees are encouraged and supported to perform and develop in line with the Company and their personal ambitions.
- Provide fair and equal treatment with regard to remuneration, benefits, and rewards.
- Maintain written documentation of the determination of compensation and benefits for all employees, including part-time and temporary workers.
- Respect and promote internationally recognized laws and standards of human rights and labor rights, including the right to form association and bargain collectively and the right to privacy in the workplace.
- Commit to a workplace free of child labor and the use of forced labor.
- Promote and adhere to our values in everything we do.

Diversity, Equity, and Inclusion

As of December 2022, FREYR Norway had a total of 193 employees, comprising 54 women (28%) and 139 men (72%), and included no involuntary part-time workers. The Company is constantly seeking a healthy and respectful gender mix, and we encourage talents of different ethnicities, cultural backgrounds, and professional experience to join our global team. We do this because we believe that Diversity, Equity, and Inclusion ("DEI") are key building blocks in ensuring a sustainable culture, which is integral to our future success.

It has been developed and introduces specific and targeted DEI policies to support our DEI ambitions.

Diversity, Equity, and Inclusion Policy

This policy commits us to:

- Remove barriers to equal opportunities in the way we advertise and recruit for our roles.
- Create an inclusive workplace culture free of bullying, harassment, victimization, and unlawful discrimination that recognizes and values individual differences and the contributions of employees by:
 - Providing equal training, career development, and promotion opportunities to employees (as per FREYR's Learning and Development Policy) and documenting the performance management processes in place.
 - Providing equal pay to our employees regardless of gender identity and/or expression (as per FREYR's Compensation and Benefit Policy).
 - Providing education and awareness on DEI so that employees understand the responsibilities they hold in making everyone feel included in the organization.
- Informing all staff that they, as well as their employer, can be held liable for acts of bullying, harassment, victimization, and unlawful discrimination in the course of their employment against fellow employees, customers, suppliers, and the public.
- Taking seriously complaints of bullying, harassment, victimization, and unlawful discrimination of employees, including reporting and resolving such acts in accordance with FREYR's Bullying and Harassment Policy.
- Monitoring and disclosing progress objectively by setting DEI goals and ensuring fair and accurate reporting by:
 - Regularly assessing the risk of discrimination.
 - Implementing actions and monitoring progress to foster continuous improvement.

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- Monitoring and disclosing key characteristics of employees, where legally possible, to help drive awareness and accountability.
- Continuously educating ourselves on the history and current issues facing many of our employees, through frequent pulse surveys, and updating our DEI policy when needed.

Pay and benefits

The company believes that by stimulating employee motivation, as well as loyalty to our Company and values, we will deliver better results. In terms of compensation and other employee benefits, this means we do the following:

- Strengthen and safeguard attractiveness in the labor market.
- Support the company's strategy, values, and integrity by promoting the desired corporate culture and behaviour among managers and employees.
- Promote solid individual and collective performance.
- Give the company room to manoeuvre and differentiate rewards according to market development, competence, experience, function, achievements, achieved results, behaviour, and potential.
- Secure equal pay throughout the organization.

FREYR Norway views salary and other forms of reward and compensation as one of the tools to attract, motivate, develop, and retain the critical competence the Company needs to realize its ambitions.

Below are general and executive-level criteria for remuneration and rewards (irrespective of locale/geography).

General principles for the remuneration of employees

- As a starting point, FREYR Norway is a fair employer that applies equal treatment to remuneration and rewards without regard to diversity categories, such as gender, age, cultural background, and ethnicity.
- Salary assessments at FREYR Norway are based on a combination of group-level and individual assessments. Assessment at group level is based on market pay for the category, strategy, and critical competence of the role. Individual factors are emphasized more heavily than the assessment of the category.
- Salary at any one level is to be held within a certain range, with the intention of avoiding outliers.
- Individual rewards must take into account performance, results, behaviour, and potential.

Key compensation components

- Base salary is targeted at the market median.
- Pension provided in line with local market practices.
- Benefits, such as insurance, are in line with local market practice, with executives participating on the same basis as all other employees.
- Short-term variable remuneration is provided to employees at all levels of the organization.
- Long-term variable remuneration, consisting primarily of stock options, is granted to all employees shortly after joining the Company and when promoted, and to employees in key positions on an annual basis.

General principles for the remuneration of senior executives

- The remuneration of the CEO and COO is determined by the Board of Directors, whereas remuneration of other senior executives is determined administratively based on frameworks specified by FREYR's Board of Directors.
- The remuneration level shall reflect the complexity and responsibilities of each role and shall take into account the group's breadth of international operations.
- Remuneration of the senior executives shall be at a competitive level in the relevant labor market(s).

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- Remuneration should be a tool for the Board of Directors to attract and retain the required leadership and be motivational for the individual executive, while also being flexible and understandable.
- Market comparisons are conducted on a regular basis to ensure remuneration levels are competitive.

Components of remuneration of senior executives

Fixed salary

The main element of the remuneration package is annual base salary. This is normally evaluated once a year according to individual performance, market competitiveness, and (local) labor market trends.

Benefits in kind

The senior executives receive benefits in kind that are common in comparable positions. These include telecommunication and insurance benefits.

Short-term variable remuneration

As a key component of the total remuneration package, the annual, variable pay scheme emphasizes the link between performance and pay, and it aims to be motivational. It aligns the senior executives with relevant, clear targets derived from the overall strategic goals. The variable pay scheme takes into consideration both key financial targets and individual targets (derived from the annual operating plan). For the CEO, maximum annual payments can be 75% of base salary. For the other senior executives, this varies by position up to 50% of base salary. The Board of Directors reserves the right to make additional awards for exceptional performance.

Long-term variable remuneration

With the approval of the shareholders, we have instituted a long-term incentive program ("LTIP") through which we offer share-based compensation awards. As awards under our LTIP generally consist of stock options, value is derived from an increase in the FREYR Battery stock price. Generally, two types of awards are issued under the LTIP, as follows:

- Sign-on options are granted for all new employees, with the number of options based on the stock price at the grant date. The same method is used to grant options to employees being promoted to a new position within the Company.
- Annual options are granted for key executives and employees in what are considered business critical positions. The purpose of these annual grants is:
 - a) To attract and retain the best available personnel to ensure success and accomplishment of our goals;
 - b) To incentivize employees with long-term share-based compensation to align their interests with the shareholders; and
 - c) To promote the success of the FREYR's business.

Health and safety

The company has a strong focus on health and safety, as documented in our Corporate Global Policy for Health & Safety. During 2022, there were no reportable health and safety incidents, such as a Medical Treatment Case ("MTC") or a Lost Time Incident ("LTI"), for FREYR employees. An MTC is an incident where medical treatment is needed, but where the employee is fit to resume work on the same day, performing the same tasks and duties. An LTI is an incident where the employee needs at least one day of recovery before going back to normal operational duties.

For the construction of the CQP and Giga Arctic in Mo i Rana, Norway, which is staffed primarily with third-party workers, FREYR Norway and Giga Arctic are considered the project owners (Byggherre) and takes formal responsibility for the construction activities in accordance with Norwegian legislation. For the CQP and Giga Arctic construction sites, there were two MTCs and two LTIs reported during 2022 for third-party, sub-contracted workers. These incidences were monitored and followed-up by FREYR employees.

For the two MTCs, the injuries were considered as minor, and the persons concerned were able to resume to work the same day. Both episodes occurred as a result of not following internal procedures. Also, for the two LTIs

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the injuries were not considered to be severe. In one case it resulted in one full day off work and the other was advised by medical assistance on site to rest. The reason for the accidents were due to non-compliance with internal routines and incorrect use/lack of personal protective equipment.

Leave of absence due to illness totalled 8,467 hours in 2022, which equals approximately 2.6% of the total working hours in the company.

Environmental report

The company had no production in 2022 and is currently focusing on setting up the necessary procedures and measures to achieve environmental compliance as well as Holding Company's environmental ambitions set out in its public communication for battery production.

In 2022 the company built the CQP inside an existing building in Mo i Rana. All environmental licences and approvals according to Norwegian law was secured. During the construction our suppliers have used hydro power from the local power grid as well as construction materials and have installed the internationally produced machines for the production line. All waste construction materials have been handled according to contract by our contractor HENT. All potential recycling of waste materials has been undertaken and reported monthly to the company. There has been no scope 1 or scope 2 GHG emission from the activities as there has not been used any fossil fuels directly. Scope 3 emissions from the activities have been mainly GHG emissions from vehicles used in the process by our contractors which has been reported to FREYR Norway monthly, as well as the potential indirect emissions from the mining and processing of the materials used by our contractors inside the building as well as the production of the machinery. No batteries have been produced in 2022.

The construction of Giga Arctic was started by the FREYR Battery Giga Arctic AS and FREYR Battery Giga Arctic Property, also subsidiaries of FREYR Battery. Environmental report on this activity is presented in respective annual reports.

Insurance for board members and general manager


The FREYR Battery group has purchased and maintains a Directors and Officers liability insurance on behalf of the members of the Board of Directors and the CEO. The insurance also covers directors, officers and persons serving in a functionally equivalent role for any controlled subsidiaries, including FREYR Battery Norway AS. The insurance policies are issued by reputable insurers with an appropriate rating.

Lysaker, 27 April 2023

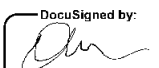
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Jan Arve Haugan

CEO (This document is signed electronically)

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Oscar Brown

Board Member (This document is signed electronically)

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Income statement

| NOK | NOTE | For the year ended | |
|---|------|----------------------|----------------------|
| | | 2022 | 2021 |
| REVENUE | | | |
| Other income | 2 | 210 427 044 | 19 968 226 |
| Revenue | | 210 427 044 | 19 968 226 |
| OPERATING EXPENSES | | | |
| Employee benefit expenses | 3,4 | (379 156 883) | (256 750 950) |
| Depreciation | 11 | (4 113 320) | (1 039 739) |
| Research and development expenses | 5 | (91 083 455) | (70 123 812) |
| Other operating expenses | 6,7 | (58 365 443) | (245 798 587) |
| Total operating expenses | | (532 719 102) | (573 713 088) |
| OPERATING PROFIT/ (LOSS) | | (322 292 058) | (553 744 862) |
| FINANCIAL INCOME AND EXPENSES | | | |
| Financial income | 8 | 156 379 441 | 23 113 558 |
| Financial expense | 8 | (154 717 704) | (16 859 634) |
| Net financial income (expenses) | | 1 661 737 | 6 253 923 |
| PROFIT/ (LOSS) BEFORE INCOME TAX | | (320 630 322) | (547 490 939) |
| Income tax | 9 | - | - |
| NET PROFIT/ (LOSS) | | (320 630 322) | (547 490 939) |
| Allocated to: | | | |
| Share premium reserve | 10 | (320 630 322) | (547 490 939) |



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Balance sheet

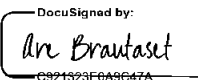
| NOK | NOTE | As at | |
|---|------|----------------------|--------------------|
| | | 31.12.2022 | 31.12.2021 |
| NON-CURRENT ASSETS | | | |
| Tangible assets | | | |
| Equipment | 11 | 19 608 014 | 9 211 906 |
| Assets under construction | 11 | 705 762 527 | 176 543 342 |
| Total tangible assets | | 725 370 541 | 185 755 248 |
| Financial assets | | | |
| Investments in shares | 12 | 216 964 | 100 000 |
| Total financial assets | | 216 964 | 100 000 |
| Total non-current assets | | 725 587 504 | 185 855 248 |
| CURRENT ASSETS | | | |
| Receivables | | | |
| Accounts receivables | | 232 178 | - |
| Accounts receivables from group companies | 13 | 367 291 690 | 47 447 073 |
| Prepaid expenses | 4 | 68 276 923 | 123 671 292 |
| Other receivables | 14 | 2 678 039 | 15 227 909 |
| Total receivables | | 438 478 830 | 186 346 274 |
| Cash and cash equivalents | 15 | 1 097 403 578 | 627 680 496 |
| Total current assets | | 1 535 882 408 | 814 026 770 |
| TOTAL ASSETS | | 2 261 469 913 | 999 882 018 |



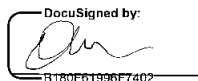
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| NOK | NOTE | As at | |
|--|-------|----------------------|--------------------|
| | | 31.12.2022 | 31.12.2021 |
| EQUITY | | | |
| Equity | | | |
| Share capital | 10,16 | 57 849 | 63 000 |
| Share capital not registered | 10 | 57 849 | 3 000 |
| Share premium reserve | 10 | 1 129 898 683 | 560 864 046 |
| Other paid-in capital | 10 | 229 876 675 | 45 111 109 |
| Total owners capital | | 1 359 891 057 | 606 041 154 |
| Accumulated deficit | | | |
| Uncovered loss | 10 | - | - |
| Total accumulated profits | | - | - |
| Total equity | | 1 359 891 057 | 606 041 154 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Non-current liabilities to group companies | 13 | 130 912 728 | 124 882 638 |
| Non-current share-based compensation liability | | 0 | 58 449 553 |
| Total non-current liabilities | | 130 912 728 | 183 332 191 |
| Current liabilities | | | |
| Accounts payable | 14 | 27 800 032 | 29 503 369 |
| Accounts payable to group companies | 13 | 3 589 898 | 80 836 |
| Public duties payable | 17 | 8 087 441 | 13 146 276 |
| Share-based compensation liability | 4 | 50 186 241 | 30 495 148 |
| Current liabilities to group companies | 13 | 330 015 862 | - |
| Other current liabilities | 14,18 | 350 986 653 | 137 283 044 |
| Total current liabilities | | 770 666 128 | 210 508 673 |
| Total liabilities | | 901 578 856 | 393 840 864 |
| TOTAL EQUITY AND LIABILITIES | | 2 261 469 913 | 999 882 018 |

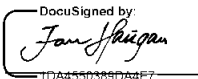
Lysaker, 27 April 2023

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Chair

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Oscar Kris Brown
Board member

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Jan Arve Haugan
CEO

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Cash flow

| Statement of cash flow | NOTE | For the year ended | |
|--|------|----------------------|----------------------|
| | | 2022 | 2021 |
| PROFIT/ (LOSS) BEFORE INCOME TAX | | (320 630 322) | (547 490 939) |
| Income tax paid | 9 | - | - |
| Depreciation | 11 | 4 113 320 | 1 039 739 |
| Shared Based Compensation | 4 | 24 486 261 | 124 150 384 |
| Demerger impact | | (201 056 633) | - |
| Cash flows from operating activities before changes in working capital | | (493 087 374) | (422 300 816) |
| Changes in short-term receivables and prepaids | | (252 132 556) | (182 289 872) |
| Changes in operating liabilities and accruals | | 507 738 260 | 84 584 846 |
| Changes in working capital | | 255 605 705 | (97 705 025) |
| Cash flows used in operating activities | | (237 481 669) | (520 005 841) |
| Construction of Customer Qualification Plant | 11 | (529 219 184) | (110 646 863) |
| Purchase of machinery and equipment | 11 | (14 509 698) | (9 566 666) |
| Acquisitions of subsidiaries, net cash acquired | 12 | (216 964) | - |
| Cash flows used in investing activities | | (543 945 846) | (120 213 529) |
| Capital increase | 10 | 1 251 150 597 | 1 166 631 850 |
| Cash contribution | | - | 126 472 730 |
| Cash paid demerger of Sjonfjellet AS | | - | (25 204 714) |
| Cash flows from financing activities | | 1 251 150 597 | 1 267 899 866 |
| Cash flow for the period | | 469 723 081 | 627 680 497 |
| Cash and cash equivalents at beginning of the period | | 627 680 497 | - |
| Cash and cash equivalents at end of the period | | 1 097 403 578 | 627 680 497 |



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Notes to the Financial Statements

Note 1

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Demerger

During 2022 FREYR Battery Giga Arctic AS ("Giga Arctic") was restructured where part of its assets and liabilities were spun-off into two other entities, FREYR Battery Giga Arctic Property AS ("Giga Arctic Property") and FREYR Battery Norway AS ("FREYR Norway"), (Giga Arctic was referred to as FREYR Battery Norway AS prior to the restructuring).

The purpose for the demerger is a desire to optimize the company structure by establishing an operating company, Giga Arctic, that owns the machinery, equipment and all other assets necessary to operate the Giga Arctic factory. A property company, Giga Arctic Property, owning the property and infrastructure related to Giga Arctic, and a remaining company which owns all remaining assets, employees and the Customer Qualification Plant ("CQP"), FREYR Norway. Note that when referring to "FREYR" we refer to the current demerged entity, and not the pre-demerger entity.

In 2021 it was limited activity related to Giga Arctic. Even though Giga Arctic is the transferring company in the demerger it is considered more relevant to include the comparison figures of Giga Arctic in the financial statement for FREYR, as this is the company that materially represent the continued activity from 2021.

The demerger was tax free under the Norwegian tax rules and the share capital in Giga Arctic was split based on fair value of the three entities as of end of August.

The demerger is carried out with continuity for accounting and tax purposes pursuant to Private Limited Liability Companies Act. and the Taxation Act. as from 1 January 2022.

The demerger process was completed on the 26 November 2022.

Foreign currency translation

Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

Foreign exchange gains and losses are recognized in the income statement as they occur during the accounting period.

Balance sheet classification

Current assets and current liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets and liabilities. Current assets are valued at the lower of cost and fair value. Non-current liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

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Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life when it is ready for its intended use. Significant fixed assets which consist of substantial components with dissimilar economic life will be unbundled; depreciation of each component will be based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related assets. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

Assets under construction is stated at cost, net of accumulated impairment losses, if any. Assets under construction will not be depreciated before they are ready for its intended use.

Investments in shares

Investment in shares is valued at cost of the shares, less any impairment losses.

Public Grants

Grants received are recorded as other income over the periods in which the related costs are incurred and the conditions for receiving the grants have been fulfilled. For the grants related to the Customer Qualification Plant (CQP), the carrying amount of the CQP has been reduced as the grants are received and the conditions for receiving the grants have been fulfilled.

Share based payments

Our share-based compensation includes stock options, warrants and awards that may be settled in our shares. We measure and record compensation expenses for all equity-classified awards based on estimated fair values of the underlying stock at the grant date. We initially measure and record liability-classified awards based on estimated fair values of the underlying stock at the grant date and subsequently remeasure to fair value at each reporting date until settlement. We recognize compensation expense for all employee awards with service-based vesting requirements on a straight-line basis over the requisite service period of the awards, which is generally the award's vesting period. We recognize compensation expense for all employee awards with performance-based vesting requirements using accelerated attribution based on the performance factor probable of achievement as of the reporting date. We account for all forfeitures as they occur. Social security taxes are accrued based on fair value at the balance sheet date.

We account for Private Warrants as derivative liabilities on the consolidated balance sheets. We measured the fair value at the close of the Business Combination and each reporting date, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss in the period of change.

Accounting for share-based compensation is performed pursuant to IFRS 2.

Pensions

The Company is obligated to have an occupational pension scheme under the Mandatory Occupational Pensions Act. The Company's pension plan ("Pension Plan") is a defined contribution plan, in which the costs are recognized as pension expense, within Employee benefit expenses. Contributions are paid to a pension insurance plan. Once the contributions are paid, there are no further payment obligation on the company.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are

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recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Cash flow statement

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

Note 2 Public grants

All the below mentioned grants were awarded to the former FREYR AS, but were all transferred to the merged company at transaction close.

On 1 March 2021, we were awarded a grant of NOK 142 million for the development and construction of the customer qualification plant (CQP) in Mo i Rana, Norway. The grant was awarded to assist with the costs incurred associated with payroll, rent and depreciation, research and development costs, costs directly related to the production of the pilot plant and other operating expenses. The grant is paid in arrears upon request based on progress and accounting reports with the last milestone becoming payable after the final project report is approved. The grant is subject to achieving successful financing of the CQP and other conditions, such as documenting and supporting costs incurred and obtaining a third-party attestation of our related records. As of 31 December 2022 NOK 102 million offsets capitalized cost of the CQP and NOK 12 million booked as revenue. The project is progressing according to plan. Final payment will be made when the project is finalized.

Note 3 Employee benefit expenses, number of employees, auditor's fee etc.

The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law.

Pensions plan

The Company has a defined contribution plan that covers all employees at year-end 2022. The Company contributes 5% of each employees' salary for amounts up to 7.1 times "G", an amount established by the NTA that is effective on May 1 of each year, and then contributes 11.4% for amounts between 7.1 and 12 times "G". "G" was NOK 106 thousand from 1 May 2021 to 30 April 2021 and NOK 111 thousand as from 1 May 2022. The annual pension expense is set out in the table below.

| Salary and personnel costs | 2022 | 2021 |
|---|-------------|-------------|
| Salaries | 203 844 917 | 105 768 744 |
| Transaction bonus ¹ | - | 20 120 000 |
| Short term incentive scheme ² | 78 554 125 | 26 059 603 |
| Social security taxes | 18 871 575 | 16 235 459 |
| Pension costs | 13 603 964 | 5 004 817 |
| Other benefits ³ | 6 183 887 | 607 075 |
| Total employee benefits pre shared based compe | 321 058 468 | 173 795 699 |
| - of which recharged to parent company ⁴ | - | -20 619 854 |
| Net employee benefit costs pre share based com | 321 058 468 | 153 175 845 |
| Share based compensation ⁵ | 51 839 127 | 90 756 732 |
| Social security taxes on share based compensati | 6 259 287 | 12 818 373 |
| Total | 379 156 883 | 256 750 950 |
| Average full-time employees | 158 | 72 |

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¹ Transaction bonus was paid to employees in connection with the close of the Business Combination and the connected listing of the company on the New York Stock Exchange on 8 July 2021.

² Short term incentive plan bonus reflects accruals at year-end related to the scheme and any differences between accruals and final paid bonus for 2021. Final payments are expected to take place in second quarter following year.

³ Other benefits relate to payment for employees' insurance benefits, use of mobile phone, home internet, etc.

⁴ In accordance with transfer pricing rules, share of salary for employees that has provided services to parent company, has been recharged accordingly. In 2022 the salary was recharged with a margin and presented under other revenue (approx. NOK 31 million)

⁵ Share based compensation for the year consists of cost related to both the 2019 and 2021 program. Employees who were also part of the 2019 program came in early, with a much lower strike price reflecting the status and risk of the company at the time. Refer to note of Share based compensation for further details of the programs.

| Remuneration to CEO | 2022 | 2021 |
|----------------------------|------------------|------------------|
| Salary and bonuses | 9 046 923 | 7 020 000 |
| Board of Directors | 0 | 750 000 |

Jan Arve Haugan assumed the position as CEO for the Company as from 1 January 2022. If the company terminates Mr. Haugan's contract, he is entitled to nine months' severance pay.

Tom Einar Jensen was engaged as CEO through EDGE Global LLC, where he was partner with 50% ownership, from 1 January 2021 until transaction close on 9 July 2021. After the business combination was completed, Mr. Jensen was CEO of the Company until year-end. Paid compensation to EDGE was in total NOK 36.5 million, including transaction bonus of NOK 34.4 million (USD 4 million). Payments to EDGE are included as other operating expenses in the income statement.

No loans or guarantees have been given to neither the CEO, the Board, employees or related parties of leading employees during the year.

Auditor

Specification of auditor's fee (excluding VAT):

| | 2022 | 2021 |
|-----------------------------|----------------|----------------|
| Statutory audit fee | 275 000 | 285 000 |
| Assurance services | 232 500 | 185 000 |
| Total fee to auditor | 507 500 | 470 000 |

Note 4 Share Based Compensation

Employee Awards – 2021 Plan

In June 2021, we adopted the 2021 Long-Term Incentive Plan (the "2021 Plan"). The 2021 Plan provides for the grant of stock options, restricted stock, RSUs, stock appreciation rights, performance units, and performance shares to our employees, directors, and consultants. As of 31 December 2022, a total of 11.6 million shares were reserved for issuance to satisfy share-based compensation awards made under the 2021 Plan. All exercised options are settled in shares net of shares withheld to satisfy the award exercise price and related taxes.

Generally, our options vest annually in equal thirds and can be exercised up to five years after the grant date. There are no performance requirements for vesting except that the share price must exceed the exercise price and the individual must remain employed.

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A rollforward of employee options outstanding under the 2021 Plan was as follows (number of options in thousands):

| | Number of options | | Weighted average exercise price |
|---------------------------------|-------------------|----|---------------------------------|
| Outstanding at 1 January 2022 | 1 404 | \$ | 10.06 |
| Granted | 2 117 | \$ | 8.31 |
| Exercised | (16) | \$ | 10.00 |
| Forfeited | (87) | \$ | 9.80 |
| Outstanding at 31 December 2022 | 3 418 | \$ | 8.97 |
| Exercisable at 31 December 2022 | 440 | \$ | 10.06 |

The aggregate intrinsic value of options outstanding and exercisable as of 31 December 2022 was NOK 3.5 million and NOK 0.0 million, respectively. The weighted average remaining life for options outstanding and exercisable as of 31 December 2022 was 4.1 years and 3.7 years, respectively.

A rollforward of RSUs outstanding under the 2021 Plan was as follows (number of RSUs in thousands):

| | Number of RSUs | | Weighted average grant date fair value |
|---------------------------------|----------------|----|--|
| Outstanding at 1 January 2022 | 0 | \$ | 0 |
| Granted | 33 | \$ | 7.39 |
| Outstanding at 31 December 2022 | 33 | \$ | 7.39 |

The aggregate intrinsic value of RSUs outstanding as of 31 December 2022 was NOK 2.8 million. The weighted average remaining life for RSUs as of 31 December 2022 was 2.4 years.

Employee Awards – 2019 Plan

Former FREYR AS had an Incentive Stock Option Plan (the “2019 Plan”). According to the 2019 Plan, options or warrants could be granted to eligible employees.

As a result of the consummation of the Business Combination on 9 July 2021, all granted awards vested immediately. As such, on 9 July 2021, share-based compensation was recognized for the remaining unrecognized fair value of the 2019 Plan awards. No further options or warrants can be issued under the 2019 Plan.

Effective at the close of the Business Combination, the 2019 Plan was modified to require cash settlement after a lock-up period of one year for all non-executive employees or two years for all executive employees. The awards granted under the 2019 Plan are liability-classified awards, and as such, these awards are remeasured to fair value at each reporting date with changes to the fair value recognized as stock compensation expense in general and administrative expenses or research and development expenses in the consolidated statements of operations and comprehensive loss. Cumulative stock compensation expense cannot be reduced below the grant date fair value of the original award.

At year-end 2022, a total of NOK 42.1 million is recognized as share-based compensation current liability in the balance sheet related to the 2019 Plan.

The following table sets forth the activity relating to the employee options and warrants outstanding under the 2019 Plan for the year ended 31 December 2022 (number in thousands):

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| | Number of options and warrants | Weighted average exercise price |
|--|---|--|
| Awards outstanding at 1 January 2022 | 1 008 | \$ 2.81 |
| Exercised | 331 | \$ 1.96 |
| Awards outstanding and exercisable at 31 December 2022 | 677 | \$ 3.23 |

The aggregate intrinsic value of options and warrants outstanding and exercisable as of 31 December 2022 was NOK 36.1 million. The weighted average remaining life for options and warrants outstanding and exercisable as of 31 December 2022 was 2.7 years. The Company paid NOK 28.8 million for the 2019 Plan options and warrants exercised in 2022.

Nonemployee Awards – Related Party

On 1 March 2019, former FREYR AS entered into a consulting agreement with EDGE Global LLC (“EDGE”) for former FREYR AS’ CEO and Chief Commercial Officer to be hired to perform certain services related to leadership, technology selection, and operational services (the “2019 EDGE Agreement”). Former FREYR AS issued 1,488,862 warrants to EDGE under the 2019 EDGE Agreement with a subscription price of \$0.95 per share and an expiration date of 15 May 2024.

On 1 September, former FREYR AS amended the 2019 EDGE Agreement, effective as of 1 July 2020 (the “2020 EDGE Agreement”). Former FREYR AS issued an additional 687 thousand warrants to EDGE under the 2020 EDGE Agreement with an initial subscription price of \$0.99 per share, which was modified to \$1.22 per share on 25 September 2020.

We determined that the EDGE warrants are equity classified as they are indexed to our ordinary shares. Upon the consummation of the Business Combination on 9 July 2021, all unvested warrants under the 2019 and 2020 EDGE Agreements vested immediately. As such, on 9 July 2021, compensation cost was recognized for the remaining unrecognized fair value of these awards. Additionally, the warrants for the shares of the former FREYR AS were exchanged for warrants for the shares of the new parent company.

As of 31 December 2022 and 2021, we had 2.2 million EDGE warrants outstanding and exercisable.

Nonemployee Awards

On 4 December 2020, former FREYR AS entered into a license agreement with a third-party service provider for its support in initiating and enabling high-level discussions with Japanese technology providers. On 16 February 2021, former FREYR AS’ shareholders issued 413 thousand warrants with an exercise price of NOK 0.01, as payment-in-kind for the services provided in the license agreement. On 8 March 2021, the third-party service provider subscribed for the warrants, and the warrants were reclassified from liability to equity and remeasured to the fair value on the date of subscription. On 26 November 2021, the warrants were exchanged on a one-for-one basis for ordinary shares in the parent company.



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Valuation and Expense

Valuation Models and Assumptions

We generally estimate the fair value of stock options and warrants with service or service and performance vesting conditions using the Black-Scholes-Merton option pricing model. The grant date fair value is determined for equity-classified options, and liability-classified options and warrants are revalued at each reporting date. The fair value of RSUs is based on the closing fair market value of our common stock, which for our liability-classified RSUs is determined at each reporting date.

The weighted average grant date assumptions and fair values for stock options and warrants calculated using the Black-Scholes-Merton option pricing model are as follows:

| | For the year ended | |
|-------------------------|--------------------|---------|
| | 31 December | |
| | 2022 | 2021 |
| Valuation assumptions: | | |
| Expected term (years) | 3.49 | 3.37 |
| Expected volatility | 60.24 % | 56.84 % |
| Expected dividend yield | 0.00 % | 0.00 % |
| Risk-free interest rate | 3.06 % | 0.96% |
| Grant date fair value | \$ 3.61 | \$ 3.72 |

The Company generally uses the simplified method when calculating the expected term due to insufficient historical exercise data. For stock options and warrants granted under the 2019 Plan, we used the contractual term as the expected term, as these awards were deeply in the money on the grant date. The expected volatility was derived from the average historical daily stock volatility of a peer group of public companies that we consider to be comparable to our business over a period equivalent to the expected terms of the share-based awards. The expected dividend yield was based on our expectation that we would not pay dividends in the foreseeable future. The risk-free interest rate was based on U.S. Treasury Rates for awards granted after the Business Combination and based on the AAA-Rated Euro Area Central Government Bond Yields for awards issued before the Business Combination.

We valued out of the money option awards granted in 2021, after the Business Combination, using a lattice option pricing model. The weighted average grant date assumptions and fair values for stock options calculated using a lattice option pricing model are as follows:

| Valuation assumptions: | For the year ended 31 December 2021 | |
|----------------------------------|-------------------------------------|---------|
| | | |
| Expected volatility | | 50.37 % |
| Expected dividend yield | | 0.00 % |
| Risk-free interest rate | | 0.78 % |
| Grant date fair value per option | \$ | 3.40 |

As the awards were issued out of the money, an assumption was made that the holders would choose to exercise when a certain exercise ratio was achieved of the share price over the exercise price, upon which the expected life was calculated. All other assumptions were consistent with those used in the Black-Scholes-Merton option pricing model.

Unrecognized expense

As of 31 December 2022, we had NOK 66.2 million of total unrecognized share-based compensation expense which will be recognized over a weighted-average period of 2.4 years.

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Private Warrants

As part of the Business Combination, the 10.3 million private warrants of Alussa were each exchanged for one private warrant in FREYR Battery SA (the "Private Warrants"). The Private Warrants ("Warrants") are subject to the terms and conditions of the warrant agreement entered into between Alussa, Continental Stock Transfer & Trust Company and FREYR (the "Amended and Restated Warrant Agreement"). FREYR Battery Norway AS management were awarded 240 thousand of these Warrants (the other Warrants are liabilities of FREYR Battery SA) which are recognized as employee benefit expenses with changes in fair value recognized in the income statement of FREYR Battery Norway AS.

The Warrants entitle the holder thereof to purchase one of our ordinary shares at a price of \$11.50 per share, subject to adjustments. The Warrants will expire on 9 July 2026, or earlier upon redemption or liquidation.

So long as the Private Warrants are held by the employees or any of its permitted transferees, the Private Warrants: (i) may be exercised for cash or on a cashless basis and (ii) shall not be redeemable by FREYR.

The Private Warrants are presented within share-based compensation liability on the balance sheets herein.

The Private Warrants outstanding on 31 December 2022 and 2021, were valued using the Black-Scholes-Merton option pricing model. Our use of the Black-Scholes-Merton option pricing model for the Private Warrants as of 31 December 2022 and 2021, required the use of subjective assumptions:

- The risk-free interest rate assumption was based on the U.S. Treasury Rates, which were commensurate with the contractual terms of the Private Warrants, which expire on the earlier of (i) five years after the completion of the Business Combination or 9 July 2026 and (ii) redemption or liquidation. An increase in the risk-free interest rate, in isolation, would increase the fair value measurement of the Private Warrants and vice versa.
- The expected term was determined to be 3.53 and 4.53 years as of 31 December 2022 and 2021, respectively, given the expiration of the Private Warrants as noted above. An increase in the expected term, in isolation, would increase the fair value measurement of the Private Warrants and vice versa.
- The expected volatility assumption was based on the implied volatility from a set of comparable publicly traded companies as determined based on the size and industry. An increase in expected volatility, in isolation, would increase the fair value measurement of the Private Warrants and vice versa.

Using this approach, an exercise price of \$11.50 and a share price of \$8.68, we determined that the fair value of the Private Warrants was NOK 8.1 million and NOK 11.0 million as of 31 December 2022 and 2021 respectively.

Note 5 Research and Development expenses

R&D expense consists primarily of internal and external engineering, supplies and services, and contributions to research institutions. R&D expense also includes the development costs related to the 24M License.

Note 6 Other operating expenses

| Other operating expenses | 2022 | 2021 |
|---|-------------------|--------------------|
| Hired in resources and other project related cost | 106 172 940 | 156 302 314 |
| Recruitment | 10 580 859 | 6 458 607 |
| IT, Systems and Equipment (not capitalized) | 19 240 506 | 9 563 359 |
| Legal Fees | 7 265 238 | 8 683 570 |
| Auditing and Accounting Fee | 3 827 085 | 3 113 553 |
| Property Cost | 16 785 644 | 10 498 284 |
| Travel Cost | 17 469 336 | 6 994 259 |
| Other operating expense | (122 976 165) | 44 184 641 |
| Sum other operating expenses | 58 365 443 | 245 798 587 |

* Recharge without mark-up from FREYR Norway to other group entities

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FREYR Norway provides general management, business development and other administrative services to other Group entities. The cost of these services are invoiced directly to the entities benefitting from the services based on the benefit received.

The costs invoiced consist of direct costs, such as salary cost, bonuses and other benefits & employee costs, and indirect costs, such as office space, travel, IT costs, hired-in resources and other related support.

Note 7 Rental agreements and leasing

The Company leases corporate headquarters, the site for the Customer Qualification Plant (CQP), as well as other properties, that are classified as operating leases. Total rental expense was NOK 15 million for the year ended 31 December 2022.

The company do not have any contingent rent expense or capital leases. Substantially all of the Company's leases have renewal options.

Minimum rentals payable under all non-cancellable operating leases with terms greater than one year as of 31 December 2022, are as follows (in thousands):

| Year ending December 31: | |
|--|----------------|
| 2023 | 22 196 |
| 2024 | 21 740 |
| 2025 | 22 059 |
| 2026 | 15 251 |
| 2027 | 6 641 |
| Later years | 26 564 |
| Total minimum payments required | 114 450 |

Note 8 Finance income and expenses

| Finance income | 2022 | 2021 |
|-----------------------------|--------------------|-------------------|
| Other interest income | 11 549 381 | 735 244 |
| Agio | 144 830 060 | 22 378 314 |
| Total finance income | 156 379 441 | 23 113 558 |

| Finance expenses | 2022 | 2021 |
|---------------------------------|--------------------|-------------------|
| Intercompany interest expense | 35 760 481 | 281 245 |
| Other financial expenses | 136 462 | 71 250 |
| Fair value adjustments warrants | (1 607 353) | 4 764 821 |
| Disagio | 120 428 115 | 11 739 073 |
| Total finance expenses | 154 717 704 | 16 856 390 |



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Note 9 Income taxes

| Income tax expense | 2022 | 2021 |
|---------------------------------|----------|----------|
| Tax payable | - | - |
| Changes in deferred tax | - | - |
| Total income tax expense | - | - |

Tax base calculation

| | | |
|---------------------------------|----------------------|----------------------|
| Profit before income tax | (320 630 322) | (547 490 939) |
| Permanent differences | 241 043 | 30 912 136 |
| Change in temporary differences | 13 062 433 | (23 803 800) |
| Tax base | (307 326 846) | (540 382 603) |

Temporary differences:

| | | |
|-------------------------------|----------------------|----------------------|
| Non-current assets | 2 228 726 | 1 386 799 |
| Shared based Compensation | (116 898 775) | (102 994 414) |
| Intercompany loan | 120 183 843 | 120 183 843 |
| Loss carried forward - merger | (216 792 932) | (114 956 271) |
| Loss carried forward | (307 326 846) | (540 382 603) |
| Net | (518 605 984) | (636 762 646) |

| | | |
|--------------------------------------|---------------|---------------|
| Deferred tax liability (asset) (22%) | (114 093 316) | (140 087 782) |
|--------------------------------------|---------------|---------------|

The company has not recognized any deferred tax asset in the balance sheet.

| | 2022 | 2021 |
|--|---------------|---------------|
| Profit before tax | (320 630 322) | (547 490 939) |
| 22% taxes on profit before tax | (70 538 671) | (120 448 006) |
| Permanent differences (22%) ¹ | 53 029 | 6 800 670 |
| Effect of not recognized deferred tax asset ² | 70 485 641 | 113 647 337 |
| Calculated income tax expense | - | - |

| | | |
|-------------------------|---|---|
| Effective tax rate in % | - | - |
|-------------------------|---|---|

¹ Permanent differences consist mainly of share based cost and non-deductible costs.

² The temporary difference carried forward from the merger amounts to 318 400 548, which includes 216 792 932 taxable losses carried forward.

³ Prior year numbers are not adjusted to reflect the demerged with the adjusted loss carried forward.



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Note 10 Equity

| | Issued capital | Non registered capital | Share premium | Other equity | Total |
|---------------------------|----------------|------------------------|---------------|--------------|---------------|
| Equity 01.05.2022 | 30 000 | | (5 570) | | 24 430 |
| Impact of demerger | 26 638 | | 199 467 468 | 160 279 306 | 359 773 412 |
| Capital increase May | 1 211 | | 213 059 075 | | 213 060 286 |
| Capital increase June | | | 46 485 881 | | 46 485 881 |
| Capital increase December | | 57 849 | 991 522 151 | | 991 580 000 |
| Share-based compensation | | | | 68 275 482 | 68 275 482 |
| Warrants | | | | 1 321 888 | 1 321 888 |
| Net loss for the year | | | (320 630 322) | | (320 630 322) |
| Equity 31 December 2022 | 57 849 | 57 849 | 1 129 898 683 | 229 876 676 | 1 359 891 057 |

Note 11 Tangible assets

| Property, plant and equipment | Assets under construction | Equipment | Total |
|-----------------------------------|---------------------------|-------------|-------------|
| Acquisition cost at 01.01.22 | 176 543 342 | 10 406 748 | 186 950 090 |
| Additions | 529 219 184 | 14 509 698 | 543 728 882 |
| Disposals | - | - | - |
| Acquisition cost 31.12.22 | 705 762 527 | 24 916 446 | 730 678 973 |
| Accumulated depreciation 01.01.22 | - | (1 194 842) | (1 194 842) |
| Depreciation for the year | - | (4 113 590) | (4 113 590) |
| Accumulated depreciation 31.12.22 | | (5 308 432) | (5 308 432) |
| Net carrying value at 31.12.22 | 705 762 527 | 19 608 014 | 725 370 541 |

Useful economic life is 3-5 years for office machines and 3 years for furniture and fixtures.

Asset under construction is not depreciated.

Asset under construction is mainly related to construction of the Customer Qualification Plant in Mo i Rana, the Test Center and related production equipment.

Equipment includes hardware, furniture and fixtures.

Note 12 Investment in subsidiaries and associates

The Company has shares in FREYR Battery Japan GK as of 31 December 2022 totalling NOK 217 thousand.



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Note 13 Related party transactions

Intercompany balances and transactions with group companies and associates

| Receivables | 31.12.2022 | 31.12.2021 |
|--|--------------------|-------------------|
| Accounts receivable from group companies | 367 291 690 | 47 447 073 |
| Other receivables | 35 075 | 35 075 |
| Total | 367 326 765 | 47 482 148 |

| Payables | 31.12.2022 | 31.12.2021 |
|--|--------------------|--------------------|
| Accounts payable to group companies | 3 589 898 | 80 836 |
| Current liabilities to group companies | 330 015 862 | - |
| Non-current liabilities to group companies | 130 912 728 | 124 882 638 |
| Total | 464 518 487 | 124 963 474 |

| Income and expenses | 31.12.2022 | 31.12.2021 |
|--------------------------------------|-------------------|-------------------|
| Interest expenses to group companies | 35 760 481 | 281 245 |

Transactions with related companies

Metier agreement

In 2020, a framework agreement with Metier OEC was entered, which provides primarily project management and administrative consulting services. The CEO of Metier OEC is the brother of our current Executive Vice President Project Execution. The expenses incurred for consulting services for the year ended 31 December 2022 was NOK 50 million. These expenses are recognized as other operating expenses or activated as a part of the acquisition cost for asset under construction.

All transactions with related parties are conducted on normal commercial terms.

Note 14 Receivables and payables

Of other current liabilities, NOK 24 and 74 million relates to holiday pay and bonus accrual.

The Company does not have receivables with maturity beyond one year.

The Company does not have payables with maturity beyond five years.

Note 15 Restricted cash

Restricted cash comprises cash that is held for a specific purpose and not available for immediate general business use.

| | 31.12.2022 | 31.12.2021 |
|---------------------------|-------------------|-------------------|
| Employee tax withholdings | - | 8 352 635 |
| Deposit accounts | 8 827 592 | 4 941 351 |

All the employees were legally transferred to FREYR Battery Norway AS as of 1 January 2023, hence the employee withholding tax liability and account was still owned by FREYR Battery Giga Artic AS at 31 December 2022.



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Note 16 Share capital and shareholder information

FREYR Battery société anonyme, Luxembourg, owns 100% of the shares consisting of 578 492 shares with nominal value NOK 0.1 in FREYR Battery Norway AS as of 31 December 2022.

FREYR Battery Norway AS has one class of shares, ordinary shares, with equal rights for all shares. Ordinary shares are entitled to receive dividend and one vote per share at General Meetings.

The FREYR Battery group's financial report's including annual report (10-K) is published on the Company's website, www.ir.freyrbattery.com

Note 17 Public duties

Public duties payable

| | 31.12.2022 | 31.12.2021 |
|-----------------------|--------------------|---------------------|
| Withholding tax | - | (8 196 576) |
| Social security taxes | (8 087 441) | (4 949 700) |
| Total | (8 087 441) | (13 146 276) |

All the employees were legally transferred to FREYR Battery Norway AS as of 1 January 2023, hence the employee withholding tax liability and account was still owned by FREYR Battery Giga Artic AS at 31 December 2022.

Note 18 Commitments and Contingencies

Legal Proceedings

From time to time, we may be subject to legal and regulatory actions that arise in the ordinary course of business. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves significant judgment about future events. Management believes that any liability of ours that may arise out of or with respect to these matters will not materially, adversely affect our consolidated financial position, results of operations, or liquidity.