



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 926 089 862
Organisasjonsform: Aksjeselskap
Foretaksnavn: FREYR BATTERY GIGA ARCTIC AS
Forretningsadresse: Halvor Heyerdahls vei 33
8626 MO I RANA

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

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, 19.05.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	2	19 500 000	
Sum inntekter		19 500 000	
Kostnader			
Innleiekostnad		11 287 135	
Annen driftskostnad	4	371 172 850	
Sum kostnader		382 459 985	
Driftsresultat		-362 959 985	
Finansinntekter og finanskostnader			
Finansinntekt	5	133 365 866	
Sum finansinntekter		133 365 866	
Finanskostnad	5	15 430 760	
Sum finanskostnader		15 430 760	
Netto finans		117 935 106	
Ordinært resultat før skattekostnad		-245 024 879	0
Ordinært resultat etter skattekostnad		-245 024 879	0
Årsresultat		-245 024 879	0
Overføringer og disponeringer			
Overføring til/fra fond	7	-245 024 879	
Sum overføringer og disponeringer		-245 024 879	



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Anlegg under utførelse	8	39 482 791	
Sum varige driftsmidler		39 482 791	
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		100 000	
Sum finansielle anleggsmidler		100 000	
Sum anleggsmidler		39 582 791	0
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	10	75 275 531	
Fordringer på andre konsernselskaper	9	1 037 574 948	
Forskuddsbetalte kostnader		839 400	
Sum fordringer		1 113 689 879	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	3 375 030 624	
Sum bankinnskudd, kontanter og lignende		3 375 030 624	
Sum omløpsmidler		4 488 720 503	0
SUM EIENDELER		4 528 303 294	0

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2022	2021
Selskapskapital	7,12	40 042	
Overkurs	7	4 164 865 528	
Ikke registrert kapitalforhøyelse	7	40 042	
Sum innskutt egenkapital		4 164 945 612	
Sum egenkapital		4 164 945 612	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	10	23 860 468	
Skyldige offentlige avgifter	13	13 103 058	
Kortsiktig konserngjeld	9	4 897 207	
Annen kortsiktig gjeld	10	47 219 833	
Leverandørgjeld til konsernselskaper	9	274 277 117	
Sum kortsiktig gjeld		363 357 683	
Sum gjeld		363 357 683	0
SUM EGENKAPITAL OG GJELD		4 528 303 295	0



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 707252

Enheten

Organisasjonsnummer: 926 089 862
Organisasjonsform: Aksjeselskap
Foretaksnavn: FREYR BATTERY GIGA ARCTIC AS
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8626 MO I RANA

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

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Brønnøysundregistrene, 22.08.2023



Organisasjonsnr: 926 089 862
FREYR BATTERY GIGA ARCTIC AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	2	19 500 000	
Sum inntekter		19 500 000	
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Organisasjonsnr: 926 089 862
FREYR BATTERY GIGA ARCTIC AS

BALANSE

Beløp i: NOK Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Anlegg under utførelse 8 39 482 791
Sum varige driftsmidler 39 482 791

Finansielle anleggsmidler

Investeringer i aksjer og
andeler 100 000
Sum finansielle
anleggsmidler 100 000

Sum anleggsmidler 39 582 791 0

Omløpsmidler

Varer

Fordringer

Andre fordringer 10 75 275 531
Fordringer på andre
konsernselskaper 9 1 037 574 948
Forskuddsbetalte kostnader 839 400
Sum fordringer 1 113 689 879

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 11 3 375 030 624
Sum bankinnskudd,
kontanter og lignende 3 375 030 624

Sum omløpsmidler 4 488 720 503 0

SUM EIENDELER 4 528 303 294 0

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital 7,12 40 042
Overkurs 7 4 164 865 528
Ikke registrert
kapitalforhøyelse 7 40 042
Sum innskutt egenkapital 4 164 945 612



Sum egenkapital		4 164 945 612	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	10	23 860 468	
Skyldige offentlige avgifter	13	13 103 058	
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Sum gjeld		363 357 683	0
SUM EGENKAPITAL OG GJELD		4 528 303 295	0



Organisasjonsnr: 926 089 862
FREYR BATTERY GIGA ARCTIC AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Note
3

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets



Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Note

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



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The Board of Directors' report 2022 for FREYR Battery Giga Arctic AS

Restructuring of Norwegian operations

During 2021, FREYR AS merged with and into Norway Sub 2, with Norway Sub 2 continuing as the surviving entity. The merged entity was renamed FREYR Battery Norway AS. These transactions were in accordance with the Business Combination Agreement dated 29 January 2021 between Alussa Energy Acquisition Corp ("Alussa") and FREYR AS.

During 2022, a demerger process was 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 ("Giga Arctic"). 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 was registered 14 September and completed 26 November 2022, with accounting and tax effect as from 1 January 2022.

Operations and locations

FREYR Battery Giga Arctic AS ("Giga Arctic") 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 is located in Mo i Rana, Norway.

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 2022, we took major steps toward the commencement of our intended giga-scale production. In June 2022, it was formally sanctioned the construction of Giga Arctic, our 120 thousand square meters inaugural gigafactory. 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. Giga Arctic has 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 Giga Arctic's currently anticipated electricity needs for the period of 2023 to 2031 and ensures physical delivery of energy from the central grid in Mo i Rana to FREYR's CQP and Giga Arctic facilities.

As of 31 December 2022, Giga Arctic has not derived revenue from its principal business activities. Giga Arctic will initially target energy storage systems ("ESS"), marine applications, commercial vehicles, and electric vehicles ("EV") with slower charge requirements, and then plans to target additional markets, including consumer EVs, through both licensing and joint venture models. Giga

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Arctic plans to produce faster charge battery cells for the broader consumer EV segment through the 24M platforms.

Comments related to the financial statements

This year's revenue of NOK 20 million represents grants received.

Net cash outflow from operating activities was NOK 245 million in 2022, which also represent the net loss before income tax. For the year ended 31 December 2022, the primary factor affecting our operating cash flows was operating expenses of NOK 382 million mainly driven by cost recharged from FREYR Battery Norway AS. In addition, there was a currency gain from capital increase of NOK 133 million.

The capital investments during 2022 amounted to NOK 39 million, of which all are investments in Giga Arctic.

The company's liquidity reserve as of 31 December 2022 amounted to NOK 3 375 million, where NOK 1 152 is restricted cash relating to the construction of the Giga Arctic. The Group has the ability to self-finance committed investments.

Short-term debt as of 31 December 2022 constituted 100% of the Company's total debt. 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 almost NOK 4.5 billion. The equity ratio was 92% 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 Giga Arctic 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, Giga Arctic 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. 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,

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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.

Giga Arctic 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. Giga Arctic' 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.

Giga Arctic had significant accumulated losses at year-end 2022 and has not generated any revenues to date. Giga Arctic is an early-stage company and expects to incur significant expenses and generate losses for the foreseeable future. Giga Arctic' 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. This, in combination with significant capital investments, will result in substantial cash outflow over the next years. Giga Arctic is working closely with key stakeholders in Norway and the European Union to unlock a targeted response to the incentives under the U.S. Inflation Reduction Act. In anticipation of further regulatory clarity in 2023, the Company is continuing to develop Giga Arctic at a measured pace to facilitate optimization of project economics from localized incentives.

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.

Giga Arctic' 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 Giga Arctic fails 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 Giga Arctic 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 particular, 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 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.

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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 Giga Arctic' raw materials and components, some of which are obtained in volatile markets. Giga Arctic' 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.

Giga Arctic has 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 the currently anticipated electricity needs for the period of 2023 to 2031 and ensures physical delivery of energy from the central grid in Mo i Rana to the CQP and Giga Arctic facilities.

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. Any new, significant investment decision will be dependent on new financing in place. The company's economic and financial position is sound, considering the current phase of the company.



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Allocation of net loss

The Board of Directors has proposed the net loss of Giga Arctic to be attributed to:

Share premium reserve: NOK 245 024 879

Net loss allocated: NOK 245 024 879

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 for battery production as set out in its public communication.

In 2022 the company started the construction of Giga Arctic and all licences and approvals according to Norwegian law was secured. During the start-up of the construction of Giga Arctic, suppliers have used hydro power from the local power grid, some vehicles on fossil fuels as well as mainly cement and steel as construction materials. 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 Giga Arctic has not used any fossil fuels directly. Scope 3 emissions from the activities have mainly been GHG emissions from vehicles used in the process by our contractors which has been reported to Giga Arctic monthly, as well as the potential indirect emissions from the mining and processing of cement and steel used by our contractors. No batteries have been produced by Giga Arctic in 2022.

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 Giga Arctic 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)

DocuSigned by:

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Are Lysnes Bråutaset

Chair (This document is signed electronically)

DocuSigned by:

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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
REVENUE		
Revenue		
Other income	2	19 500 000
Revenue		19 500 000
OPERATING EXPENSES		
Employee benefit expenses	3	-
Hired in resources from Group companies		(11 287 135)
Depreciation	8	-
Research and development expenses		-
Other operating expenses	4	(371 172 850)
Total operating expenses		(382 459 985)
OPERATING PROFIT/ (LOSS)		(362 959 985)
FINANCIAL INCOME AND EXPENSES		
Financial income	5	133 365 866
Financial expense	5	(15 430 760)
Net financial income (expenses)		117 935 106
PROFIT/ (LOSS) BEFORE INCOME TAX		(245 024 879)
Income tax	6	-
NET PROFIT/ (LOSS)		(245 024 879)
Allocated to:		
Share premium reserve	7	(245 024 879)



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Balance sheet

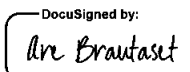
NOK	NOTE	As at 31.12.2022
NON-CURRENT ASSETS		
Tangible assets		
Assets under construction	8	39 482 791
Total tangible assets		39 482 791
Financial assets		
Investments in shares		100 000
Total financial assets		100 000
Total non-current assets		39 582 791
CURRENT ASSETS		
Receivables		
Other receivables from group companies	9	1 037 574 948
Prepaid expenses		839 400
Other receivables	10	75 275 531
Total receivables		1 113 689 880
Cash and cash equivalents	11	3 375 030 624
Total current assets		4 488 720 504
TOTAL ASSETS		4 528 303 295



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NOK	NOTE	As at 31.12.2022
EQUITY		
Equity		
Share capital	7, 12	40 042
Share capital not registered	7	40 042
Share premium reserve	7	4 164 865 528
Total owners capital		4 164 945 612
Total equity		4 164 945 612
Liabilities		
Current liabilities		
Accounts payable	10	23 860 468
Accounts payable to group companies	9	274 277 117
Other current liabilities to group companies	9	4 897 207
Public duties payable	13	13 103 058
Other current liabilities	10	47 219 833
Total current liabilities		363 357 683
Total liabilities		363 357 683
TOTAL EQUITY AND LIABILITIES		4 528 303 295

Lysaker, 27 April 2023

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Are Lysnes Brautaset
Chair

DocuSigned by:

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Oscar Kris Brown
Board member

DocuSigned by:

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Jan Arve Haugan
CEO

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Cash flow

Statement of cash flow	NOTE	For the year ended 2022
PROFIT/ (LOSS) BEFORE INCOME TAX		(245 024 879)
Income tax paid		-
Cash flows from operating activities before changes in working capital		(245 024 879)
Changes in operating liabilities and accruals		363 357 683
Changes in working capital		363 357 683
Interest Received		-
Cash flows used in operating activities		118 332 804
Purchase of Asset under Construction	8	(39 482 791)
Cash flows used in investing activities		(39 482 791)
Capital increase	7	4 309 970 491
Demerger receivable*		(1 013 789 880)
Cash contribution		-
Cash flows from financing activities		3 296 180 612
Cash flow for the period	11	3 375 030 624
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		3 375 030 624

* The change is mainly a result of the demerger of Giga Arctic.



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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 reason 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 Norway" 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 in the financial statement for FREYR Norway, 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 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.

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Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

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.

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 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

On 10 February 2021, Giga Arctic were awarded a grant of NOK 2.5 million for research, development and innovation in battery cell technology. The grant was awarded to assist with the costs incurred associated with employees and staff, contract research and consultants, overhead and operating expenses and purchased research and development. The grant will be paid out over two years. During the year, an initial payout was made for 50% of the expected grant for 2021, NOK 0.5 million. The grant will cover up to 70% of total expected project costs with 75% being granted upon receipt of the annual expense report and the remaining 25% being paid upon the approval of the final project report and third-party attestation. Although a payment of the initial grant has been received, support for the related expenses will not be approved until the submission of the first annual expense report. As such, as of 31 December 2022, we recognized NOK 0.5 million as deferred income in the balance sheet.

On 12 February 2021, we were awarded a grant of NOK 39.0 million for research, development and innovation in environmental technology. The grant was awarded to assist with the costs incurred associated with employees and staff, contract research and consultants, overhead and operating expenses and intellectual property, patents and licenses. The grant is paid out in three installments based on meeting certain milestones in the agreement, in which the last milestone is payable after the final project report is approved. The grant is subject to meeting certain business size thresholds and conditions, such as documenting and supporting costs incurred, obtaining a third-party attestation of our related records and implementing policies that demonstrate good corporate

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governance. For the portion of any grant received for which costs have not yet been either incurred or supported through the appropriate documentation, we recognize deferred income in the consolidated balance sheets. As of 31 December 2022, all milestones were achieved, and all payments received. For the year, NOK 19.5 million was recognized as other income.

Giga Arctic were awarded a grant of NOK 6 million for research, development and innovation in sustainable battery materials for the battery value chain. The grant was awarded to assist with the costs incurred associated with employees and staff, contract research and consultants, overhead and operating expenses and purchased research and development. The grant will be paid out over three years. During the year, an initial pay out was made for 20% of the expected grant for 2022, NOK 1.8 million. The grant will cover up to 40% of total expected project costs.

Note 3 Employee benefit expenses, number of employees, auditor's fee etc.

Following the demerger all employees were transferred from Giga Arctic to FREYR Norway, thus no salary cost for 2022.

All employees were employed by the legal entity of Giga Arctic throughout 2022, thus withholding tax per year-end is in Giga Arctic. Employees and salary cost belong to the legal entity for 2022 and is reflected by the financial statement of FREYR Norway in 2022.

Auditor

Specification of auditor's fee (excluding VAT):

	2022
Statutory audit fee for Financial Year 2022	150 000
Assurance services	0
Total fee to auditor	150 000

Note 4 Other operating expenses

Other operating expenses	2022
Management and administration services received from FREYR Norway*	279 174 324
Other operating expense	39 716 817
Hired in resources and other project related cost	10 890 560
Legal Fees	3 258 857
IT, Systems and Equipment (not capitalized)	1 313 310
Travel Cost	473 998
Auditing and Accounting Fee	199 900
Sum other operating expenses	371 172 850

* Recharge from FREYR Norway

FREYR Norway provides general management, business development and other administrative services to other Group entities. The cost of these services is 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.



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Note 5 Finance income and expenses

Finance income	2022
Other interest income	146
Agio	133 365 719
Total finance income	133 365 866

Finance expenses	2022
Disagio	15 430 760
Total finance expenses	15 430 760

Note 6 Income taxes

Income tax expense	2022
Tax payable	-
Changes in deferred tax	-
Total income tax expense	-

Tax base calculation

Profit before income tax	(245 024 879)
Permanent differences	-
Change in temporary differences	-
Tax base	(245 024 879)

Temporary differences:

Loss carried forward - demerger	(311 710 122)
Gains and losses	(245 024 879)
Net	(556 735 001)

Deferred tax liability (asset) (22%)	(122 481 700)
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The company has not recognized any deferred tax asset in the balance sheet.

	2022
Profit before tax	(245 024 879)
22% taxes on profit before tax	(53 905 473)
Permanent differences (22%)	-
Effect of not recognized deferred tax asset ¹	53 905 473
Calculated income tax expense	-

Effective tax rate in % -

¹The temporary difference carried forward from the demerger amounts to 68 576 227.

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Note 7 Equity

	Issued capital	Non registered capital	Share premium	Total
Equity 1 January 2022	38 301		99 961 699	100 000 000
Capital increase May	1 741		306 341 492	306 343 233
Capital increase June			66 838 524	66 838 524
Capital increase December		40 042	3 936 748 692	3 936 788 734
Net loss for the year			(245 024 879)	(245 024 879)
Equity 31 December 2022	40 042	40 042	4 164 865 528	4 164 945 612

Note 8 Tangible assets

Property, plant and equipment	Assets under construction	Equipment	Total
Acquisition cost at 01.01.22	-	-	-
Additions	39 482 791	-	39 482 791
Disposals	-	-	-
Acquisition cost 31.12.22	39 482 791	-	39 482 791
Accumulated depreciation 01.01.22	-	-	-
Depreciation for the year	-	-	-
Accumulated depreciation 31.12.22	-	-	-
Net carrying value at 31.12.22	39 482 791	-	39 482 791

Useful economic life is 3-5 years for office machines and 3 years for furniture and fixtures. Asset under construction is not depreciated.



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Note 9 Related party transactions

Intercompany balances and transactions with group companies and associates:

	31.12.2022
Receivables	
Other receivables	1 037 574 948
Total	1 037 574 948
Payables	
Accounts payable	274 277 117
Other liabilities	4 897 207
Total	279 174 324
Income and expenses	
Interest expenses to group companies	-
<i>Transactions with related companies</i>	
	2022
Other operating expenses with Metier	12 592 480
Other operating expenses with Group companies	39 716 817
Total	52 311 319

All transactions with related parties are conducted on normal commercial terms.

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 Projects. The expenses incurred for consulting services for the years ended 31 December 2022 was NOK 12.6 million. These expenses are recognized as other operating expenses or capitalized as a part of the acquisition cost for asset under construction.

Note 10 Receivables and payables

Other receivables include NOK 75.3 million related to VAT receivables.

The Company does not have receivables with maturity beyond one year.

The Company does not have payables with maturity beyond five years.

The Company does not have debt secured by liens or similar.

Note 11 Restricted cash

Restricted cash comprises cash that is held for a specific purpose and not available for immediate general business use.

	31.12.2022
Employee tax withholdings*	13 145 892
Deposit accounts	1 151 964 894

*See Note 13 for more detailed information.

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Note 12 Share capital and shareholder information

FREYR Battery société anonyme, Luxembourg, owns 100% of the shares consisting of 400 422 shares with nominal value NOK 0.1 in FREYR Battery Giga Arctic AS as of 31 December 2022.

Giga Arctic 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 13 Public duties

Public duties payable

	31.12.2022
Withholding tax	13 103 058
Social security taxes	-
Total	13 103 058

All employees were employed by the legal entity of Giga Arctic throughout 2022, thus withholding tax per year-end is a liability for Giga Arctic. As the salary cost belongs to FREYR Norway 2022 all salary cost is reflected in the financial statement of FREYR Norway.



To the General Meeting of FREYR Battery Giga Arctic AS

Independent Auditor's Report

Opinion

We have audited the financial statements of FREYR Battery Giga Arctic 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:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Gaardsø, Thomas Whyte	BANKID	2023-04-28 12:52

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The seal is a guarantee for the authenticity
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
AR511304526

Telefon
90518192

Org.nr
974761076

Vår referanse
2022/5858962

Postadresse
Postboks 9200 Grønland
0134 OSLO

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.