



## **FREYR Battery Announces the Execution of 38 GWh Li-Ion Battery Binding Cell Sales Agreement and Entry into Module & Pack Joint Venture for Energy Storage Solutions with Nidec Corporation**

August 30, 2022

***Broad partnership with Nidec includes a firm sales contract to supply 38 GWh of next-generation clean LFP Li-Ion battery cells from 2025 - 2030 combined with a Joint Venture Agreement to develop, manufacture, and sell integrated, low carbon ESS solutions to industrial and utility grade customers***

- *FREYR and Nidec have jointly agreed to convert and expand the previously announced 31 GWh conditional offtake agreement between the companies to a binding sales agreement under which FREYR will supply 38 GWh of cells from 2025 to 2030 with an option to upsize the volumes to 50 GWh in the period and potentially add volumes beyond 2030.*
- *Based on projected raw material prices subject to pass through mechanisms, the binding 38 GWh sales contract has an estimated gross value to FREYR in excess of \$3 billion from 2025 to 2030, representing one of the largest ESS battery cell contracts globally to date.*
- *FREYR and Nidec have agreed to form a joint venture (“JV”) to combine FREYR’s clean, next-generation battery cells with modules and packs into integrated downstream ESS solutions for industrial and utility grade customers.*
- *Nidec is one of Japan’s largest companies and is the world’s largest manufacturer of high-efficiency electric motors, specializing in “everything that spins and moves” exemplified through the recent joint venture with Stellantis (NYSE: STLA) for EV drive trains. Nidec is also a globally leading company in the exponentially growing ESS sector with significant capacity delivered across multiple geographies. Nidec has an enterprise value of approximately \$40 billion and an investment grade credit rating.*
- *The signing of the binding sales agreement represents a key project financing milestone for FREYR’s 29 GWh Giga Arctic development in Mo i Rana, Norway with total firm and optional volume comprising 50% of planned production volumes from Giga Arctic.*

NEW YORK & OSLO, Norway & LUXEMBOURG--(BUSINESS WIRE)-- FREYR Battery (NYSE: FREY) (“FREYR”), a developer of clean, next-generation battery cell production capacity, and Nidec Corporation (TSE: 6594) (“Nidec”), a globally leading producer of high-efficiency electric motors and leader in the ESS space, have announced the finalization of an expanded 38 GWh battery cell sales agreement from 2025 – 2030. Additionally, the companies have agreed to form a downstream joint venture in which Nidec will hold a super-majority to provide integrated industrial scale ESS solutions to customers globally.

“We are exceptionally pleased to announce our firm sales agreement and deep commercial collaboration with Nidec Corporation, the world leader in electric motors and a globally leading engineering, procurement and construction solutions providers to the ESS market,” remarked Tom Einar Jensen, FREYR’s Chief Executive Officer. “Today’s landmark sales agreement inclusive of optional volumes represents roughly 50% of our targeted production from Giga Arctic by 2030. Combined with Nidec’s trust in FREYR as a joint venture partner for ESS solutions this represents a fundamentally important milestone to support the conclusion of our ongoing project financing efforts at competitive terms.”

Under the terms of the binding sales agreement, FREYR will supply 38 GWh of cumulative clean, next-generation battery cells to Nidec between 2025 – 2030 from FREYR’s Giga Arctic facility in Mo i Rana, Norway, which is currently under construction. Based on projected lithium prices, subject to pass through mechanisms, the contracted volumes equate to total projected revenues in excess of \$3 billion for FREYR. Nidec will have the option to increase the cumulative offtake volumes to 50 GWh over the life of the contract, which would represent as much as 50% of projected production from FREYR’s Giga Arctic development.

In addition to the binding sales contract, FREYR and Nidec have signed an agreement to form a downstream joint venture in which Nidec will hold a super-majority to develop, manufacture and sell highly competitive and low CO2 battery modules and battery pack solutions for industrial and utility grade battery energy storage systems applications. The module production is expected to be integrated into FREYR’s Giga Arctic development with volumes of integrated ESS solutions aligning with the targeted ramp up of cell production in 1H 2024.

“We are thrilled by our commercial agreement and the creation of the joint venture with FREYR Battery. The JV will support the development of our fast-growing ESS Business. The combination of FREYR cell battery technology and Nidec technology will bring efficient and cost-effective solutions to the market,” said Laurent Demortier, President of Nidec’s Energy & Infrastructure Division.

“The agreement to form a downstream joint venture with Nidec, which is a global industry leader in the ESS market, is another very exciting development for FREYR,” added Jensen. “Our burgeoning partnership with Nidec underscores FREYR’s accelerating commercial momentum in the ESS space, and it is consistent with our strategic intent to expand both downstream and upstream

on the battery value chain beyond cell production. Our team is looking forward to working with Nidec to deliver highly efficient, differentiated, packaged cell and module solutions.”

### **About FREYR Battery**

FREYR Battery aims to provide industrial scale clean battery solutions to reduce global emissions. Listed on the New York Stock Exchange, FREYR's mission is to produce green battery cells to accelerate the decarbonization of energy and transportation systems globally. FREYR has commenced building the first of its planned factories in Mo i Rana, Norway and announced potential development of industrial scale battery cell production in Vaasa, Finland, and the United States. FREYR intends to install 50 GWh of battery cell capacity by 2025 and 100 GWh annual capacity by 2028 and 200 GWh of annual capacity by 2030. To learn more about FREYR, please visit [www.freyrbattery.com](http://www.freyrbattery.com)

### **About Nidec Corporation**

Nidec Corporation is the world's largest small precision motor manufacturer in the automotive, industrial, and appliance sectors. Listed in the Tokyo Stock Exchange, Nidec's annual sales were 1.9 trillion Japanese yen in March 2022, and the company is aiming for 4 trillion Japanese yen by March 2026. Under its Corporate Slogan, "All for Dreams", Nidec is challenging to expand the promising ESS market strategically to contribute to the realization of a carbon-neutral society. To learn more about Nidec, please visit [www.nidec.com/en/](http://www.nidec.com/en/)

### **Cautionary Statement Concerning Forward-Looking Statements**

All statements, other than statements of present or historical fact included in this press release, including, without limitation, statements regarding the estimated gross value of the 38 GWh sales contract being in excess of USD 3 billion from 2025 to 2030, based on projected raw material prices subject to pass through mechanisms; the success of a joint venture between FREYR and Nidec to combine FREYR's clean, next-generation battery cells with modules and packs into integrated downstream ESS solutions for industrial and utility grade customers; the joint venture's ability to develop, manufacture and sell highly competitive and low CO<sub>2</sub> battery modules and battery pack solutions; the integration of the module production into FREYR's Giga Arctic development with volumes of integrated ESS solutions aligning with the targeted ramp up of cell production in 1H 2024; the development, timeline and capacity of Giga Arctic; [the total firm and optional volume of agreed offtakes to date comprising 50% of planned production volumes from Giga Arctic]; FREYR's ability to convert any conditional agreements into definitive agreements] are forward-looking and involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results.

Most of these factors are outside FREYR's control and difficult to predict. Information about factors that could materially affect FREYR is set forth under the "Risk Factors" section in (i) FREYR's Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the "SEC") on August 9, 2021, as amended, and (ii) FREYR's annual report on Form 10-K filed with the SEC on March 9, 2022, and available on the SEC's website at [www.sec.gov](http://www.sec.gov).

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

#### **Investor contact:**

Jeffrey Spittel  
Vice President, Investor Relations  
[jeffrey.spittel@freyrbattery.com](mailto:jeffrey.spittel@freyrbattery.com)  
Tel: (+1) 281-222-0161

#### **Media contact:**

Katrin Berntsen  
Vice President, Communication and Public Affairs  
[katrin.berntsen@freyrbattery.com](mailto:katrin.berntsen@freyrbattery.com)  
Tel: (+47) 920 54 570

Source: FREYR Battery