



# FREYR Battery and Statkraft Sign Agreement, Securing Long-Term Supply of Renewable Energy

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NEW YORK & OSLO, Norway & LUXEMBOURG--(BUSINESS WIRE)-- FREYR Battery (NYSE: FREY) ("FREYR"), a developer of clean, next-generation battery cell production capacity, has signed a binding Heads of Terms with Statkraft, Europe's largest producer of renewable energy. The Heads of Terms is expected to be finalized as a long-term physical supply agreement, with the ambition to secure a long-term supply of renewable power under globally competitive terms for FREYR's planned battery cell production project in Mo i Rana, Norway.

The Heads of Terms and related energy services from Statkraft is projected to cover all of FREYR's currently anticipated electricity needs for the period of 2024-2031 and to ensure physical delivery of energy from the central grid in Mo i Rana to FREYR's Customer Qualification Plant ("CQP") and combined Gigafactory 1 & 2. During this period, Statkraft commits to providing up to 23 MW baseload with an accumulated delivery of 1.4 TWh over the contract period to FREYR, as well as the provision of Guarantees of Origin to document that the power is sourced from Statkraft's hydropower assets in the region.

"Our ambition is to produce clean battery cells, and a key element of our strategy is to power our operations with renewable energy. This agreement with Statkraft ensures that our production facilities in Mo i Rana will have a steady, long-term supply of hydropower from local sources – keeping our carbon footprint to a minimum as we speed forward to full operations," said Tove Nilsen Ljungquist, EVP Operations of FREYR.

"Statkraft contributes to the green shift by providing renewable power to existing customers and new industrial entrants around the world. We are happy to support the establishment of FREYR's battery cell facility in Northern Norway, enabling green jobs and use of local resources. Together with flexible hydropower, batteries are essential for a net zero future," says EVP Market & IT in Statkraft, Hallvard Granheim.

Under the Heads of Terms, the renewable energy for FREYR's production site will be sourced from Statkraft's hydropower plant "Rana." Rana is 100 percent Statkraft-owned with a capacity of 500 MW and annual generation of approximately 2,150 GWh. The proximity of Statkraft's hydropower plant to FREYR's planned production facilities in Mo i Rana is consistent with FREYR's ambition to establish its operations in areas with an ample, local supply of clean energy.

## About Statkraft

Statkraft is a leading company in hydropower internationally and Europe's largest generator of renewable energy. The Group produces hydropower, wind power, solar power, gas-fired power and supplies district heating. Statkraft is a global company in energy market operations. Statkraft has 4,800 employees in 19 countries.

## 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 deliver up to 43 GWh of battery cell capacity by 2025 and up to 83 GWh annual capacity by 2028. To learn more about FREYR, please visit [www.freyrbattery.com](http://www.freyrbattery.com)

## 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 (i) any potential benefits from the long-term physical supply agreement, including Statkraft's supply and timely delivery of electricity sourced from renewable energy assets under competitive terms, (ii) the development, timeline, capacity, and other usefulness of FREYR's planned battery cell production plants and battery development strategy and (iii) FREYR's ambition and ability to establish operations with renewable energy from local sources and keep its carbon footprint to a minimum 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 FREYR's Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the "SEC") on August 9, 2021, as amended, and in other SEC filings available on the SEC's website at [www.sec.gov](http://www.sec.gov).

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