



Q4 2020

Jon André Løkke, CEO
18 February, 2021

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Agenda

1. Q4 highlights
2. Financial review
3. Nel in brief
4. Key technology developments
5. Other developments of the quarter
6. ESG
7. Summary/Outlook
8. Q&A

Q4 2020

Highlights

Financial results and financing

Revenues

NOK 229.1 million

Up 30% from NOK 175.9 million in Q4 2019

EBITDA

NOK -96.2 million

Decreased from Q4 2019

Order backlog

NOK 981.1 million

Up >90% compared to Q4 2019

Cash balance

NOK >2.3 billion

Supports Nel's leading position and accelerated investments in organization and technology

Operations and sales

- PO for 1 H2StationTM by Everfuel, value EUR 1.6 million
- PO for 2 H2StationTM units by ZE PAK, value EUR 3.2 million
- PO for 1.25 MW PEM electrolyser, value USD 2 million
- PO for PEM electrolyser cell stacks to U.S. Navy, value 5.4 million
- PO for 1.5 MW PEM electrolyser US client, value USD 2.7 million
- LoI with Statkraft for a green hydrogen project of up to 50 MW
- MoU with Iberdrola to develop large scale green hydrogen project in Spain
- Signs MoU with Everfuel for further development of H2 Fuel Norway
- Awarded 20 MW electrolyser contract by Everfuel

Subsequent events

- Awarded 20 MW electrolyser plant contract by Iberdrola
- Launches 1.5 USD/kg target for green renewable hydrogen to outcompete fossil alternatives



TWO

Financial review

Year-end/Q4 EBITDA

- Nel is no longer reporting adjusted EBITDA separately, will be part of overall explanation
- Incl. provision for possible NOK 20 million fine in connection with Kjørbo, notice received February 16th
- EBITDA negatively impacted by preparations and investments for the future
 - Projects are getting larger; we continue to recruit to be able to deliver on what is coming
 - Across the entire organization, in particular within project execution
 - Ramp-up of Herøya organization in connection with the expansion
 - Projects often include new geography, customer segments, technological components, and/or products leading to additional costs and risk
- Financial results also negatively impacted by overall Covid-19 situation, including Q4 provisions for future cost, like:
 - Hiring external resources to compensate for Nel-employees not being able to travel
 - Additional hours spent on different projects due to restrictions and limitations
 - Covid-19 is expected to continue to cause disruptions, e.g. within customer dialogue, installations, and commissioning, etc.

Financial highlights

(NOK million)	2020 Q4	2019 Q4	2020	2019	2018
Operating revenue	229.1	175.9	651.9	569.7	489.0
Total operating expenses	368.4	238.3	1,066.4	823.3	685.1
EBITDA*	-96.2	-41.7	-251.5	-178.1	-131.6
EBIT*	-139.3	-62.4	-414.5	-253.6	-196.1
Pre-tax income (loss)**	1,285.1	-95.1	1,245.5	-277.2	-197.5
Net income (loss)**	1,295.4	-93.2	1,261.9	-269.7	-188.8
Net cash flow from operating activities	-93.9	-61.6	-215.9	-199.7	-142.8
Cash balance at end of period	2,332.9	526.0	2,332.9	526.0	349.7

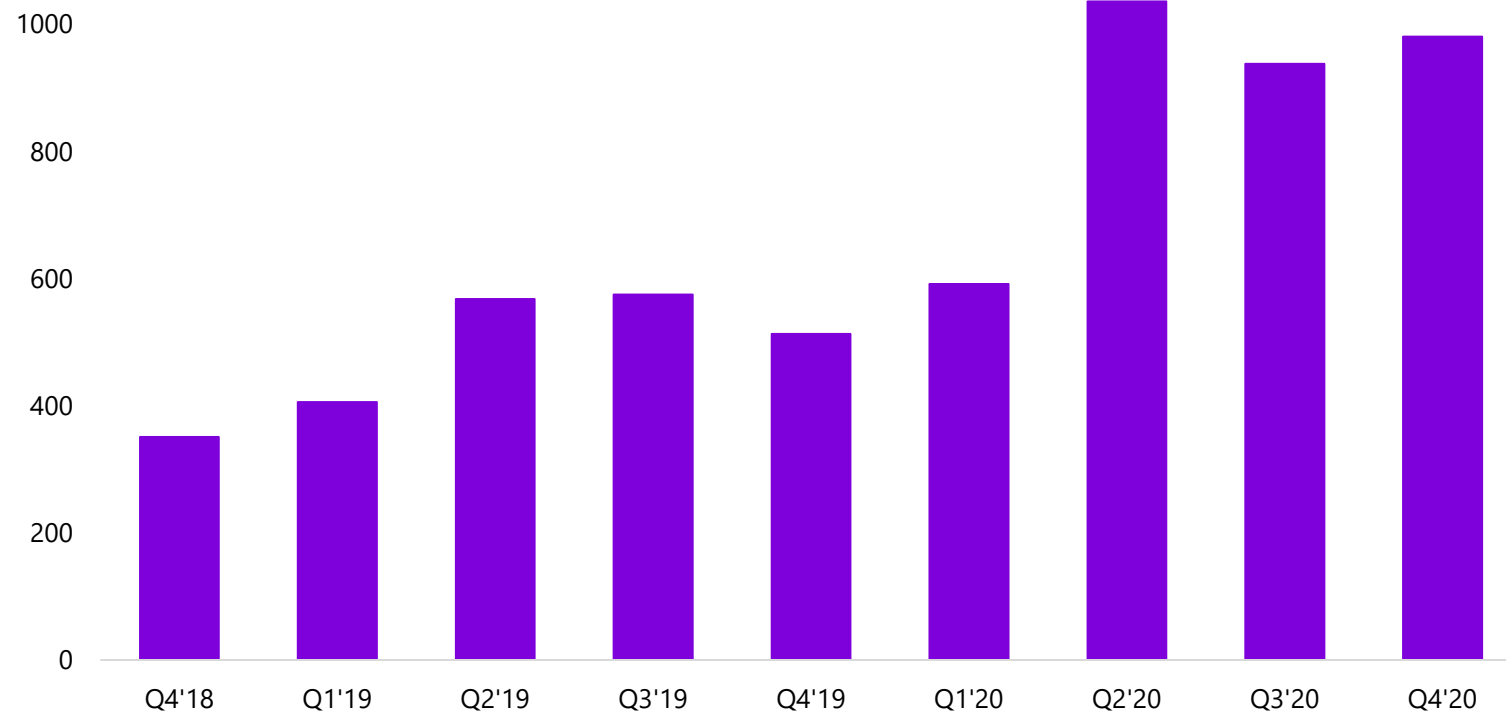
* The effect of the intangible asset impairments and amortisations of received grants has negatively impacted operating loss by NOK -19.4 million and positively impacted EBITDA by NOK 1.1 million, respectively, in Q4 2020. Expenses and results negatively impacted by NOK 20.0 million provision for Kjørbo fines (no: forelegg), notice received February 16th 2021

** Q4 2020 includes a negative fair value adjustment of the shareholding in Nikola Corporation of NOK -70.8 million (a value of USD 15.26 per share as of December 31, 2020). The fair value adjustment was NOK 1.8 million in the fourth quarter 2019. A USD 10 increase/reduction in the share price of Nikola Corporation will lead to gains/losses of about NOK 100 million with a USD/NOK of 9.0.

Q4 2020 includes a positive fair value adjustment of the shareholding in Everfuel of NOK 1 531.8 million (a value of NOK 125.00 per share as of December 31, 2020). The fair value adjustment was NOK 0.0 in the fourth quarter 2019. The Everfuel shares are subject to a lock-up expiring on October 29, 2021. A NOK 10 increase/reduction in share price of Everfuel will lead to gains/losses of about NOK 120 million

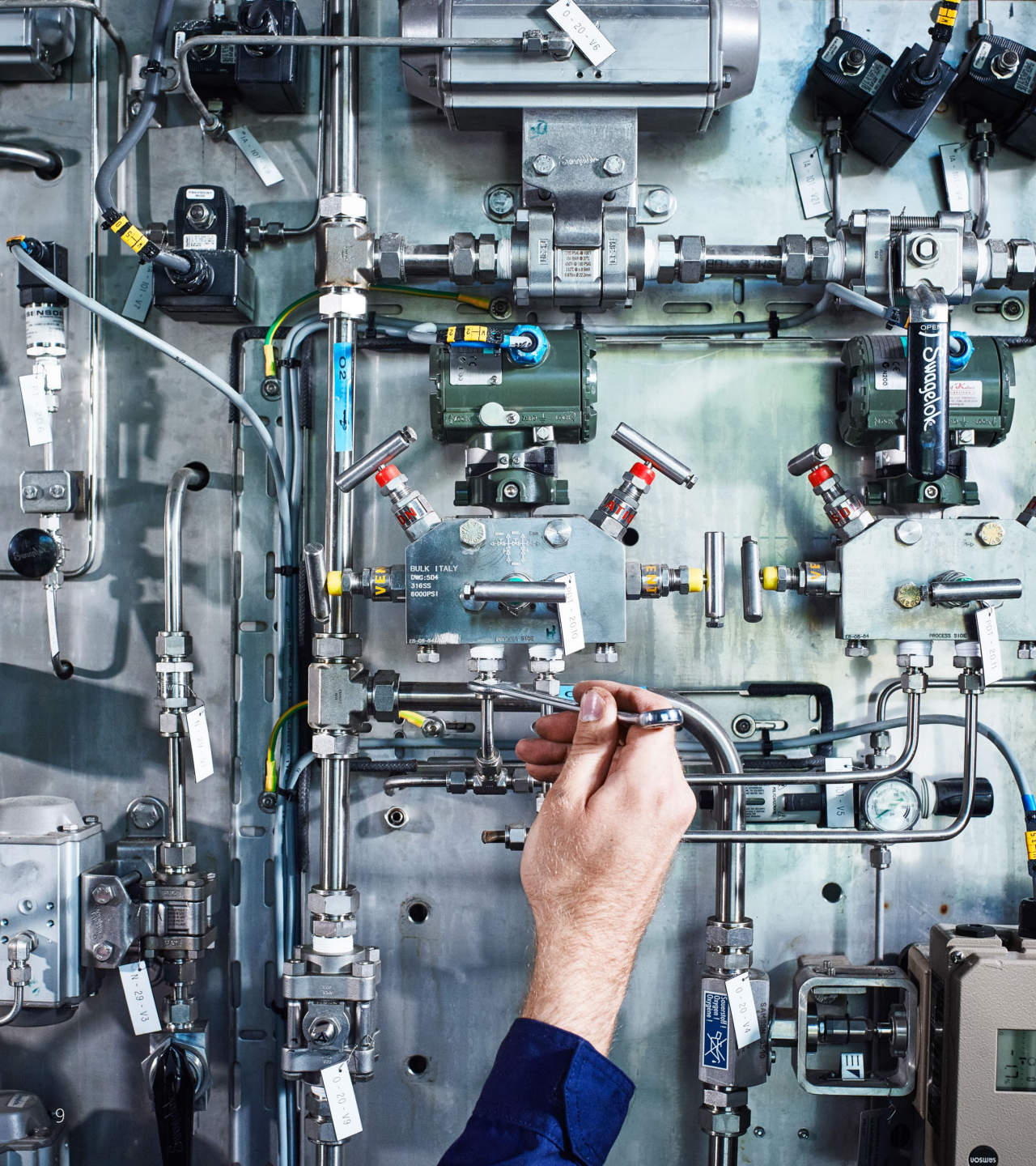
Solid backlog

Order backlog by quarter
NOK million



Solid order backlog

- Backlog increased sequentially by ~4.5% in Q4'20 – quarterly fluctuations to be expected
- >90% growth YoY
- Strong pipeline across segments and industries



THREE

Nel in brief

Leading pure play hydrogen technology company with a global footprint



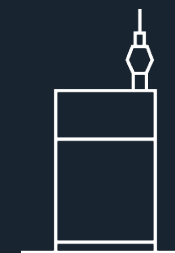
Pure play hydrogen technology company listed on Oslo Stock Exchange (NEL.OSE)



Manufacturing facilities in Norway, Denmark, and U.S., and a global sales network



World's largest electrolyser manufacturer, with >3,500 units delivered in 80+ countries since 1927



Leading manufacturer of hydrogen fueling stations, with 110+ H2Station™ solutions delivered/in progress to 13 countries

The front runner within hydrogen technologies



Alkaline and PEM electrolyzers

Converting water and electricity to hydrogen and oxygen
– for **industry**, **mobility**, and **energy purposes**



Compact hydrogen fueling station

World's most compact fueling stations, capable of **fueling any kind of vehicle** and simple to integrate with other fuels



Strong field know-how and manufacturing capacity

PEM electrolyzers

Wallingford, USA



Systems delivered: **2,700+**

Production capacity: **>50 MW/year**

History: **23 years**

Alkaline electrolyzers

Notodden/Herøya, Norway



Systems delivered: **800+**

Production capacity:
40 MW/year → 500 MW/year (~2 GW/year)

History: **90 years**

Hydrogen refueling stations

Herning, Denmark



Stations delivered: **110+**

Production capacity: **300 HRS/year**

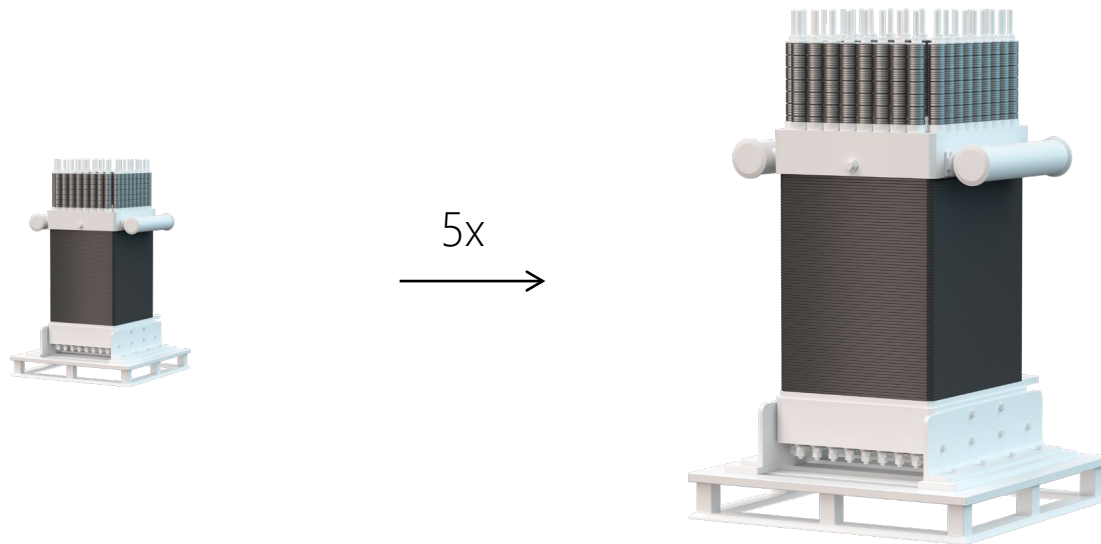
History: **16 years**



FOUR

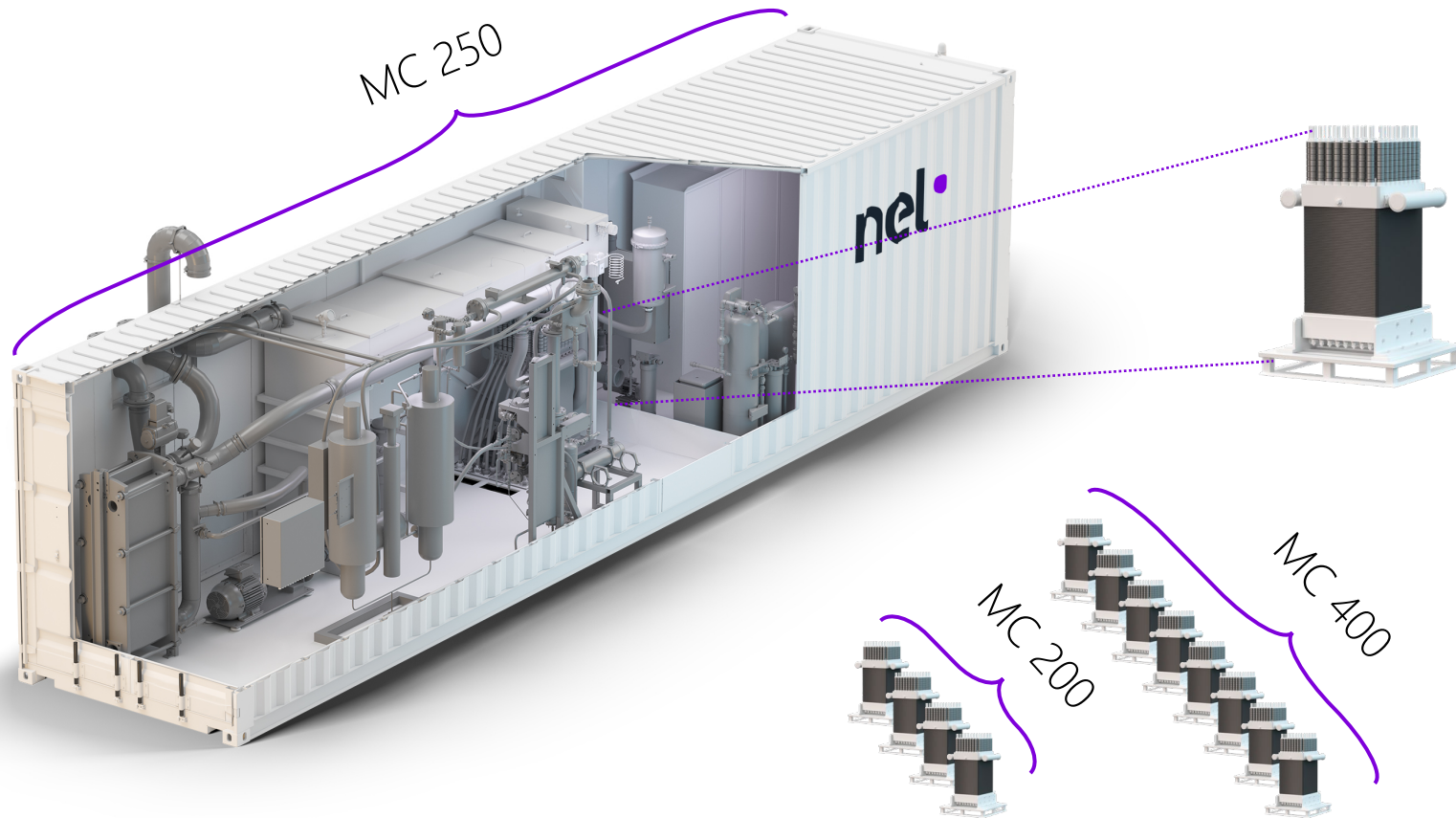
Key technology developments

Scaling up for future large-capacity opportunities



- 5 times scale-up of advanced, patented electrolyser cell stack design
- 1.25 MW input power
- Capacity to make more than 500 kg H₂ per day
- Based on Nel's unique competence and experience to design and manufacture durable cell stack products
- Size is maximized on current supplier capabilities

MC250 and MC500 – new containerized large-scale PEM electrolyzers

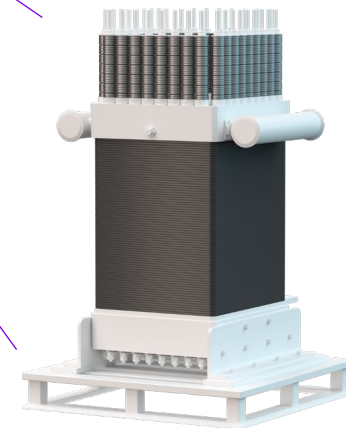
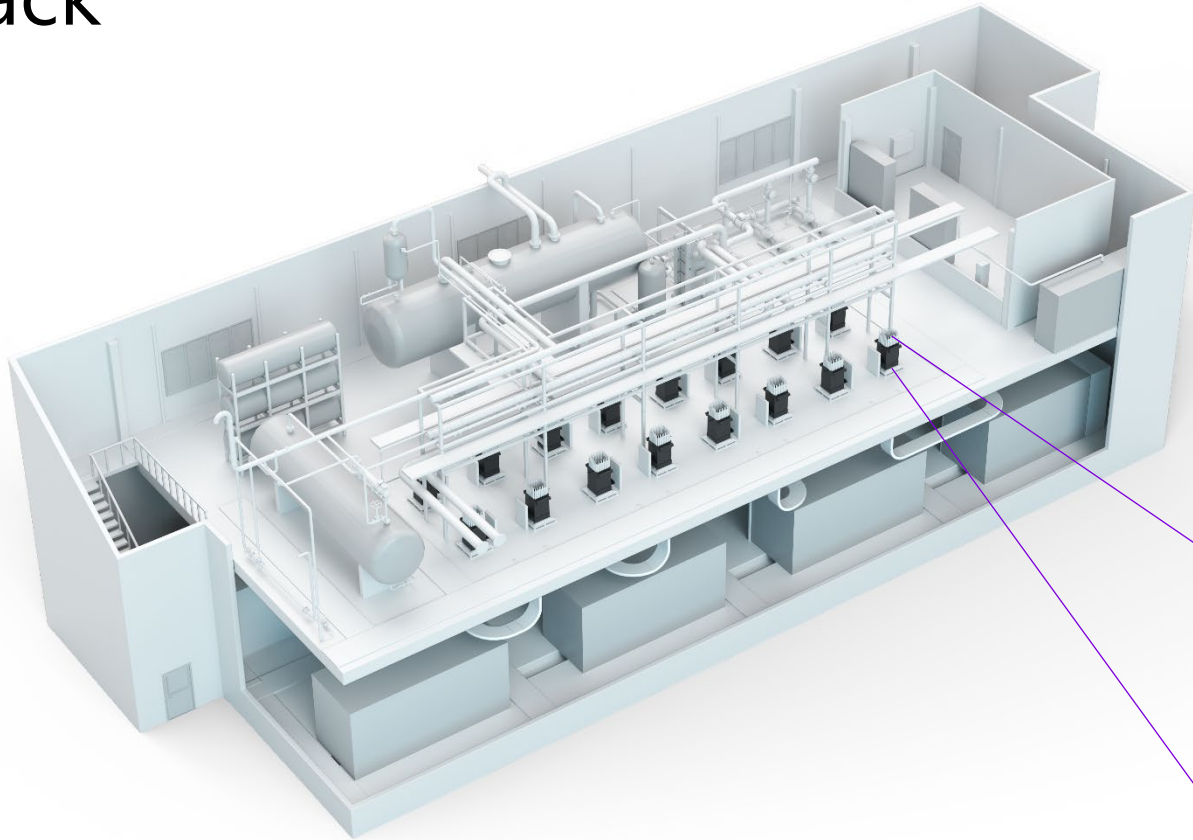


Nel Hydrogen Electrolyser launched two new containerized large-scale PEM electrolyzers

- Automated MW-class on-site hydrogen generators
 - Utilizes a modular containerized design for ease of installation and integration
 - MC250 and MC500 will be delivered as standard 1.25 and 2.5 MW (246 and 492 Nm³/h) configurations respectively
 - Integrating Nel's newly developed 1.25 MW PEM cell-stack, allowing for higher capacities per unit and lower costs
 - MC 250 & 500 = 1 & 2 stacks respectively
- Vs.
- MC 200 & 400 = 4 & 8 stacks respectively

Illustrated: MC250 Process Container and Cell-Stack

New PEM electrolyser launched including new stack



Large-scale PEM

20 MW plant
layout
35 m x 15 m

1.5 \$/kg

Nel green hydrogen cost target by 2025

Assumptions: Nel analysis based on electricity of 20 \$/MWh, >8% cost of capital, cost of land, civil works, installation, commissioning, building water etc., lifetime 20 years incl. O&M cost, at 30 bar

Based on large scale (>100 MW) alkaline electrolyzers delivered from new fully automated production line concept

Capacity expansion at Herøya



Fully automated and designed according to **lean manufacturing and industry 4.0 principles**



Industrial scale production of most efficient electrolyzers in the market, at a **game-changing cost**



Large scale production line improvements identified, name plate capacity up **from ~360 to ~500 MW**



Room to expand to **~2 GW** annually



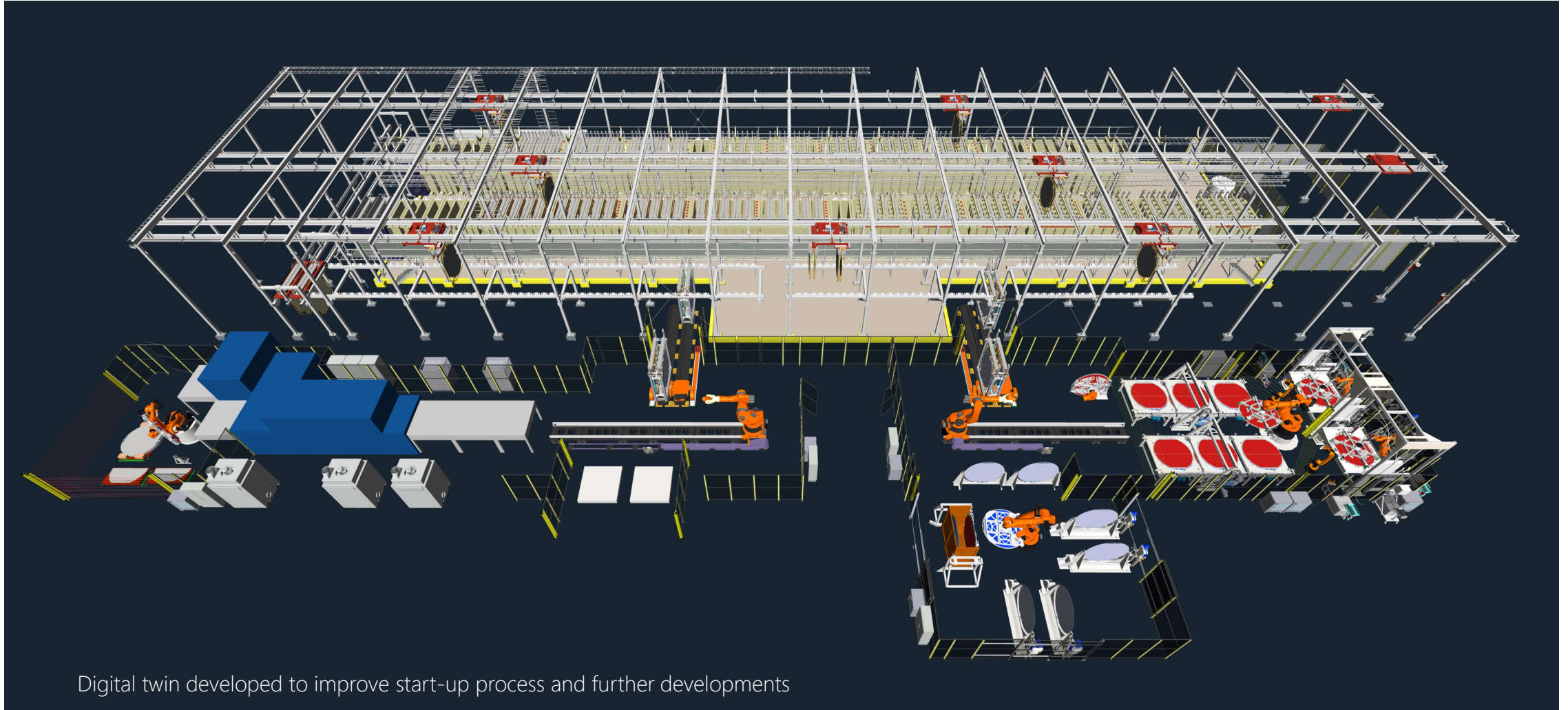
CO₂ reduction potential in line 1 (pilot) of **1.000,000 ton** – with 2 GW, **4-5 million ton**



Test production in new line **Q2'21**, start of ramp-up Q3'21



Production line 1 – fully automated





FIVE

Other key developments of the quarter

Close cooperation: Everfuel and Nel



Purchase order for hydrogen fueling station for buses

- Value in excess of around EUR 1.6 million
- Latest generation H2Station™ module to be used for fueling of buses in the Netherlands
- To be installed during 2021

Agreement to further development H2 Fuel Norway

- Strategy to build, own and operate hydrogen fueling stations in Norway

Awarded EUR 7.2 million contract

- 20 MW electrolyser contract for the green hydrogen production facility adjacent to the Fredericia refinery in Denmark.

Solid Everfuel development following IPO



Strong Everfuel development on Euronext Growth

- Everfuel A/S, a Nel minority owned company listed on Euronext Growth October 29
- Raised NOK 290 million in conjunction with the listing
 - Nel participated with NOK ~9 million, leading to an ownership share of ~17%
 - Frame agreement of EUR 100 million between Everfuel and Nel
- Everfuel raised NOK 600 million in January 2021

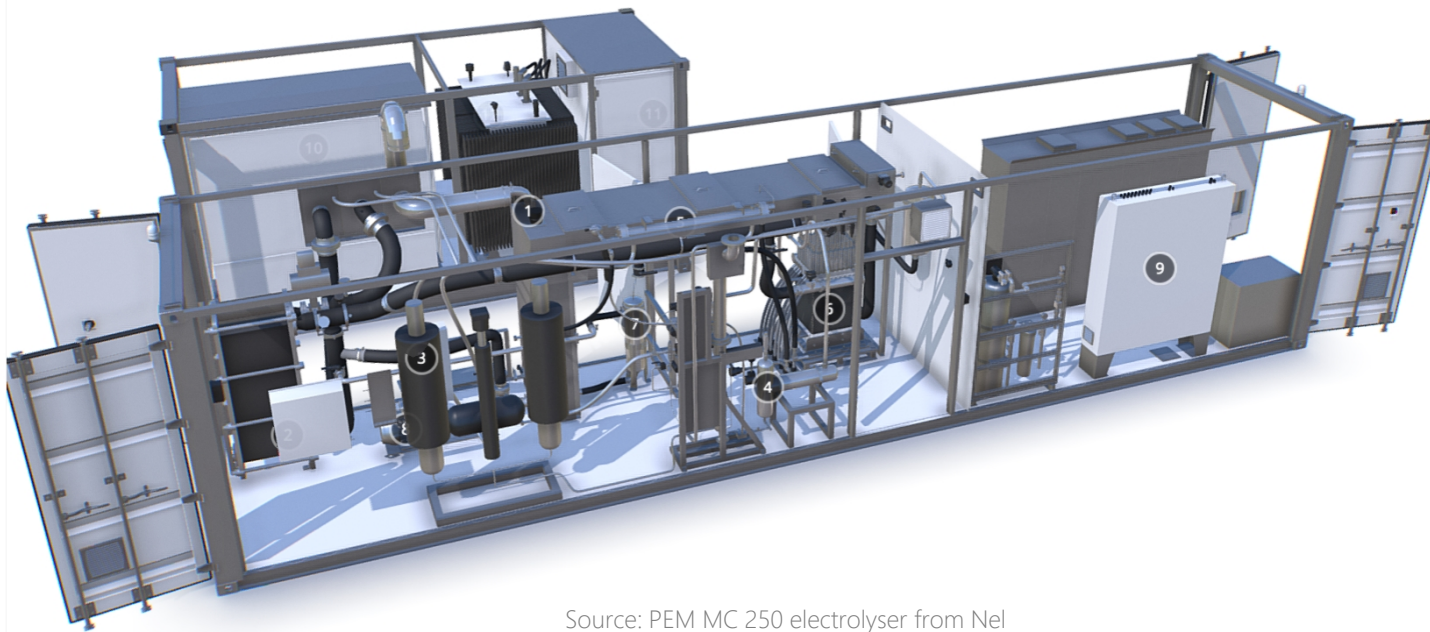
First H2Station™ order in Poland



Purchase order for two H2Station™ solutions for cars and buses

- Value of around EUR 3.2 million
- Latest generation H2Station™ module to be used for fueling of cars and buses in Poland
- To be installed during 2021

Purchase order for a 1.25 MW PEM electrolyser from NREL (MC 250)

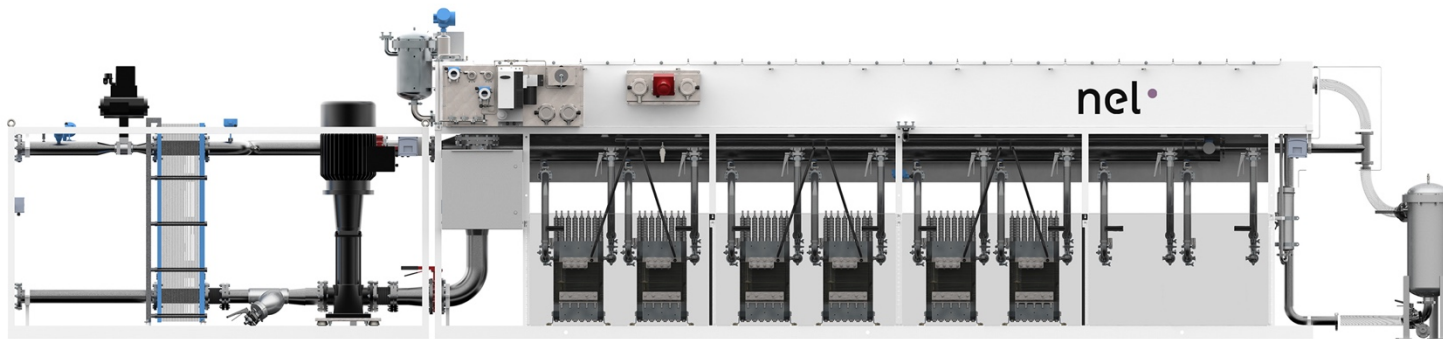


Source: PEM MC 250 electrolyser from Nel

Containerized 1.25 MW Proton PEM® electrolyser National Renewable Energy Laboratory (NREL)

- For installation in the ARIES research initiative at the NREL campus in Boulder, CO
- Collaboration by providing an advanced and flexible electrolyser platform for integrated energy system research
- Value of around USD 2 million
- Scheduled to be delivered in 2021

Purchase order for a 1.5 MW PEM electrolyser in the US (M 300)



Source: PEM M-series electrolyser from Nel

Containerized 1.5 MW Proton PEM® electrolyser from a large industrial client in the US

- Value of around USD 2.7 million
- Scheduled to be installed during 2021

PEM electrolyser cell stacks to submarines >USD 10 million in 2020



Purchase order for cell stacks for oxygen production

- Nel Hydrogen received purchase order for PEM electrolyser cell stacks from United Technologies' Collins Aerospace Division
 - USD ~5 million contract value
- Will produce critical life support oxygen for U.S. and U.K. Navy crews on multiple classes of nuclear-powered submarines
 - Delivered under an exclusive contract
- Part of an on-going production contract
 - Continues Nel's history of supplying PEM electrolyser stacks for Navy submarines for over a decade
 - Purchase orders in 2020 with a combined value of USD >10 million

Signed letter of intent (LoI) with Statkraft for green hydrogen project in Norway



Up to 50 MW electrolysis to support fossil free recycling steel production

- Statkraft, the largest renewable energy company in Europe partnered up with Celsa Armeringsstål (Celsa), a leading steel producer
- Facility in Mo i Rana which produces reinforced steel from recycling of scrap metal
 - Current production: 700,000 tons/year (equal to two Eiffel towers per week)
 - By exchanging natural gas with hydrogen, CO₂-emissions can be reduced by >60%
- Nel and Statkraft has entered into a LoI for 40 – 50 MW of electrolyser capacity

Signed an agreement with Iberdrola for a 20 MW green fertilizer project in Spain



To deliver 20 MW PEM electrolyser solution to Iberdrola

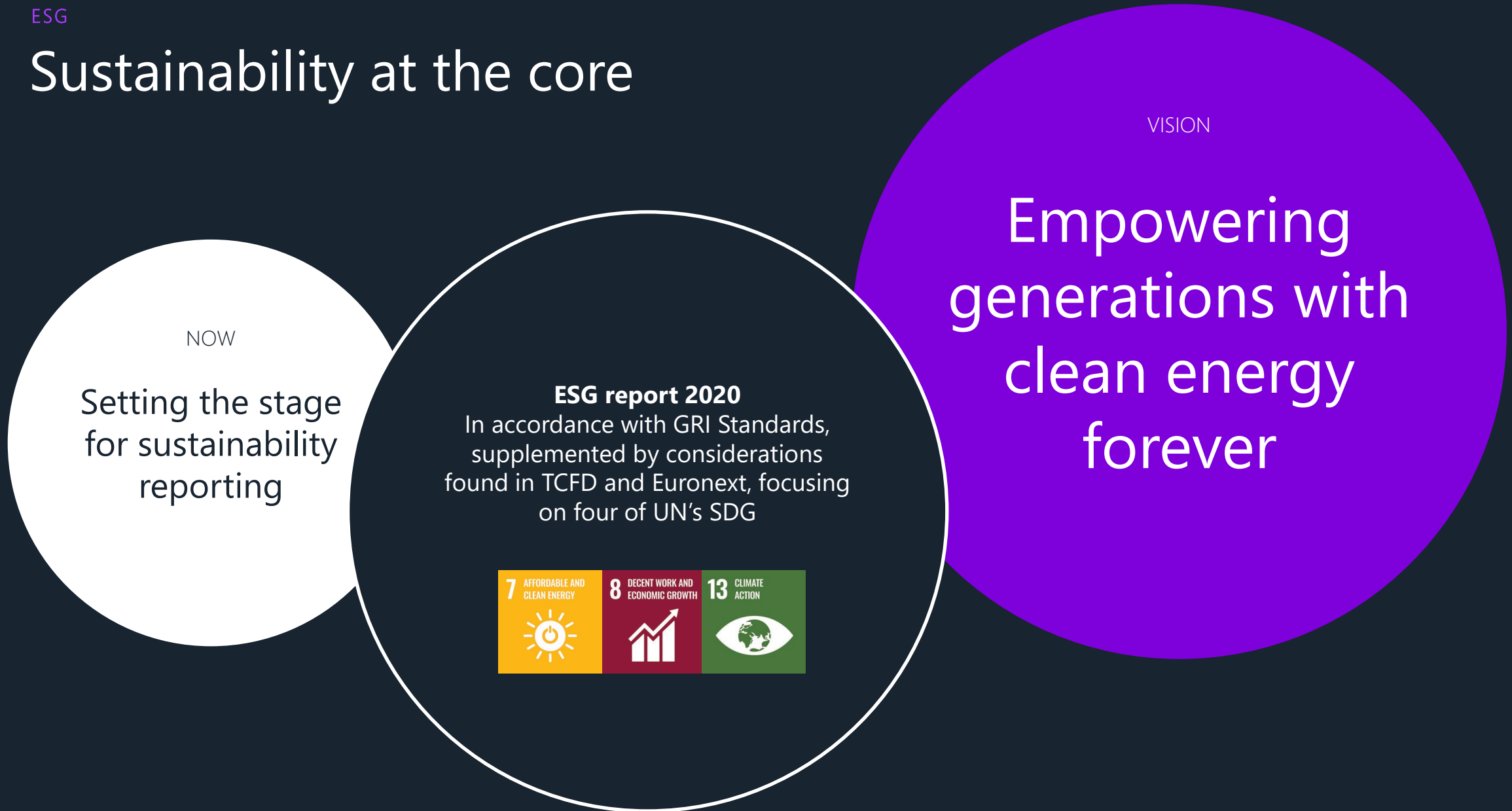
- Iberdrola, one of the largest electricity utilities in the world, has together with world-leading fertilizer manufacturer Fertiberia launched a project to establish the largest green hydrogen plant in Europe
- Project includes 100 MW photovoltaic plant, a 20 MWh battery and a 20 MW electrolyser
- Will use hydrogen to produce green fertilizer commencing in 2021



SIX

ESG & 2021 priorities

Sustainability at the core



Positive outlook for Nel's integration of sustainability

EU Taxonomy

- New EU classification system for sustainable activities enabling scale up of sustainable investments
- To be used for certifications and funding
- Nel's business activities are covered by the EU Taxonomy – positive outlook for achieving compliance
- Important enabler for accessing funding for customer's projects



Significant 2021 investments to accommodate scalable multi-billion NOK revenue capacity



Accelerating investments in organization, technology, and partnerships to maintain leading position in a growing market



Continuing development investments in **alkaline and PEM technologies**, as well as technologies to support fast and reliable **hydrogen fueling for heavy duty applications**



Key markets show strong momentum with ever-larger projects. Nel needs to be a **financially strong counterpart** to meet its delivery and performance commitments as a much larger entity

Building **scalable capacity** to accommodate to multi-billion NOK revenue capacity and investing to **maintain leading position**

> **100** new employees in 2021

Deploying ~**25%** of capital raised in 2020 in plant, equipment, and technology development projects in 2021

Will add **more capacity as required by the market**

Ramp up resulting in **significantly negative EBITDA in 2021**

An abstract graphic on the left side of the slide featuring several concentric, glowing purple rings. The rings have a soft, ethereal quality with a slight blur, creating a sense of depth and movement. The center of the rings is a solid black circle.

SEVEN

Summary

Sort by

Number of products: 24



NELS2002

Nel Start Kit



NELS4001

Eva Solo Thermo Mug



NELS4002

Thorn Thermo Mug



NELS2001

Face Masks 5-Pack

Our official merch store is now live!

Shop



NELS4004

Sports Towel

Sports towel 100% cotton

NOK 65

BUY



NELS1003

Hoodie - Full Zip

This refreshing design of an everyday full zip hoodie provides a clean athletic touch to your casual look.

NOK 650

BUY



TEE1995

T-Shirt Dinosaurs - Men

Sustainable t-shirt with self fabric collar, v-neck. Stretch fabric, side seams and pick-stitch details.
Coming soon - pre-order now

NOK 210

BUY



TEE1992

T-Shirt Dinosaurs - Ladies

Sustainable t-shirt with self fabric collar, v-neck. Stretch fabric, side seams and pick-stitch details.
Coming soon - pre-order now

NOK 210

BUY

Sort by

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TEE1992

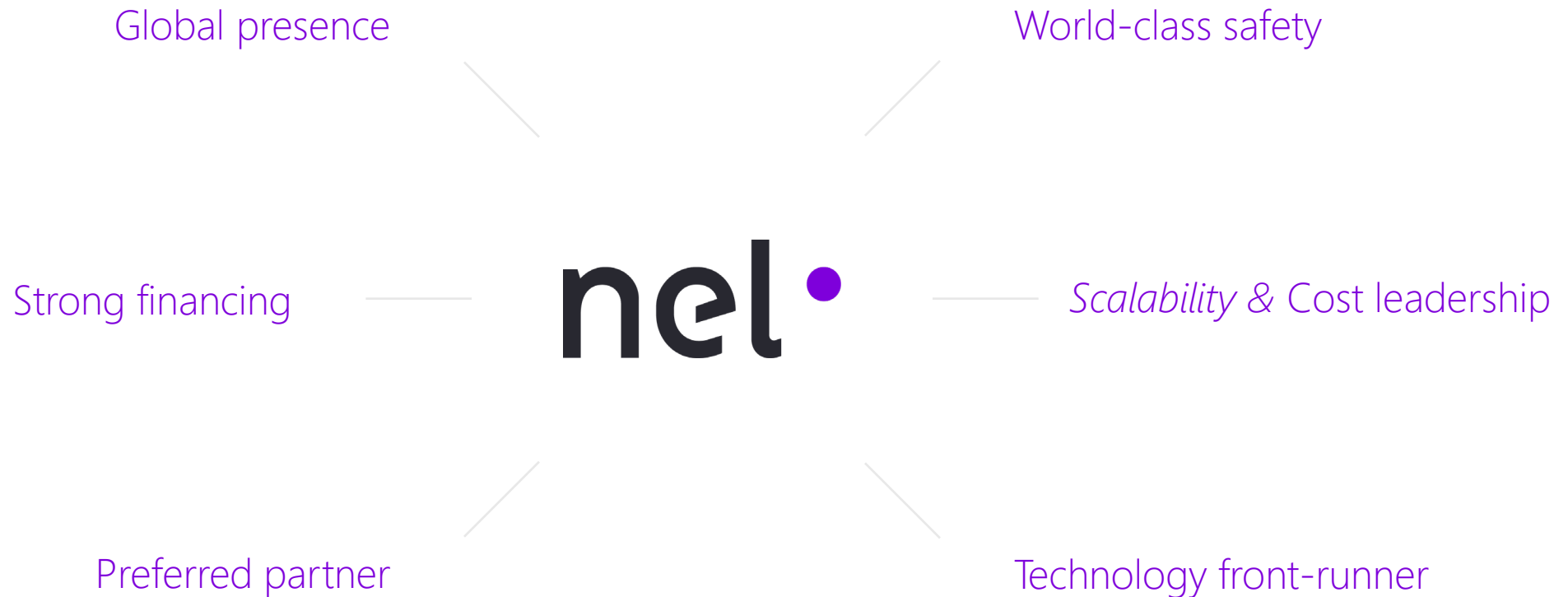
T-Shirt Dinosaurs - Ladies


Sustainable t-shirt with self fabric collar, v-neck. Stretch fabric, side seams and pick-stitch details.
Coming soon - pre-order now

NOK 210

BUY

2025: the global leader within hydrogen technologies



A night landscape photograph showing a dark, silhouetted mountain ridge in the foreground. In the distance, a valley is filled with city lights, and the sky is a deep blue with the Milky Way galaxy visible. The text is centered in the upper half of the image.

Thanks for the ride, dinosaurs.
We'll take it from here!



EIGHT
Q&A

number one by nature