



Q1 2021

Jon André Løkke, CEO
4 May 2021

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Agenda

- Nel in brief
- Q1 highlights & financial review
- Delivering on partnership strategy
- Other key developments
- Summary / Outlook
- Q&A

Leading pure play hydrogen technology company with a global footprint



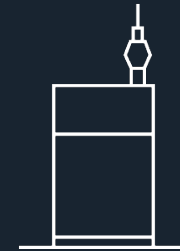
Pure play hydrogen technology company listed on Oslo Stock Exchange (NEL.OSE)



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

Strong field know-how and manufacturing capacity

PEM electrolyzers

Wallingford, USA



Systems delivered: **2,700+**

Production capacity: **>50 MW/year (room to expand)**

History: **~25 years**

Alkaline electrolyzers

Herøya, Norway



Systems delivered: **800+**

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

History: **~90 years**

Hydrogen refueling stations

Herning, Denmark



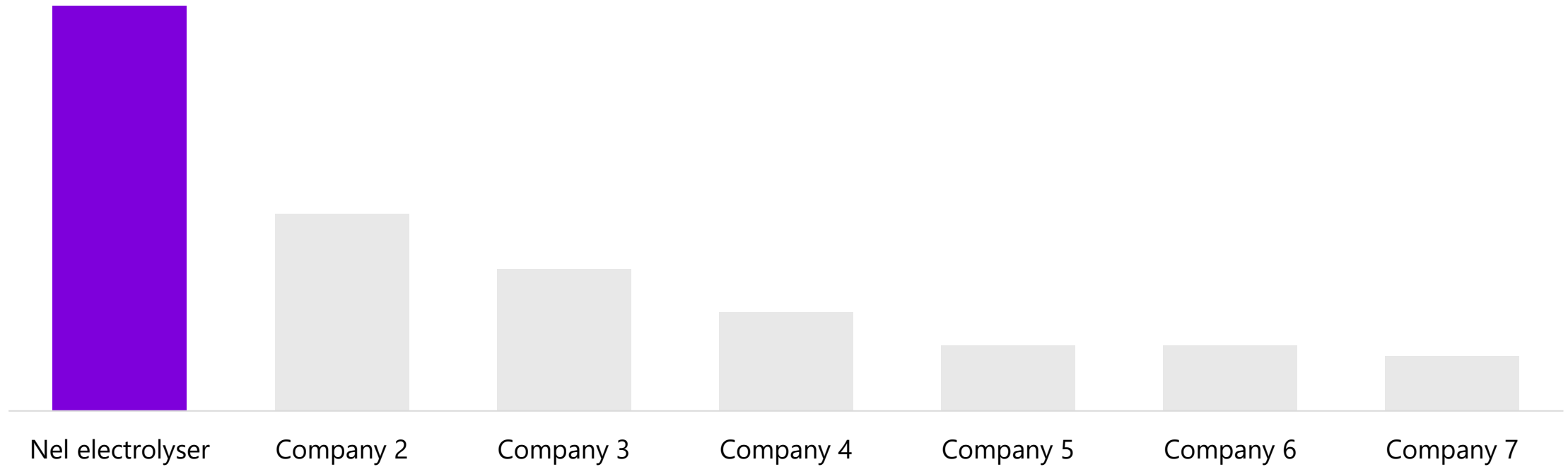
Stations delivered: **110+**

Production capacity: **300 HRS/year**

History: **~20 years**

Nel is the largest electrolyser manufacturer worldwide

The world's largest electrolyser manufacturers Ranked by revenues



Strengthening the organization through strategic changes to Nel group management



Caroline Duyckaerts
Chief HR officer



Jørn Rosenlund
Chief Strategy Officer



Robert Borin
SVP Fueling



Hans Hide
SVP Projects



Stein Ove Erdal
VP Legal and general counsel



Filip Smeets
SVP Nel Electrolyser Division



Kjell Christian Bjørnsen
CFO



Anders Sørensen
CTO



Jon André Løkke
CEO

- Accelerating investments in organization, technology, and partnerships to maintain leading position in a growing market
- Strengthening the organization with >100 new employees in 2021
- Strengthening Nel Group management, solid experience from large, industrial companies:
 - Caroline Duyckaerts, Chief HR officer, comes from position as head of HR for one of Hydro's divisions
 - Jørn Rosenlund, Chief Strategy Officer, transitions into new CSO role from previous position as SVP Fueling at Nel
 - Robert Borin, SVP Fueling, has held several senior management positions in Vestas and Siemens

Q1 highlights & financial review

Q1 highlights

Financial results and financing

Revenues

NOK 157 million

Up 24% from NOK 127 million in Q1 2020

EBITDA

NOK -74 million

Decreased from Q1 2020

Order backlog

NOK 1085 million

Up 83% compared to same quarter last year (Q1 2020)

Cash balance

NOK ~3.2 billion

Successful capital raise of NOK 1,225 million, supports Nel's leading position and accelerated investments in organization and technology

Key developments

- Launch of 1.5 USD/kg target for green renewable hydrogen
- Approval of 20 MW electrolyser contract for Everfuel
- Awarded Iberdrola contract for 20 MW green fertilizer project
- Launched MC250 and MC500 containerized PEM electrolyzers
- PO for four H2Station™ hydrogen fueling stations from Iwatani Corp. of America
- MoU with Haldor Topsøe for delivery of end-to-end green ammonia and methanol solutions

Subsequent events

- PO from HTEC for one H2Station™ hydrogen fueling station to operate in Quebec, Canada
- Frame agreements with EPC companies Wood and Aibel to develop and execute large scale, complex hydrogen projects
- Collaboration with First Solar to develop integrated PV-hydrogen power plants
- PO for 2 MW PEM electrolyser from H2Energy

Financial highlights

(NOK million)	2021 Q1	2020 Q1	2020	2019	2018
Operating revenue	156.9	126.5	651.9	569.7	489.0
Total operating expenses	255.0	213.4	1 066.4	823.3	685.1
EBITDA	-74.3	-64.6	-251.5	-178.1	-131.6
EBIT	-98.2	-86.9	-414.5	-253.6	-196.1
Pre-tax income (loss)*	-579.9	-5.2	1 245.5	-277.2	-197.5
Net income (loss)*	-578.1	-3.2	1 261.9	-269.7	-188.8
Net cash flow from operating activities	-184.6	-4.7	-215.9	-199.7	-142.8
Cash balance at end of period	3 247.8	1 221.4	2 332.9	526.0	349.7

* Q1 2021 includes a negative fair value adjustment of the shareholding in Nikola Corporation of NOK -13.1 million (a value of USD 13.89 per share as of March 31, 2021). The fair value adjustment was NOK 8.6 million in the first quarter 2020. 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.

Q1 2021 includes a negative fair value adjustment of the shareholding in Everfuel of NOK -465.6 million (a value of NOK 87.33 per share as of March 31, 2021). The fair value adjustment was NOK 0.0 in the first quarter 2020. 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.

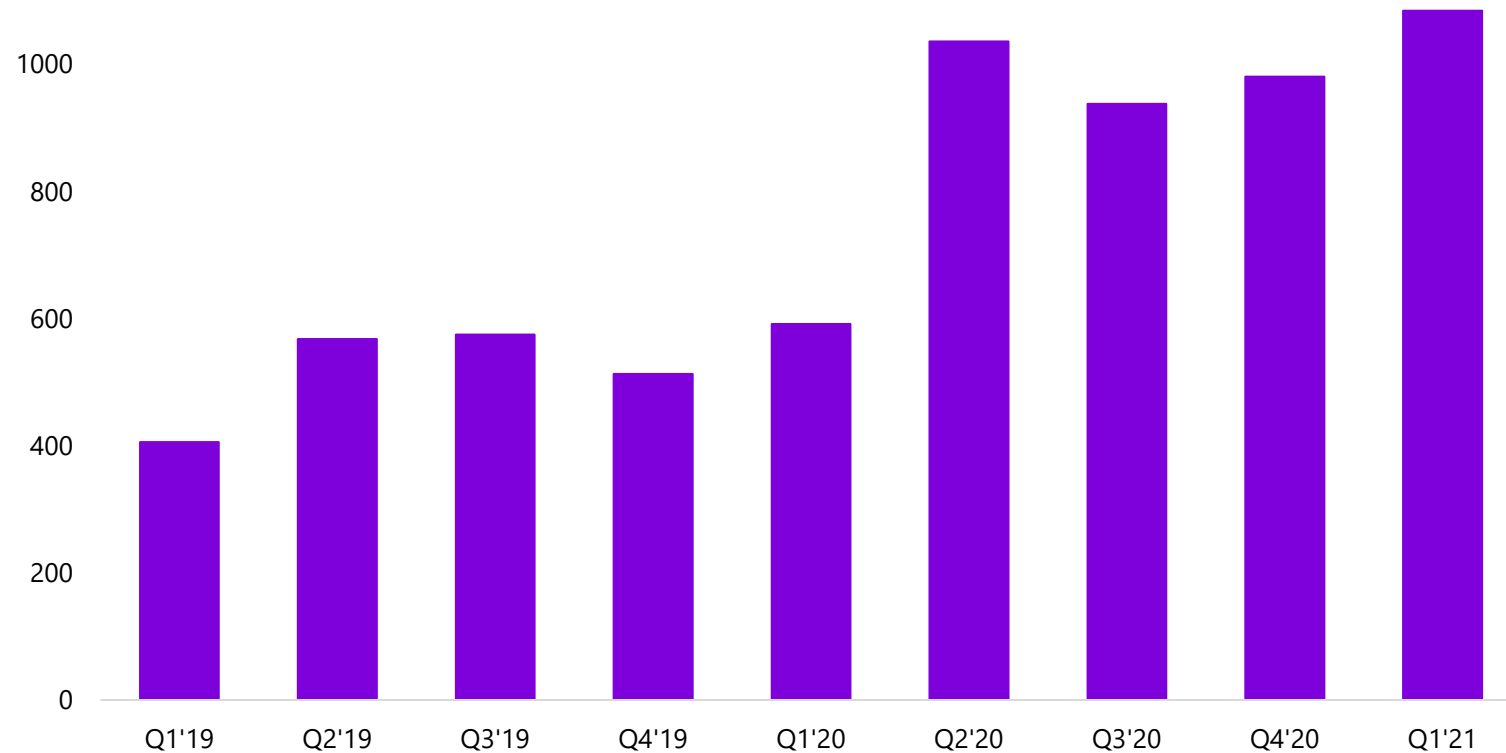
Q1 EBITDA and operating earnings

- EBITDA negatively impacted by preparations and investments for the future:
 - Projects are getting larger, 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 geographies, customer segments, technological components, and/or products leading to additional costs and risk
- Financial results continue to be negatively impacted by overall Covid-19 situation:
 - Hiring external resources to compensate for Nel-employees not being able to travel
 - Additional hours spent on different projects due to various travel restrictions
 - Covid-19 will continue to cause disruptions and challenges also in Q2

Solid backlog

Order backlog by quarter

NOK million

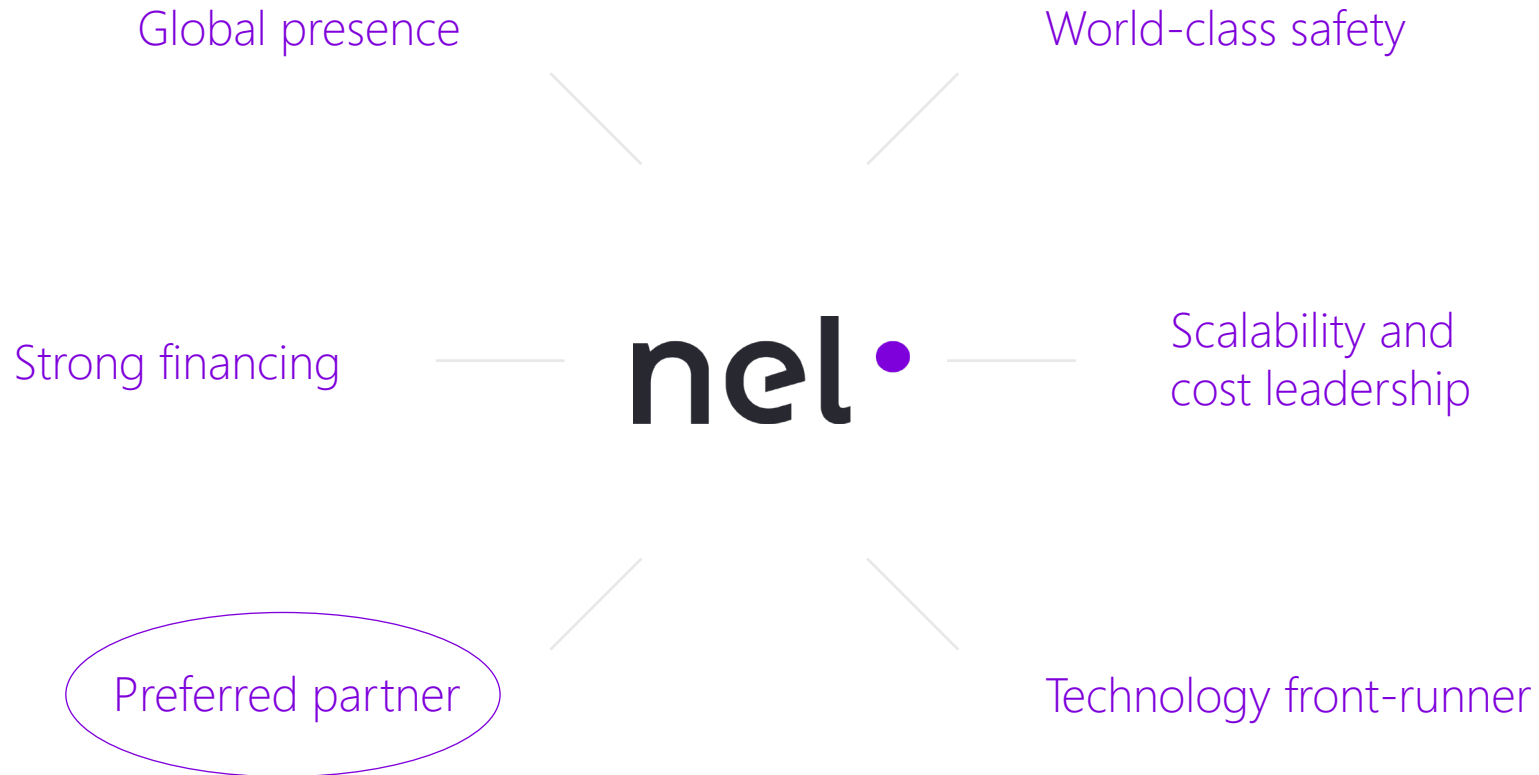


Solid order backlog

- Backlog increased sequentially by ~11% in Q1 2021
- 83% growth YoY
- Strong pipeline across segments and industries
- Order intake is expected to vary between quarters as order size increases

Delivering on partnership strategy

Demonstrating our position as a preferred partner



- A firm partnership strategy remains key to success as hydrogen projects are growing in size and complexity
- Long-term commitment to trusted partners across the value chain, with specialist competence in key segments and geographies
- Enter partnerships to strengthen competitiveness to deliver efficient, cost competitive, and reliable, large-scale projects to customers

\$1.50/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

Capacity expansion at Herøya on track



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 of **~500 MW**



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



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



Test production in new line and start of ramp-up Q3 2021 – on track:

- 33,000 manhours completed
- Installation of production line commenced
- Good results from verification of technology improvements
- No HSE incidents



Standardization to improve cost and reduce delivery-time

Building independent

All main components as skids

All hydrogen safety standards imbedded

Safe work zones and walkways



Pre-fabricated pipe rack

Stacks arriving on skids preassembled

Strategic EPC partners enables complete large-scale solutions globally

Nel scope	EPC scope
Electrolyser system design	Civil works, building
Controls and safeguards	Site infrastructure and utilities
Electrolyser stack	Project management and execution
Power electronics, gas, and electrolyte handling	Piping, cabling
Installation support and commissioning	Installation and construction

- Benefit from joint development over time and common targets and KPIs
- Building execution muscle
- Standardized turn-key solutions
- Single-purpose vehicle
- Multi discipline engineering and fabrication
- Develop supply chain and frame contracts
- Project execution resources and processes
- EPC partners can support execution also on Nel scope

PARTNERSHIP STRATEGY

Partnership with Wood to develop and execute large-scale, complex hydrogen projects

- Global footprint with offices in 60 countries and 40,000 employees worldwide
- A global leader in consulting and engineering across the energy industry
- Providing consulting, projects, and operations solutions
- Global engineering and project implementation capabilities to support partners like Nel

wood.



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PARTNERSHIP STRATEGY

Partnership with Aibel to develop and execute large-scale, complex hydrogen projects

- Leading service company within the oil, gas, and offshore wind industries
- 4 000 employees located in Norway and Southeast Asia
- Operates yards in Haugesund and Thailand for prefabrication and modularization
- Deliver engineering, construction, modifications, and maintenance solutions

aibel[®]



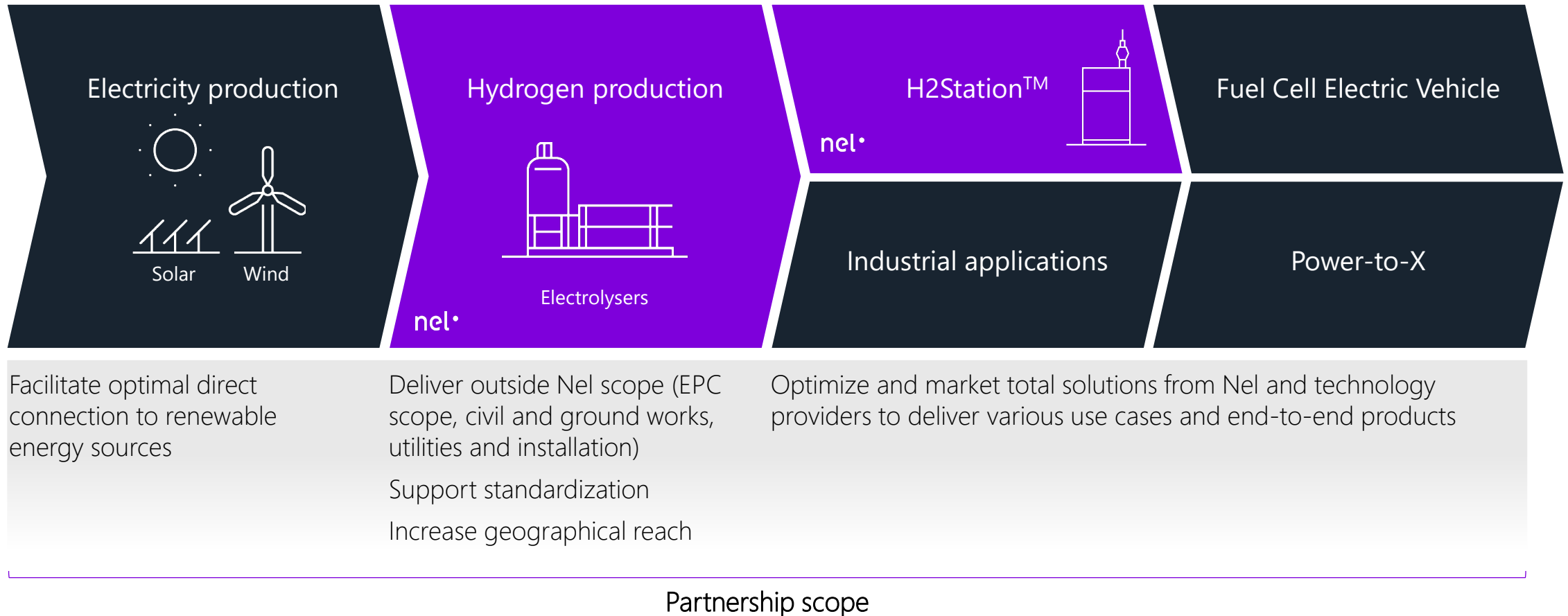
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Partnerships with major EPC companies Aibel and Wood to strengthen Nel's global delivery and project execution capabilities



- Long-term framework agreements to jointly develop and deliver large scale, renewable hydrogen projects
- Strengthen Nel's global delivery capability and project execution muscle
- Preferred partners covering multiple geographies and disciplines
 - Experience from large, complex projects worldwide
 - Strong project management and execution capabilities
 - In-house construction expertise and experience in fabrication and modularization

Establishing partnerships to deliver across the entire green hydrogen value chain



Joining forces with Haldor Topsøe for delivery of end-to-end green ammonia and methanol solutions



- Signed MoU with intent to offer customers end-to-end green ammonia and methanol solutions
- Delivery of complete solutions to customers, based on demonstrated technologies available today
 - Nel to offer alkaline and PEM electrolysis technology, proprietary hardware, and subsystem engineering
 - Haldor Topsøe to supply engineering, proprietary hardware, catalyst, and technical service for methanol and ammonia technologies
- Total offering of basic engineering, license and process guarantee in one package

Collaboration with First Solar to develop integrated PV-hydrogen power plants



- Collaboration to develop an integrated power plant control and SCADA system
- Network architecture to enable optimization of PV-electrolyser hybrid projects
 - Resulting in lowest total cost of hydrogen and electricity
- Combination of proprietary technology
 - First Solar designs, manufactures, and market solar PV modules
 - Nel develops and manufactures Alkaline and PEM electrolysers for onsite hydrogen generation

Other key developments

KEY DEVELOPMENTS

Approval of 20 MW electrolyser contract for green hydrogen production for Everfuel A/S

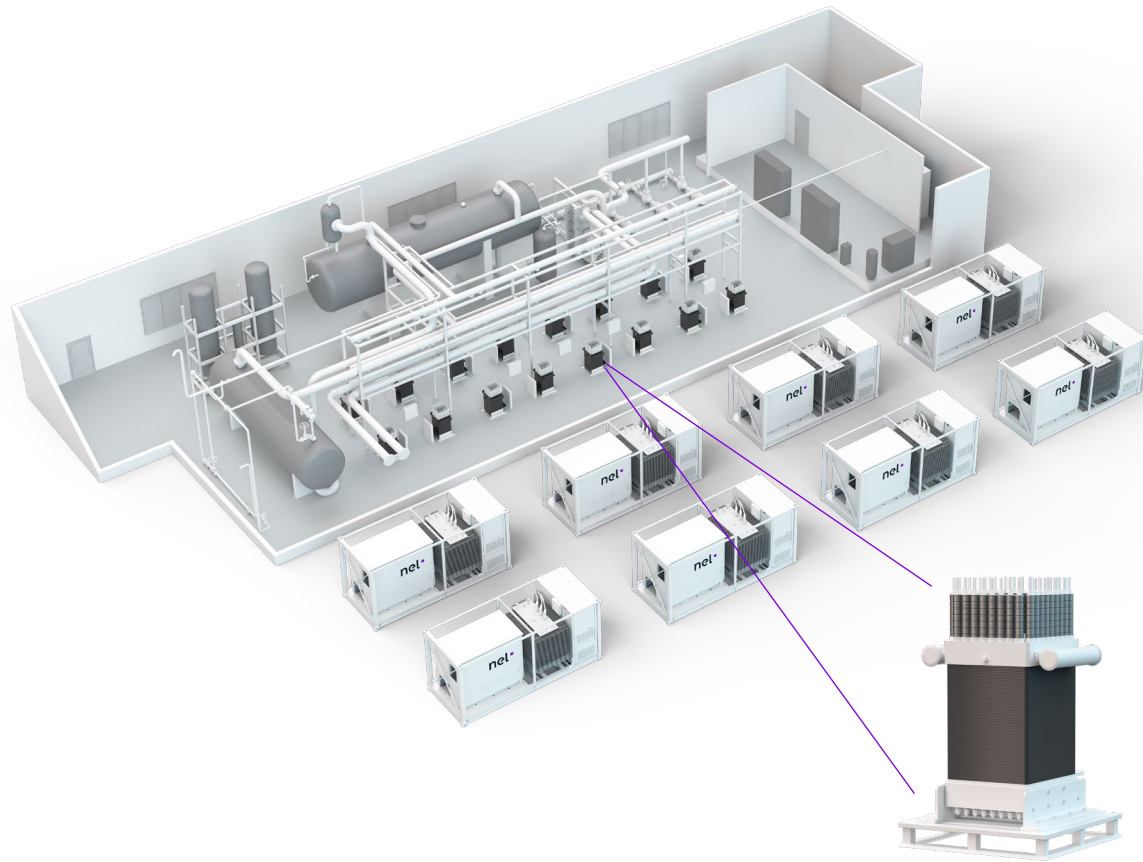


H2Synergy 20 MW plant; Image credit: Everfuel

- Nel awarded a 20 MW electrolyser contract for the green hydrogen production facility adjacent to the Federica refinery
- The facility will have a production capacity of up to 8 tonnes per day, based on renewable wind power
- The contract was approved by the Board of Directors in January 2021 and has a value of EUR 7.2 million

KEY DEVELOPMENTS

Signed agreement with Iberdrola for the supply of 20 MW PEM to support green fertilizer project in Spain



- 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
- Purchase order value of EUR 13.5 million

KEY DEVELOPMENTS

Order for four additional H2Stations™ modules from Iwatani



Image credit: Toyota USA

- Purchase order for four additional H2Station™ modules
- Value in excess of NOK 40 million
- For fueling of light-duty vehicles in California
- Additional order to the 14 H2Station™ modules ordered from Iwatani in 2020 with value in excess of NOK 150 million

Purchase order for 2 MW PEM electrolyser from H2 Energy

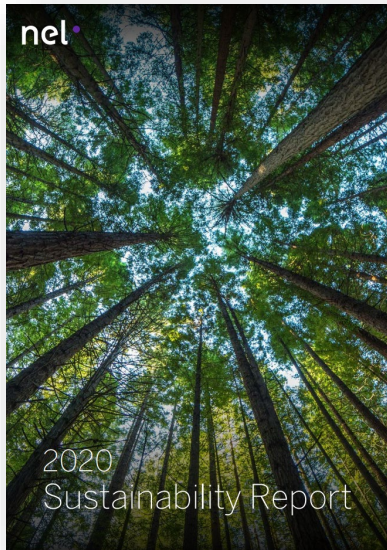


- Nel received purchase order for a 2 MW fully containerized MC400 electrolyser from H2Energy
- The electrolyser is the second system to be delivered as part of the green hydrogen infrastructure network that is supplying hydrogen to the first 46 Hyundai trucks already operating in Switzerland
 - Total of 1 600 hydrogen trucks to be deployed
- The system will be filling 350 barg trailers directly at site to dispatch the hydrogen to the Hydrosponder fueling stations network in Switzerland

Summary and outlook

Sustainability at the core

Vision: Empowering generations with clean energy forever



2020 Sustainability report

In accordance with GRI standards, supplemented by considerations found in TCFD and Euronext, focusing on three of UN's SDG



Launch of Sustainability hub

Check out nelhydrogen.com/sustainability/ to learn more about how sustainability is incorporated into strategic decision-making processes

EU Taxonomy – Positive outlook for Nel's integration of sustainability

- Nel's business activities deemed to be "substantially contributing to climate change mitigation" and therefore classified similarly to renewable energy – indicating a positive outlook for compliance
- Important enabler for accessing funding for customers' projects

Reiterating 2021 guidance: Investing to maintain leadership in a growing market



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**

The global leader within hydrogen technologies

Proven track record and established market leader

- Pure play, independent hydrogen technology company
- Decades of experience in PEM and alkaline electrolyser platforms
- Technology leadership

Scalability and cost leadership

- First to announce ambition to deliver green hydrogen cost target of \$1.5/kg by 2025, reaching fossil parity
- In process of installing a ~500 MW electrolyser production capacity in Norway, 5 times the 2019 global market
- Will add capacity when required by the market

Independent player with strong partnership strategy

- Global delivery and execution capabilities for large-scale, complex projects
- Partnerships for development of complete applications for end-users
- Preferred partner across the green hydrogen value chain

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Q&A

number one by nature