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Agenda

• Nel in brief
• Q2 highlights & financial review
• Herøya capacity expansion
• Key developments
• Hydrogen developments in Europe
• 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 electrolysers**
Wallingford, USA

- Systems delivered: 2,700+
- Production capacity: >50 MW/year
- History: 23 years

**Alkaline electrolysers**
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
Nel is the largest electrolyser manufacturer worldwide

The world’s largest electrolyser manufacturers
Ranked by 2020 revenues

Source: Company websites, 2020 annual reports, estimates and market intelligence
Q2 highlights & financial review
Q2 2021

Highlights

Financial results and financing

**Revenues**

**NOK 164 million**

Up 10% from NOK 148.6 million in Q2 2020

**EBITDA**

**NOK -120 million**

Decrease from Q2 2020

**Order backlog**

**NOK 1078 million**

Slightly up vs. same quarter last year (Q2 2020)

**Order intake**

**NOK 147 million**

Driven by strong industrial sales

**Cash balance**

**NOK ~3.1 billion**

Support Nel’s leading position and accelerated investments in technology and organization

Key developments

- 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
- Signed frame agreement with Howden for supply of hydrogen compressors
- Joined initiative for fossil free steel rolling/milling with partners Ovako, Volvo, Hitachi ABB Power Grids Sweden and H2 Green steel

Subsequent events

- Joins PosHydon Consortium for offshore green H2 production integrated with offshore wind and natural gas
- PO for 1.25MW containerized PEM electrolyser for carbon free nuclear generation in the US
- PO from Everfuel for a H2Station™ for fleet of taxis in Aarhus, Denmark
- Enters development agreement for decentralized energy generation and storage with SFC Energy
## Financial highlights

<table>
<thead>
<tr>
<th>(NOK million)</th>
<th>2021 Q2</th>
<th>2020 Q2</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>163.7</td>
<td>148.6</td>
<td>651.9</td>
<td>569.7</td>
<td>489.0</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>312.8</td>
<td>220.6</td>
<td>1 066.4</td>
<td>823.3</td>
<td>685.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-120.3</td>
<td>-48.7</td>
<td>-251.5</td>
<td>-178.1</td>
<td>-131.6</td>
</tr>
<tr>
<td>EBIT</td>
<td>-149.1</td>
<td>-72.0</td>
<td>-414.5</td>
<td>-253.6</td>
<td>-196.1</td>
</tr>
<tr>
<td>Pre-tax income (loss)*</td>
<td>-314.1</td>
<td>596.3</td>
<td>1 245.5</td>
<td>-277.2</td>
<td>-197.5</td>
</tr>
<tr>
<td>Net income (loss)*</td>
<td>-312.3</td>
<td>596.4</td>
<td>1 261.9</td>
<td>-269.7</td>
<td>-188.8</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>-47.1</td>
<td>-51.2</td>
<td>-215.9</td>
<td>-199.7</td>
<td>-142.8</td>
</tr>
<tr>
<td>Cash balance at end of period</td>
<td>3 074.0</td>
<td>2 566.1</td>
<td>2 332.9</td>
<td>526.0</td>
<td>349.7</td>
</tr>
</tbody>
</table>

* Q2 2021 includes a positive fair value adjustment of the shareholding in Nikola Corporation of NOK 40.0 million (a value of USD 18.06 per share as of June 30, 2021). The fair value adjustment was NOK 675.6 million and NOK 100.2 million in the second quarter 2020 and full year 2020, respectively. 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.

* Q2 2021 includes a negative fair value adjustment of the shareholding in Everfuel of NOK -212.9 million (a value of NOK 70.10 per share as of June 30, 2021). The fair value adjustment was NOK 0.0 and NOK 1 531.8 million in the second quarter 2020 and full year 2020, respectively. 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.
Negative effect on Q2 EBITDA & earnings

- EBITDA significantly 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, full cost without any revenue (yet)
  - 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 for the remaining of 2021
Solid backlog

Order backlog by quarter
NOK million

- Backlog flat from last quarter, up slightly vs. Q2 2020
- Strong pipeline across segments and industries
- Order intake is expected to vary between quarters as order size increases
Herøya capacity expansion
HERØYA CAPACITY EXPANSION

$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
Game-changing expansion at Herøya on track

- Fully automated and designed according to lean manufacturing and industry 4.0 principles
- Industrial scale production of most efficient electrolysers in the market, at a game-changing cost
- Large scale production line, name plate capacity of more than 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
Capacity expansion – on time and on budget

Production start and ramp-up on time for Q3:

- 45,000 manhours completed
- HSE: Zero Total Recordable Incidents (TRI)
- Installation completed to plan
- Factory Acceptance Tests (FAT) completed to plan
- Operations team on schedule to take over the production facility
- Production for Nikola and Everfuel will commence in Q4
Herøya expansion on track – virtual tour
Key developments
KEY DEVELOPMENTS

Purchase order for 2 MW PEM electrolyser from H2 Energy

- Nel received PO 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 bar trailers directly at site to dispatch the hydrogen to the Hydrosider fueling stations network in Switzerland

Image source: Hyundai Motor Company
Purchase order for 1.25MW containerized PEM electrolyser in the US

- Nel received PO order for 1.25MW containerized electrolyser to be installed at a nuclear power plant in the US
- The MC250 will be the first PEM electrolyser at a nuclear plant in the US configured for dynamic dispatch
- Demonstrate future potential for use of hydrogen at nuclear plants
- The PO has a value of USD ~2.6 million and will be delivered in 2022
- Project is supported by the Department of Energy through the H2@Scale Program
Partnership with SFC Energy for integrated electrolyser and H2 fuel cell systems

KEY DEVELOPMENTS

• Integrated electrolyser and fuel cell systems for decentralized energy generation and storage, based on mature, proven technology from Nel and SFC Energy

• Significant contribution to emission reductions through replacement of diesel generators with more efficient hydrogen fuel cell and electrolyser systems

• Potential for applications in a power range of up to 500kw - on par with industrial diesel generators

• Market for stationary and semi-stationary fuel cells coupled with H2 production could grow to EUR 15bn by 2030 in Europe alone
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
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 markets solar PV modules
• Nel develops and manufactures Alkaline and PEM electrolysers for onsite hydrogen generation
Nel joins initiative with market leaders to develop local hydrogen production

- Local hydrogen production in Hofors, Sweden
  - With Ovako, Volvo Group, Hitachi ABB Power Grids Sweden, H2 Green Steel – supported by the Swedish Energy Agency
- First plant in the world to heat steel with H2 prior to rolling
  - Reduction of CO$_2$ from steel production
  - Stabilize power systems – frequency and stability to the grid
  - Enabling large scale and cost-effective production of hydrogen applications
- Unlocking future potential for replication in different locations across Europe
Hydrogen developments in Europe
The IPCEI scheme will be an important accelerator for large-scale hydrogen projects in Europe

- IPCEIs established to accelerate the hydrogen technology & markets in Europe
- Promoting cross-boarder R&D and industrial projects of particular importance for European development
- State aid funding of up to 100 % of the eligible cost possible
- Funding includes OPEX expenses
- Nel is proactively building partnerships and participating in the market through commercial tenders
- Nel is eligible for >80 projects of the ~140 projects shortlisted
The Fit for 55 Package manifests Europe’s leadership in green hydrogen

- 3000-page report – hydrogen mentioned ~1000 times
- By 2030, half the fossil hydrogen will have to be replaced with renewable hydrogen
- Roll-out of hydrogen fueling stations, minimum one station available every 150km along the Trans-European Transport Network and in every urban node
- EU ETS proposal to include the production of renewable hydrogen under EU emissions trading scheme (eligible for free allowances)

The proposals will be discussed in the European Council’s working parties before engaging with the European Parliament for a final adoption of each legislative act
Hydrogen Europe continues to take a proactive role in driving the acceleration of hydrogen in Europe

New Vision & Mission

**Vision:** Hydrogen Europe is propelling global carbon neutrality by accelerating European hydrogen industry

- European hydrogen and fuel cell association representing more than 220 industry members, increasingly expanding
- Contributing to making Europe the leading region globally for green hydrogen technologies
- Manifesting Nel’s continued leadership in the industry
Summary and outlook
Reiterating 2021 guidance: Investing to maintain leadership in a growing market

SUMMARY AND OUTLOOK

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
SUMMARY AND OUTLOOK

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
• Imminent start up of >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
number one by nature