Capital Markets Day

January 21, 2021

Welcome

Leila Asdal Danielsen
Brand Manager

Forward-looking information

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Programme

Q&A

Summary and outlook
Jon André Løkke, CEO

Financials & ESG
Kjell Christian Bjørnsen, CFO

Next generation technologies
Anders Søreng, CTO

Guest speaker
Joseph S. Cappello, Iwatani Corporation of America

Break
15 minutes

The global market leader
Jon André Løkke, CEO

Taking electrolysis to GW-scale
Erik Løkke-Øwre, VP Operations Alkaline

Nel electrolyser activities
Filip Smeets, SVP Electrolyser

Guest speaker
Mikael Nordlander, Vattenfall/HYBRIT

Nel fueling station activities
Jørn Rosenlund, SVP Fueling

The global market leader

Jon André Løkke
Chief Executive Officer

This is Nel

Nel is a global, dedicated hydrogen technology company that delivers optimal solutions to produce, store and distribute hydrogen from renewable energy

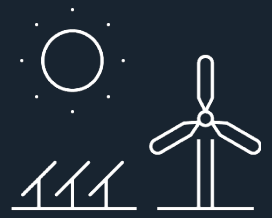
We serve a range of different customers with leading hydrogen technologies and we continuously improve our product offering to maintain a leadership position and remain in the forefront of the development

Green hydrogen approaching fossil parity – game-changer across applications and markets

Hydrogen is compressed and cooled in the H2Station™ ready for fueling through the dispenser

Hydrogen fueling is relevant for both light duty vehicles (LDV) and heavy-duty vehicles (HDV)

Electricity production



Electricity is generated from wind or solar

Hydrogen production

Electricity is used to split water (H_2O) into hydrogen and oxygen

H2Station™

Green hydrogen has a massive potential to decarbonise industries, i.e. ammonia and steel

Fuel Cell Electric Vehicle

Industrial applications

Power-to-X

Hydrogen is expected to become relevant within all forms of industry, energy storage, heating, energy export and new applications

VISION

Empowering generations with clean energy forever

MISSION

We deliver optimal solutions to produce, store, and distribute hydrogen from renewable energy


Simplicity

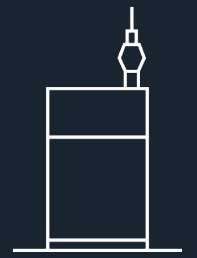

Simplicity
VALUES
Commitment
Honesty
Boldness

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

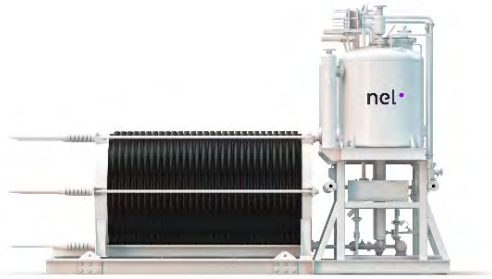


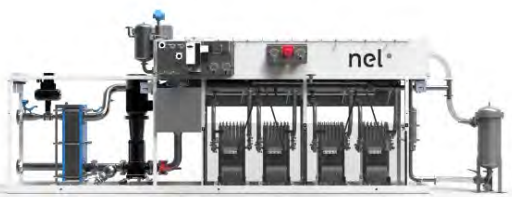
Leading manufacturer of hydrogen fueling stations, with 110+ H2Station™ solutions delivered/in progress to 13 countries

The front runner within hydrogen technologies

Alkaline and PEM electrolysers

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 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**

Building a world-class organization

Chief Executive Officer
Jon Andre Løkke

Chief Financial Officer
Kjell Christian Bjørnsen

Chief Technology Officer
Anders Søreng

Chief HR Officer
Caroline Duyckaerts

SVP Corporate Projects
Hans Hide

VP Group Legal
Stein Over Erdal

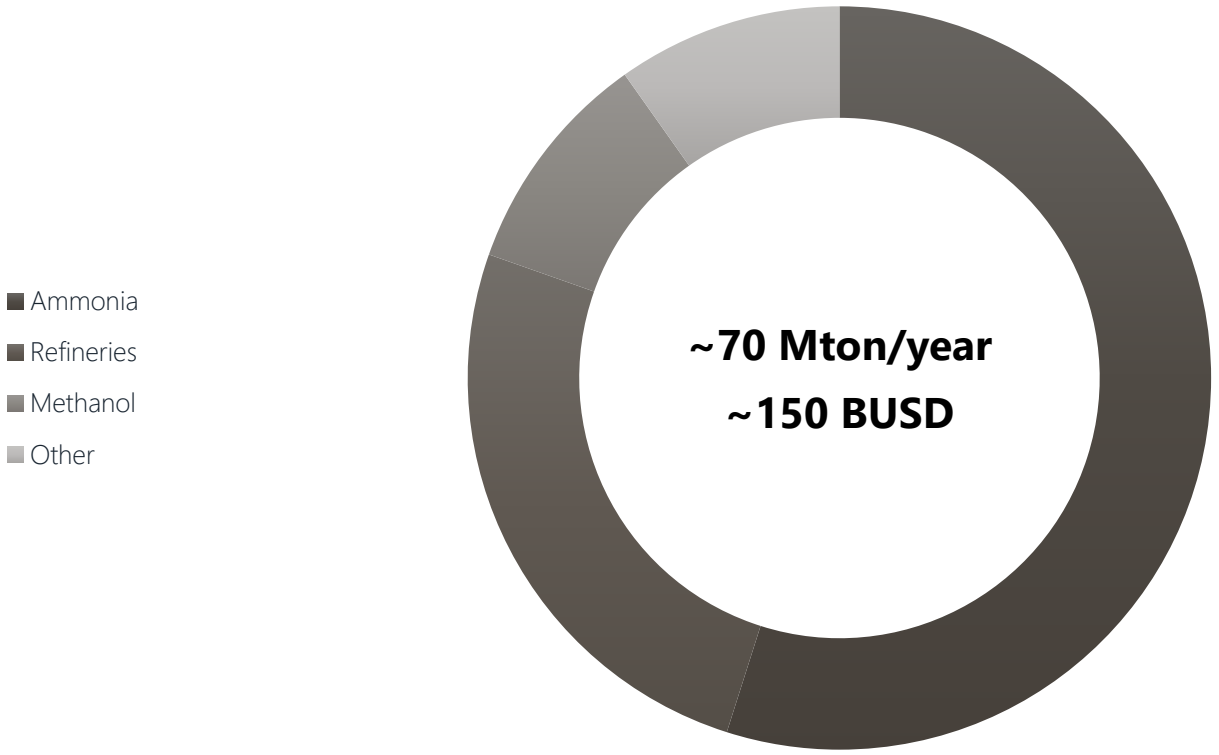
SVP Electrolyser
Filip Smeets

SVP Fueling
Jørn Rosenlund

The hydrogen opportunity

Large opportunities for electrolysis within existing hydrogen market

Global hydrogen market by end use



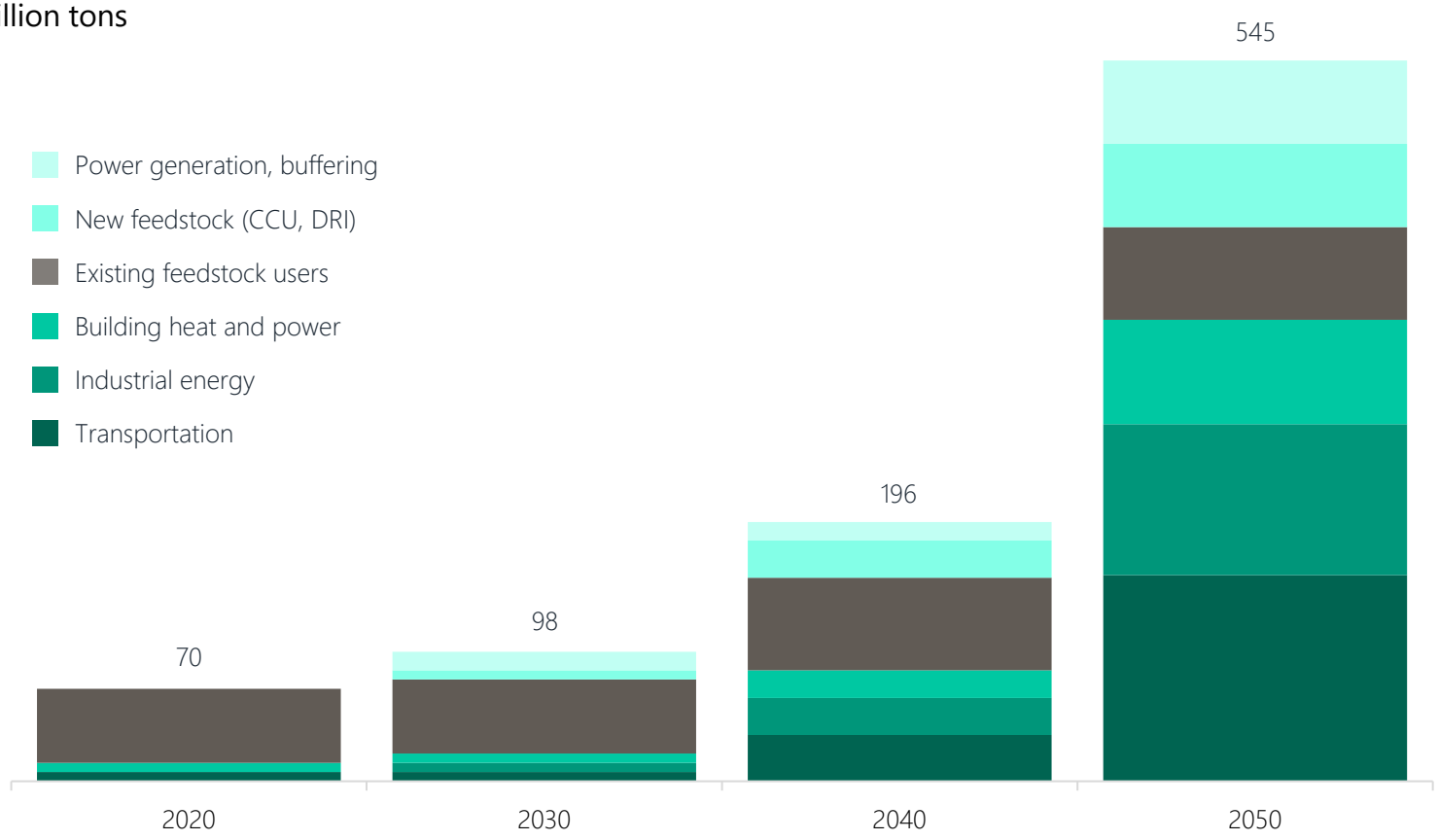
- Currently only 1% from water electrolysis
- Large growth potential driven by increasing focus on climate and renewable energy, decreasing both electricity prices and electrolyser capex
- Focus on renewable hydrogen for refineries and ammonia, accounting for ~80% of market
- Electrolysis set to take larger share of overall hydrogen market. Annual electrolyser market potential of >$20 billion/year within existing hydrogen market alone

Source: 2020 estimates by Hydrogen Council (2017)

Overall hydrogen market set to grow by 8x

Global energy demand supplied with hydrogen

Million tons



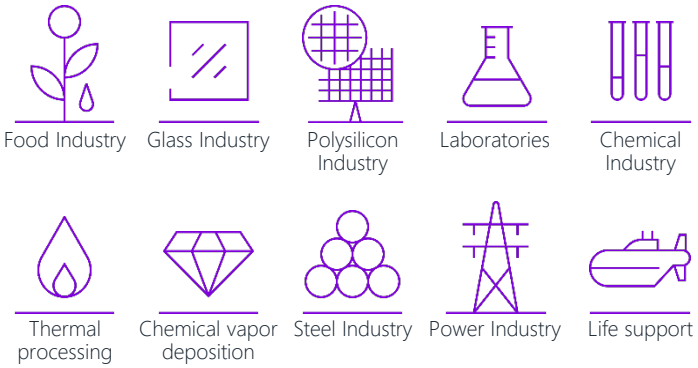
Source: Hydrogen Council

Growing hydrogen demand primarily driven by:

- Regulations to lower surplus demand for fuel
- Decreased crude quality – requires more hydrogen for processing
- Electrification of transport sector
- Move from coal to hydrogen for various industries
- As electrolysers start from a small base, this market potential will grow by >800x

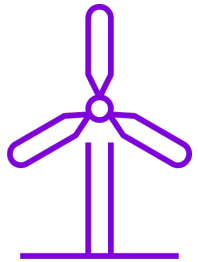
Hydrogen is expanding its areas of application

Industrial applications



- Niche industrial applications represents "traditional" hydrogen markets
- Steady demand for hydrogen

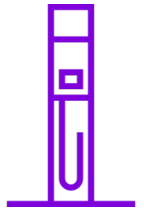
Power-to-X



Renewable hydrogen

- Decreasing cost of renewables and electrolysers is accelerating market
- Vast opportunities within existing & new sectors

Mobility



Transportation

- Key market going forward – both within hydrogen production and fueling
- Heavy duty sector developing faster than anticipated – hydrogen now relevant fuel for all forms of mobility

Steady growing market

Markets expected to see fast growth going forward

Strong tailwind for hydrogen solutions

1

Strong momentum within mobility, especially within HDV

>2,000 GW electrolysis potential*

IVECO & Nikola partnering in European fuel cell HDV market

Anglo American/ENGIE to develop fuel cell electric mining trucks

Hyundai reveals HDV concept – plan to deliver 1,600 trucks to Switzerland

2

Accelerated focus on industrial hydrogen applications

>2,000 GW electrolysis potential

Ammonia

Refinery

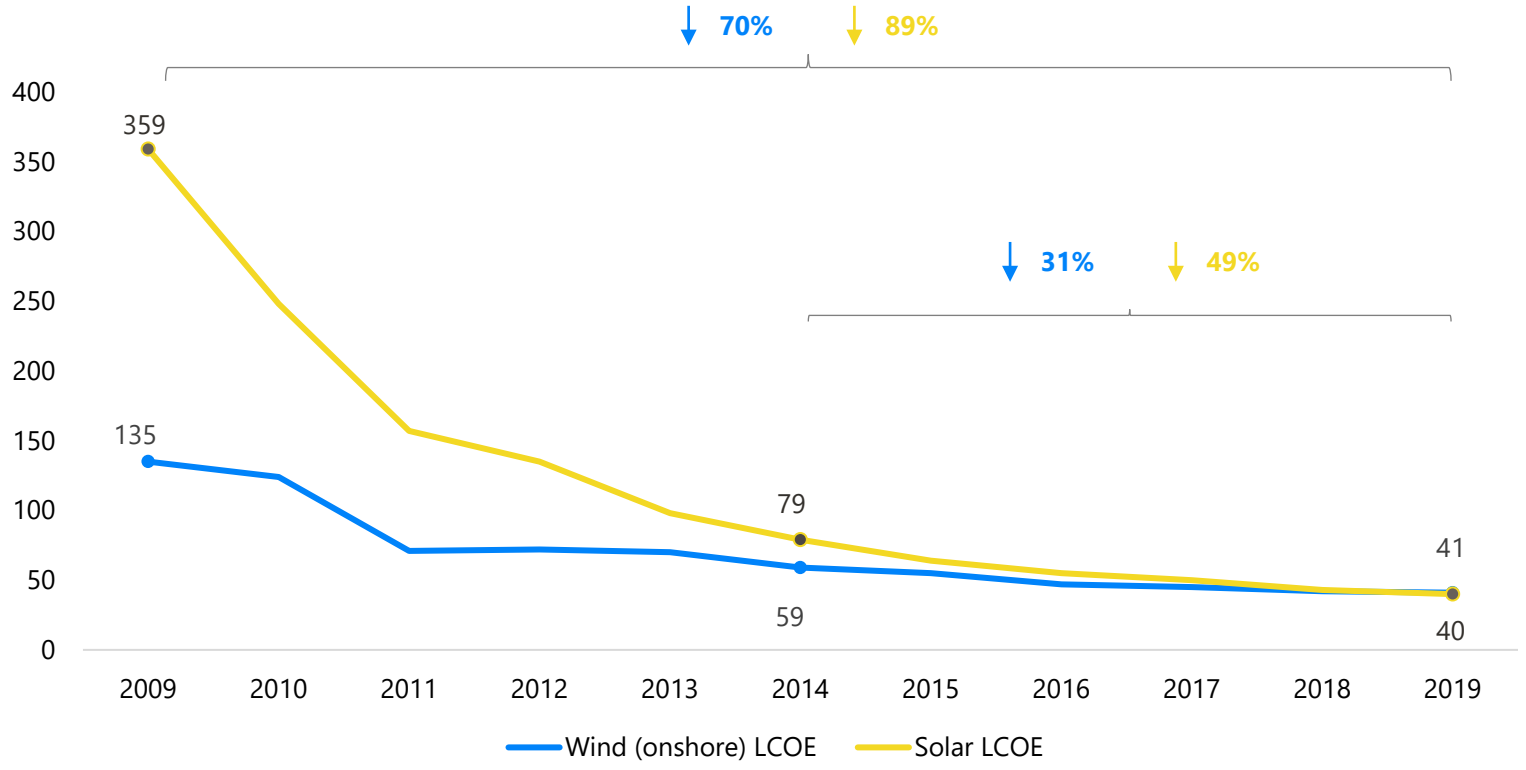
Steel

* At 50% market share. Image credits: Nikola Corporation, Anglo American, Hyundai

Cost of wind and solar dropping significantly – green hydrogen to follow

Global average cost USD

Unsubsidised levelized cost of energy ($/MWh)[2]

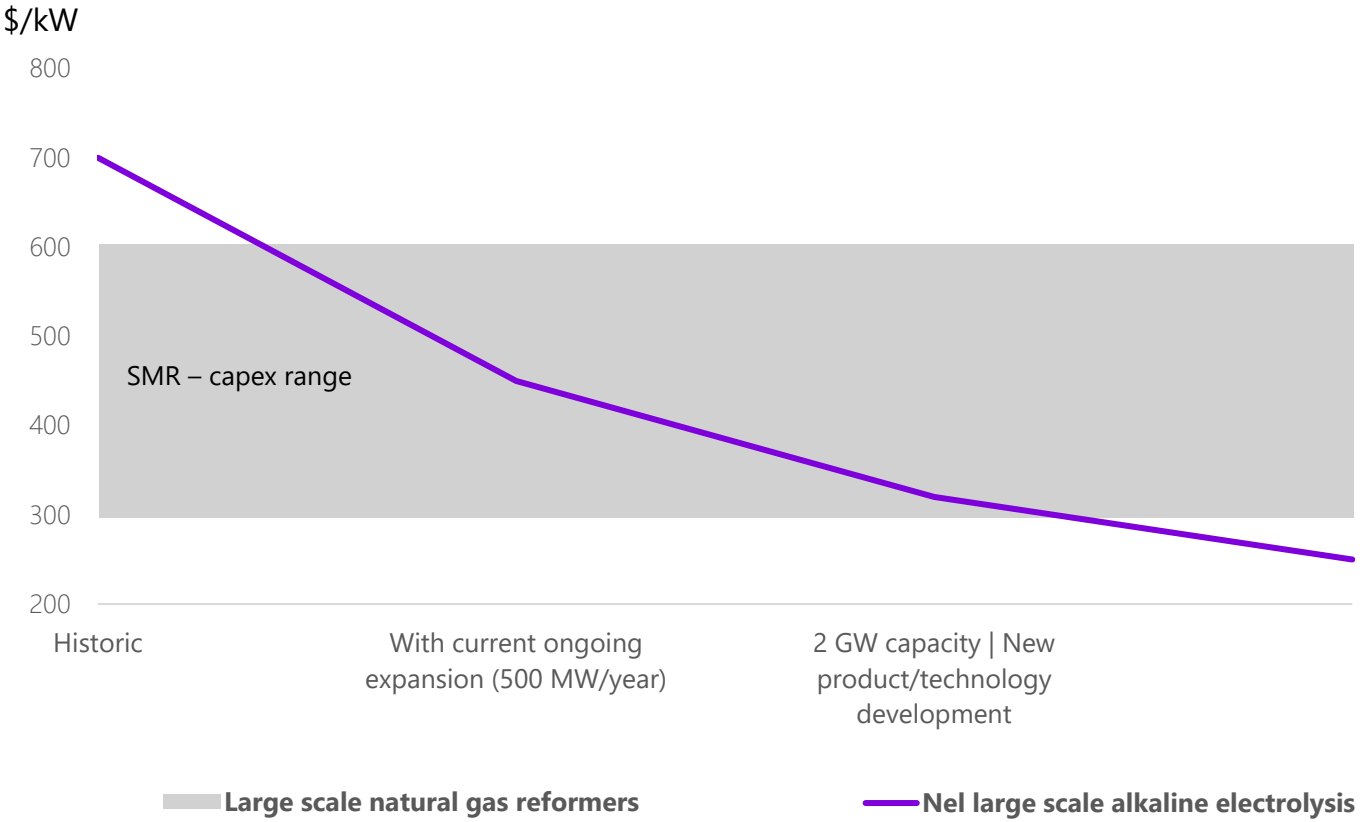


- With falling LCOE[1] of wind and solar prices, renewable hydrogen follows the same path, as electrical power constitutes 70-80% of hydrogen's total cost
- Record low auction prices for solar PV and wind – prices as low as $13.5/MWh and $17.86/MWh respectively [3,4]
- Prices expected to drop further, LCOE of solar PV and onshore wind expected to fall by 71% and 58% respectively[5]
- Renewable hydrogen competitive with fossil fuels at $50/MWh – competitive in most markets at $30/MWh

Sources: [1] LCOE = Levelised cost of energy (total production cost of building and operating electricity-generating plant, [2] Lazard; Renewables Now, [3] PV magazine, [4] IRENA (International Renewable Energy Agency, [5] BloombergNEF New Energy Outlook 2018

Growth in renewable hydrogen will accelerate with reduced capex for electrolysers

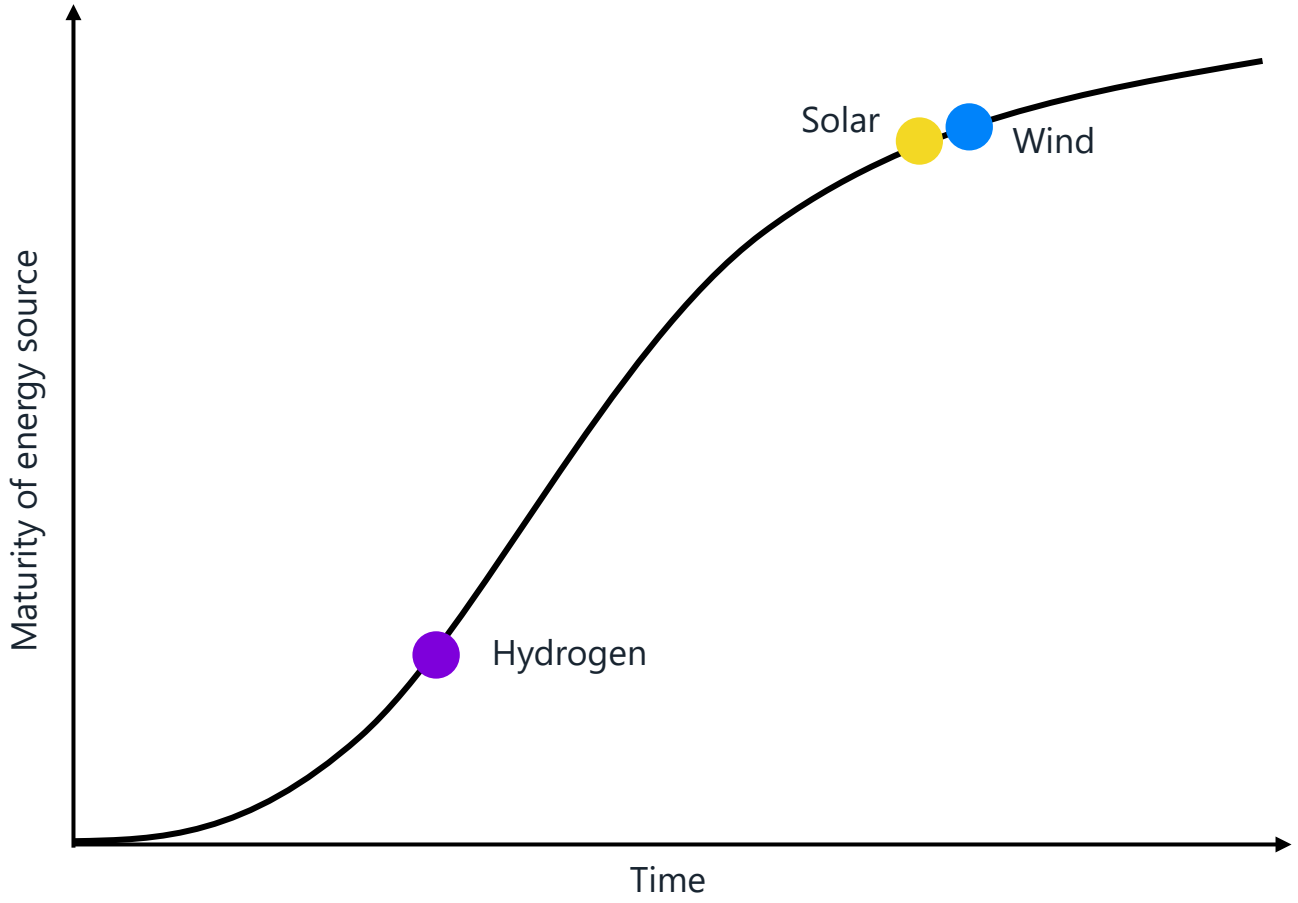
Capex of steam methane reformers (SMR) vs. Nel's alkaline electrolysers



- Steam methane reforming (SMR) dominates hydrogen production using natural gas and steam
- Nel establishing new manufacturing plant targeting >40% cost reduction – further capex reduction expected due to increased production volume and further size scaling
- Nel targets capex to drop below SMR over time
- Electrolysis expected to be preferred production method if opex (i.e. power prices) is low enough, or at parity, with alternative production methods

Source: Company analysis and projections, hydrogen production plant excluding installation, civil works and building.

Hydrogen technology catching up on maturity curve



- Hydrogen industry potential to become as large as wind and solar today – however, maturity is far behind
- Will see same cost reduction focus
- Increased volumes will reduce costs

1.5 $/kg

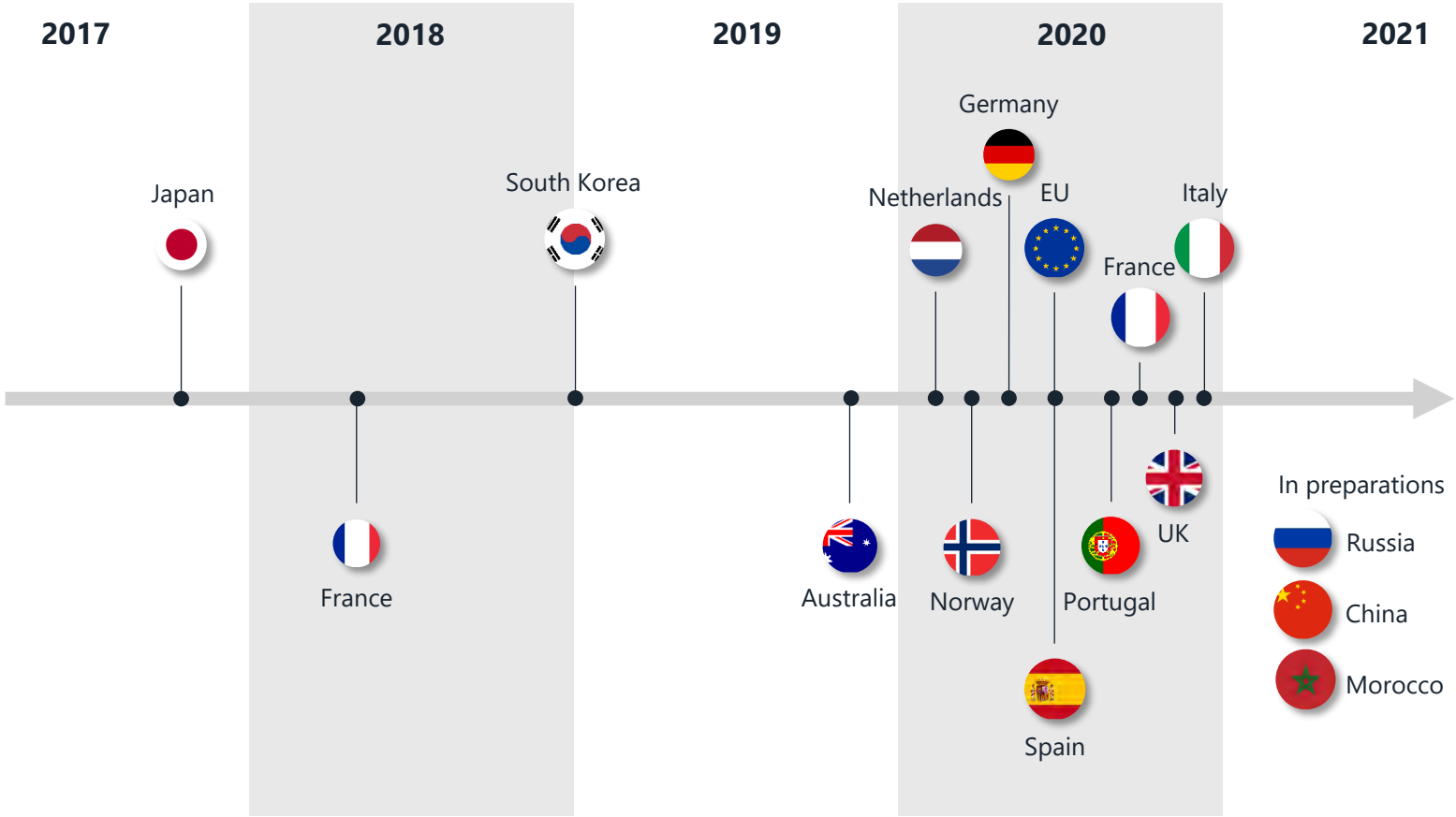
Nel green hydrogen cost target by 2025

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

A regulatory landslide is coming

It was a hot strategic hydrogen summer

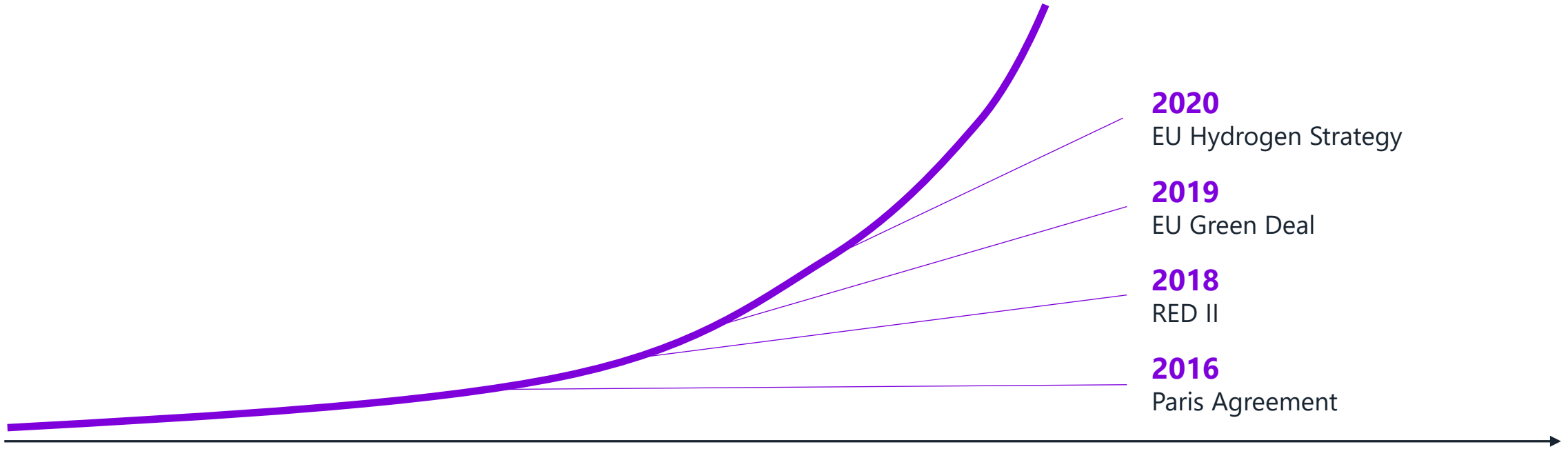
Multiple countries publishing their hydrogen strategies



- Hydrogen strategies expected in countries representing over 80% of global GDP by 2025
- Green hydrogen central to all strategies
- Initial applications focus on transport and industry sectors
- Refineries and chemical first important large-scale hydrogen markets mid-term

Source: Kearney Energy Transition Institute Analysis

We have reached a tipping point in policy awareness

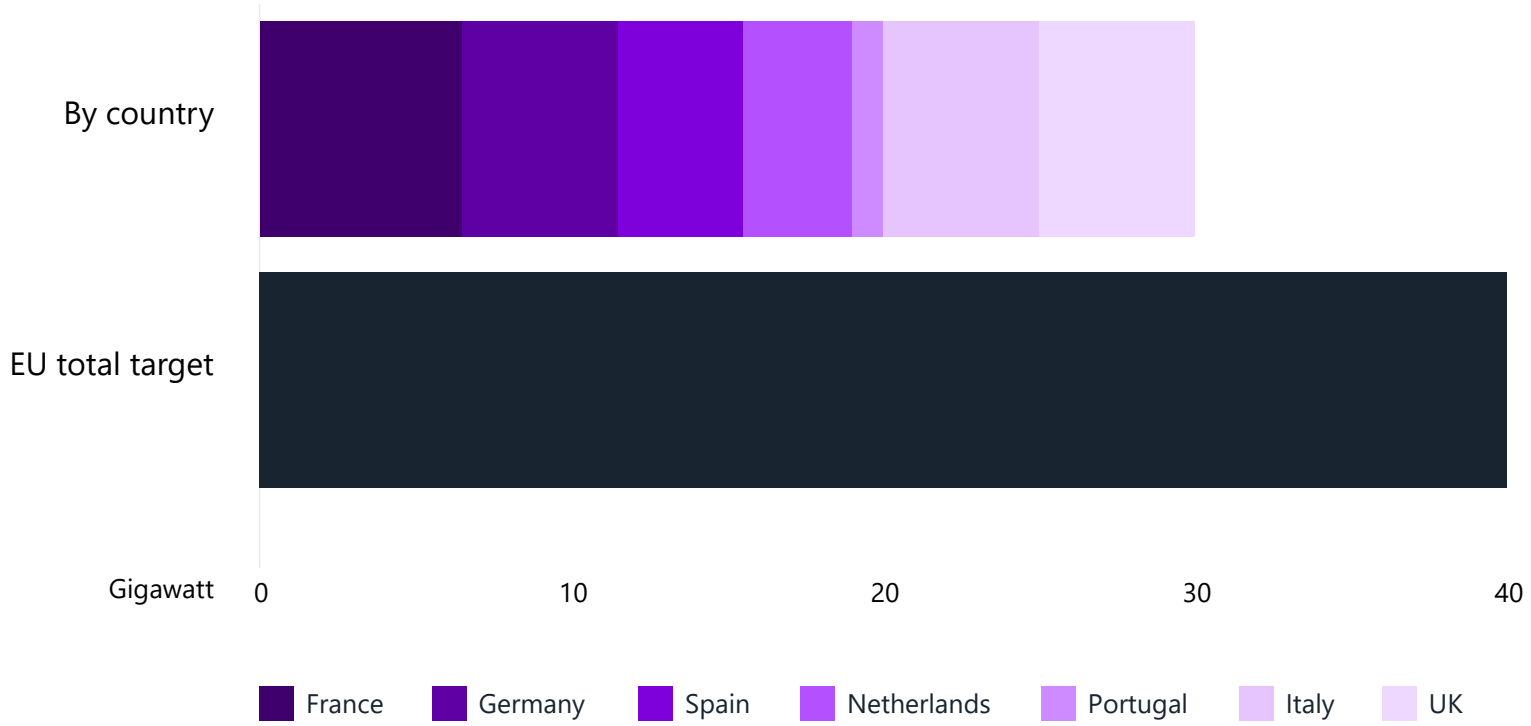


2010		2020		2030
kW scale	→	MW scale	→	GW scale
Research & Development	→	Technology demonstration	→	Commercial projects
Technology push measures	→		→	Market pull measures
Product embryo´s	→	Project-based business	→	Standard products
Las assemblies	→	Series manufacturing	→	Volume manufacturing

A REGULATORY LANDSLIDE IS COMING

40 B€ market for green hydrogen production in EU until 2030

Pledges in Europe

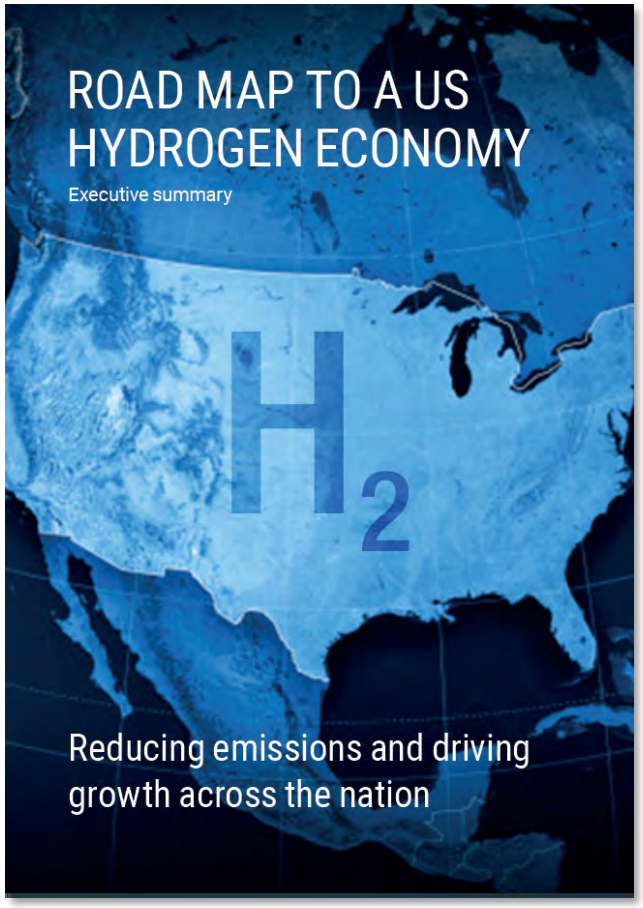


- Europe taking leading role on green hydrogen after launching EU hydrogen strategy
  - 2020-24 Phase 1: 6 GW goal, 2025-30 Phase 2: 40 GW goal, to 2050 Phase 3: Large-scale use of hydrogen
- Country pledges so far amount to >30 GW and EUR >40 billion
- Backed up by support schemes such as the IPCEI-program
- Europe also exploring possibilities for deployment of 40 GW in surrounding regions
- Supporting legislation changes (grants, permits, electricity tariffs) and concrete projects required to deliver on ambition

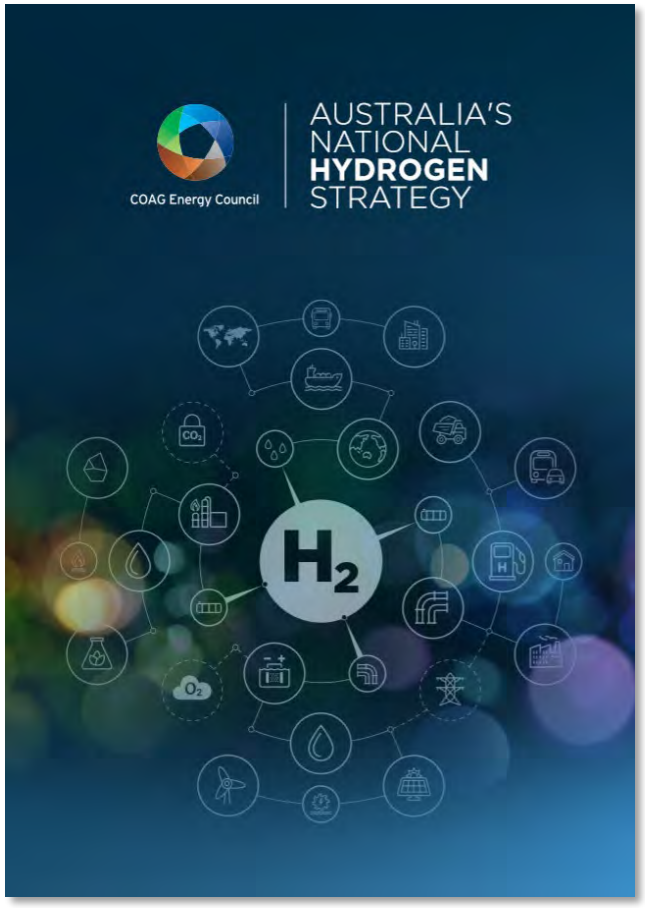
Sources: BloombergNEF, H2View

A REGULATORY LANDSLIDE IS COMING

USA and Australia to follow suit



Published March 2020



Published December 2019

US foresees 6 M tons added annual hydrogen capacity needed by 2030

- Equals ~40 GW electrolyser capacity if hydrogen is provided from renewable sources
- New administration more positive towards green technologies

Australia launched massive green hydrogen ambitions to support the hydrogen strategy

- AUD 70 million from Australia Renewable Energy Agency in 2020 to support Australian government's target of "H2 under $2" (equal to USD 1.5)
- 26 GW Asian Renewable Energy Hub in Pilbara launched fall 2020 – target for 23 GW green hydrogen/ammonia production

SUMMARY

Green hydrogen on top of the agenda: represents a large opportunity, but also presents significant challenges and risks

Hydrogen key part of energy transition and deep de-carbonization

Fossil parity reached through reduced costs of renewables and equipment

Targets and incentives in place to accelerate development globally

Increasingly competitive as new players enter the market

Maintaining leadership position increasingly challenging

Large investments in product development and technology

Major organizational growth to support ongoing development

Need to successfully scale-up to execute on large projects in new markets

nel

Programme

Q&A

The global market leader
Jon André Løkke, CEO

Summary and outlook
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Taking electrolysis to GW-scale
Erik Løkke-Øwre, VP Operations Alkaline

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Break
15 minutes

Taking electrolysis to GW-scale

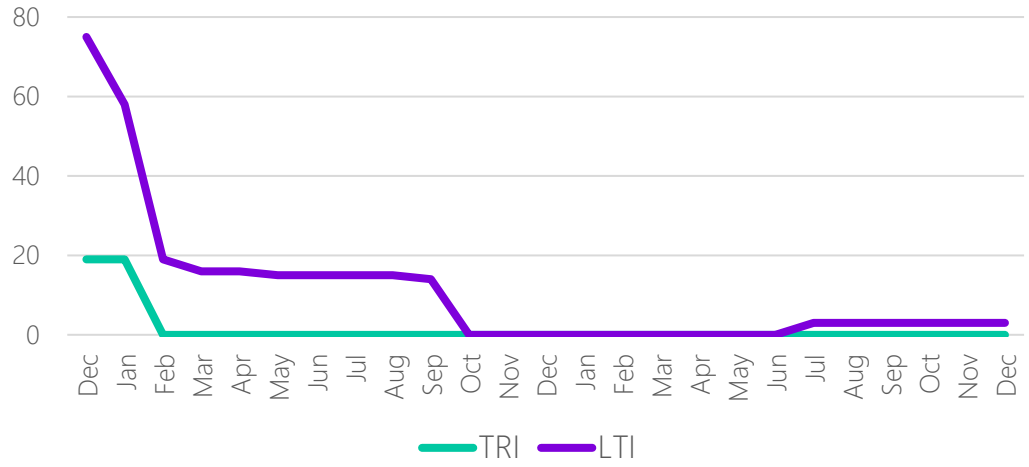
Erik Løkke-Øwre
VP Operations, Alkaline

Safety first

- Zero LTI since February 2018
- Zero TRI since July 2020

- Safety built into the design
- Analysis performed 2019-20 to verify safe design and operations
- **ISO 9001, 14001, 45001 certified**

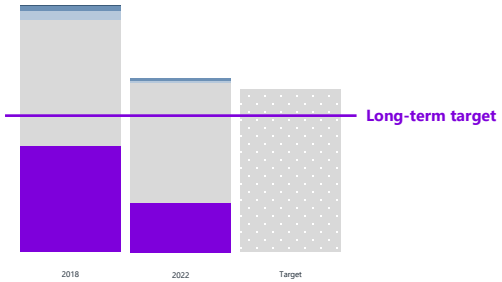
LTI and TRI-rates, Dec 2018 – Dec 2020



TRI: Total Recordable Injuries, LTI: Lost Time Injury. Incidents per million hours worked.

Success factors to achieve world class performance

Understand your business case



1

Culture of continuous improvement

2

Nel Business System (NBS)

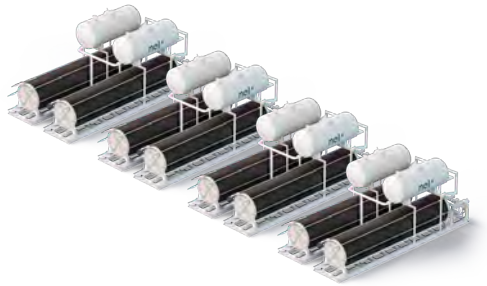
3

Build a world-class organization

Market drive towards large Nel alkaline plants

SOLAR WIND HYDRO

A485 (2.2 MW)



4.4 – 60 MW

100 MW – 2 GW
Nel alkaline target market segment

Market need **Medium term** **Long term**

Large scale electrode production at Herøya

ELECTRODE PRODUCTION AT HERØYA

Capacity expansion at Herøya

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 improvements identified, name plate capacity up **from ~360 to ~500 MW**

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

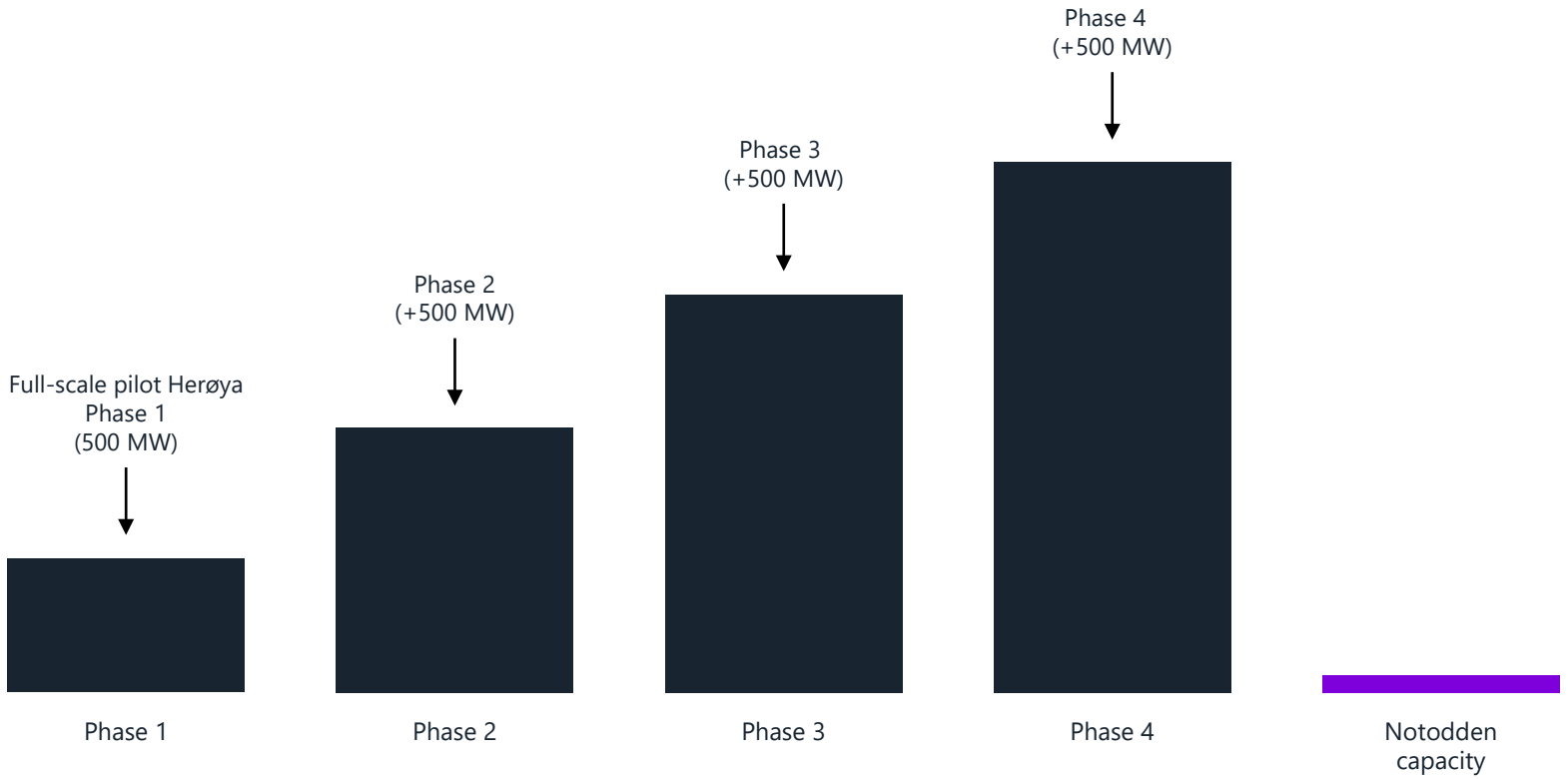
CO_2 reduction potential in line 1 (pilot) of **1.000,000 ton** – with 2 GW, **4-5 million ton**

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

ELECTRODE PRODUCTION AT HERØYA

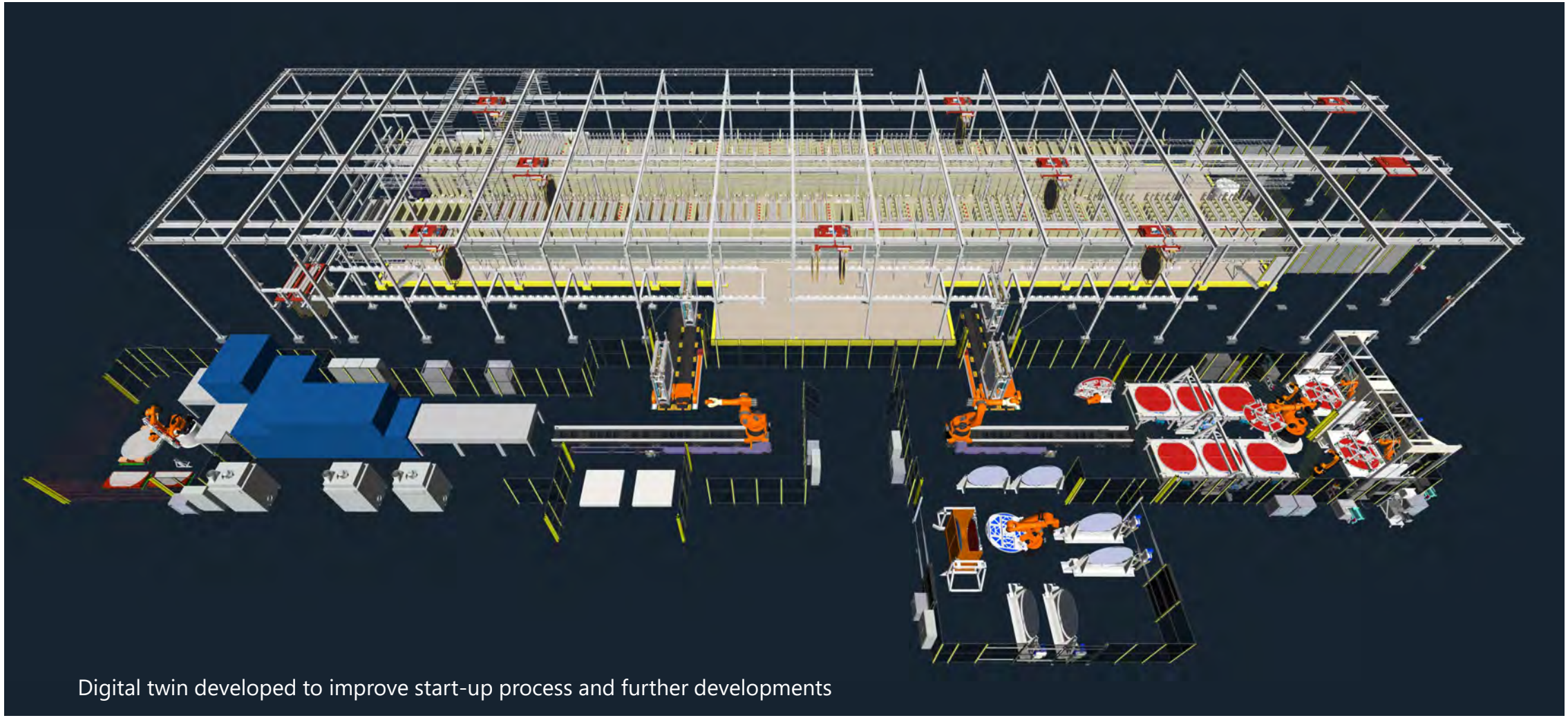
Development of tomorrow's factory starts today

New plant capacity with 24/7 operations



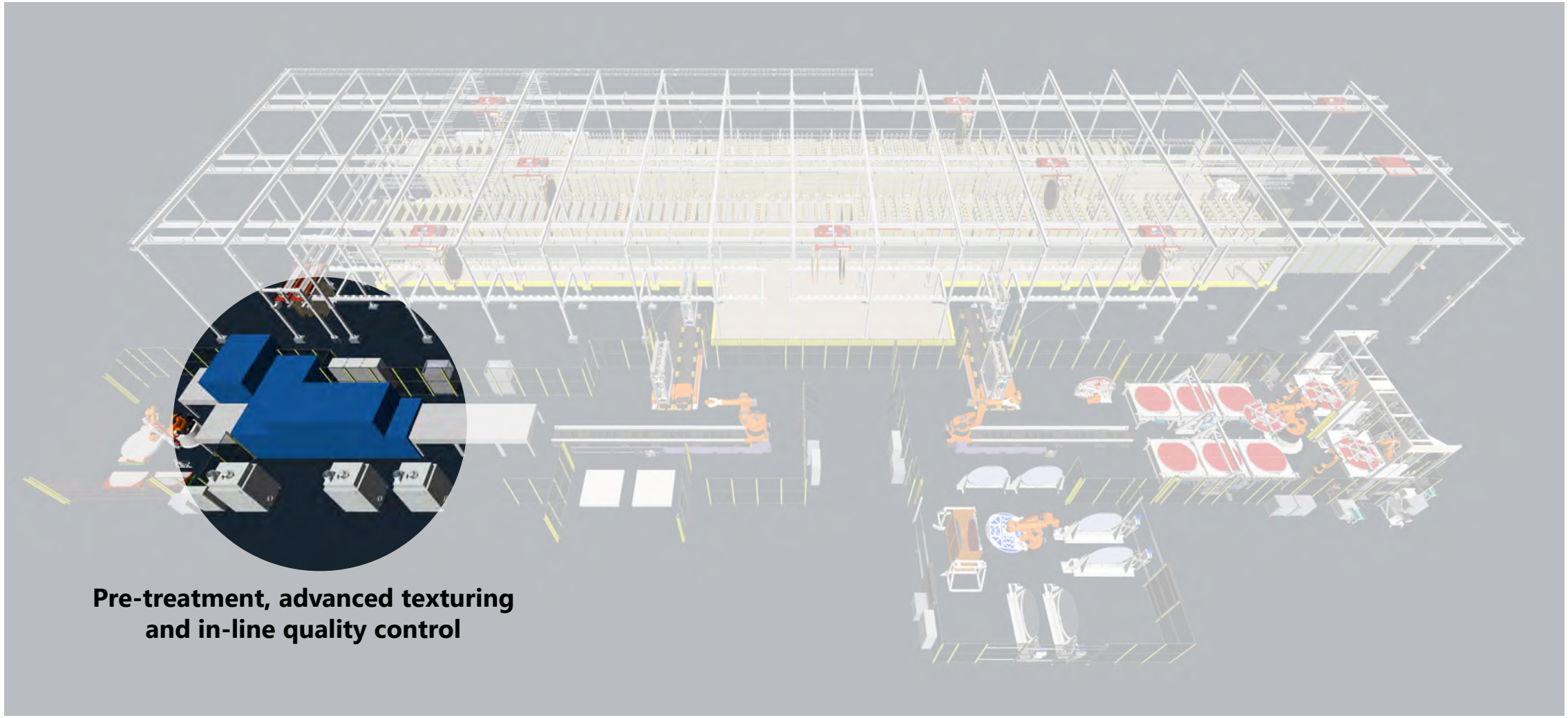
- Notodden current capacity: 40 MW/year
- Full-scale pilot as basis for next phases – further potential identified for subsequent lines
- Increased capacity in future lines from optimization of process and product improvements

Production line 1 – fully automated

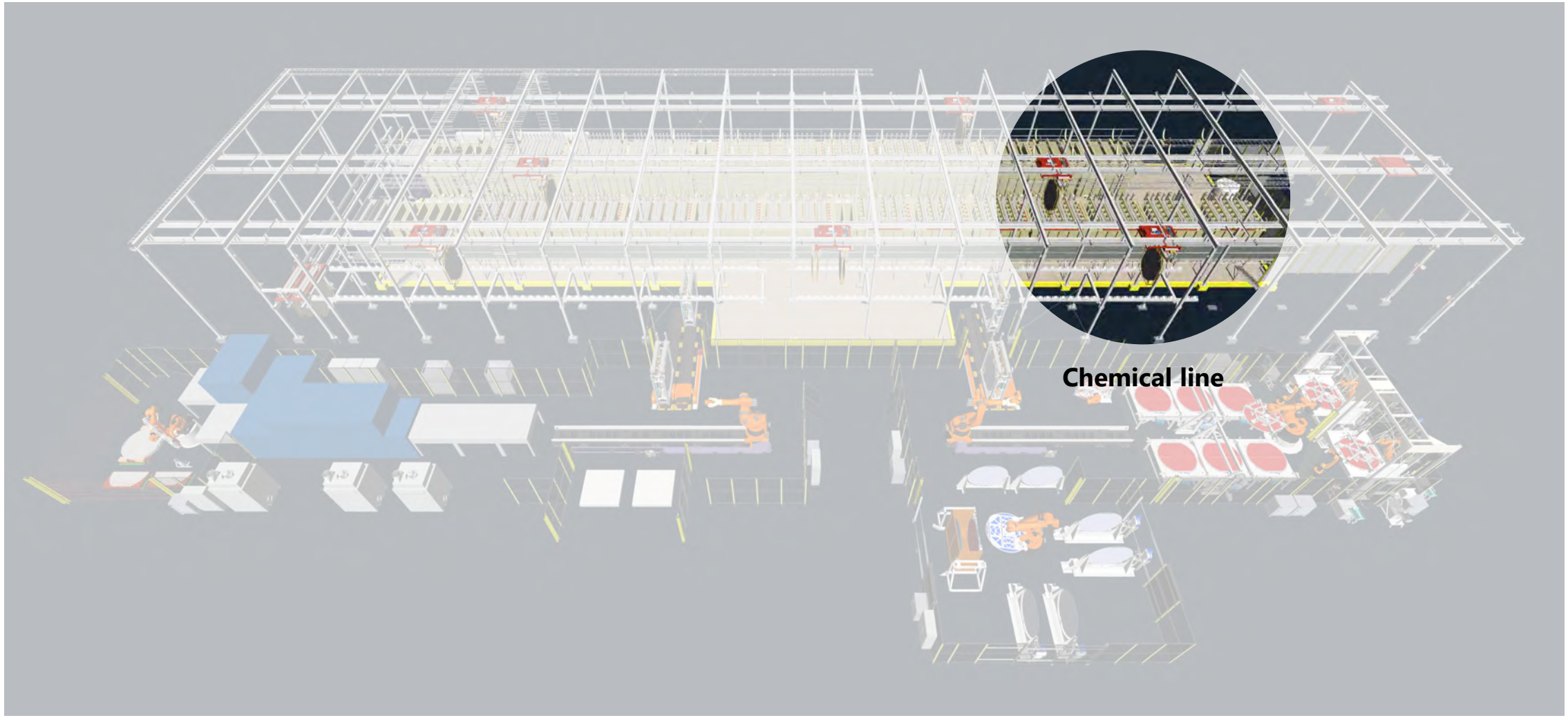


Digital twin developed to improve start-up process and further developments

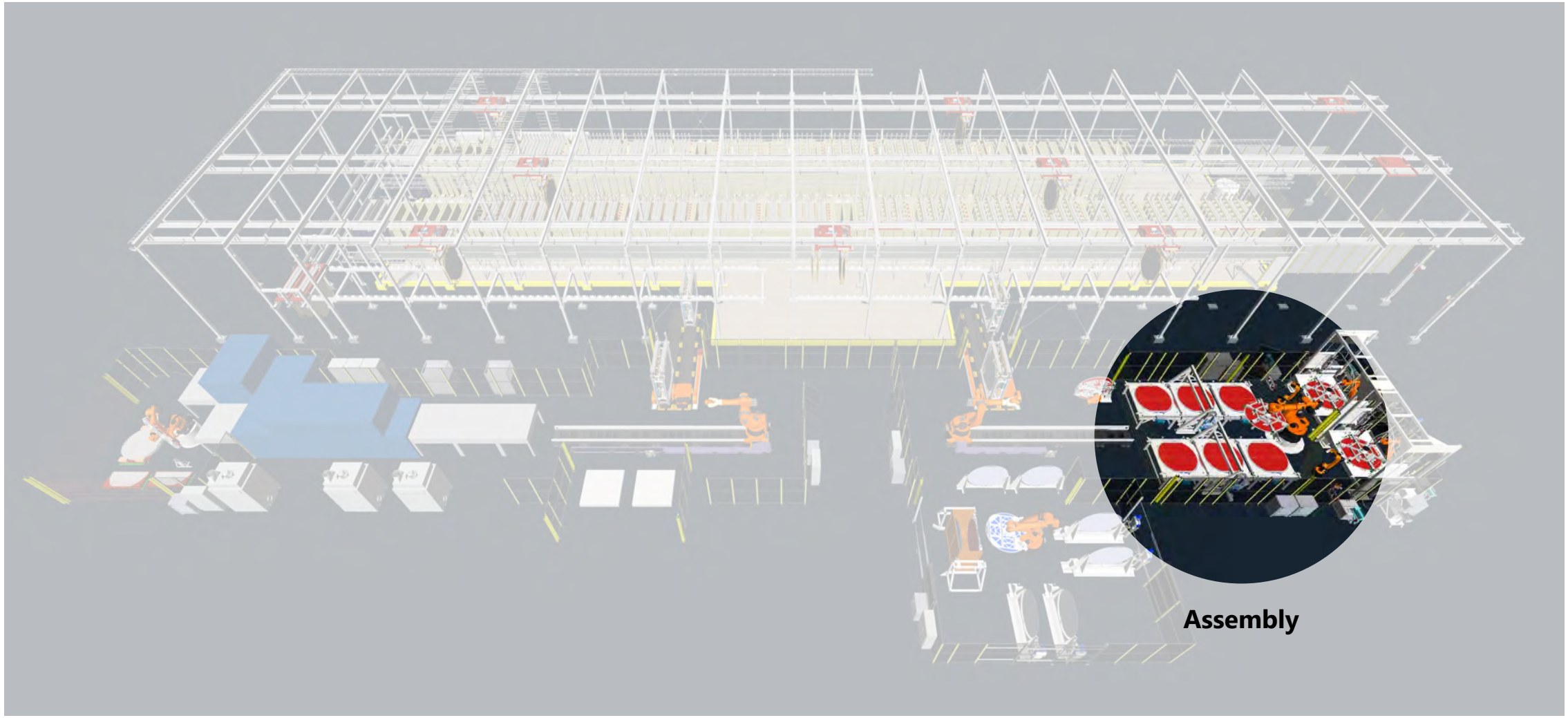
Production line 1 – pre-treatment of electrode parts



Production line 1 – chemical line



Production line 1 – assembly and final control



ELECTRODE PRODUCTION AT HERØYA

Fewer process steps and improved product reduce electrode cost

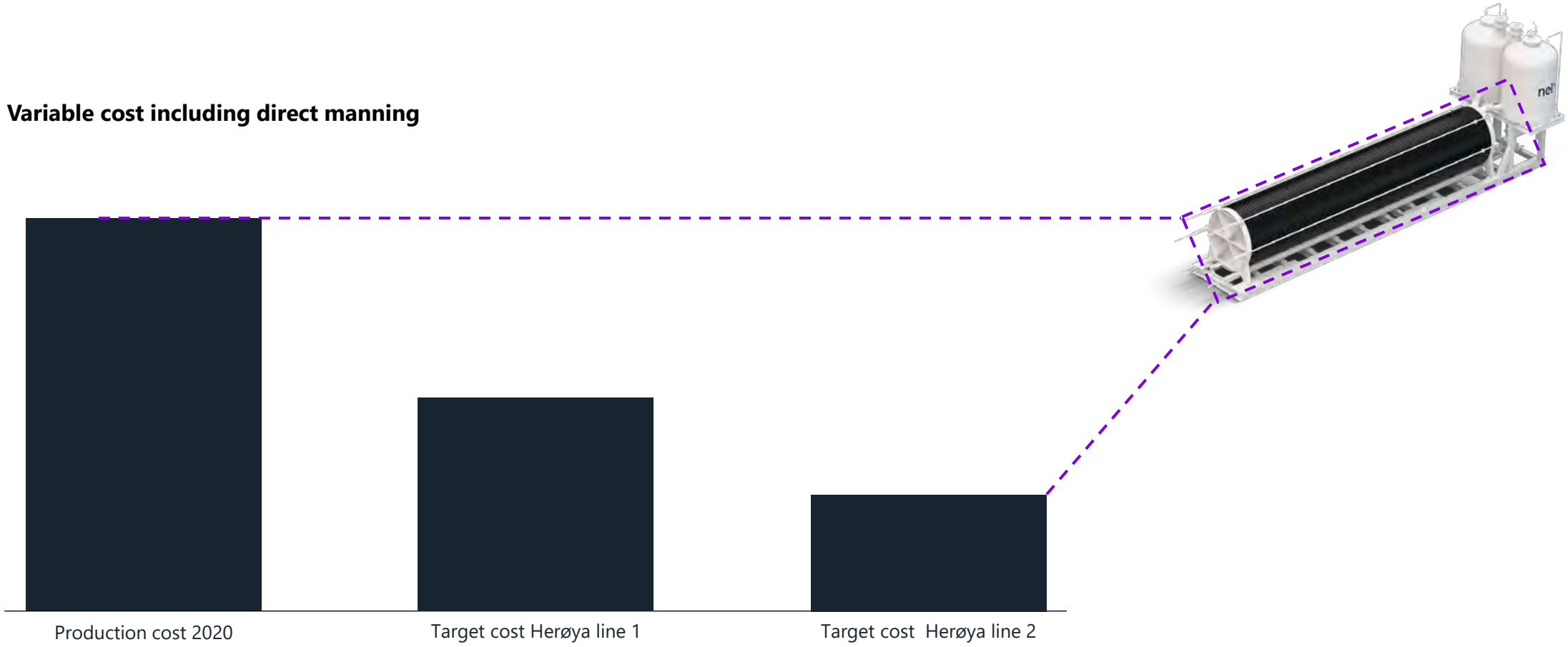
Original process

New and improved process

- Fewer process steps reduce factory footprint and consumption of energy and chemicals
- Product performance increased
- Large reduction in energy and raw materials consumption

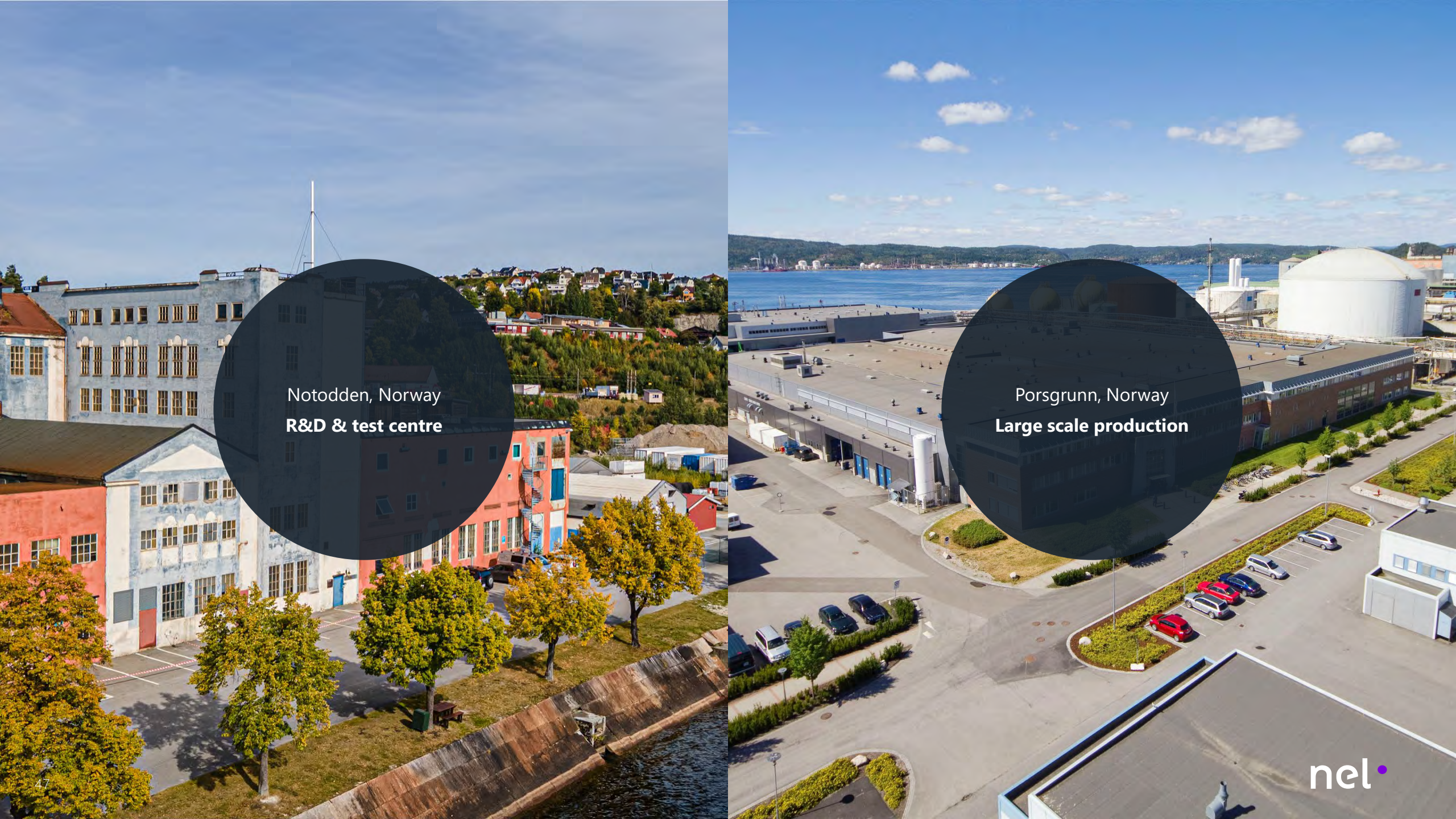
New plant business case: reducing electrode cost

Variable cost including direct manning



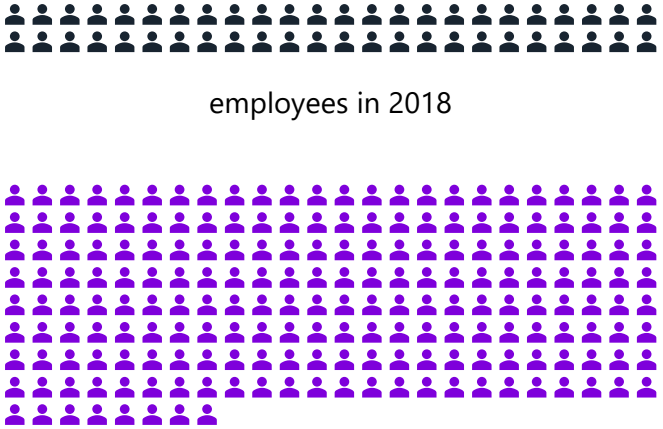
Game-changing project on schedule for start-up in Q3, 2021

Alkaline product development


Notodden, Norway
R&D & test centre
Porsgrunn, Norway
Large scale production

Building core competence in product and process development, engineering and project execution

Significant staff increase

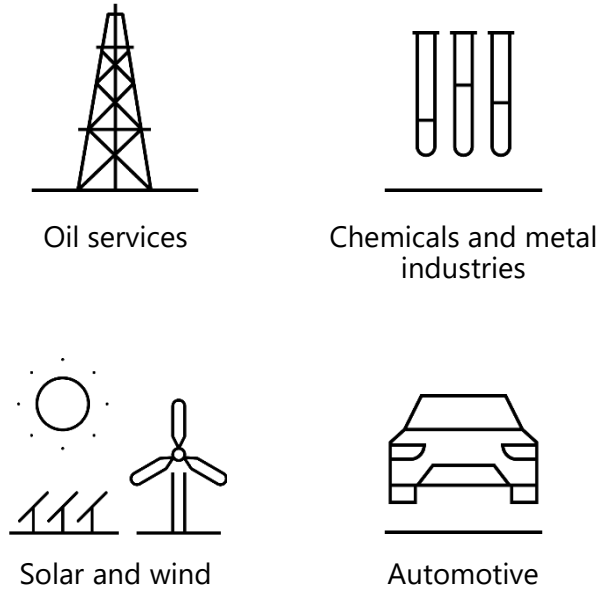


employees in 2018

employees in 2021

Building core competence

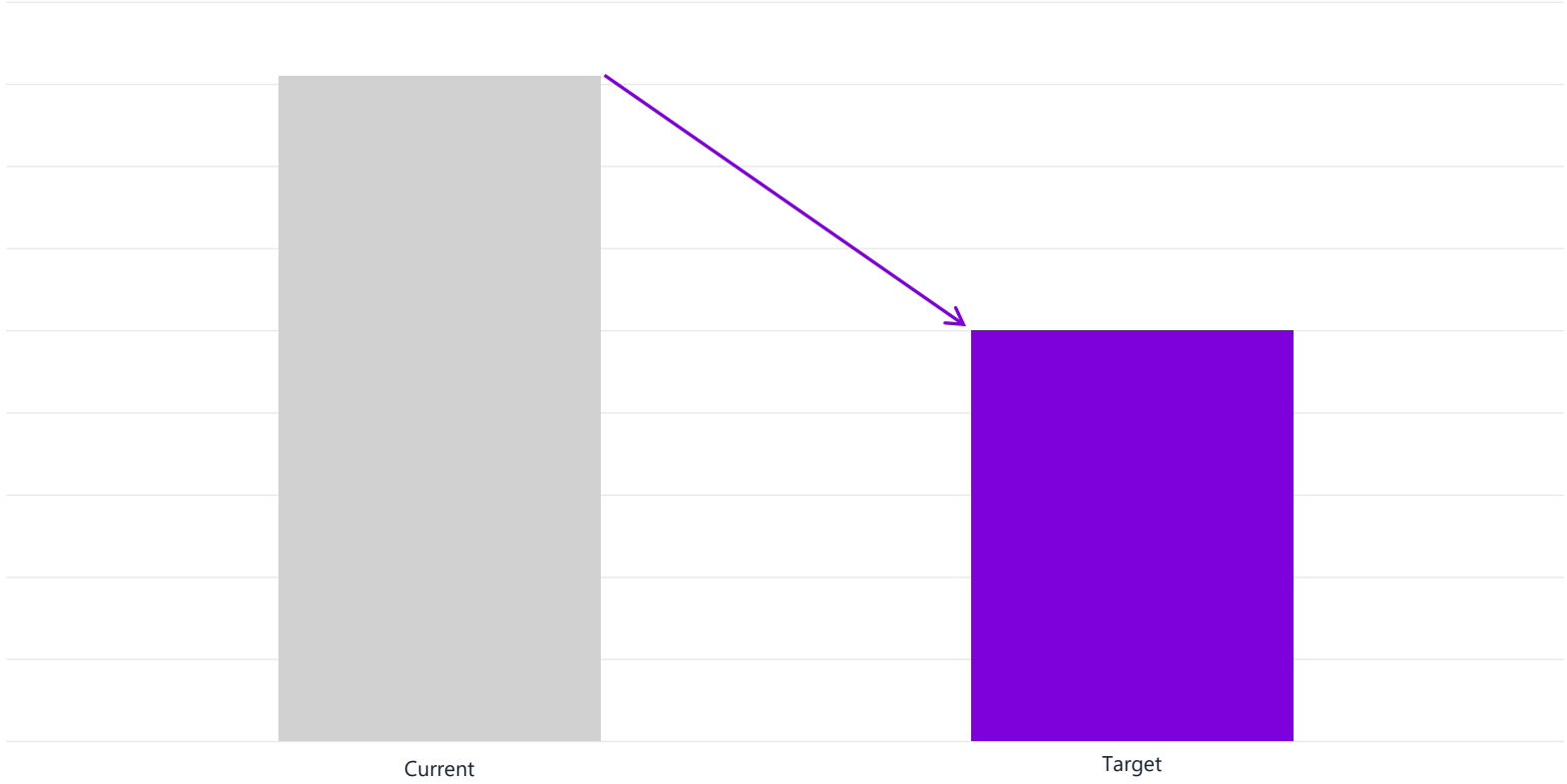
Recruiting from competitive industries



The world's most efficient electrolyser becoming even more efficient

Roadmap to reduce energy consumption towards theoretical minimum

Energy consumption (kWh/Nm^3 H_2)



Main enablers in product and manufacturing process will reduce specific energy consumption with 5 to 10 pct.

- Zero gap electrodes
- Surface treatment / texturing
- Reduced production variation

Standardization to improve cost and reduce delivery-time

Building independent

All main components as skids

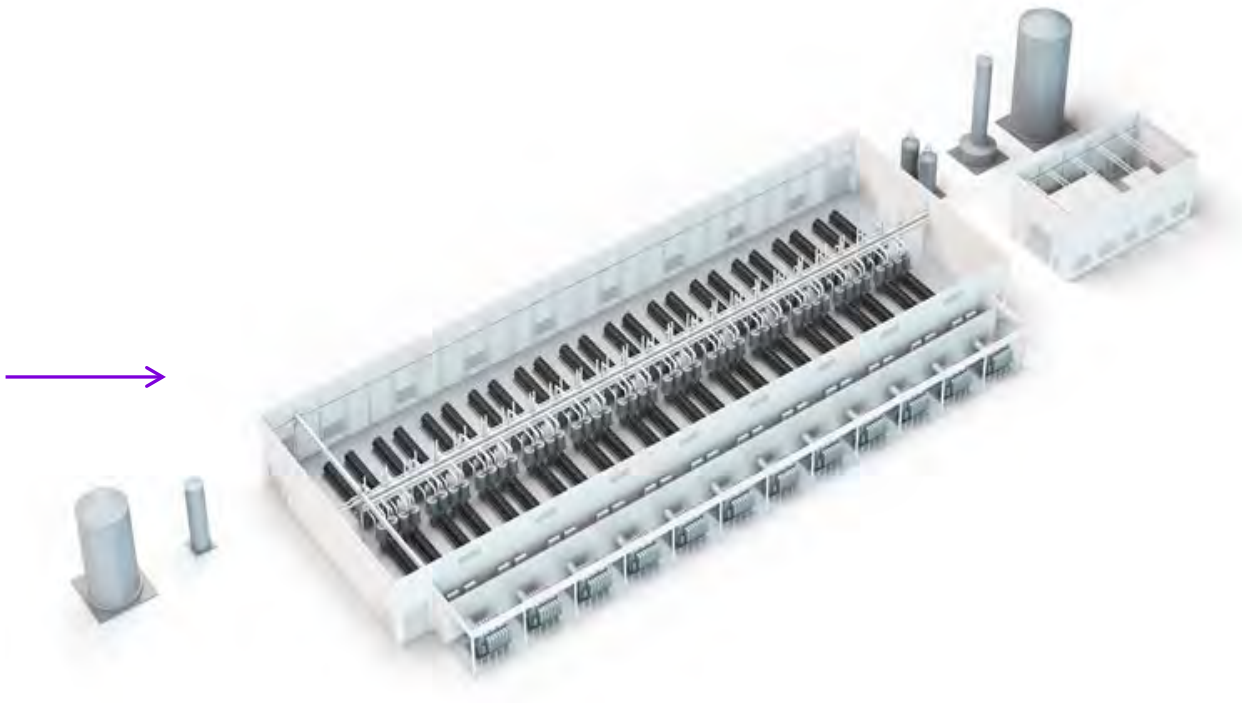
All hydrogen safety standards imbedded

Safe work zones and walkways

Pre-fabricated pipe rack

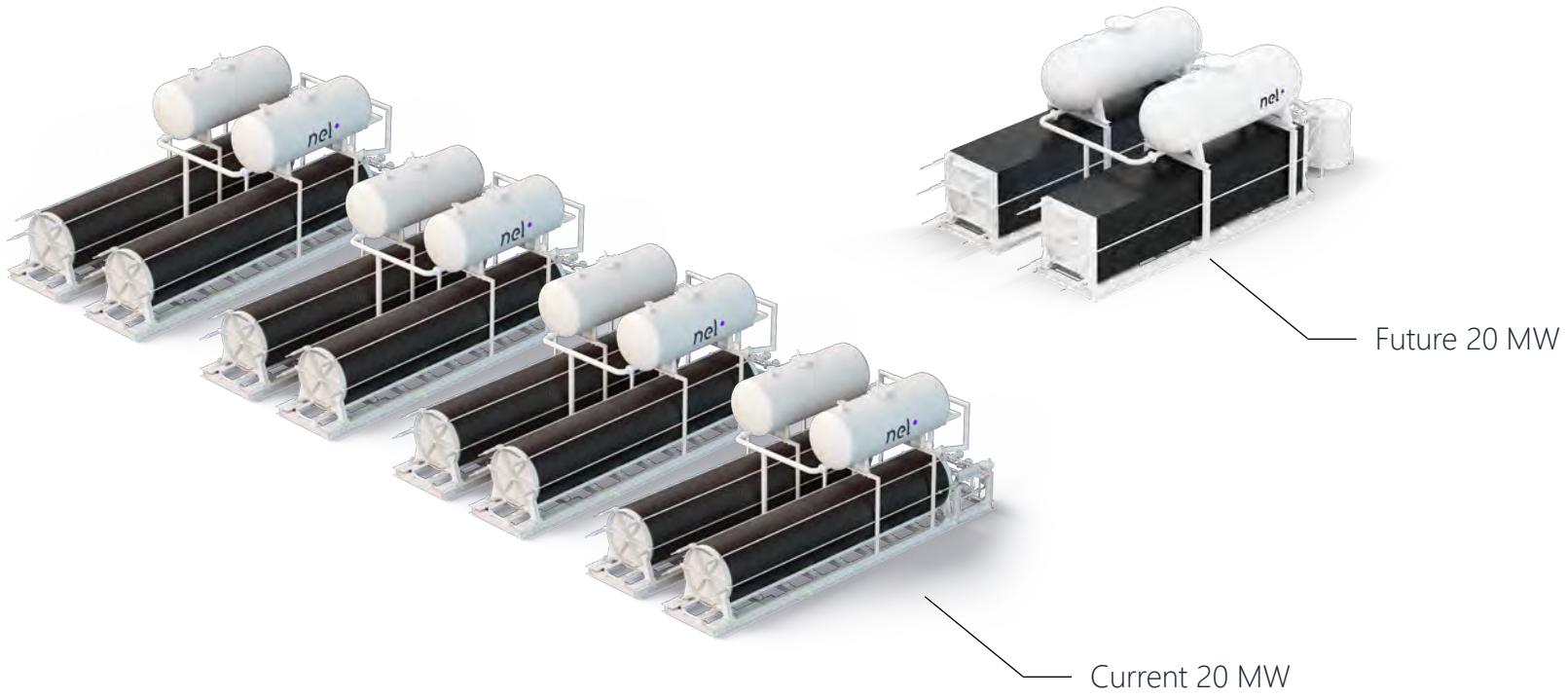
Stacks arriving on skids preassembled

Long experience with large-scale renewable energy plants as foundation to design 2020-standard plants



Further product development – improving efficiency and capacity of cell stack

Current vs. future 20 MW cell stacks



Enablers:

- Electrode size and form improvement
- Increase active electrode area
- Increase current density

Balance of plant on existing platform compatible with future

SUMMARY

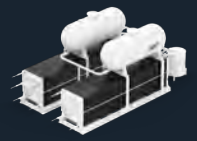
Reiterating strong long-term outlook

Roadmap to reach 2 GW production capacity per year at Herøya established based on market feedback

First production line will start H2 2021

Capacity expansion will enable CO_2 reduction at hydrogen customers of 4-5 millions tons/year

Strong growth momentum in market: **Green hydrogen to outcompete fossil by 2025**



Continue to develop technology to maintain leading position on TCO

Accelerate investments in organization, technology and partnerships

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Break
15 minutes

Nel electrolyser activities

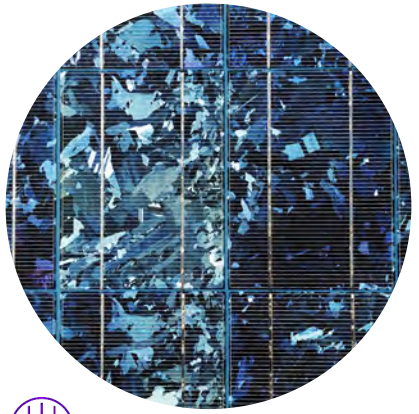
Filip Smeets
SVP Electrolyser

Market developments

Traditional electrolyser market / niche applications

Food Industry

Glass Industry

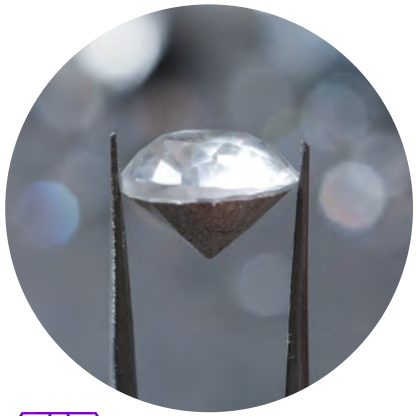


Polysilicon Industry

Laboratories

Life Support

Thermal processing



Chemical vapor deposition

Power Industry

Electrolyser market going forward

Ammonia

Refinery

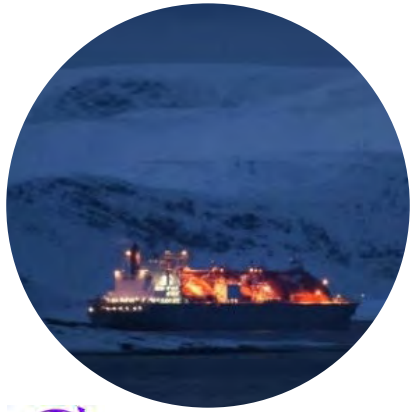
Methanol/
Synthetic fuel

Cement

Steel/Metals

Remote power

Gas pipelines



Energy export

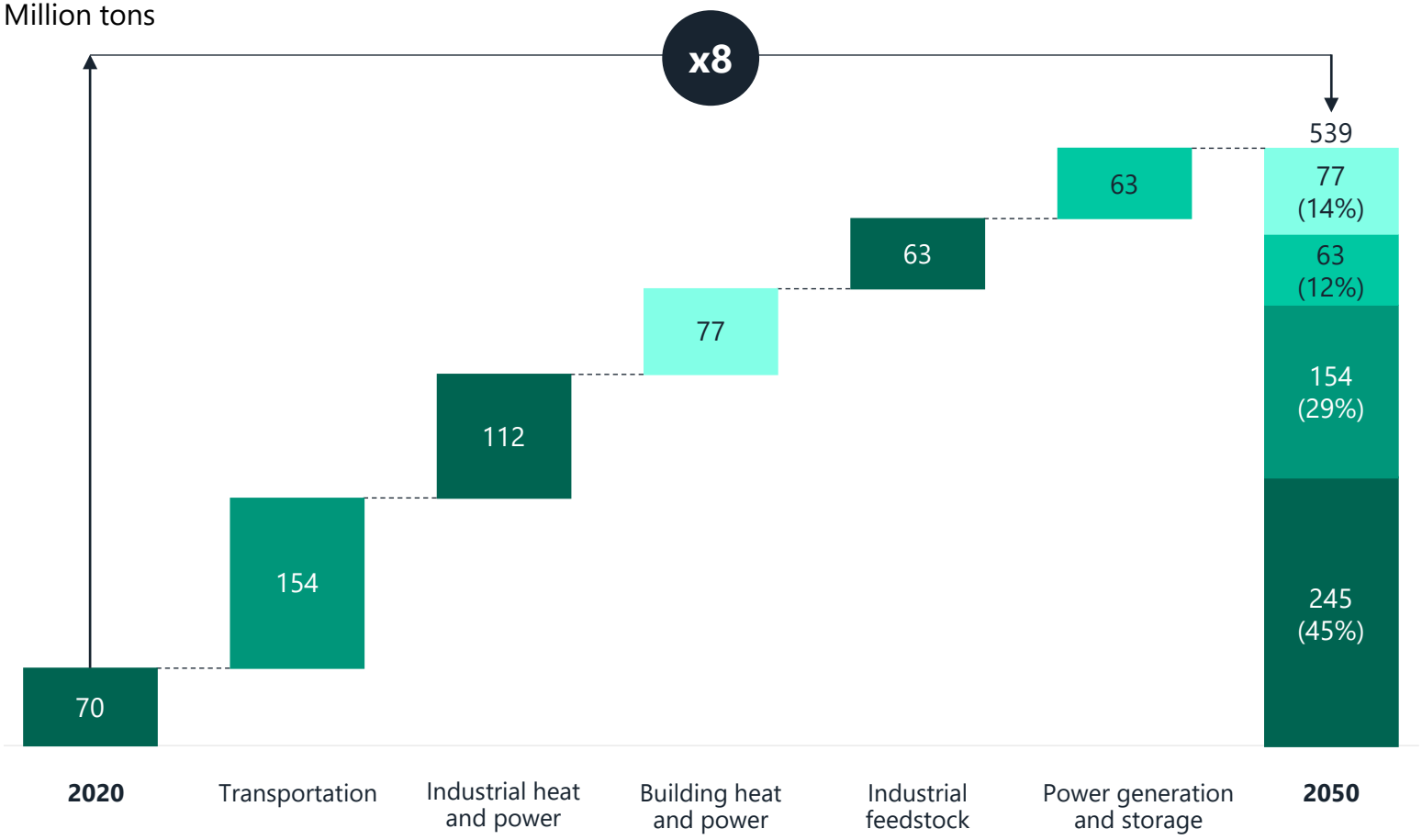
Fish farming

Electrolysis potential >2,000 GW

Hydrogen demand grows eightfold by 2050

Hydrogen use by 2050

Million tons



- Energy transition opens attainable market for electrolytic hydrogen to full spectrum of use cases
- New use cases to develop into major markets: Transportation fuel, industrial heat and power, building heat and power, and power generation and storage
- Hydrogen consumption could reach 540Mt per year by 2050, driven by industrial processes and transportation

Sources: Hydrogen Council, Kearney Energy Transition Institute analysis

PtX projects ramping up fast in EU and China

Power-to-X projects announced, studied, under construction as of July 2020

	EU	DE	NL	FR	ES	IT	UK	NO	CH	UA	RU	JP	KR	CN	AU	CA	MO
PtX plants in operation	64	34	2	8	1	4	4	1	5	0	0	15	0	1	3	1	0
PtX MW in operation	57	29	1	1	<1	1	3.5	1	1	0	0	11	<1	<1	6	<1	0
PtX plants in preparation*	106	77	14	19	8	4	16	13	2	0	0	2	1	7	10	3	1
PtX MW in preparation*	9500	750	3800	1600	161	2000	308	288	40	0	0	0	~10	5200	20	30	100

- EU's large-scale green hydrogen production plans signal transition to plants which are at least two orders of magnitudes larger and a stark move to an industrialization of sector
- The same can be observed in China

Sources: LBST analysis

Galloping pipeline growth

>3 billion USD	>100 projects
>10 GW	80% value, >100 MW

Single largest

>400 MW

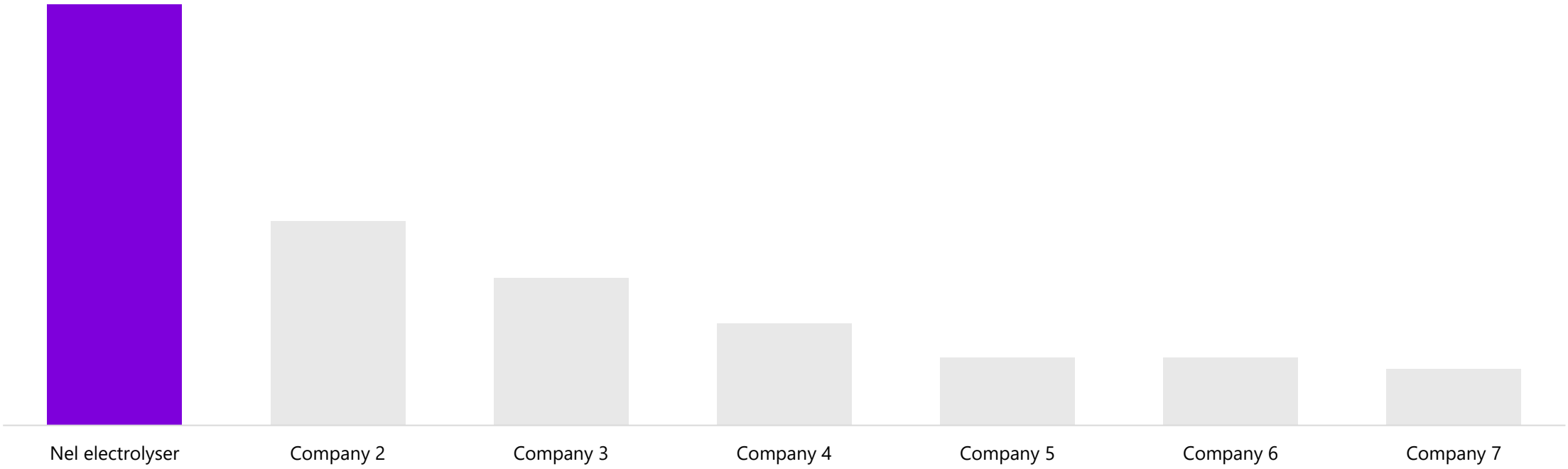
Ideal for alkaline atmospheric electrolysers

- Proven
- Reliable
- Large-scale
- Leading on capex
- World-class efficiency

Our unique electrolyser solutions

Nel is the largest electrolyser manufacturer worldwide

The world's largest electrolyser manufacturers
Ranked by 2019 revenues



Source: Company websites, 2019 annual reports and market intelligence

OUR UNIQUE ELECTROLYSER SOLUTIONS

Bankability + reliability

Atmospheric alkaline

PEM

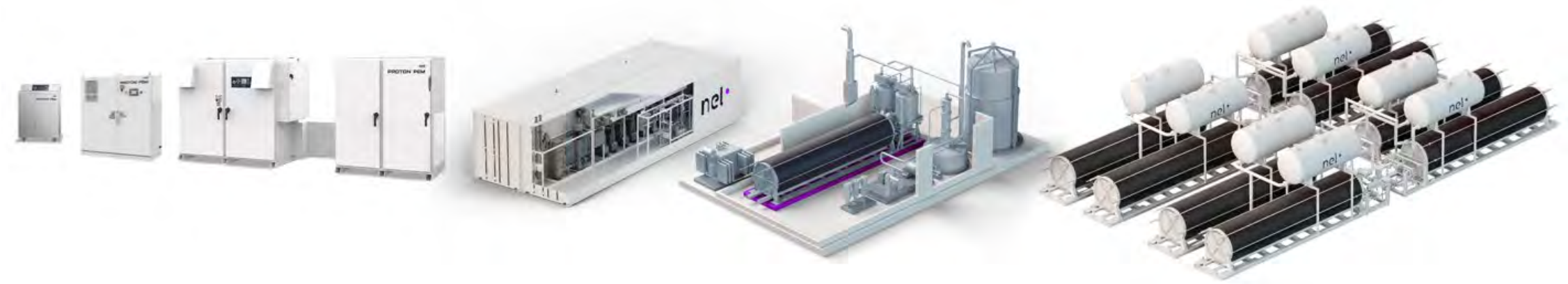
OUR UNIQUE ELECTROLYSER SOLUTIONS

Broadest product portfolio in the market

Alkaline electrolysers since 1927 and PEM electrolysers since 1996

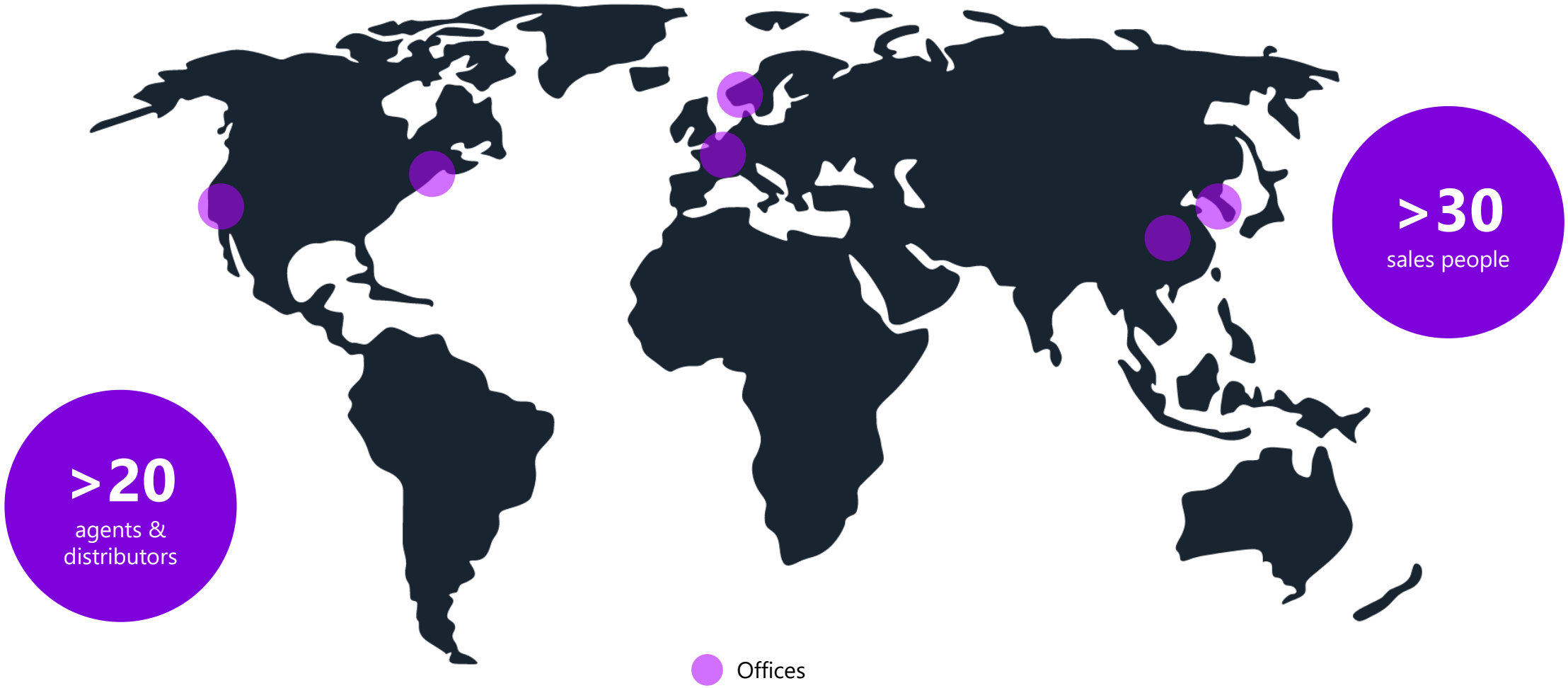
Scalable design from <1 to >8,000 kg/day production capacity – able to deliver 100+ MW systems

Designed for high volume manufacturing to achieve large scale plants with fossil price quality



From kW- to multi-MW industrial size hydrogen production plants

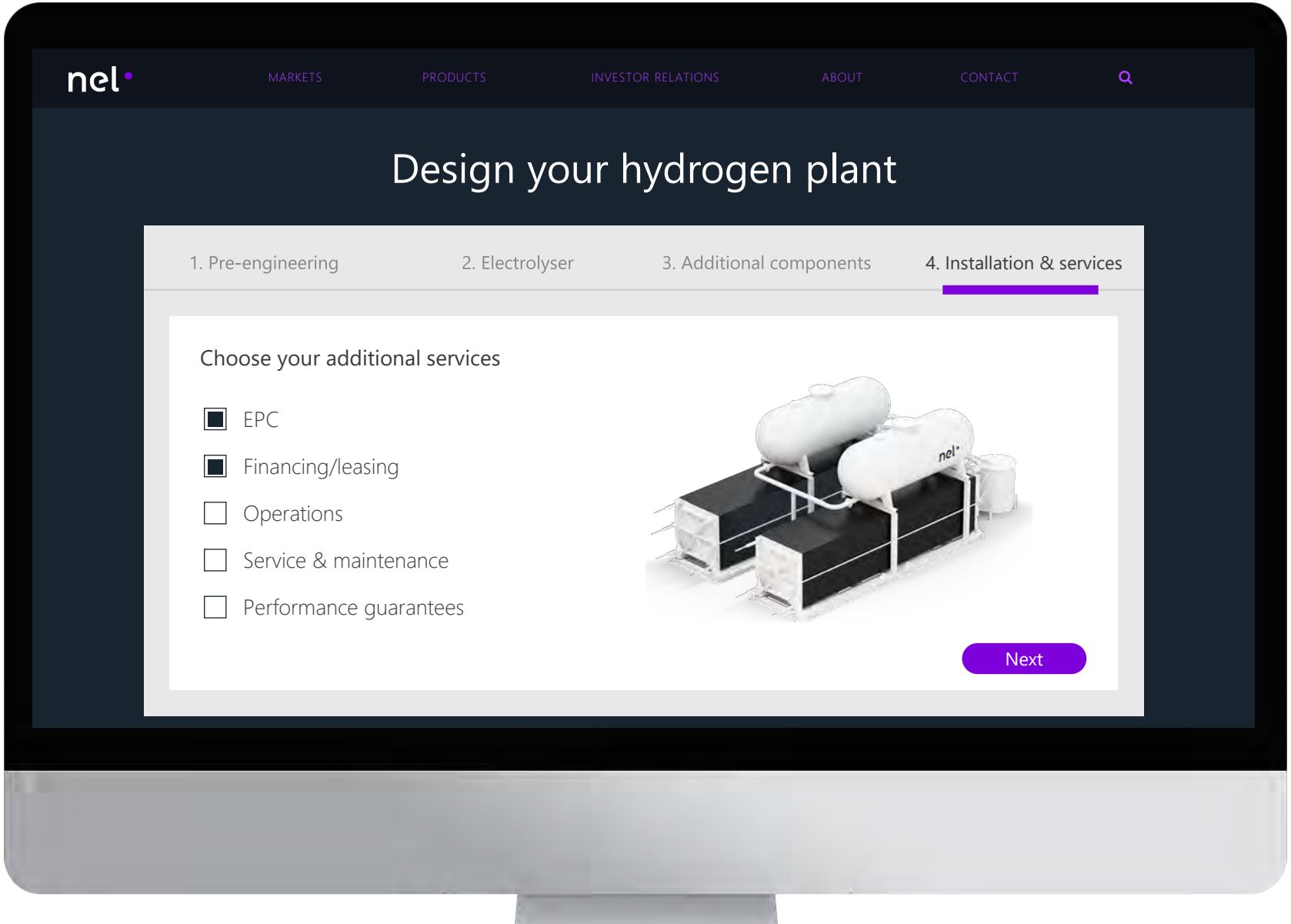
#1 independent player with global footprint and reach



Sales process

Engineering	Procurement & manufacturing	Installation	Commissioning	Aftermarket
				
• Tailor-made plant design	• Cell stacks based on Nel technology • Manufactured in Nel's production facilities	• Contractor installation • Nel supervision	• Nel assures plant operates according to requirements	• Replacement of cell stack with 7-10 year intervals • Service & spare parts

Industrial-scale hydrogen plant suppliers scope



Aftermarket: an integral part of our business

- Important growth market
- Strong captive market
- Cell stacks replacement at certain intervals
- Attractive aftermarket margins
- Several plants in operation for decades – added value for customers and Nel

Why are customers choosing Nel?

A strong product application fit – both alkaline and PEM

Low project risk / bankable projects

Optimal balance efficiency / durability

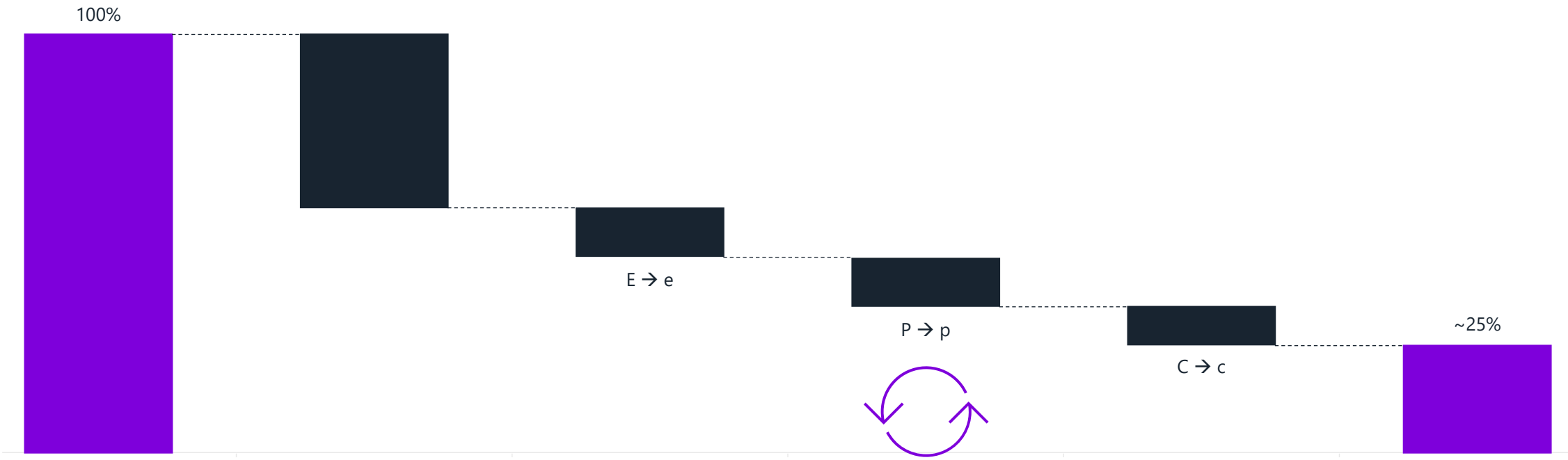
High availability

Reliable after-sales & service

Best Total Cost of Ownership

Scaling technology for a 10X market

Standardization reducing system cost to enable $1.5/kg



Electrolyer system cost today

Excludes Civil/Building

Herøya expansion

Increased capacity with Herøya expansion

Engineering

Standardizing large-scale offerings: 20 MW, 50 MW, 100 MW, 250 MW

Procurement

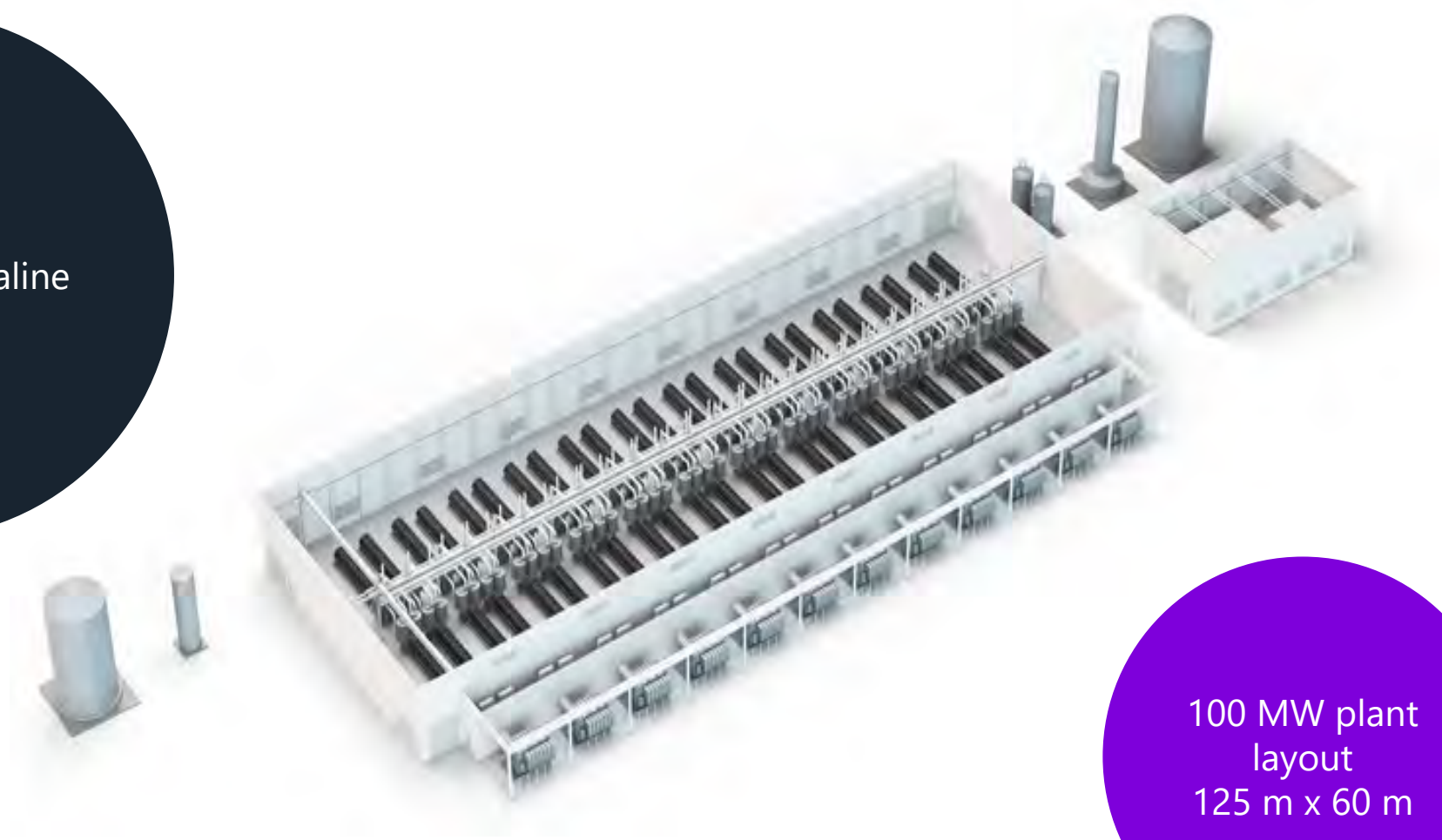
Continuous improvement of supply chains and framework agreements

Construction

Standardised design and pre-fabricated skids reduce time and cost for commissioning and installation

Reduced cost

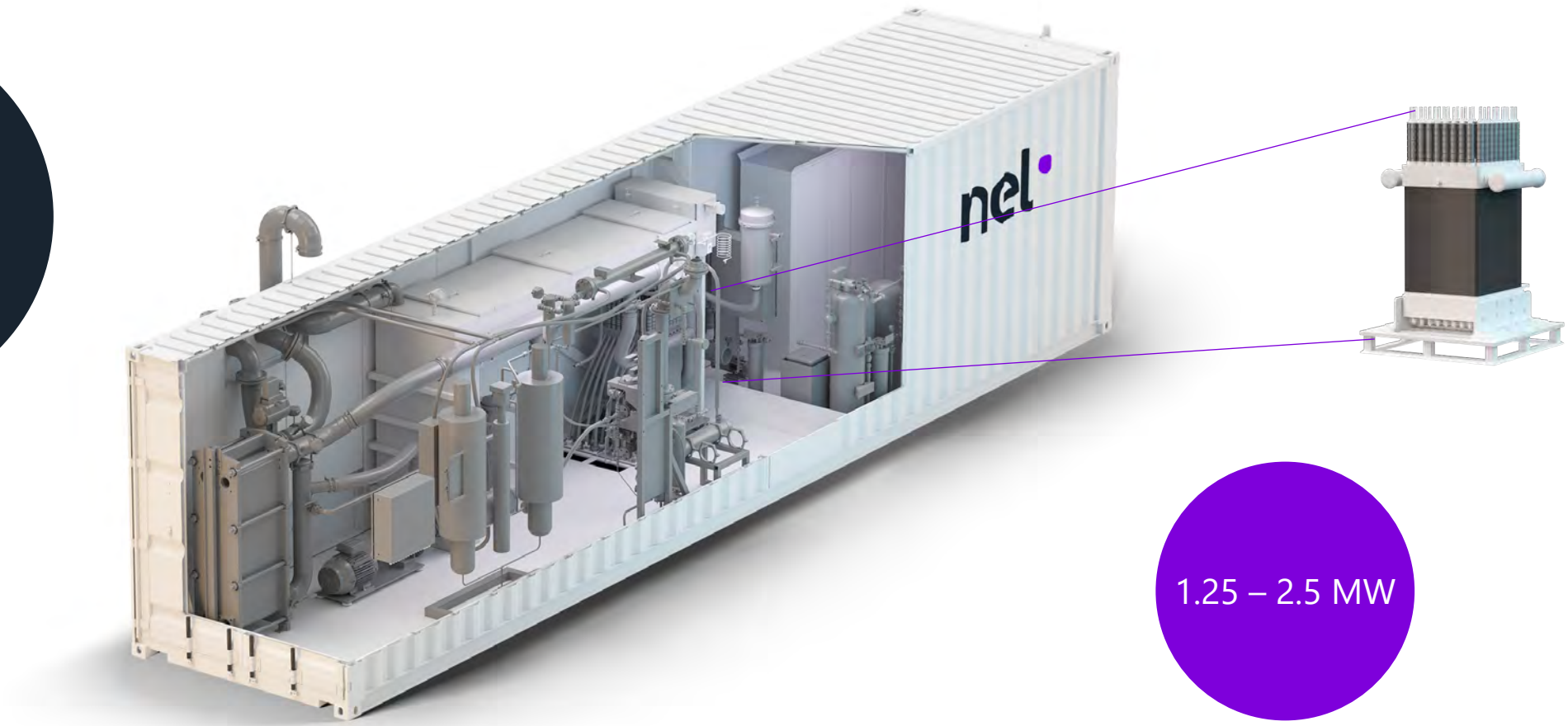
Large-scale alkaline



100 MW plant
layout
125 m x 60 m

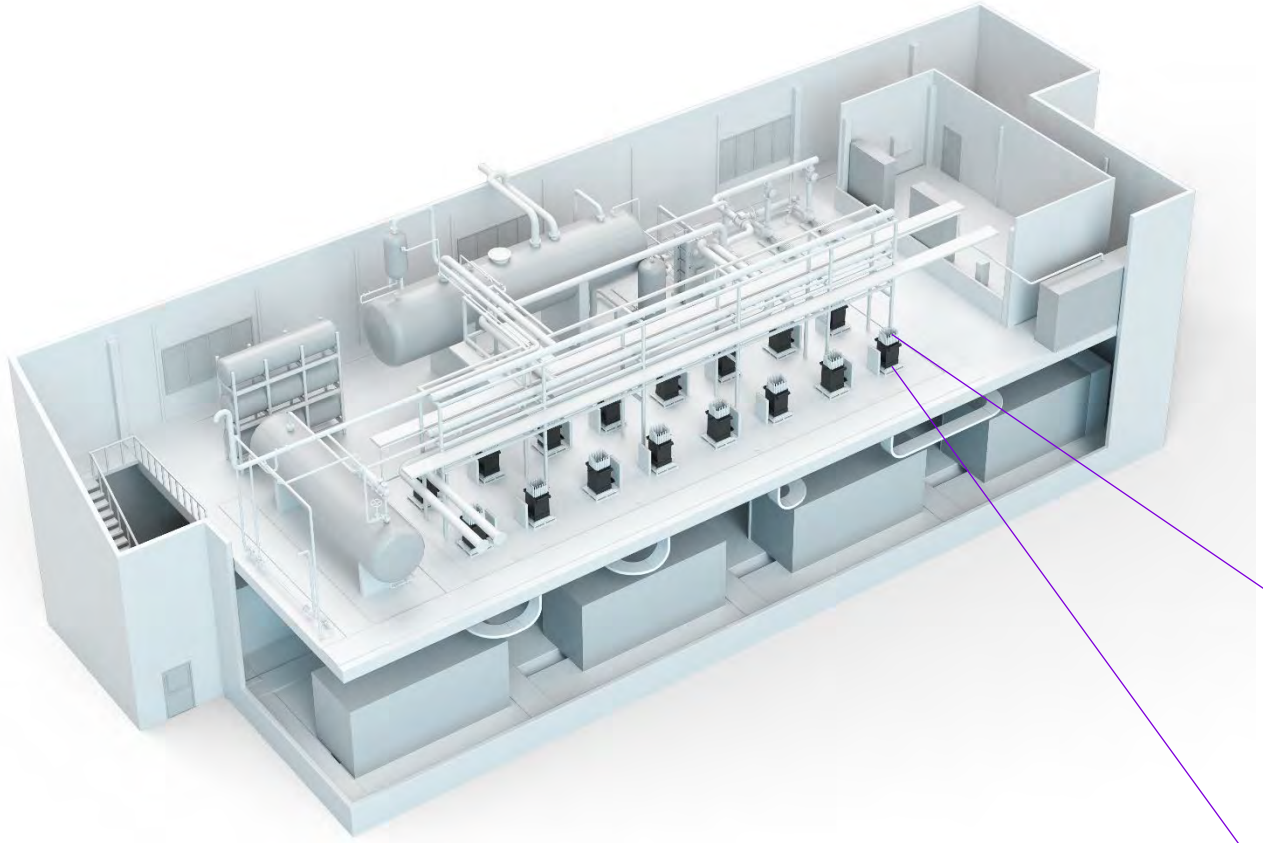
New containerized large-scale PEM electrolysers – MC250 and MC500 Automated MW-class on-site hydrogen generators

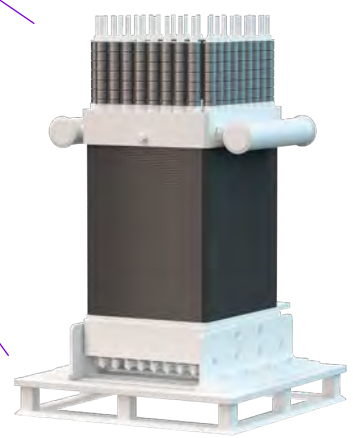
Process Container



1.25 – 2.5 MW

New PEM electrolyser launched including new stack





Large-scale PEM

20 MW plant layout
35 m x 15 m

EPCm partner strategy

Strategic cooperations with EPC partners

- Standardized turn-key solutions
- Tender engine
- Execution muscle
- Single-purpose vehicle
- Extensive approved supplier list

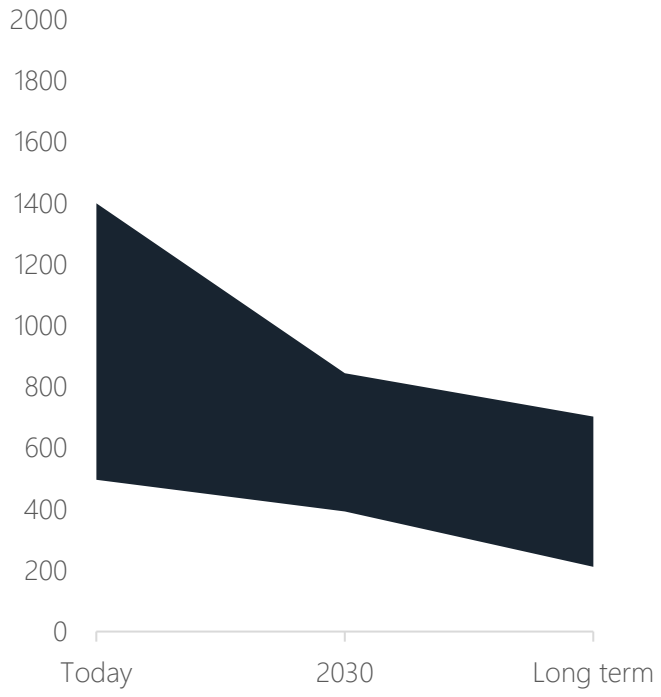
Screening market for other partnerships

- Geographical fit
- Bring added value in developing market
- Able to provide local content

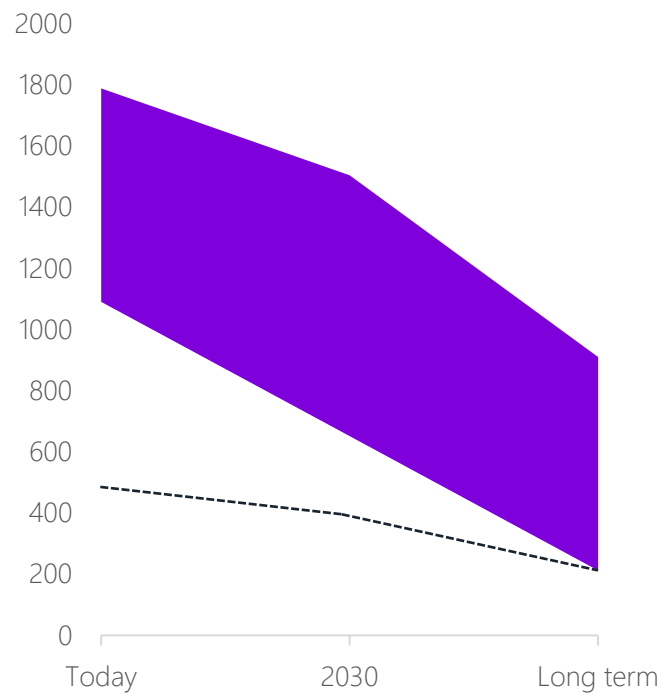
Gas Analyser System	Transformers	Hydrogen Compressors	External Piping Works	Electrical	Fire Fighting	UPS
IP / IC standards Instrumentation	Rectifiers	Oxygen Compressors	Cooling Water System	Hydrogen Vent	Oxygen Vent	Production Control Logic
Installation Procedures	Cell Stacks	Deoxo-dryers	Drainage Facilities	Civil Works	Nitrogen System	Demin Water Unit
Commissioning Procedures	Gas Liquid Seperatros	Dew Point Meters	KOH storage-unloading	Grid Power-Substation	Gas Metering	Drainage Facilities
Building Requirements	Electrolyte Tank	Gas Holders	HVAC	Buildings	Potable Water	Instrument Air
Electrolyser System Design	Gas Scrubbers	Control and Safeguard	Hydrogen Transfer Line	IP / IC	Permitting	Gas Storage(s)
Nel's scope			EPC scope			

Electrolyser capex evolution

AE CAPEX Evolution
(2010-2030, $ per kW)



PEM CAPEX Evolution
(2010-2030, $ per kW)

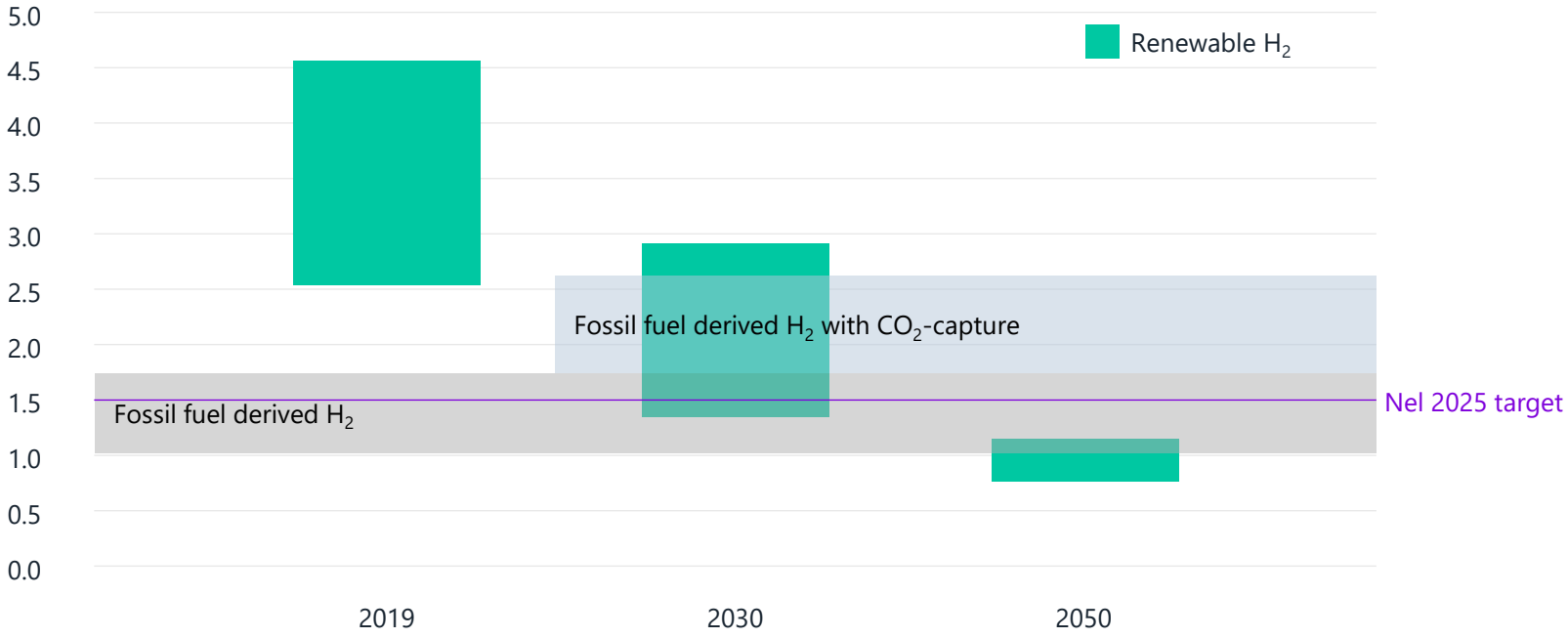


- Capex for electrolyser expected to dramatically decrease by 2030
- PEM trailing alkaline earlier years
- Both converging towards 300$/kW by the end of decade

Sources: IEA

Renewable/green hydrogen is on a trajectory to outcompete grey and blue hydrogen

Forecast global range of levelized cost of hydrogen/TCO production from large projects
2019 $/kg



- Green hydrogen cost expected to decline and close gap with fossil sources by 2030
- IEA expects cost parity by 2030 – Nel expects to reach this target by 2025
- Focus on reduction of capex, increase lifetime, improve efficiency, increasing current density, lowering catalyst, and scaling up system components

Source: BloombergNEF & IEA / conversations with oil & gas majors

SUMMARY

Leading global electrolyser market in scope, scale, and capacity

Capex for electrolysers expected to decrease dramatically by 2030

Largest and most experienced within both alkaline and PEM – well-positioned to capitalise on market growth

Large-scale solutions ready to be built – refineries, green ammonia, fossil-free steel and mobility as important drivers

nel

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Jørn Rosenlund, SVP Fueling

Guest speaker

Mikael Nordlander
Head of R&D Portfolio Industry Decarbonization, Vattenfall
Deputy Board Member, HYBRIT

One of the greatest challenges of our time

BY 2050:

80 million

Increase in number of people in the world every year

9.7 billion

Will be the world's population, compared to todays 7.6 billion

68%

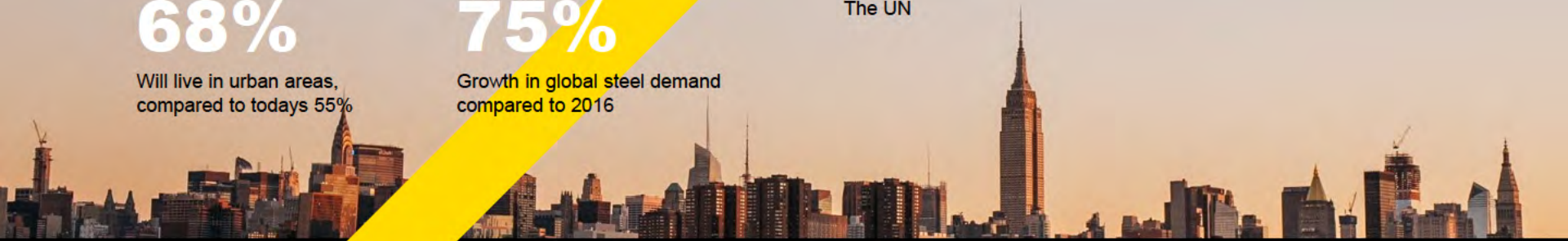
Will live in urban areas, compared to todays 55%

75%

Growth in global steel demand compared to 2016

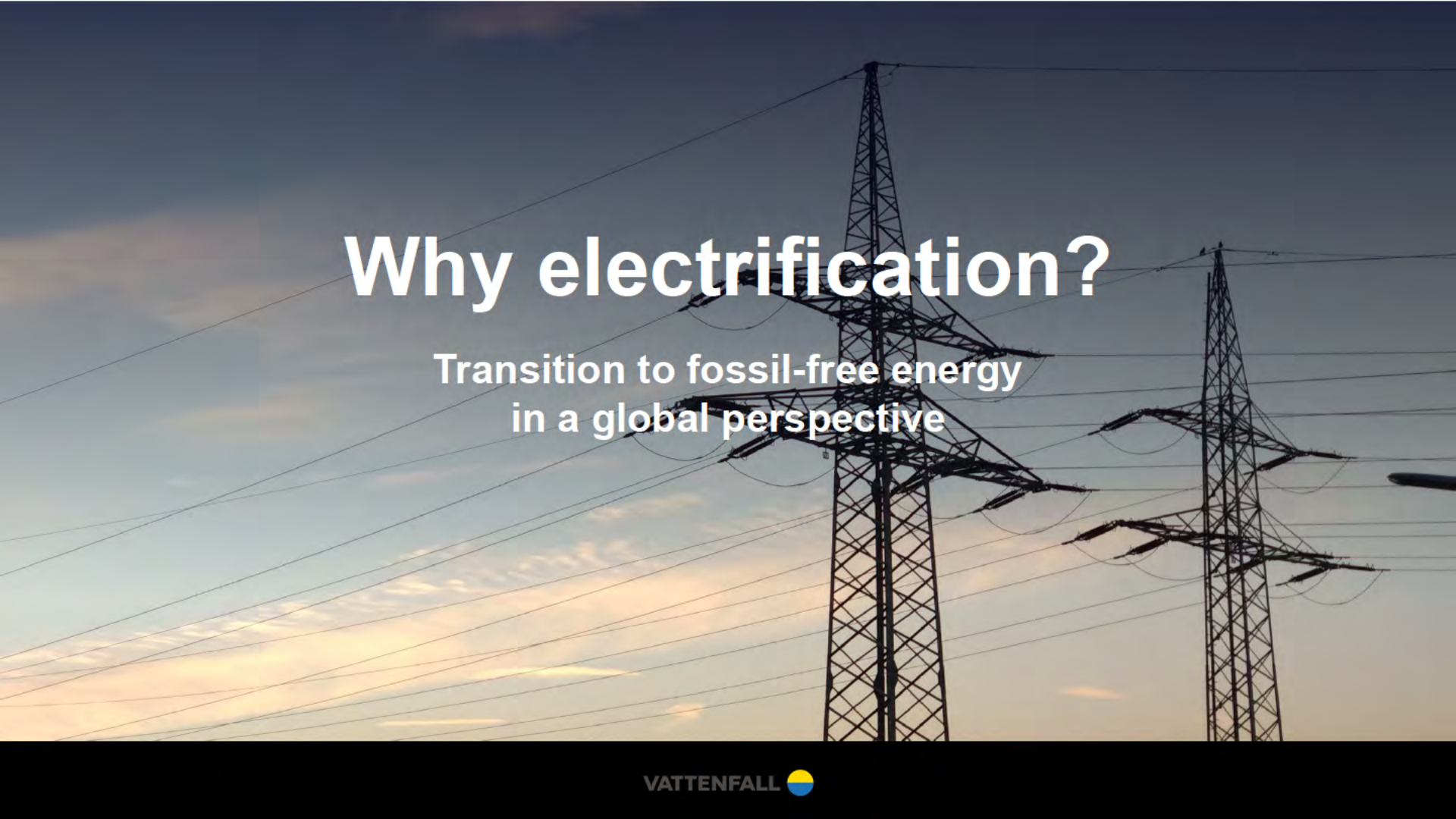
"Without action, the world's average surface temperature is likely to surpass 3 degrees Celsius this century."

The UN



Enabling fossil-free living within a generation

VATTENFALL


Why electrification?
Transition to fossil-free energy
in a global perspective
VATTENFALL

Modern renewables are gaining ground in energy consumption

Why replacing fossil fuels with renewables works

VATTENFALL


Electric ReGeneration
Decarbonising Industry and Society
Through Electrification

VATTENFALL

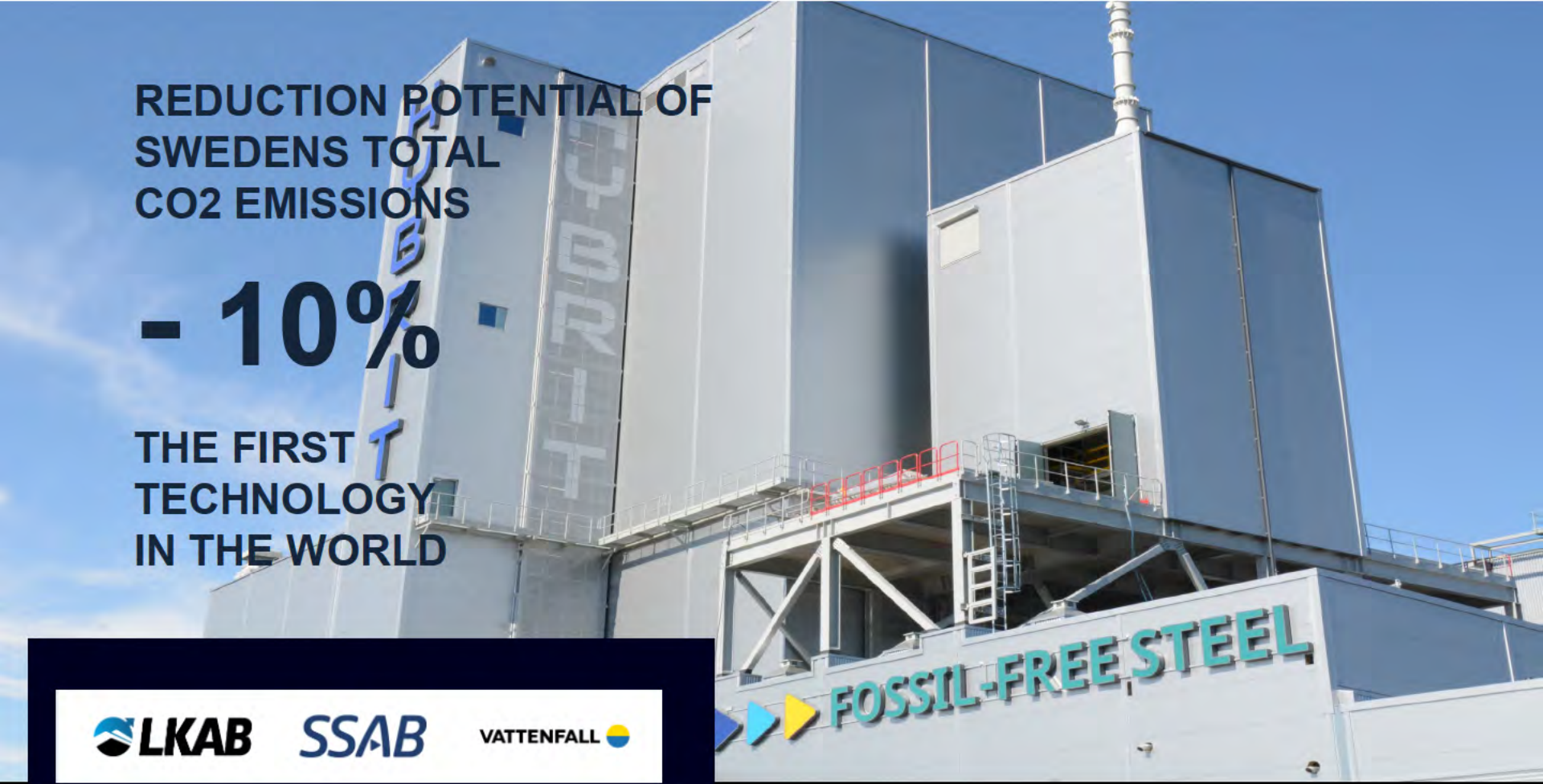
We take electricity from a power source to a source of innovation

Fossil free electricity

Direct electrification

Electrolysis

The electricity splits water (H_2O) into hydrogen (H_2) and oxygen (O) and the hydrogen can be used both as a carrier of energy, and for chemical reactions



REDUCTION POTENTIAL OF SWEDENS TOTAL CO2 EMISSIONS

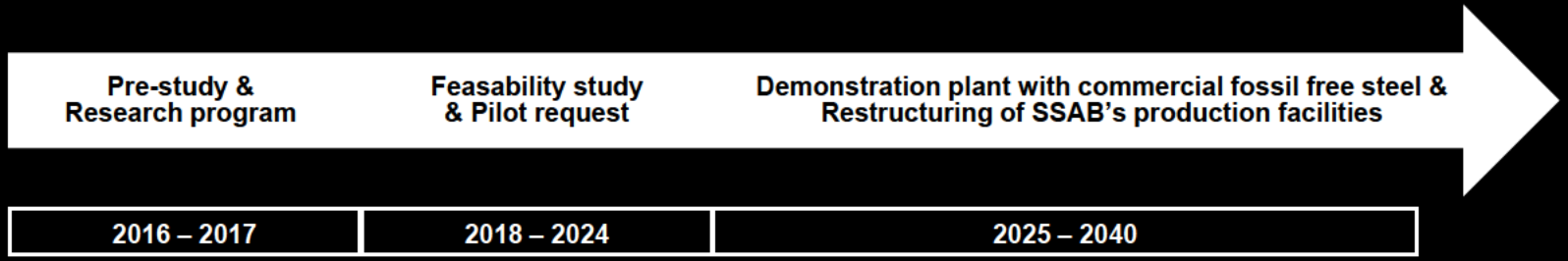
- 10%

THE FIRST TECHNOLOGY IN THE WORLD

LKAB SSAB VATTENFALL

HYDROGEN BREAKTHROUGH IRONMAKING TECHNOLOGY

Three phases towards our goal



Three phases towards our goal

Pre-study & Research program → **Feasability study & Pilot request** → **Demonstration plant with commercial fossil free steel & Restructuring of SSAB's production facilities**

2016 – 2017	2018 – 2024	2025 – 2040	
2016 • Pre-study with help of the Swedish Energy Agency • Start of a 4-year research program with help of the Swedish Energy Agency 2017 • Joint venture between SSAB, LKAB and Vattenfall	2018 • Decision for Pilot together with the Swedish Energy Agency 2019 – 2021 • Pilot Fossil Free Pellets 2020 – 2024 • Pilot Hydrogen based direct reduction of iron 2021 – 2024 • Pilot hydrogen storage	2025 • Restructuring – from blast furnace to arc furnace at SSAB Oxelösund • HYBRIT demonstration plant 2026 • First commercial Fossil Free Steel by SSAB	2030 – 2040 • Restructuring – from blast furnace to arc furnace at SSAB Raahe & Luleå

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Have we thought about this wrong in any way?	2018 • Decision for Pilot together with the Swedish Energy Agency 2019 – 2021 • Pilot Fossil Free Pellets 2020 – 2024 • Pilot Hydrogen based direct reduction of iron 2021 – 2024 • Pilot hydrogen storage	2025 • Restructuring – from blast furnace to arc furnace at SSAB Oxelösund • HYBRIT demonstration plant 2026 • First commercial Fossil Free Steel by SSAB	2030 – 2040 • Restructuring – from blast furnace to arc furnace at SSAB Raahe & Luleå

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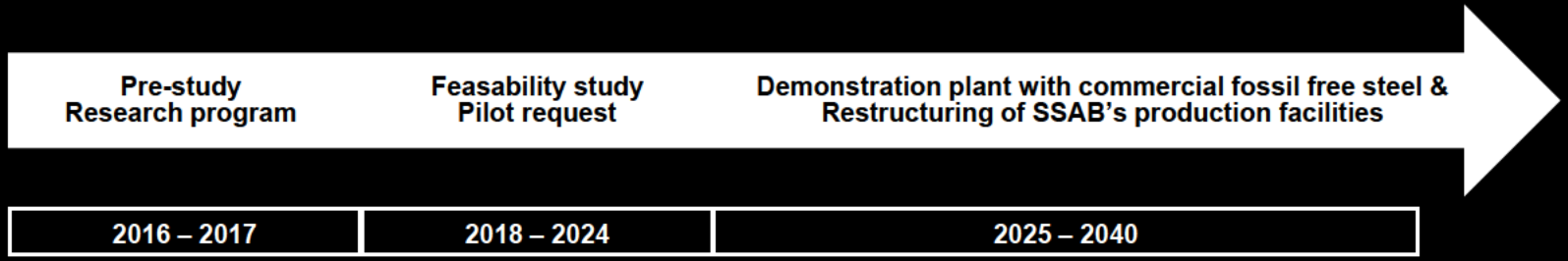
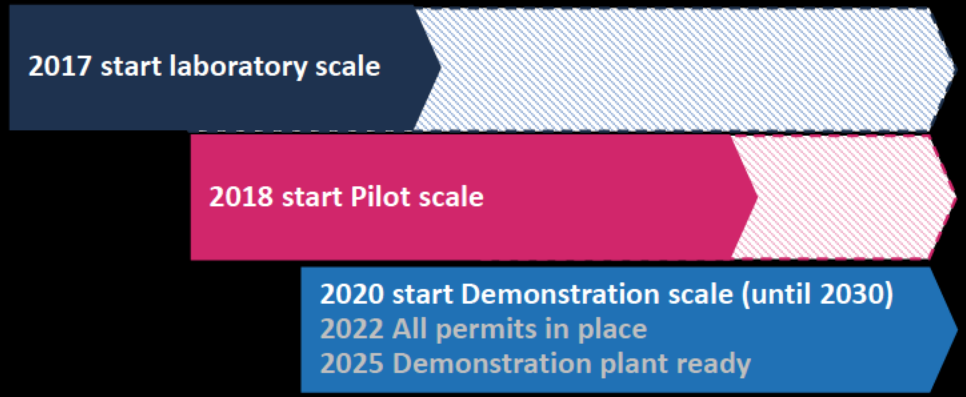
2016 – 2017	2018 – 2024	2025 – 2040
Have we thought about this wrong in any way?	How could this technique look like and work at large scale?	2025 • Restructuring – from blast furnace to arc furnace at SSAB Oxelösund • HYBRIT demonstration plant 2026 • First commercial Fossil Free Steel by SSAB 2030 – 2040 • Restructuring – from blast furnace to arc furnace at SSAB Raahe & Luleå

Three phases towards our goal

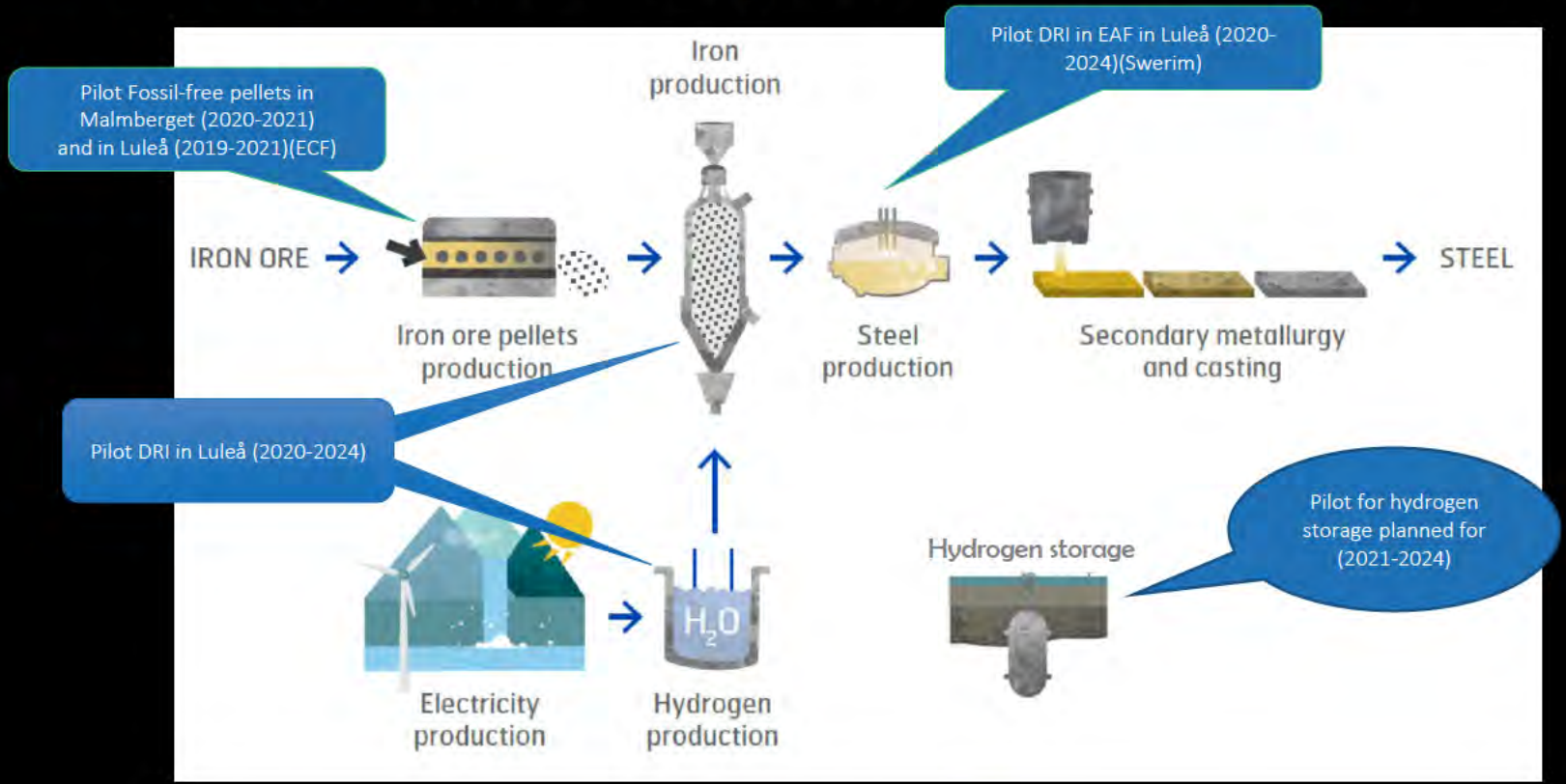
2016 – 2017	2018 – 2024	2025 – 2040
Have we thought about this wrong in any way?	How could this technique look like and work at large scale?	First enter the market with fossil free steel – Then restructure the whole production of SSAB

Parallel work streams



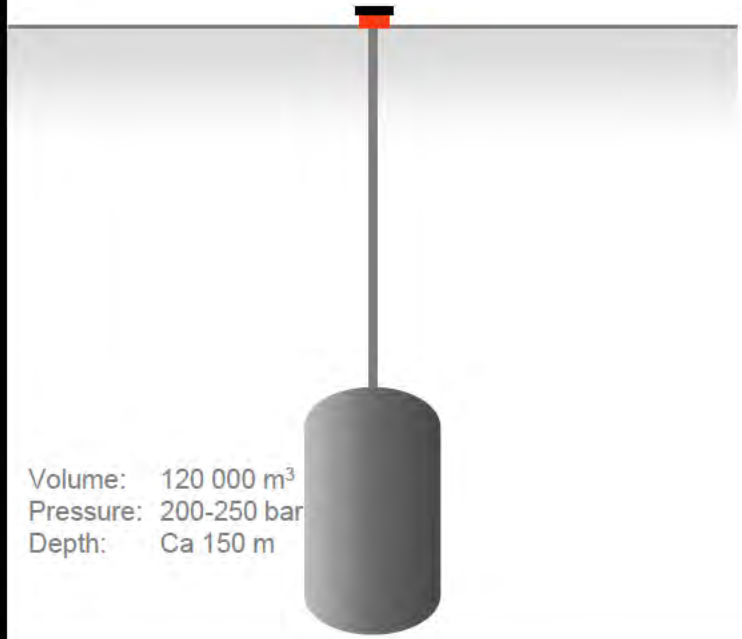


HYBRIT's pilot projects in Norrbotten, Sweden



One H_2 storage equals a million Teslas

- and can supply a full scale iron/steel mill with H_2 for five days



Volume: 120 000 m^3
Pressure: 200-250 bar
Depth: Ca 150 m

=

x 1 000 000

Bringing electrification to new sectors

Fossil free plastics

Agriculture

Biofuels

Cement

Innovative value chain cooperation initiate market for green products

Impact of decarbonization on product cost

US$ / % price increase

	Intermediate product		End product
Cement	**+100%** **(+30%)**	=	**+3%** Ex: +$15,000 for a $500,000 house from fossil free cement
Steel	**+20%**	=	**+1%** Ex: +$180 for a car made of fossil free steel
Plastics	**+50%***	=	**<3%** Ex: +$0.01 for a bottle of soda from fossil free plastic

Source: SYSTEMIQ analysis for the Energy Transitions Commission (2018)

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Thinking broader

1. Fossil free electricity/hydrogen replacing fossil fuels crucial for industry
2. Think broader across conventional borders of our value chains
3. Find unexpected partners to build relationships with
4. Collaborate to innovate
5. Back casting is the new black

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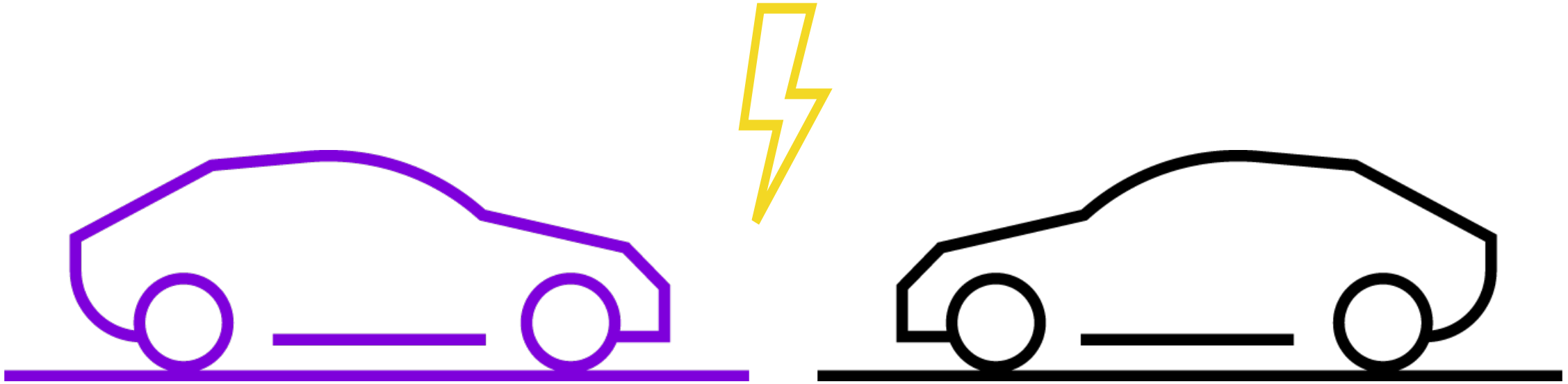
15 minutes

Nel fueling station activities

Jørn Rosenlund
SVP Fueling

Hydrogen fueling in brief

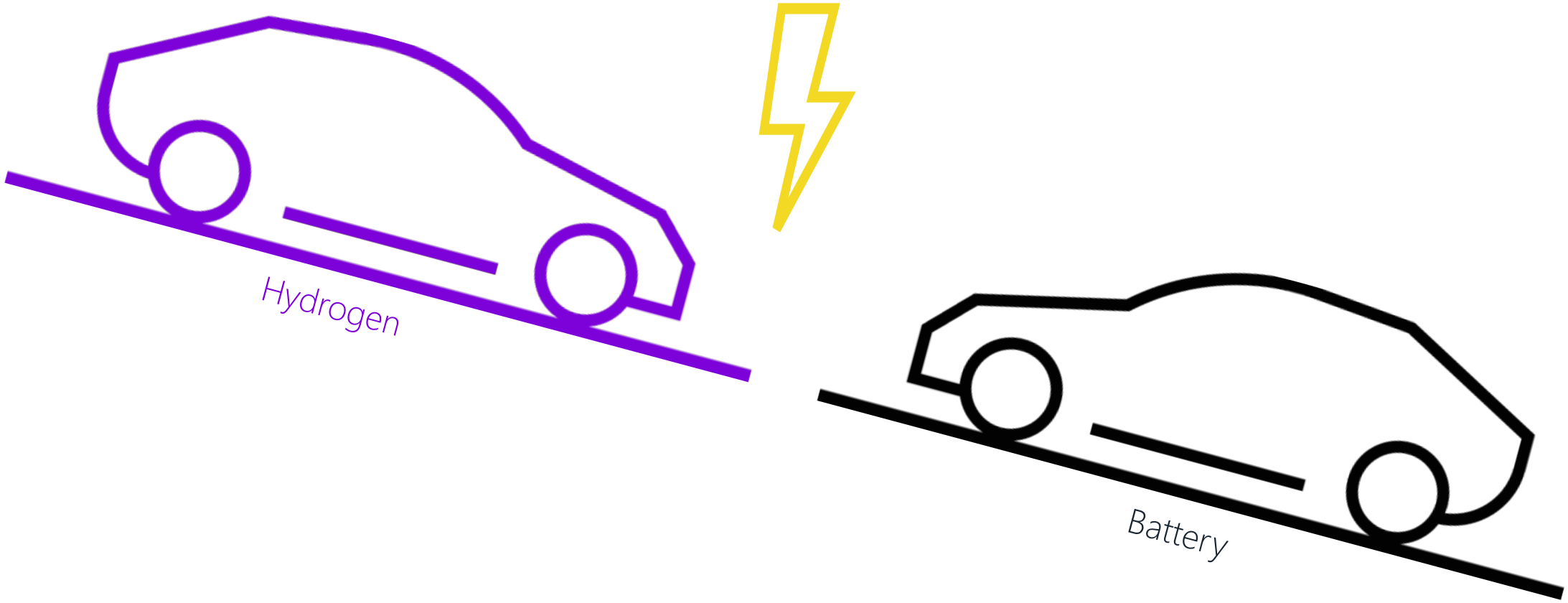
Fueling fully aligned with global mega-trend on electrification of transportation



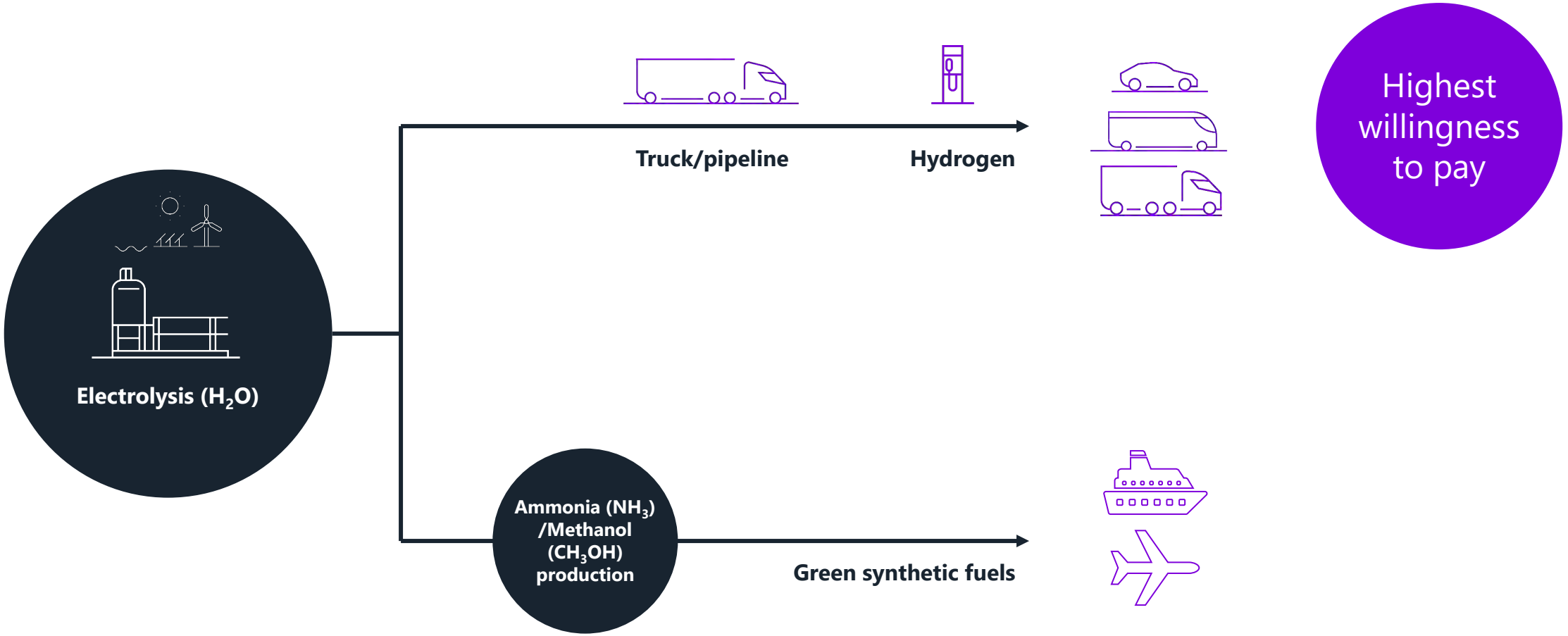
Hydrogen

Battery

Fueling fully aligned with global mega-trend on electrification of transportation



Hydrogen as the common energy carrier – H_2 as fuel is most cost effective



Hydrogen is becoming relevant in all forms of mobility

Forklift

Bus

Delivery truck

Truck

Construction equipment

Passenger car

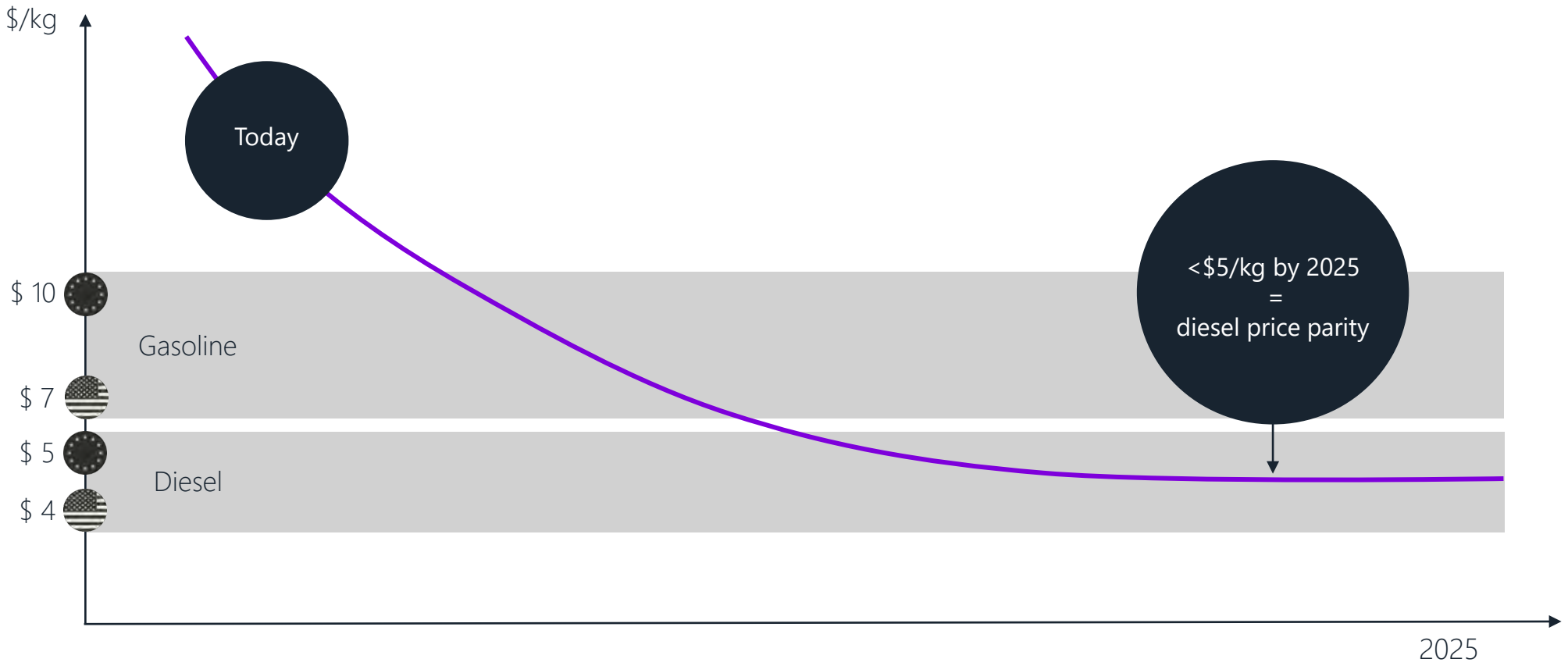
Train

Fast ferry

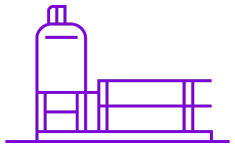
Car ferry

The challenge: Achieve <$5/kg by 2025 = diesel price parity

Hydrogen pump prices for fossil parity



Type approved standardized hydrogen fueling products

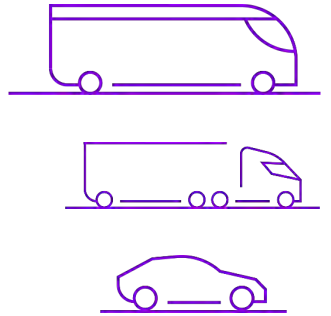


Supply Cabinet

Supply & Fueling Storage

Station Module

Dispenser



Fast fueling LDVs with 600 km in 3-5 minutes is a must

5 kg dispensed in <5 minutes
requires >600 km driving range

Charging BEV w/ >600 km range (100 kWh) in 5 minutes would require 1,200 kW grid connection

Fast fueling HDVs with 1,000 km range in 10-15 minutes is a must

Battery charging would require a **8,000** kW grid connection – hydrogen fueling only **300** kW

100 kg dispensed in 10-15 minutes, equal to 1,000 km driving range, only requires a 300 kW grid connection

Charging a Battery Truck with 1,000 km range (1,000 kWh) in 10 minutes would require an 8,000 kW grid connection

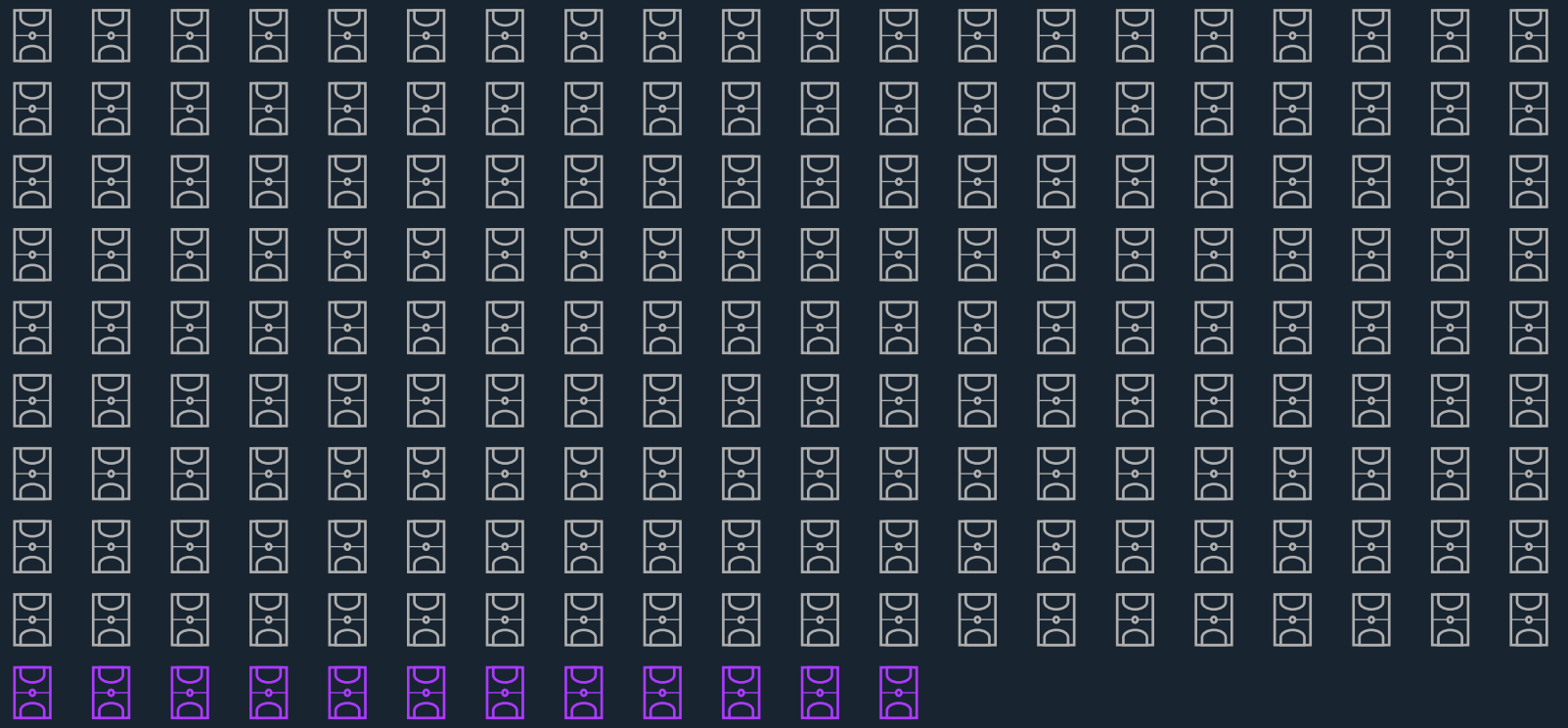
Image credits (clockwise from top left): ASKO, Toyota, Nikola Motor Company, Hyundai,

Hyper-fast-fueling is key to serve many customers quickly

Land requirements for charging stations for all New York City taxis would be equal to…

Battery

180
NBA courts



Hydrogen

12
NBA courts

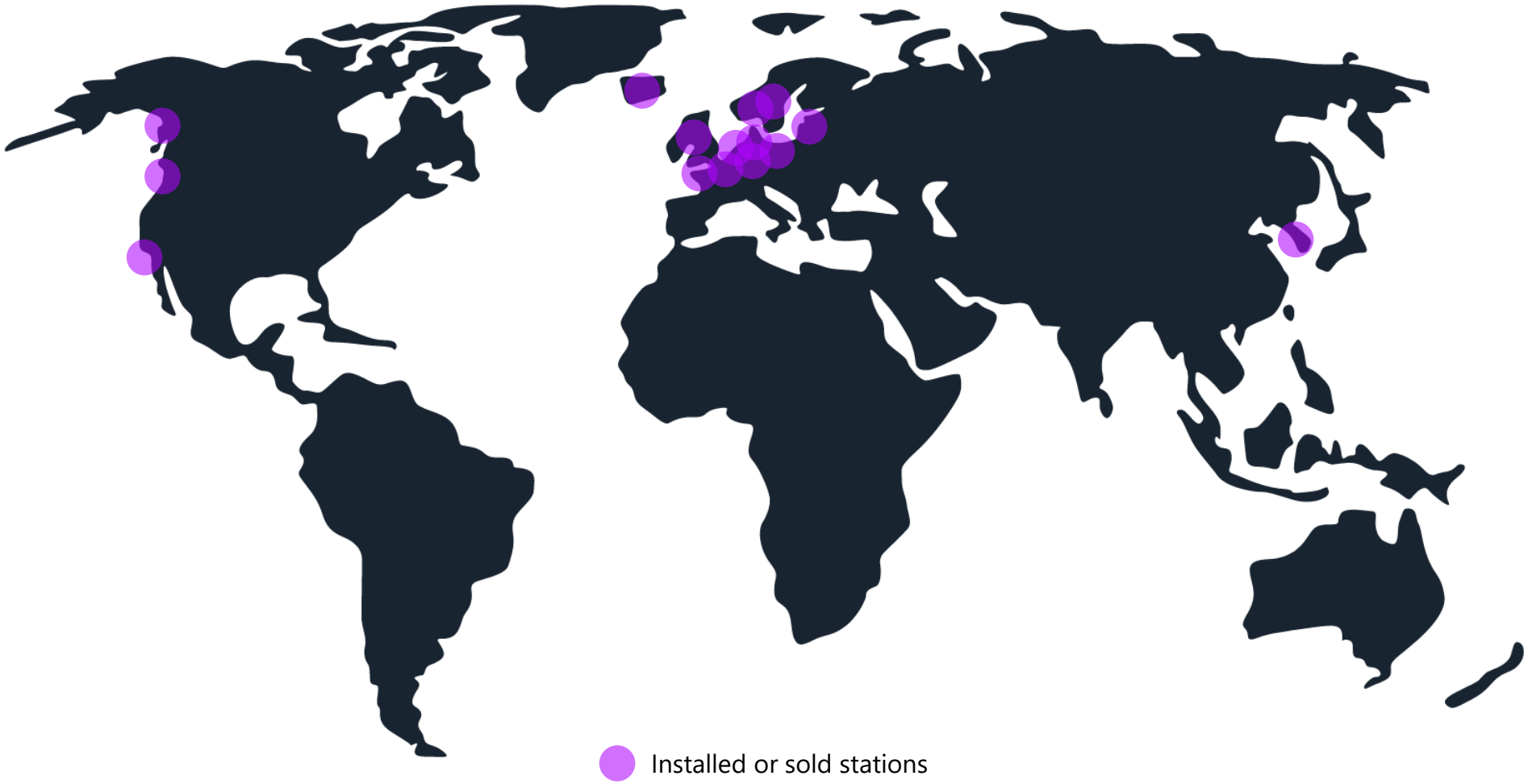
Example from "Hydrogen meets digital", Hydrogen Council discussion paper, September 2018

nel


300
x10 of 2019
Capacity for 300 H2Station™ per year – sufficient for fueling 200,000 cars/2,500 trucks annually
H2Station™ manufactured at the world's largest factory in Denmark

Installed or sold stations across the world

Norway
Sweden
Denmark
Iceland
Latvia
Poland
UK
Germany
Netherlands
Belgium
USA
Canada
South Korea



Our unique fueling solutions

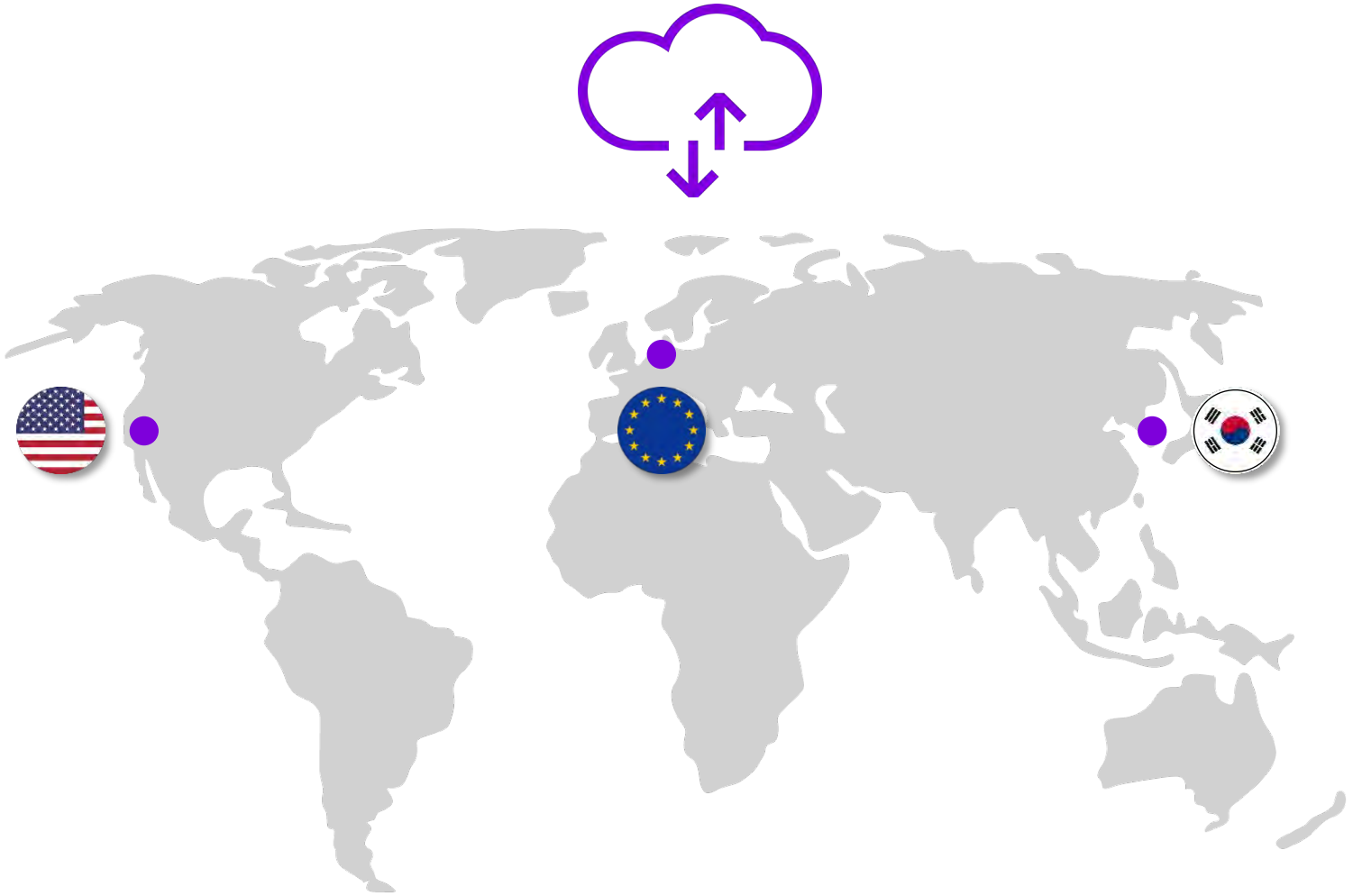
Control over the full value chain

Nel Customer

Product development	Sales	Procurement & Logistics	Production	Installation & Commissioning	Service
					
		Local permitting and civil works on site			
• Product development in process of moving towards automotive design philosophy	• Sales is performed through an increasing share of key accounts	• Long-term supply agreements with strategic supplier	• Balanced LEAN production flow with a six-day takt time per step	• Project Management and Engineering • Support customers in permitting, 3rd party approvals etc.	• Global 24/7 monitoring system • Preventive and proactive maintenance

OUR UNIQUE FUELING SOLUTIONS

Real-time station monitoring & diagnostics



1. **Remote monitoring**
   Instant remote event solving by Nel Hydrogen Service technicians in CA, EU and Korea all time zones

2. **Dispatching of service team**
   If event is not solved remotely, local service technicians are sent to site

Why are customers choosing Nel H2Station™ solutions?

In-house developed technologies

Full value-chain services

Nel operations and maintenance organization in key markets

Standardized and certified products

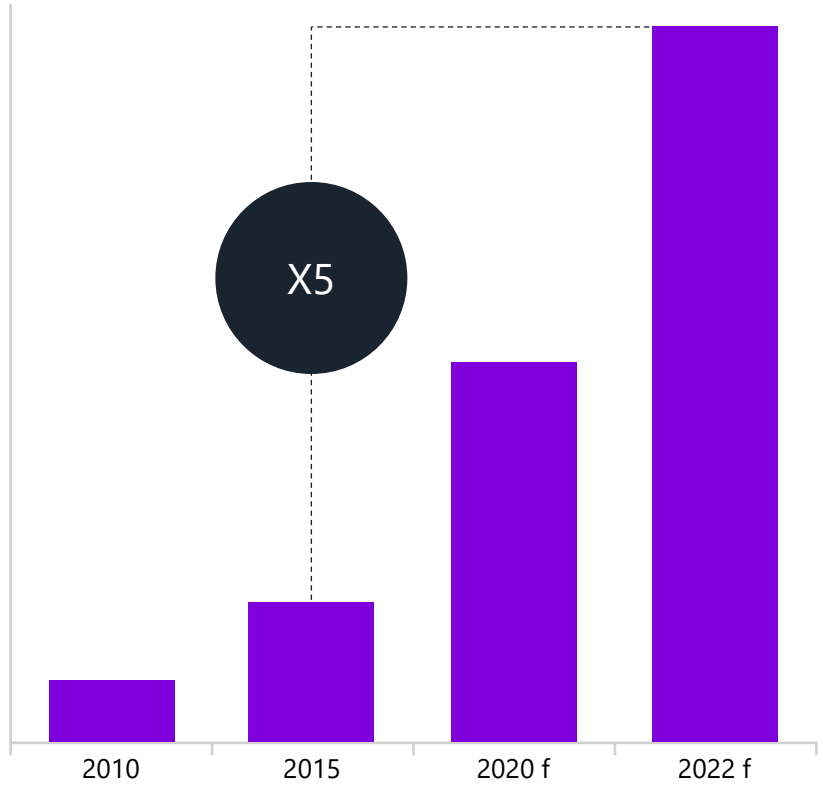
World's largest manufacturing capacity

Scaling technology for a 10X market

H2Station™ fueling capacity and fuel dispensing increasing rapidly

Accumulated installed H2Station™

Number of stations installed - Index



H2Station™ fueling capacity and fuel dispensing increasing rapidly

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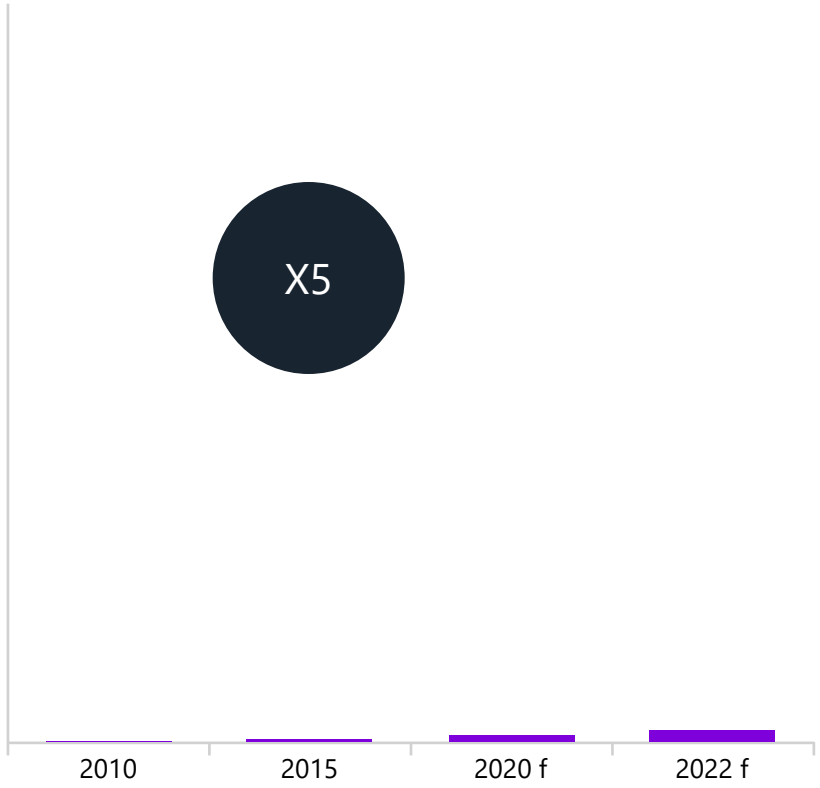
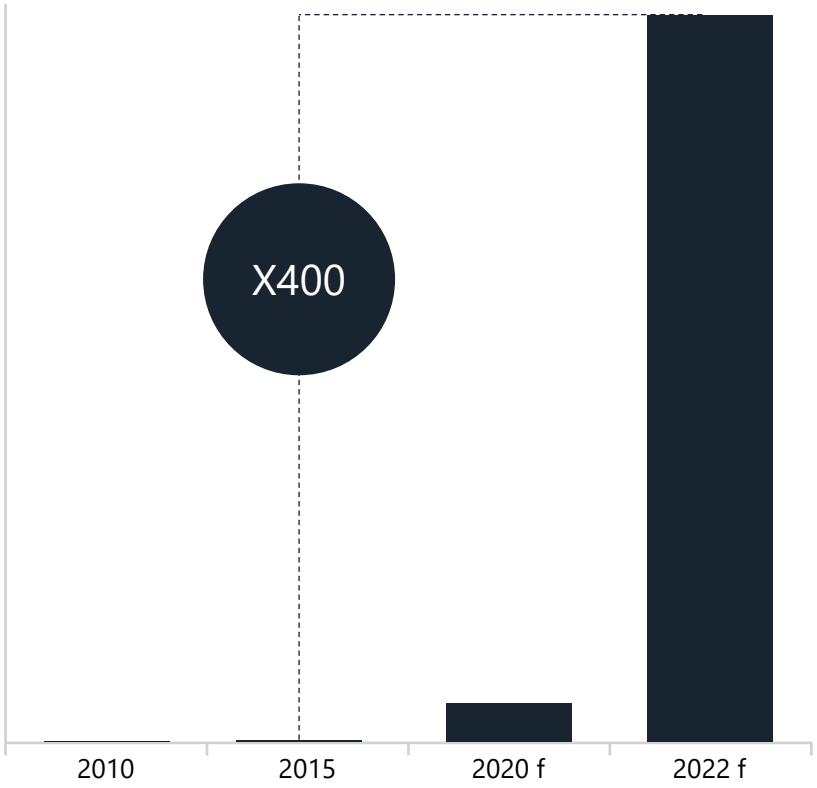
Number of stations installed - Index

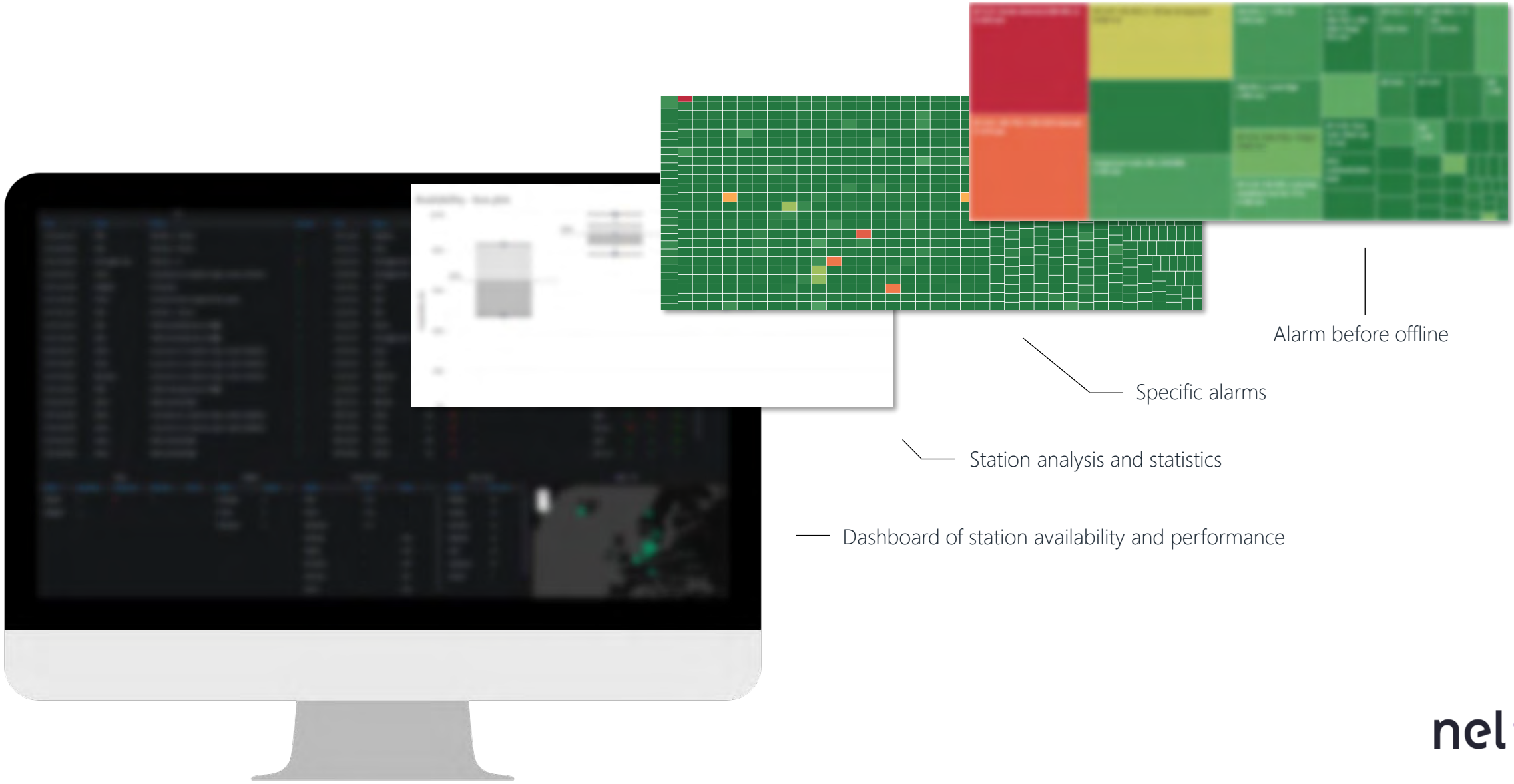


Accumulated fuel dispensed on H2Station™

H_2 quantity dispensed - Index



Harvesting Big Data – continuous improvement



H2Station™ evolution: 10 times capacity increase and 90% capex reduction

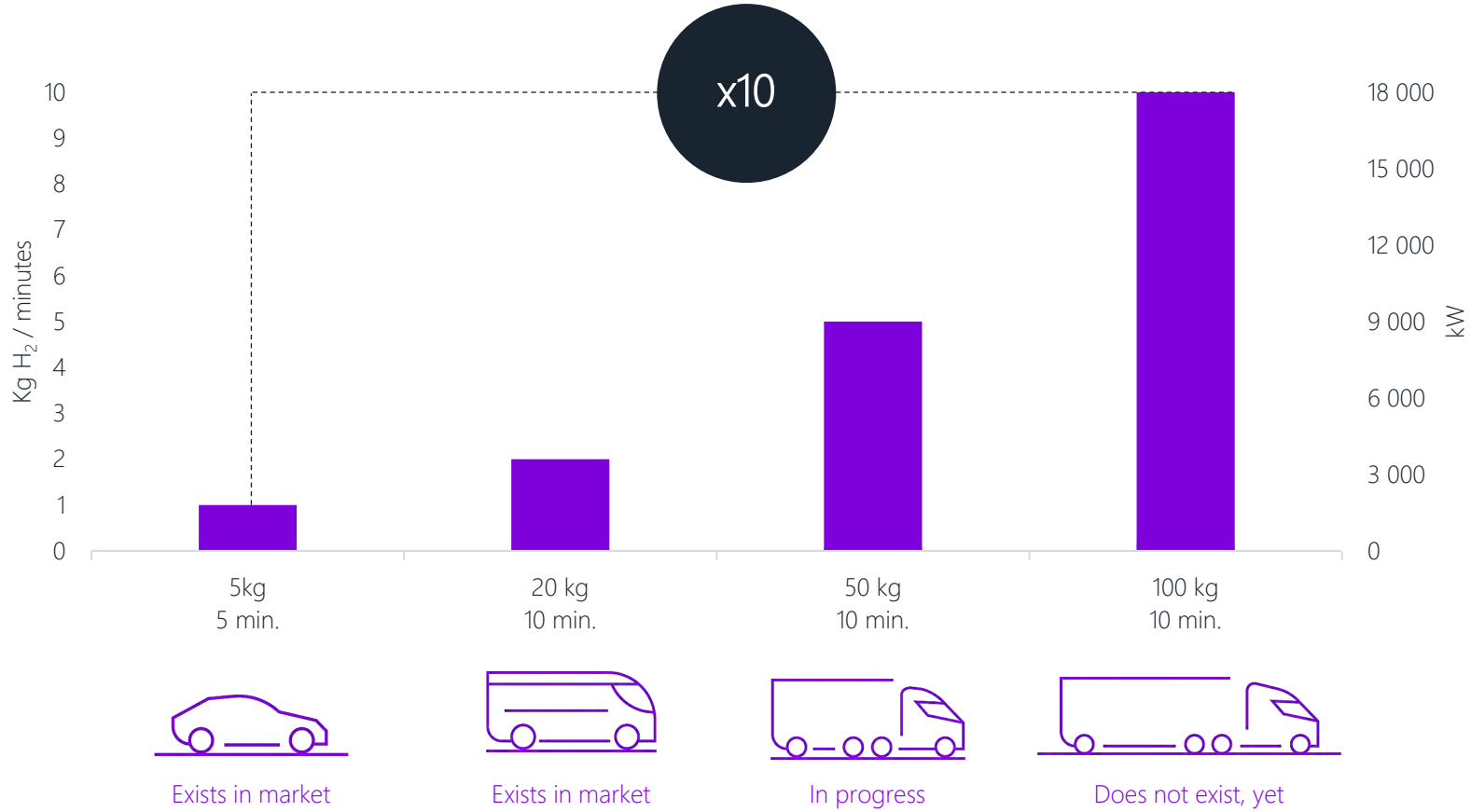
	2008	2010	2015	2020	2020+
Vehicles					
Capacity	50kg/day	100kg/day	200kg/day	500kg/day	>1000kg/day
Pressure	250 bar	350+700 bar	350+700 bar	350+700 bar	350+700 bar
Capex/kg capacity (index)	**150**	**100**	**50**	**20**	**10**
Technology	-	Fueling control	CO_2 cooling	Fueling compressor	Scaling core technologies

20 patents acquired for development of core fueling technologies

nel

Hydrogen fueling, as fast as diesel, is a must – an industry-wide challenge

Hydrogen and energy transfer during fueling



- End-users expect same performance as today
- Today, cars and busses are fueled with 1-2 kg H_2/min
- Heavy duty vehicles will require 10 kg /min – x10 today
- A very large amount of energy transferred to the vehicle
- Industry group working on new HDV nozzle

Evolution of the hydrogen fueling station market

First Nel fueling station
Denmark, 2004

First Nel fueling station for light duty vehicles
Denmark, 2008

Northern California: H2Station™ for passenger cars

200 kg/day
1 kg/min

First 14 H2Station™
California, 2018

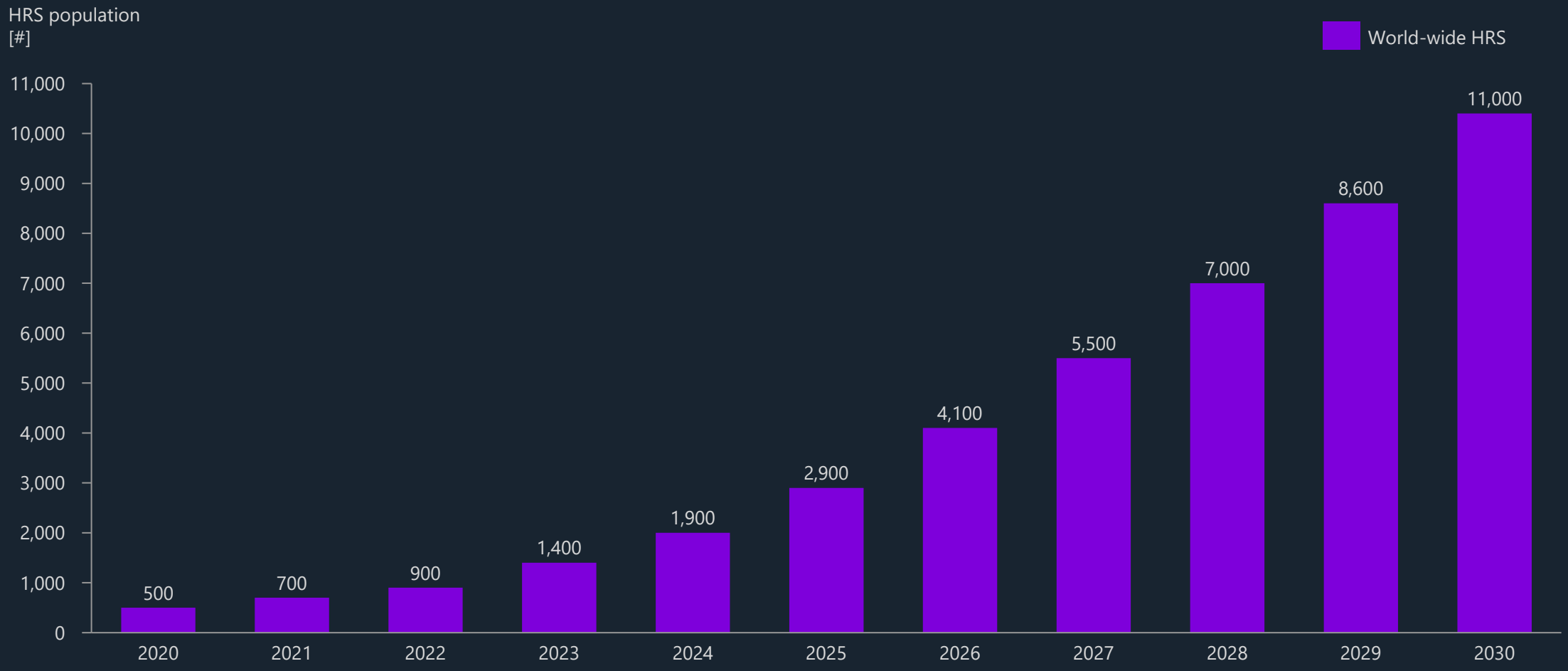
Evolution of the hydrogen fueling station market

1,000 kg/day
2 kg/min

H2Station™ for HDV under construction
California, 2020

OUTLOOK

Hydrogen fueling station sales is expected to grow in average >30% from 2020 to 2030



Source: Total figures - Nel Hydrogen figures based on Hydrogen Council figures – 2024: 1,900 units; 2030: 11,000 units (base case)

SUMMARY

Global leadership through proven track record and high-quality fueling stations

In-house developed technologies with standardized and certified products

+110

H2Station™ units delivered/in progress to 13 countries

World largest fueling station factory - capacity for 300 H2Station™ per year

Full value chain services with local service hubs in key markets

nel

nel

Break

15 minutes

We'll be back in

15 minutes

nel

Programme

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Financials & ESG
Kjell Christian Bjørnsen, CFO

Next generation technologies
Anders Søreng, CTO

Guest speaker
Joseph S. Cappello, Iwatani Corporation of America

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15 minutes

The global market leader
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Taking electrolysis to GW-scale
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Nel electrolyser activities
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Guest speaker
Mikael Nordlander, Vattenfall/HYBRIT

Nel fueling station activities
Jørn Rosenlund, SVP Fueling

Guest speakers

Joseph S. Cappello
Executive Officer of Iwatani Corporation
Chairman and CEO, Iwatani Corporation of America (ICA)

Forward Looking Statements

Certain statements included in this press release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding the company's ability to advance its development of hydrogen fueling stations; ability to help create and expand the hydrogen economy; including the ability to decarbonize certain transportation markets; the company's ability to produce market leading low-cost hydrogen; and its impact on the company's vertical hydrogen integration of production cost and plans; expectations regarding its hydrogen business, and related business model and strategy; and market opportunities related to the company's hydrogen plans. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of Iwatani's management and are not predictions of actual performance. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including but not limited to general economic, financial, legal, regulatory, political and business conditions and changes in domestic and foreign markets; the potential effects of COVID-19; the outcome of legal proceedings to which Iwatani may become a party; the effects of competition on Iwatani's future business; the availability of capital. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. These forward-looking statements speak only as of the date hereof and Iwatani specifically disclaims any obligation to update these forward-looking statements.

MEDIA CONTACT:
Rebecca Pancheri
rpancheri@iwatani.com
(773) 710-6585

Presentation Outline

- Introduction to Iwatani Corporation
- Overview of Iwatani's Global Hydrogen Presence
- Background on the California H2 Market
- Iwatani's Collaboration with Nel

Iwatani Corporation Overview

Corporate Profile

Iwatani

Corporate Philosophy

Become a person needed by society,
as those needed by society can prosper.

Iwatani Group

- **Established** : May 5, 1930
- **Paid-in Capital** : 20,096 million yen
- **Consolidated Net Sales** : 686.7 billion yen (March 31, 2020)
- **Affiliated companies** : 236 (Consolidated 106) (March 31, 2020)
- **Number of Employees** : 9,849 (Consolidated) (March 31,2020)

http://www.iwatani.co.jp/eng/investor/images/pdf/about_iwatani2020_en.pdf

Our Business

Iwatani

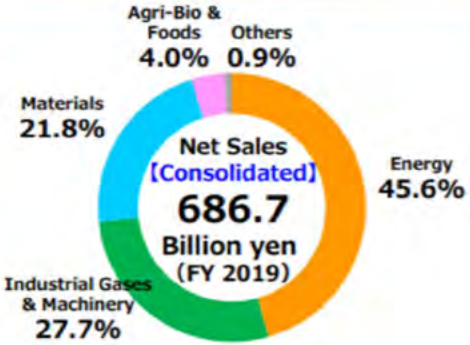
Core business "Gas & Energy"

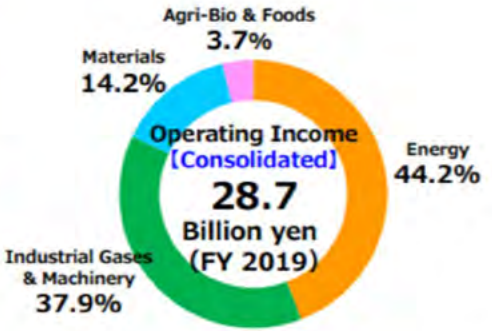
Energy Division
·LPG ·Electric power sales and city gas safety service ·Gas equipment and lifestyle products ·Portable gas cooking stoves and cassette gas canisters

Industrial Gases & Machinery Division
·Industrial gasses ·Gas facilities and industrial machinery

Materials Division
·Functional plastic products
·Resources and advanced materials
·Metals ·Electronic Materials

Agri-Bio & Foods Division
·Frozen foods and health foods
·Equipment for Agriculture
·Seed pigs and equipment for livestock





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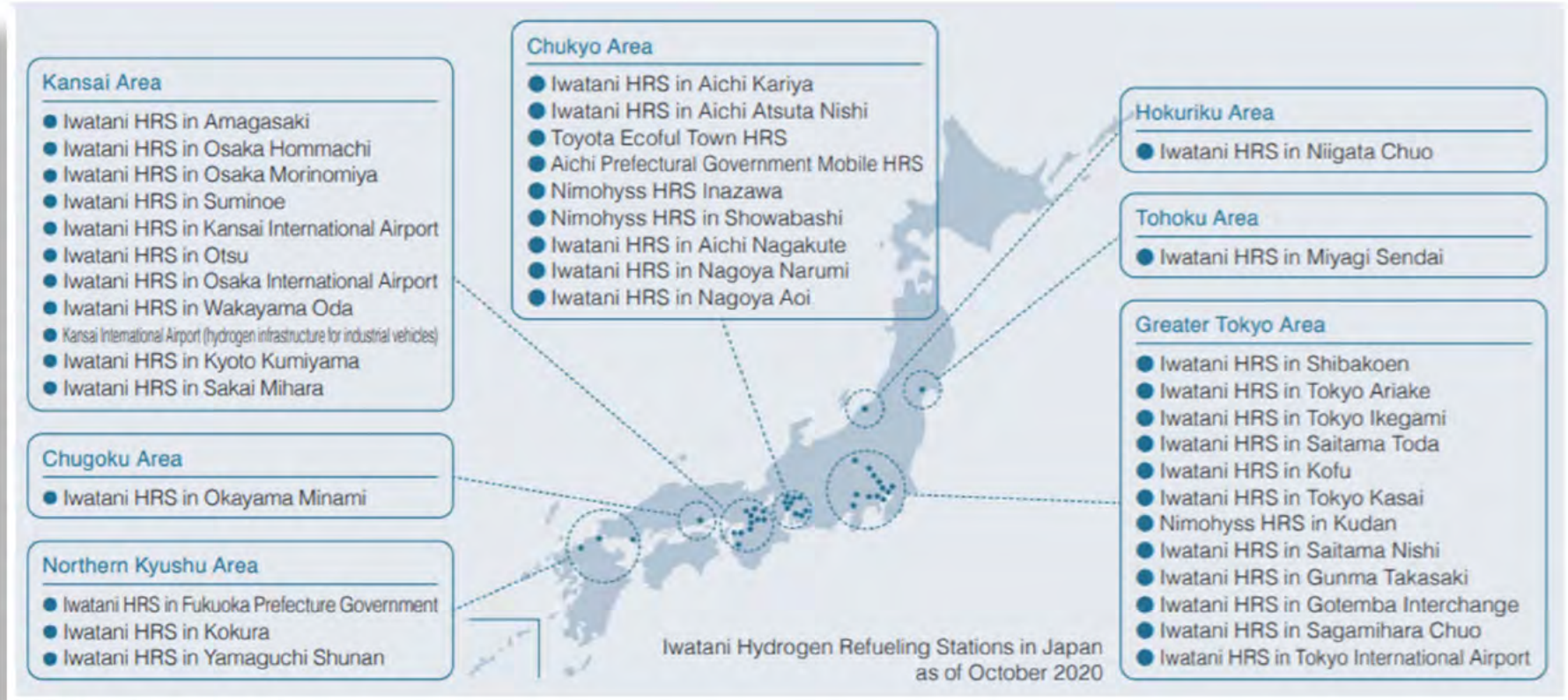
Iwatani Corporation of America

Iwatani's Hydrogen Leadership Position in Japan

http://www.iwatani.co.jp/eng/investor/images/pdf/about_iwatani2020_en.pdf

- #1 Position in Hydrogen
- Only Liquid H2 Supplier
- Significant Infrastructure Investment
- Committed to a CO2-Free Society

Iwatani is Investing in Innovative H2 Technologies



*HRS : Hydrogen Refueling Station
*Nimohyss Hydrogen Refueling Stations are operated by Nippon Mobile Hydrogen Station Services, LLC, a company established by Iwatani in association with Toyota Tsusho Corporation and Taiyo Nippon Sanso Corporation.

H2 Refueling Station in Tokyo Kansai
Supports FCV Buses and Autos

Fukushima H2 Energy Research Field
Photo courtesy of NEDO

Australia Liquid H2 Loading Terminal
Photo courtesy of HyStra

Iwatani Group
Iwatani Corporation of America

California is Leading the Way in Hydrogen for the US

Energy Commission Approves Plan to Invest Up to $115 Million for Hydrogen Fueling Infrastructure

For Immediate Release: December 9, 2020

Commissioners Approve $25 Million for First 30 Stations

SACRAMENTO – The California Energy Commission (CEC) approved a plan today that will invest up to $115 million to significantly increase the number of fueling stations in the state that support hydrogen fuel cell electric vehicles (FCEVs). The funding nearly doubles the state's investments to date and will help California nearly achieve its goal to deploy 200 public hydrogen fueling stations.

The plan also supports Governor Gavin Newsom's executive order phasing out the sale of new gasoline-powered passenger vehicles by 2035 by providing essential infrastructure to meet the fueling needs of the increasing number of zero-emission vehicles (ZEV) anticipated on the road in the next decade. While battery electric vehicles (BEV) are the most common ZEV in the state, more than 8,000 FCEVs have also been leased or sold.

Under the plan, up to 111 new hydrogen fueling stations will be built in the state by 2027, including many designed for multi-use by passenger vehicles, trucks and buses. Total project funding is subject to annual approval of both the state budget and allocations from the CEC.

This report continues with analyses for the coverage and capacity of the hydrogen refueling station network, the cost and time it is taking to develop stations, and the current and future projections of FCEVs and station implementation in California. The report summarizes important industry developments in 2019, including a fuel shortage that limited the refueling of FCEVs in Northern California. The CEC and CARB review the year's fueling trends and describe other hydrogen and fuel cell projects that are expanding the potential for fuel cell electric vehicles, including buses and trucks, to serve multiple functions in the transition to a zero-emission transportation system.

New Station Ownership

This year marked the first occasion in which new owners assumed operation of existing hydrogen refueling stations. Iwatani Corporation of America (Iwatani) acquired four hydrogen refueling stations that were previously owned by Messer (formerly Linde, LLC). The four stations are in Mountain View, San Juan Capistrano, San Ramon, and West Sacramento. Iwatani operates more than 20 hydrogen refueling stations in Japan and the company's entrance into the California market is a positive indicator of growing interest and competition in station development and operation here. Iwatani celebrated its acquisition of stations in California with a grand re-opening and ribbon-cutting ceremony on May 16, 2019, at the West Sacramento station. The photograph in Figure 1 shows Mr. Akiji Makino, Chairman and Chief Executive Officer of Iwatani Corporation, with CEC Commissioner Patty Monahan and West Sacramento City Manager Aaron Laurel, who participated in the event.

Figure 1: West Sacramento Station Ribbon-Cutting Ceremony

Source: California Fuel Cell Partnership

7

CALIFORNIA AIR RESOURCES BOARD

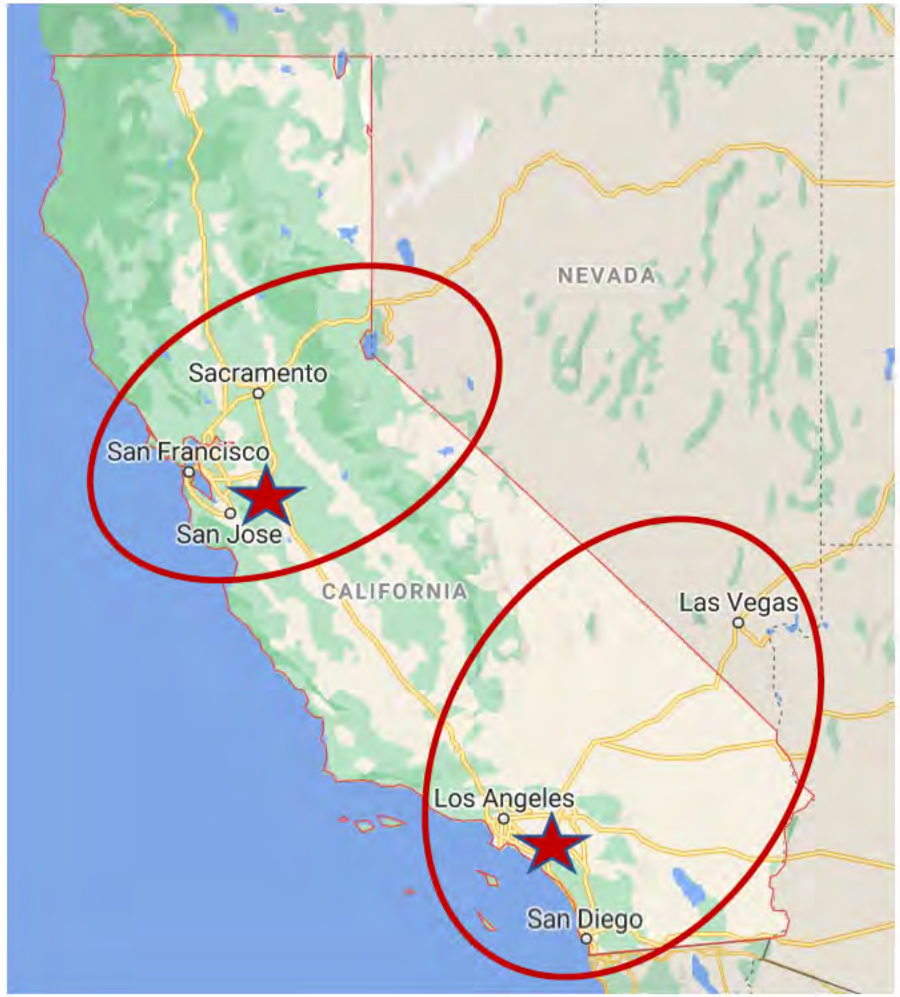
September 2020

2020 Annual Evaluation of Fuel Cell Electric Vehicle Deployment & Hydrogen Fuel Station Network Development

(Report Pursuant to AB 8; Perea, Chapter 401, Statutes of 2013)

Iwatani Group
Iwatani Corporation of America

Iwatani Corporation of America's Hydrogen Focus in CA



- Entered Market in 2019 via Acquisition of Linde's 4 HFS
- Plans for 20 New Light Duty HFS
  - Amongst Top 3 HFS Developers in CA
- Emphasizing End-Markets that Value CO2-Free H2
- Vertical Integration is Key Success Factor

Iwatani Group
Iwatani Corporation of America

Iwatani and Nel's Collaboration in Southern California

Iwatani Corporation of America and Toyota Collaborate to Bring Seven New Hydrogen Refueling Stations to Southern California

November 12, 2020

Expansion Supports the U.S. Launch of Toyota's Second Generation Mirai, its Zero-Emission Hydrogen Fuel Cell Electric Vehicle

RELATED MEDIA

RELATED IMAGES >

Santa Clara, Calif., (November 12, 2020) - Iwatani Corporation of America, a wholly owned subsidiary of Iwatani Corporation (Tokyo Stock Exchange: 8088) and Toyota Motor North America (NYSE: TM) jointly announced today that Toyota will support Iwatani's plans to significantly expand the number of open retail hydrogen fueling stations by nearly 25 percent in Southern California and represents an increase of 6,300 kilograms per day of hydrogen fuel dispensing capacity. Construction of the new stations is anticipated to commence in early 2021 followed by commissioning of the first stations by midyear. All seven stations will be open to the public, providing hydrogen fuel to consumers in support of the rapidly growing demand for zero-emission fuel cell electric vehicles (FCEVs).

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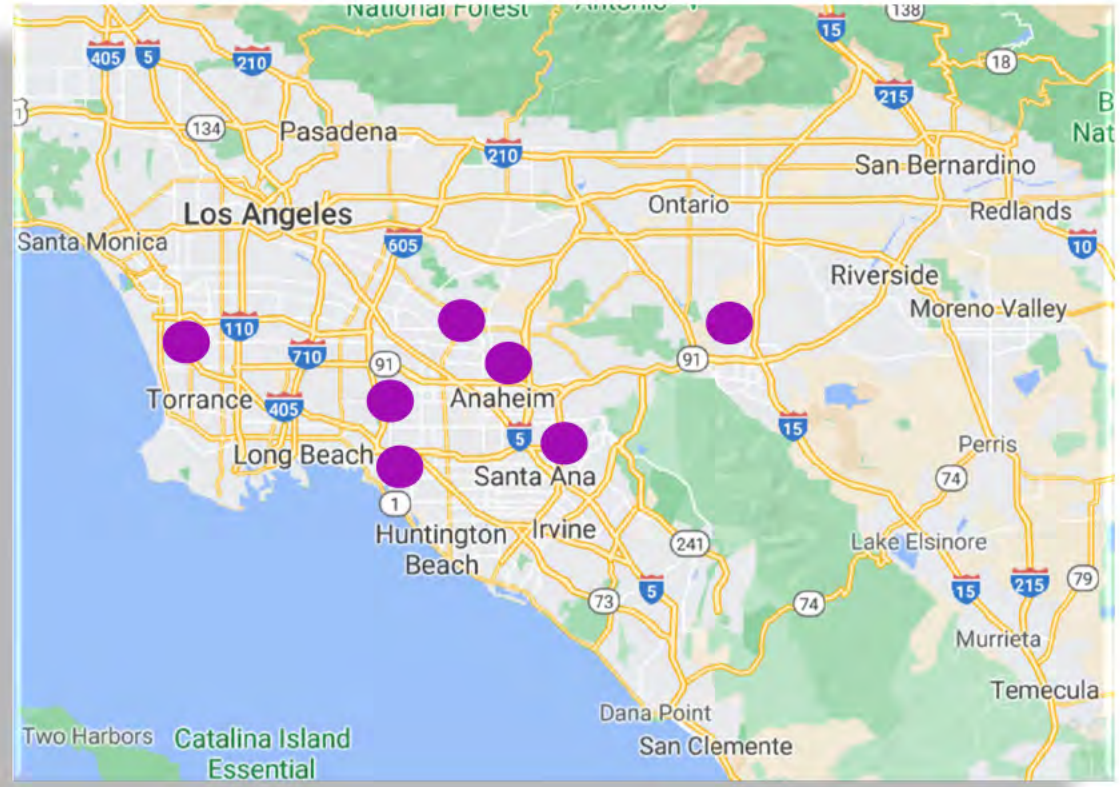

Iwatani Group
Iwatani Corporation of America

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Financials & ESG
Kjell Christian Bjørnsen, CFO

Next generation technologies
Anders Søreng, CTO

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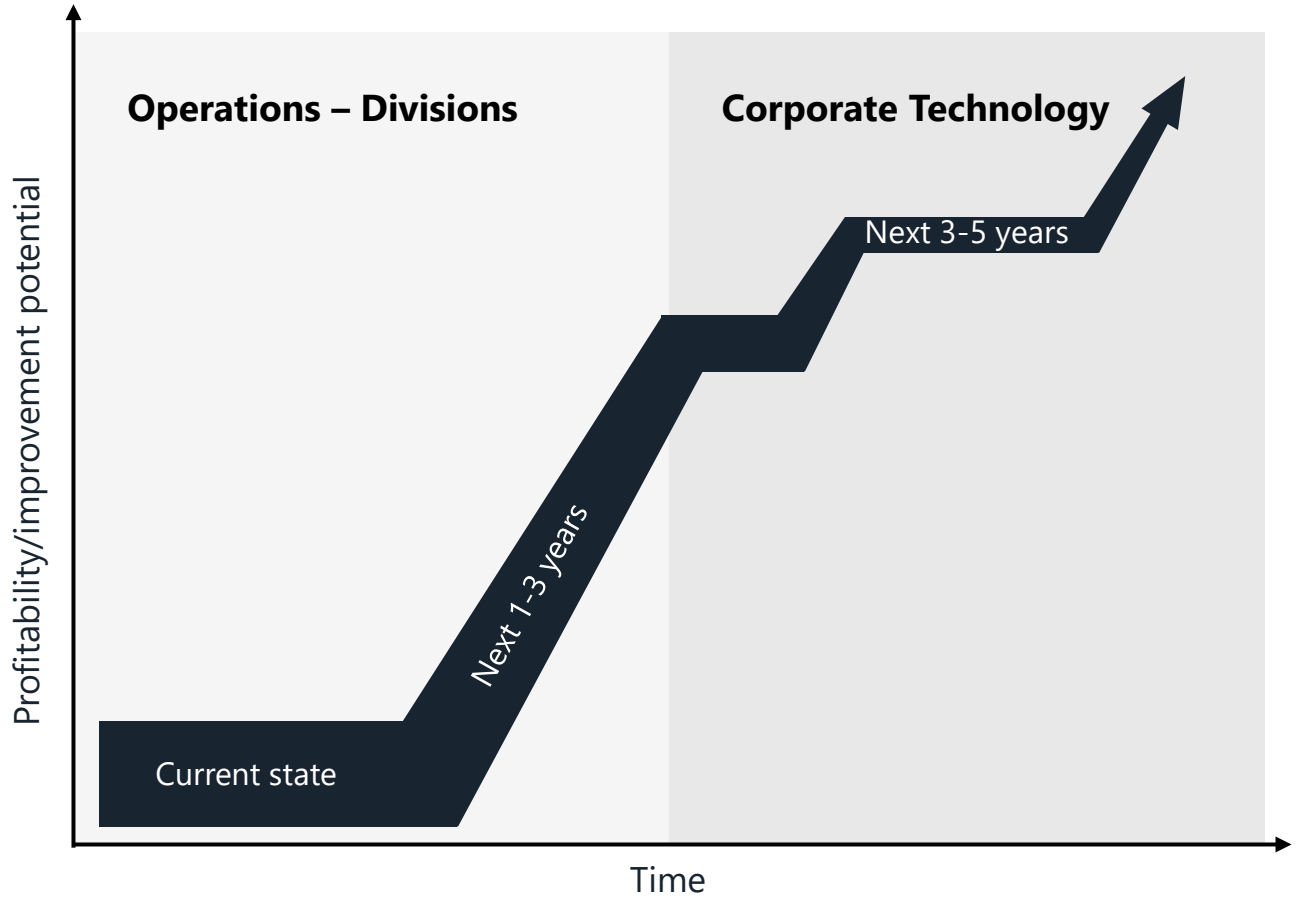
Jørn Rosenlund, SVP Fueling

Next generation technologies

Anders Søreng
Chief Technology Officer

Current and future platforms



- Enable future business plans
- Develop next generation technologies and products
- Drive leading business safety programs across company
- Drive business system programs across company

Safety is priority #1 – our commitment to the community

Best practice tools and methodologies to improve processes and products

Product safety is the accumulation of built-in quality in design and production/installation processes

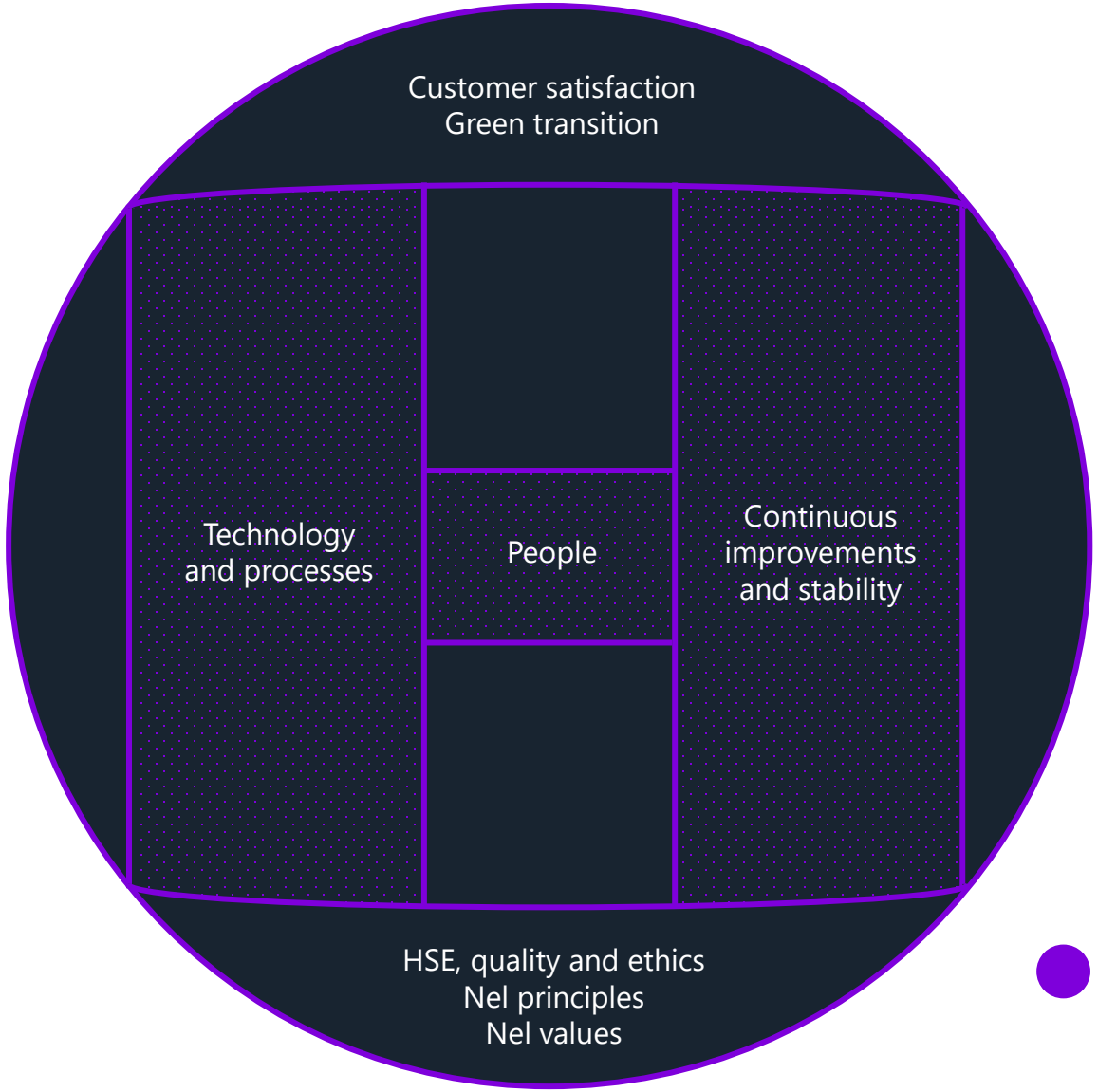
What differentiates us?

Sustaining and improving safety, quality and productivity

Increase our business competitiveness

Rolling out during 2021 as part of Employee Value Program

Nel Business System (NBS)



Technology strategy


Hydrogen to play important role in world's
transition to green energy solutions

TECHNOLOGY STRATEGY

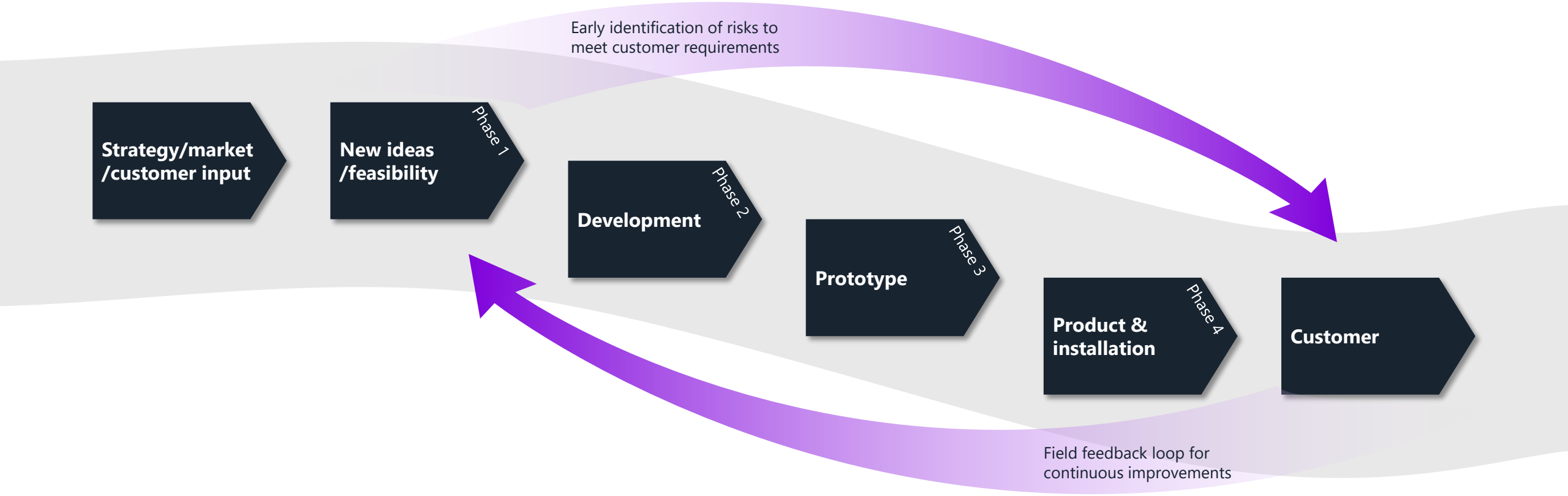
Corporate technology's role is to enable future business

Corporate technology's responsibilities:

- Ensure world-class organization and facilities
- Develop modular designs for large-scale deployment
- Enhance Bankability
- Reduce product TCO
- Timely introduce technologies with predictable performance and lifetimes

Linking technology strategy with customer needs

Targeted, timely, safe and reliable product launches that meet customer requirements



Corporate technology team

ALKALINE ELECTROLYSERS

PEM ELECTROLYSERS

HYDROGEN FUELING

~40 technologists & intellectual engineer capital totalling 100+ employees

20%

PhDs

Balance between educational and experienced-based competencies

10-12%

R&D net investment/turnover

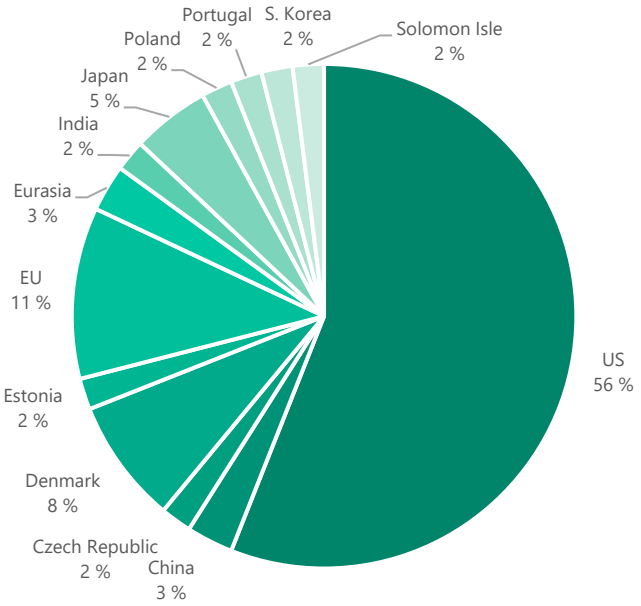
R&D investment to follow industry development

Core competencies

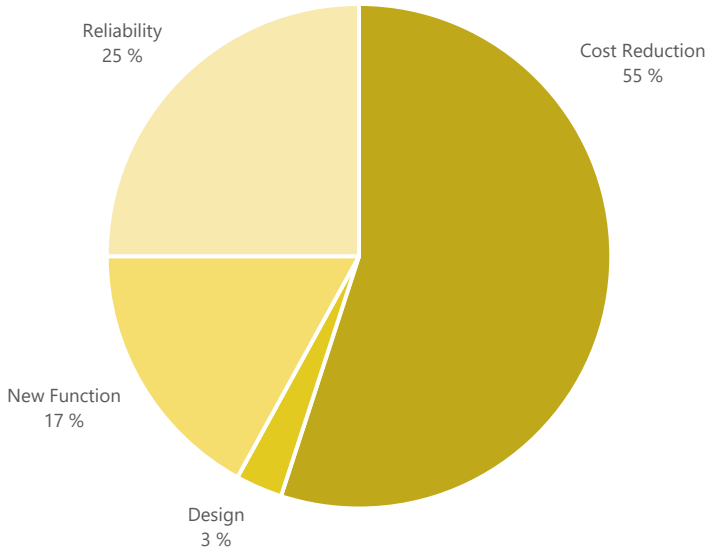
- Electrochemistry
- Chemical engineering
- Polymers/elastomers
- Mechanical design and modelling
- Power electronics
- Thermodynamics
- Material science
- System engineering
- Physics
- Computer simulation
- Power electronics

Active IP protection strategy

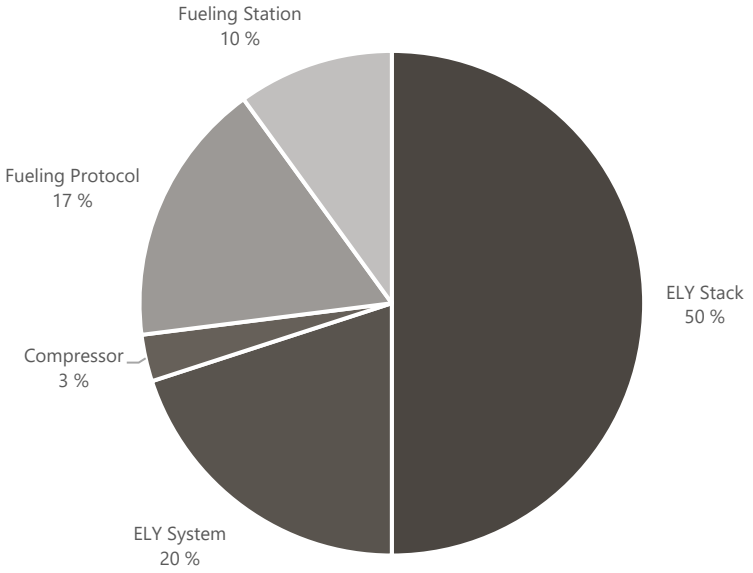
Patents follow markets



Cost reduction and reliability in focus

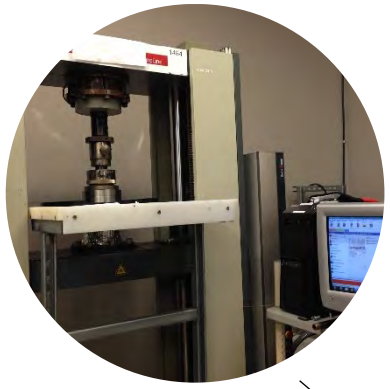


Divided by three technology platforms



Note: Numbers do not include applications in process

Our experimental capabilities are unique in the industry



Material testing

Cell stack testing

System testing

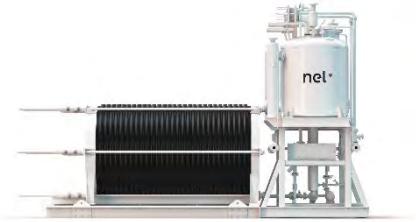
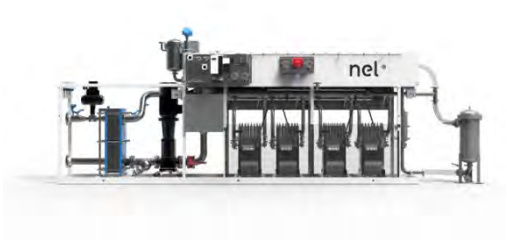
Component testing

Our experimental competitive advantages

- Unparalleled test experience
- Variety of test equipment
- Industrial scale test capabilities
- Complementary test capabilities with partners

Key electrolyser developments

Electrolyser technology roadmap: Enabling our business plans

ALKALINE ELECTROLYSERS	PEM ELECTROLYSERS
	
Development of low-cost / large-scale pressurised platform with increased current density	Development of next generation large scale cell stacks reducing material cost and improving efficiency
Optimize electrode configuration	
Developing advanced manufacturing capabilities	
Improve lifetime predictability	
Development of digital twins	

Systematic innovation process and market intelligence create basis for step change enabling technologies

- Deliver strongest value propositions: large-scale products, bankable improvements, lowest TCO enabling technologies
- ESG compliance
- Continue to grow key partners for development and deployment
- Consider to invest in or acquire early-stage technology companies

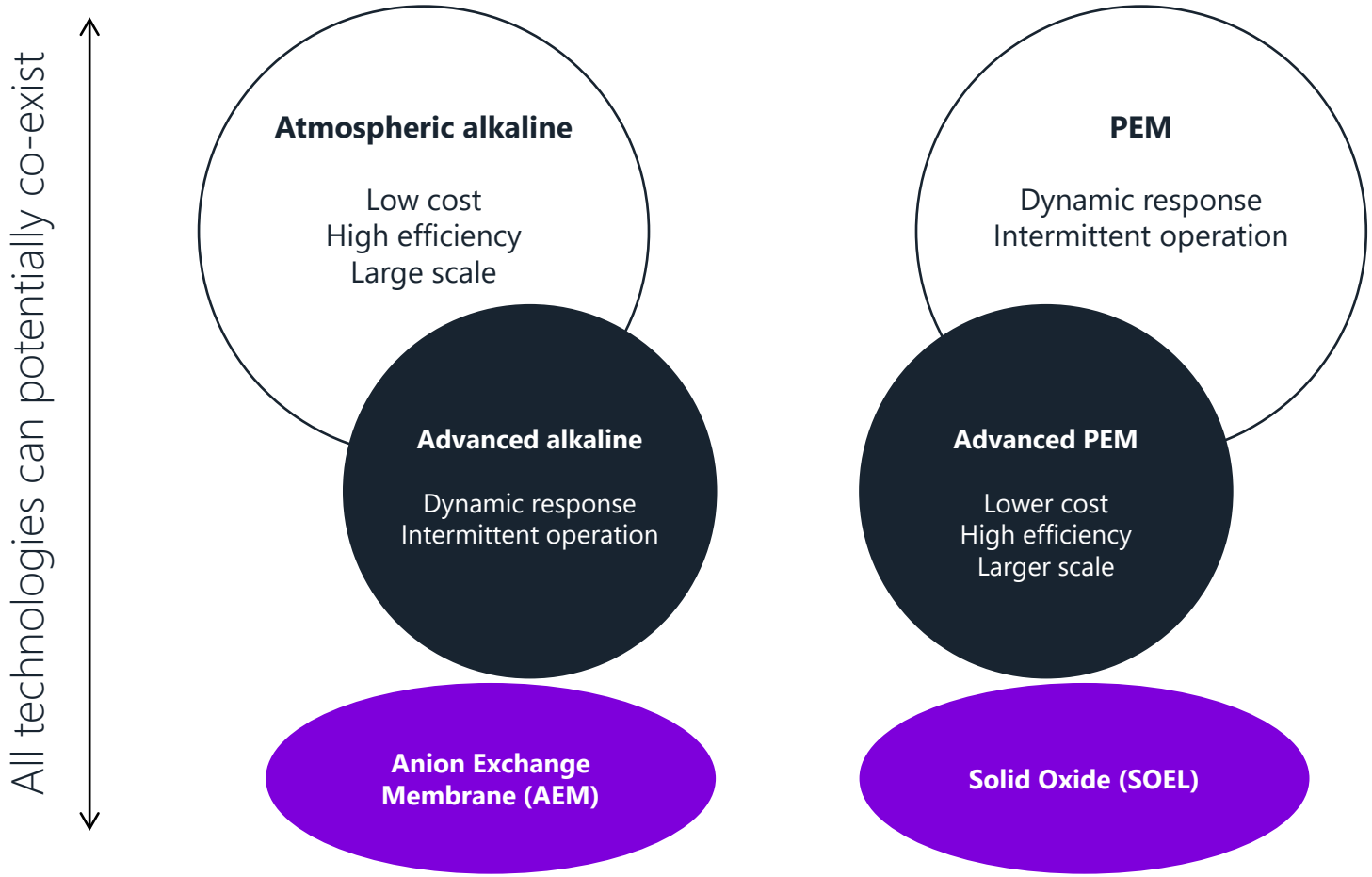
Integrated system operations with renewables

Efficient system integration and operations

- Remote process monitoring and control system
- Optimized operations to accommodate lowest cost power in balance with off-take need
- Optimized design for lowest system TCO

Photo by Karsten Wurth, retrieved from unsplash.com

Only company with both alkaline and PEM technologies at scale



Our competitive technology platform advantages

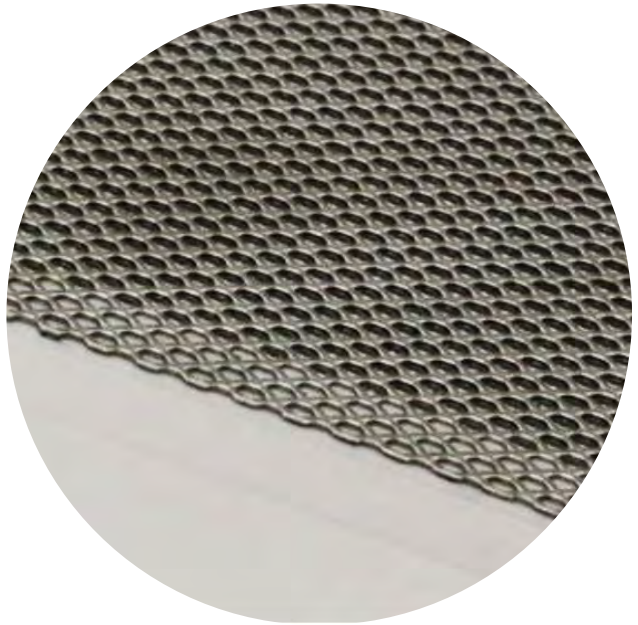
- PEM and alkaline both have advantages
- Both platforms are developed with equal priority
- Industrial and technology knowledge about PEM and alkaline is beneficial
- Follow other technologies like AEM and SOEL

Electrode development and fabrication – unique catalyst formulations

Knowledge of catalyst deposition process

- Scaled for multiple technology approaches
- Capacity for thousands of cells per year
- Build infrastructure in place for large industrial production
- Unique, patented design features
- Internal know-how in cell stack supplier development, design, assembly and testing for high durability

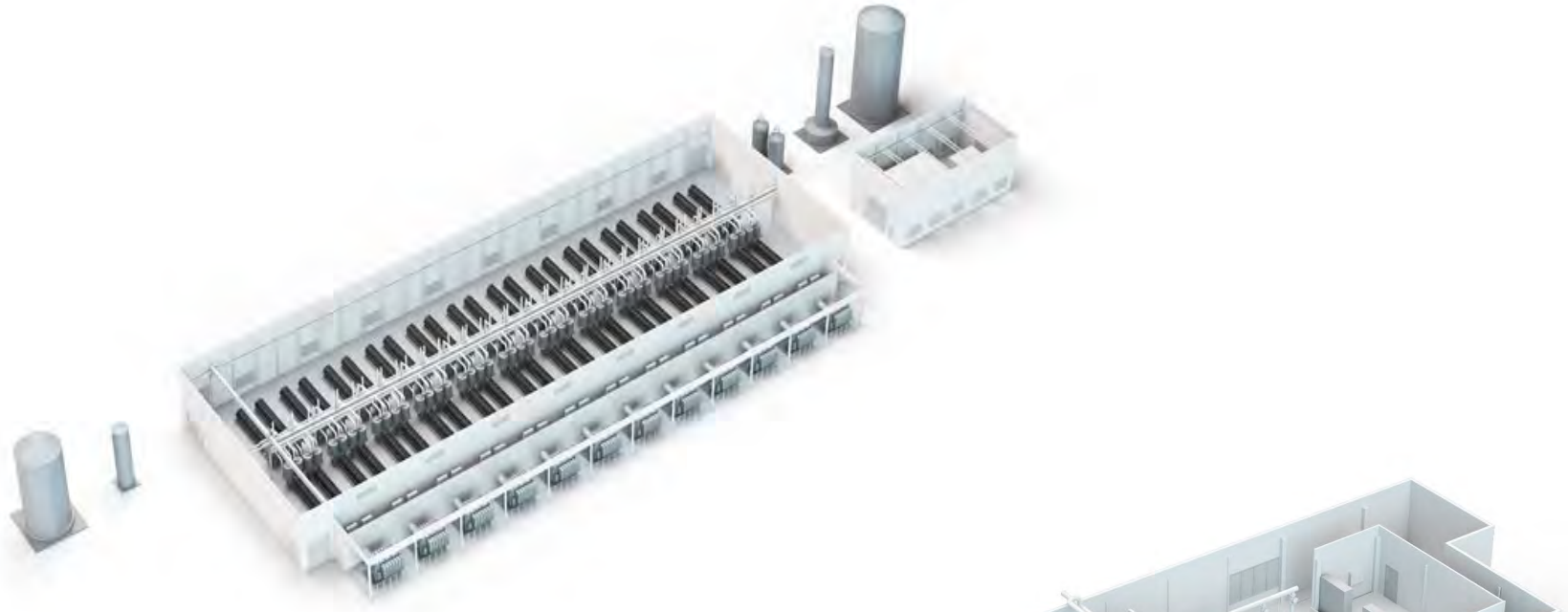
Cell stack designs, manufacturing and scale-up

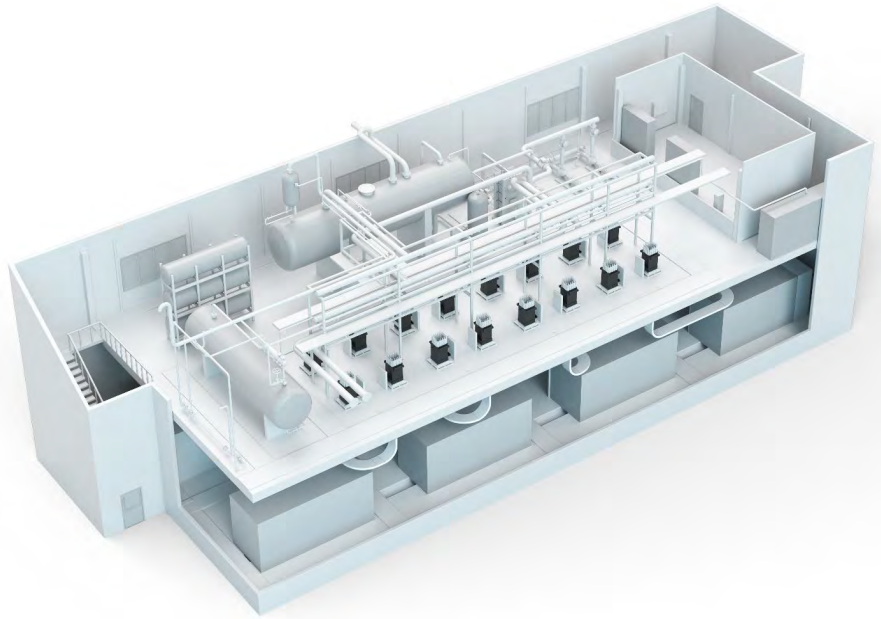


Unique experience in design and manufacturing

- In-house/patented catalyst formulation and deposition processes
- Process know-how for consistent production
- Expertise and infrastructure for electrode deposition
- In-house instrumentation for high quality control
- In-house capability for development and production of catalyst electrodes

System design and assembly



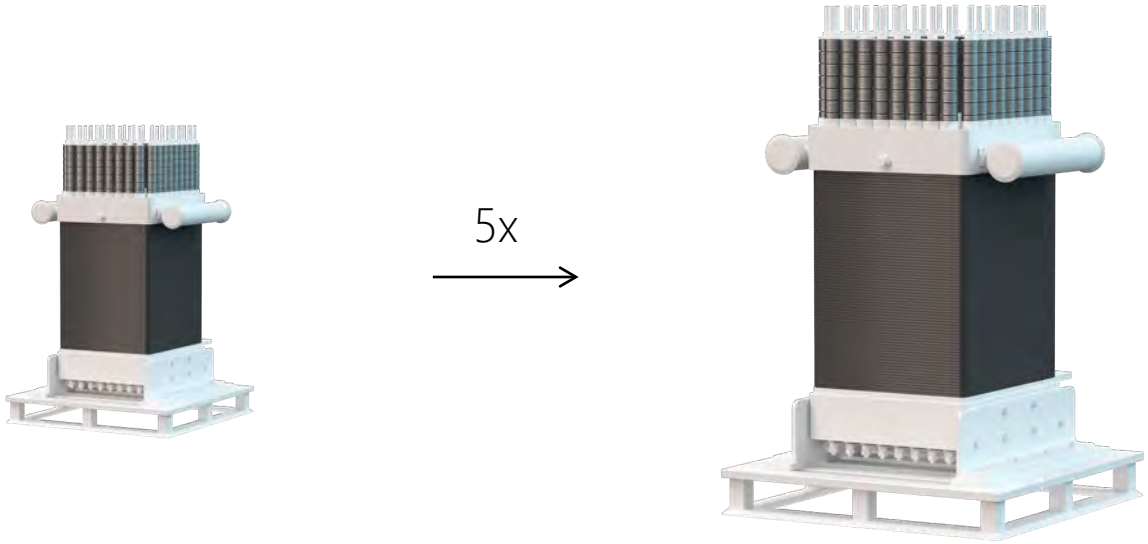


Balance of plant

- Designs for kW to MW
- Patented solutions including gas management and monitoring/controls
- Thorough analysis and mitigation of hazards with multiple levels of protection
- Safety/product certification including third party

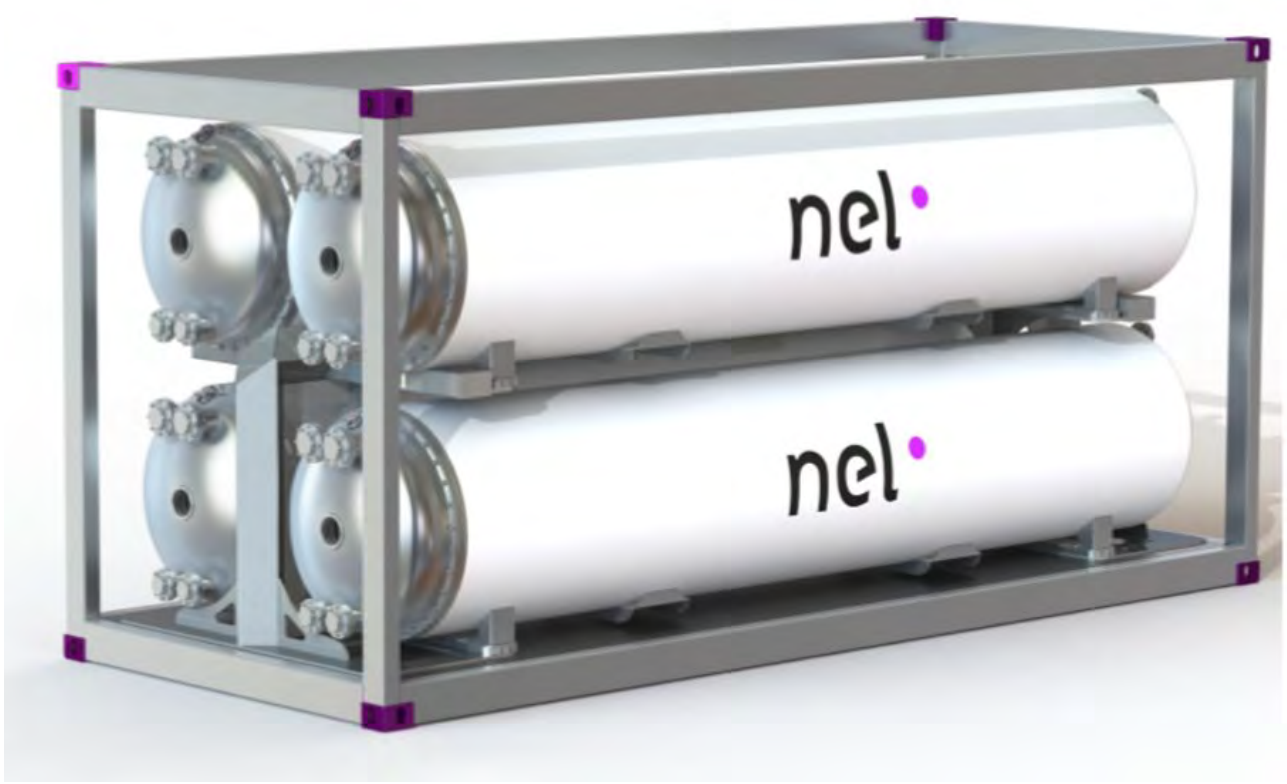
KEY ELECTROLYSER DEVELOPMENTS

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

Continued development success of pressurised alkaline product



New innovative design targeting lowest TCO

- 5 MW optimized skid solution fits inside 20 ft open frame
- World class efficiency performance
- Designed for automated manufacturing and low-cost supply chain
- Outdoor IP class, no building required
- Thermally isolated to minimise heat loss

Key H2Station™ developments

KEY H2STATION™ DEVELOPMENTS

Fueling technology roadmap: Enabling our business plans

HYDROGEN FUELING

Develop next generation high-capacity technology enablers to support heavy-duty fueling station concept

Development of components with less maintenance demand

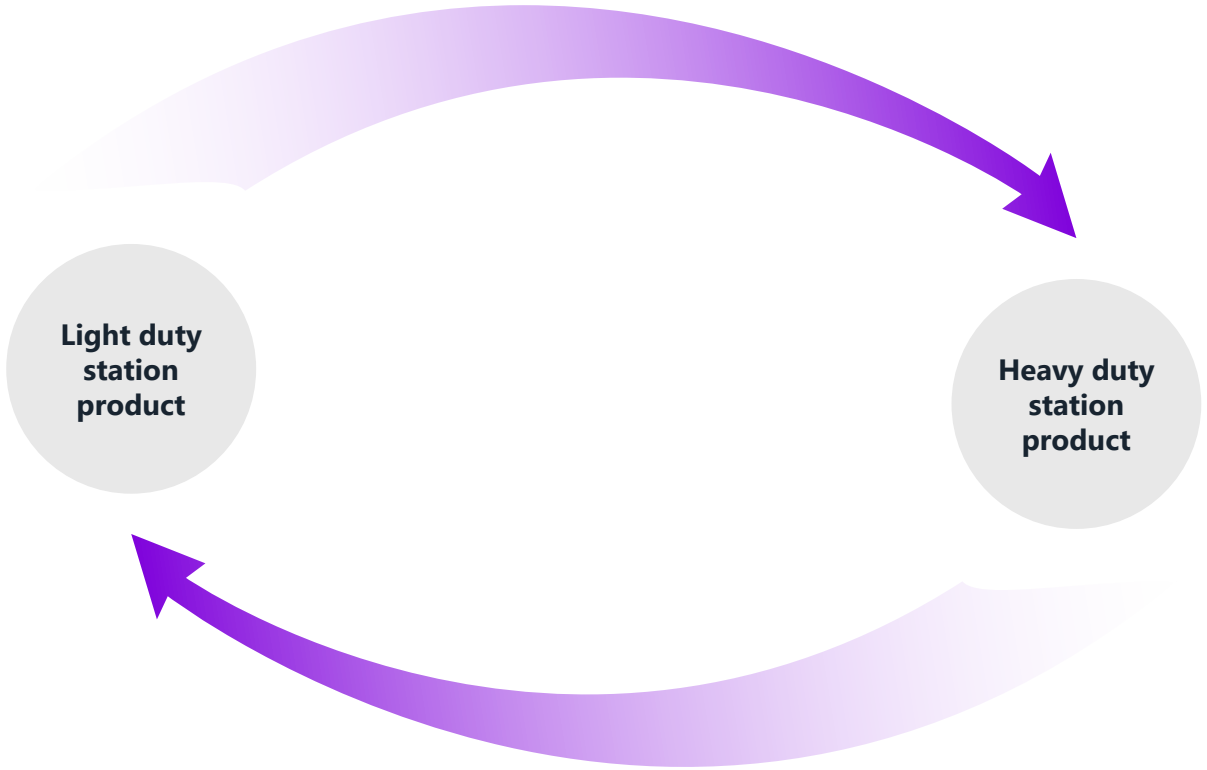
Improve lifetime predictability

Development of digital twins

Our competitive advantages

- Deliver strongest value propositions: large-scale products, bankable improvements, lowest TCO enabling technologies
- ESG compliance
- Forge key development partners
- Consider investing in or acquiring early-stage technology companies

Development of new high-capacity product



Nel's competitive advantages

- Building on knowledge from light duty station products for further development of:
  - Cooling
  - Compression
  - Station platform concept
- Following best practise for product development:
  - Design – prototype testing
  - Process – pilot testing
  - Design and process validation – 0 series verification-run
- Standardized interface between fueling station and vehicle

Platform: Dispenser

- Most compact hydrogen dispenser – one-third the size of gasoline dispenser
- Advanced control system for safe, fast and complete fueling
- Can be placed next to gasoline dispensers and share fueling lanes
- Flexible placement – no requirement for any underground heat exchanger
- Standard payment system to connect to region specific codes and standards
- Type approved in relation to CE, UL, SAE

Sub module: Compressor

- Hydrogen compressor = the heart of the fueling station (pressure of more than 700 bar)
- Introduced to the market after a five-year technology program
- Patented diaphragm technology designed for fueling purpose e.g. high intensity start/stop capabilities
- Among most energy-efficient compressors in industry

Sub module: Cooling system

- The cooling system is a key component for fast refueling
- Patented CO_2 cooling process, among the most energy efficient systems in industry
- Only hydrogen cooling system designed for minimal global warming impact

SUMMARY

Well-positioned for a growing market

Deep technology knowledge enables technology leadership for relevant platforms

Scaling up capacity based on robust development and testing

Nel well-positioned to take advantage of opportunities

Programme

Q&A

The global market leader
Jon André Løkke, CEO

Summary and outlook
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Joseph S. Cappello, Iwatani Corporation of America

Nel fueling station activities
Jørn Rosenlund, SVP Fueling

Break
15 minutes

Financials & ESG

Kjell Christian Bjørnsen
Chief Financial Officer

A strong financial position is key

Financial strength is key for securing multi-billion NOK contracts and for making necessary growth investments

Will introduce profitability and capital efficiency targets post ramp-up period

Balance sheet optimization through debt and alternative financing arrangements will be evaluated

Financial highlights

(NOK million)	2020 Q3 Adj*	2020 Q3	2019 Q3	2020 Q2	2019	2018
Operating revenue	131.9	147.7	148.9	148.6	569.7	489.0
Total operating expenses	250.9	264.0	197.3	220.6	823.3	685.1
EBITDA	-44.8	-42.1	-28.9	-48.7	-178.1	-131.6
EBIT	-69.1	-116.3	-48.4	-72.0	-253.6	-196.1
Pre-tax income (loss)**	-581.5	-628.6	-34.3	594.3	-277.2	-197.5
Net income (loss)	-579.5	-626.7	-32.4	596.4	-269.7	-188.8
Net cash flow from operating activities	-69.4	-69.4	-31.2	-54.1	-209.2	-142.8
Cash balance at end of period***	2 543.6	2 543.6	651.0	2 566.1	526.0	349.7

* Non-recurring, ramp-up and net other costs of -2,7 MNOK have been booked in the quarter. Mainly related to start-up costs for activities in new markets and ramp-up activities, counterbalanced by positive one-offs in the quarter. In addition, costs related to the group's share option program of 0.3 MNOK were booked in the quarter. EBIT has in addition been adjusted by impairments of NOK 49.8 million in the quarter.

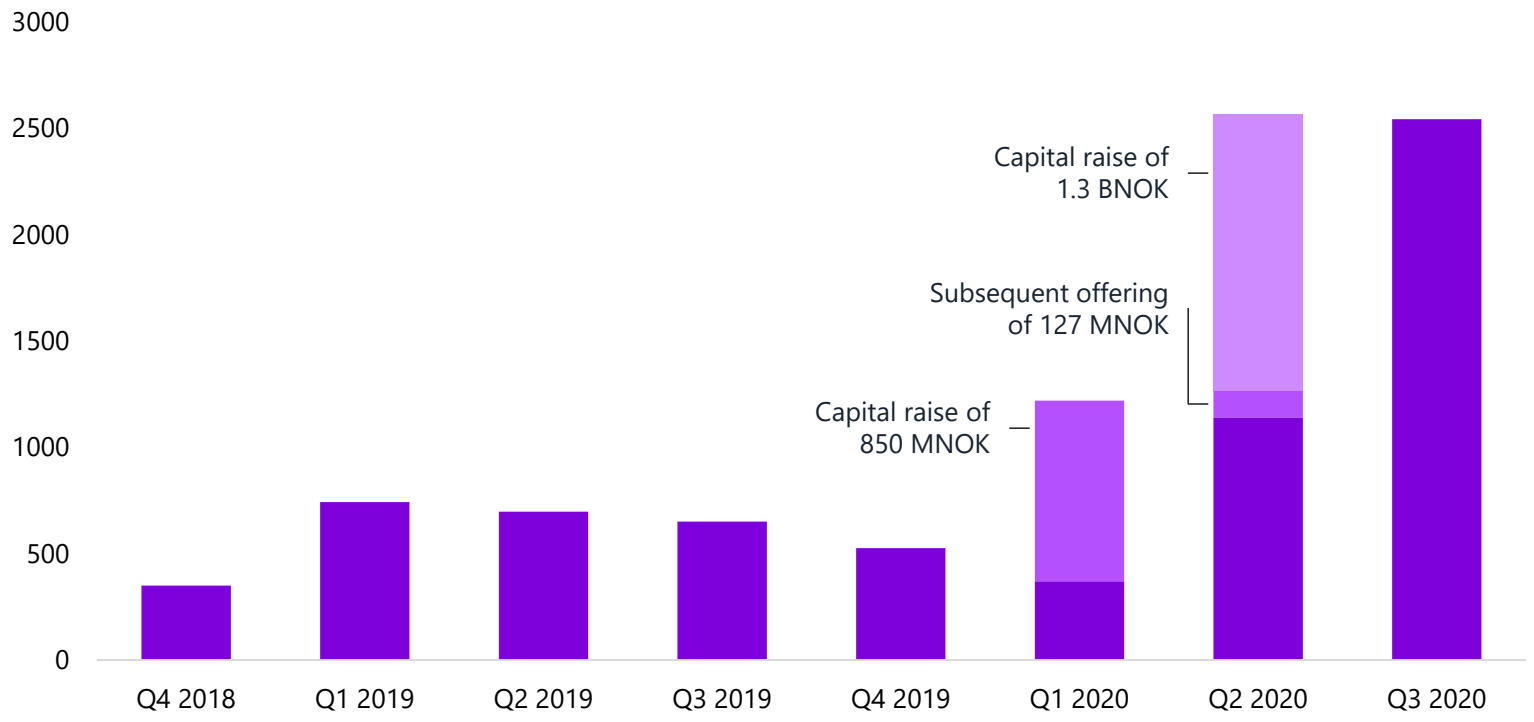
** Includes a negative fair value adjustment of the shareholding in Nikola Corporation of NOK 513.3 million (a value of USD 20.48 per share as of September 30, 2020). A 10 USD increase/reduction in the share price of Nikola Corporation will lead to gains/losses of about MNOK 100.0 with a USD/NOK of 9.0

*** Nel raised 127 MNOK in gross proceeds in April 2020 and 1.3 BNOK in June 2020

Strong cash position of ~2.5 BNOK – raised 2.3 in equity offerings in 2020

Cash position

NOK million



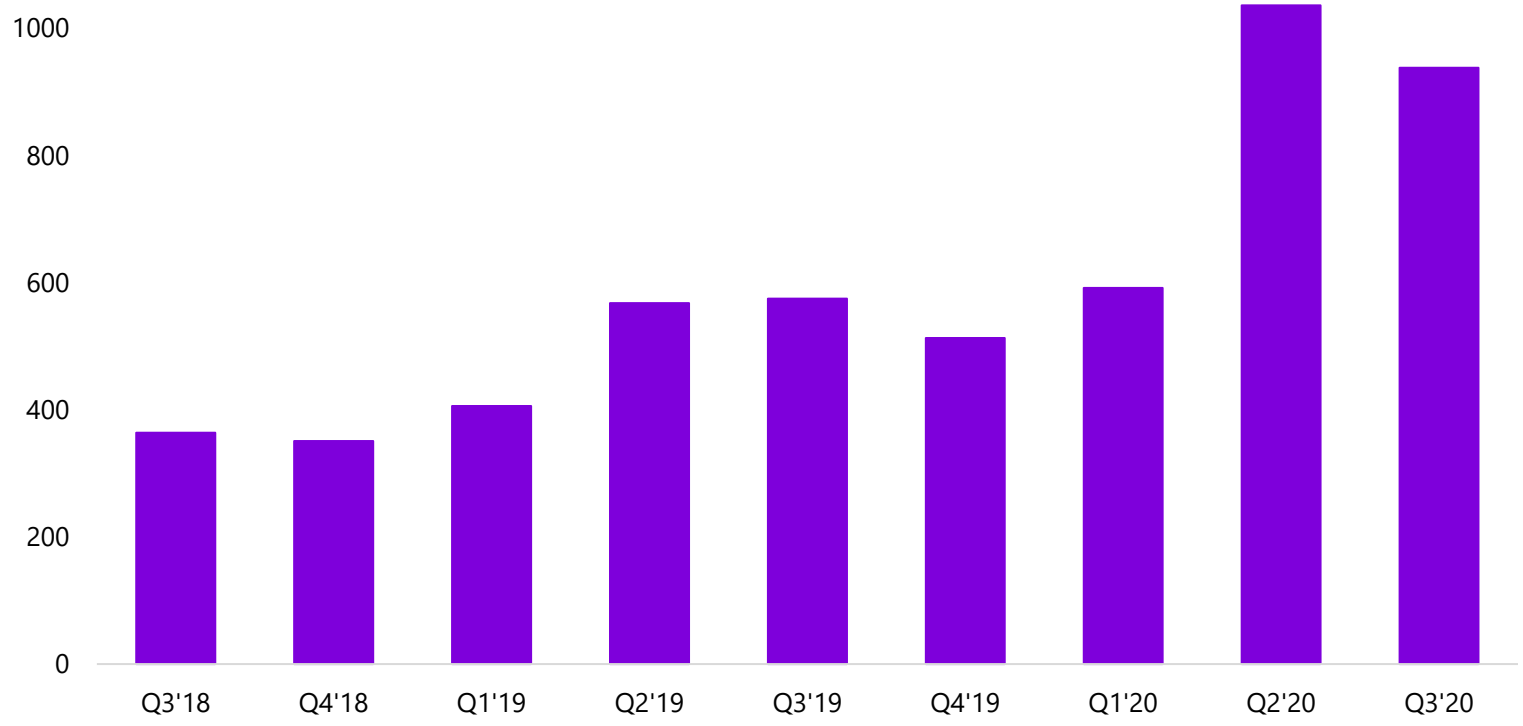
Needs strong financial position to execute on plans

- Raised 2.3 bn NOK in equity offerings in 2020
- Cash required to maintain leading position
  - Organization
  - Physical investments
  - Technology investments
  - From product to large project sales
  - Price and competition based on future cost levels

Solid backlog

Order backlog by quarter

NOK million



Solid order backlog

- Backlog decreased by ~9% in Q3’20 – quarterly fluctuations to be expected
- Order intake of NOK 45.8 million in Q3’20 – includes numerous PEM electrolysers (S,H, and C-series) and after-sales
- Strong pipeline across segments and industries

Sustainability at the core

NOW

Setting the stage for sustainability reporting

ESG report 2020
In accordance with GRI Standards, supplemented by considerations found in TCFD and Euronext, focusing on four of UN's SDG

VISION

Empowering generations with clean energy forever

More information on the ESG report will be available as part of the 2020 Annual Report

Positive outlook for Nel's integration of sustainability

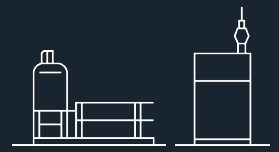
EU Taxonomy

- 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

SUMMARY

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**

SUMMARY

IR analytics

Market cap
Ranked by revenues

~40 BNOK

Investor base
>27,000 VPS registered shareholders

>75%
International ownership

Analyst coverage

Jonas Meyer (SB1)
Tomas Skeivys (Norne)
Mikkel Nyholt (Carnegie)
Daniel Stenslet (Arctic)
Ole-Andreas Krohn (DNB)
Gard Aarvik (Pareto)
Anders Rosenlund (SEB)
James Carmichael (Berenberg)
Edward Maravanyika (Citi)
Espen Fjermestad (Fearnely)
Jean-Baptise Rolland (Bank of America)
Xavier Regnard (Bryan Garnier)
Håkon Aamundsen (ABG SC)

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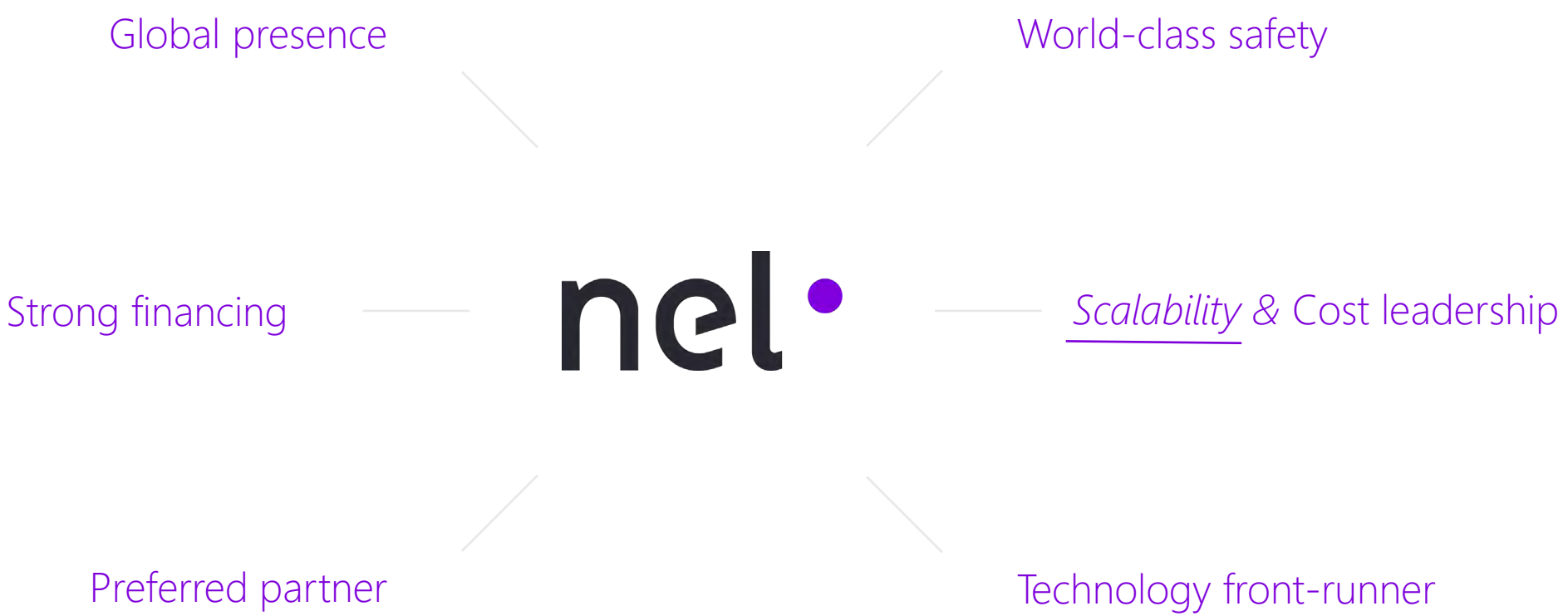
Summary and outlook

Jon André Løkke
Chief Executive Officer

Strategy & 2025 ambitions

Today: creating a rapidly-growing billion NOK company

Today: creating a rapidly-growing billion NOK company



2025: the global leader within hydrogen technologies

- World-class safety
- *Scalability* & Cost leadership
- Technology front-runner
- Preferred partner
- Strong financing
- Global presence

2020

- HSEQ target of zero incidents, including sites with Nel equipment
- Compliance with all relevant international standards – aerospace manufacturing quality
- HRS: Nameplate capacity of 300 stations
- Alkaline: Production capacity of 40 MW/year at Notodden
- PEM: Production capacity of 40 MW/year at Wallingford

2025

- HSEQ target of zero incidents, including sites with Nel equipment
- Recognized safety leader within the industry, setting new industry safety standards across the value chain
- HRS: Capacity expansion reflecting demand
- Alkaline: Scalable multi-GW/year capacity
- PEM: Capacity >100MW/year
- Cost of renewable hydrogen at USD 1.5 per kilo

2025: the global leader within hydrogen technologies

World-class safety

Scalability & Cost leadership

Technology front-runner

Preferred partner

Strong financing

Global presence

2020

- HRS: H2Station™ with leading compression and cooling technology
- Alkaline: Global #1, 90 years experience
- PEM: Global #1, >2.700 installations
- Infrastructure developments, joint ventures and large-scale partnerships

2025

- HRS: Global #1, volume applications (e.g. HDV)
- Alkaline: Global #1, on large scale systems and giga-scale capabilities
- PEM: Global #1, relevant technology and mega-scale capabilities
- Developing next generation electrolyser platforms on both alkaline & PEM
- Strengthen position as the preferred partner for hydrogen technologies with specialist competence in key segments

2025: the global leader within hydrogen technologies

- World-class safety
- *Scalability* & Cost leadership
- Technology front-runner
- Preferred partner
- Strong financing
- Global presence

2020

- Cash position of approximately NOK 2.5 billion and no debt
- Market cap of >NOK 40 billion
- Manufacturing in Norway, Denmark and US
- Offices in Korea and China

2025

- Strong cash position supporting rapid, continued organic and inorganic growth
- Profitable operations
- Bankability for multi-billion NOK orders
- Manufacturing in Norway, Denmark, US + capacity expansions in key markets / close to customers
- Establish representative offices in several additional countries

SUMMARY

Green hydrogen on top of the agenda: represents a large opportunity, but also presents significant challenges and risks

Hydrogen key part of energy transition and deep de-carbonization

Fossil parity reached through reduced costs of renewables and equipment

Targets and incentives in place to accelerate development globally

Increasingly competitive as new players enter the market

Maintaining leadership position increasingly challenging

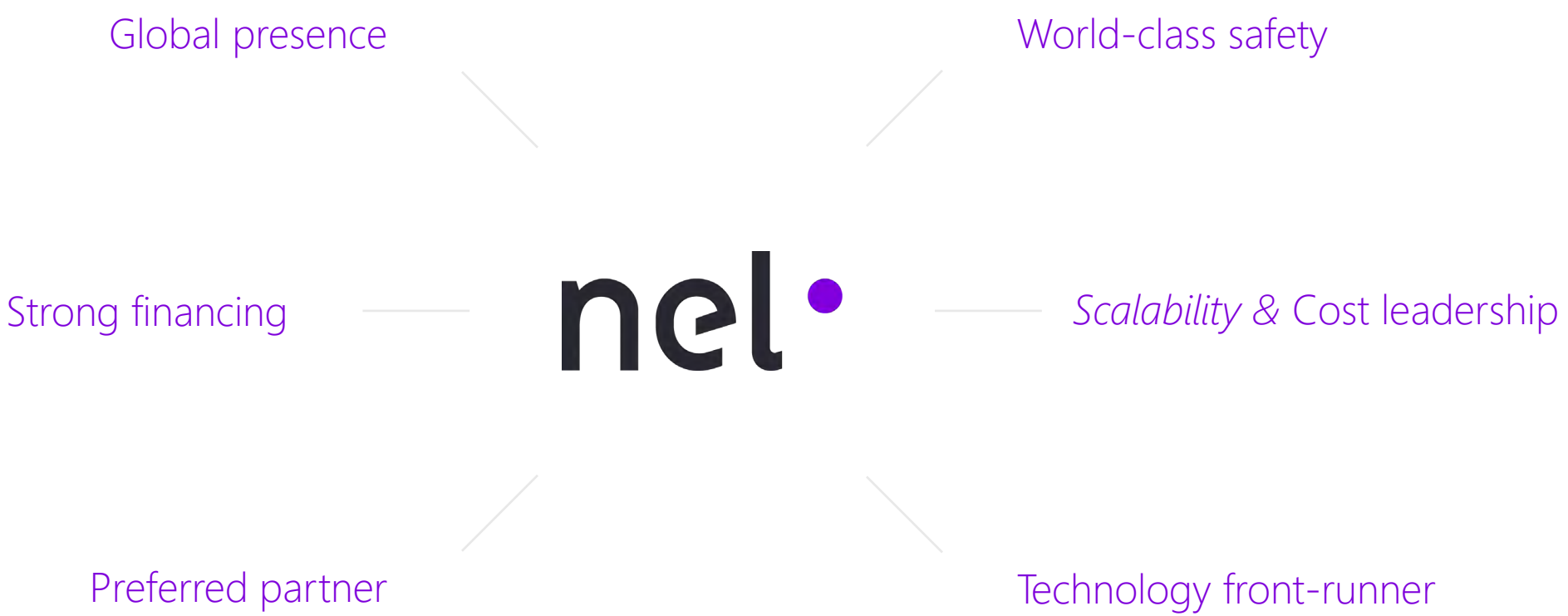
Large investments in product development and technology

Major organizational growth to support ongoing development

Need to successfully scale-up to execute on large projects in new markets

nel

2025: the global leader within hydrogen technologies



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We'll be back in

5 minutes

nel

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Q&A

number one by nature

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