

First quarter 2023 results presentation

27 April 2023

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Agenda

1. Nel in brief
2. Q1 2023 highlights
3. Commercial developments
4. Strategy update
5. Summary
6. Q&A



This is Nel

Leading pure play
hydrogen technology
company with a global
presence, specializing in
electrolyser technology and
hydrogen fueling
equipment

We unlock the potential of
renewables and enable
global decarbonization

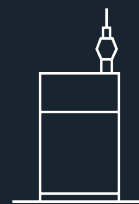
Leading pure play hydrogen technology company with a global footprint



Listed on the Oslo Stock Exchange
(NEL.OSE) since 2014



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



Leading manufacturer of
hydrogen fueling stations, with ~120
H2Station™ solutions delivered/in progress
to 14 countries.



Manufacturing facilities in
Norway, the US, and Denmark



Global sales network and offices



~600 Employees



Preferred partner with
industry leaders



NOK 4.6 billion in cash reserves

2. Q1 2023 highlights

Q1 2023

Highlights

Financial results and financing

Revenues

NOK 359 million

EBITDA

NOK -121 million

Order intake

NOK 580 million

Order backlog

NOK 2 913 million

Cash balance

NOK 4 621 million

Key developments in Q1 2023

- NOK ~125m purchase order from HyCC for a project in the Netherlands
- NOK ~360m purchase order from HH2E for projects in Germany
- Investment decision to automate and expand PEM production capacity from 50 to 500 MW
- Successful private placement completed, raising NOK 1.6 billion of new equity

Financial highlights

NOK million	Q1 2023	Q1 2022	FY 2022
Revenue and operating income	359	213	994
EBITDA	-121	-152	-780
EBIT	-175	-187	-1 279
Pre-tax income (loss)	-194	82	-1 187
Net income (loss)	-192	84	-1 171
Net cash flow from operating activities	-29	-159	-691
Cash balance at end of period	4 621	3 940	3 139

Q1 2023

Segment Financials

Electrolyser division (NOK million)	Q1 2023	Q1 2022	Change
Revenue and operating income	278	159	75%
EBITDA	-34	-60	
Order intake	555	213	161%
Order backlog	2 555	987	159%

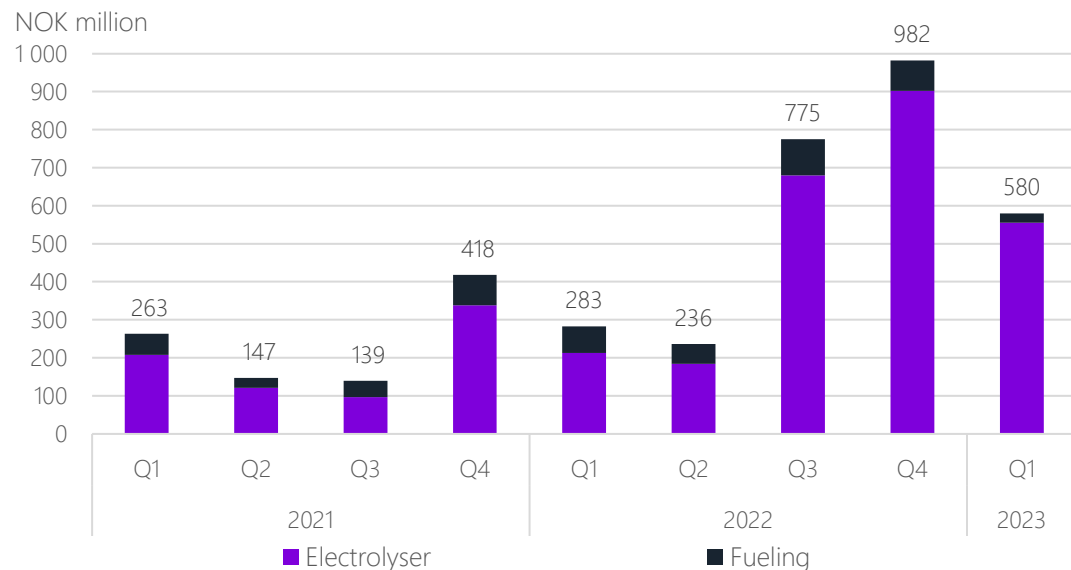
- Revenues from alkaline electrolyzers increased by 145% YoY whereas revenues from PEM electrolyzers increased by 9%
- Margins in the quarter improved compared to Q1-22 but were still negatively impacted by projects signed prior to summer 2022

Fueling division (NOK million)	Q1 2023	Q1 2022	Change
Revenue and operating income	81	54	50%
EBITDA	-57	-60	
Order intake	25	70	-64%
Order backlog	358	302	19%

- Results continue to be negatively impacted by high warranty costs and increased utilization of stations on fixed rate service contracts
- Nel, as well as the rest of the hydrogen fueling industry, is working to mature the technology and therefore investing heavily in service & maintenance and improved product robustness and reliability. Nel will continue to incur high costs related to these activities going forward

Order intake and backlog

Order intake

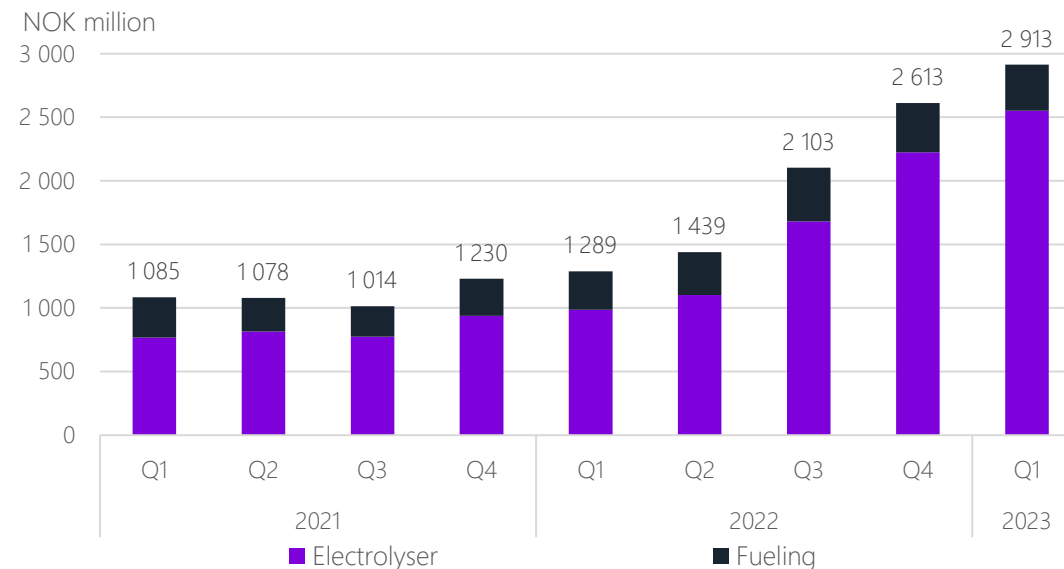


Order intake in Q1 2023:
 - Electrolyser: NOK 555 million up 106% YoY
 - Fueling: NOK 25 million up 161% YoY
 down 64% YoY

LTM order intake: NOK 2 572 million up 161% YoY

Order intake expected to vary between quarters as order sizes have increased

Order backlog



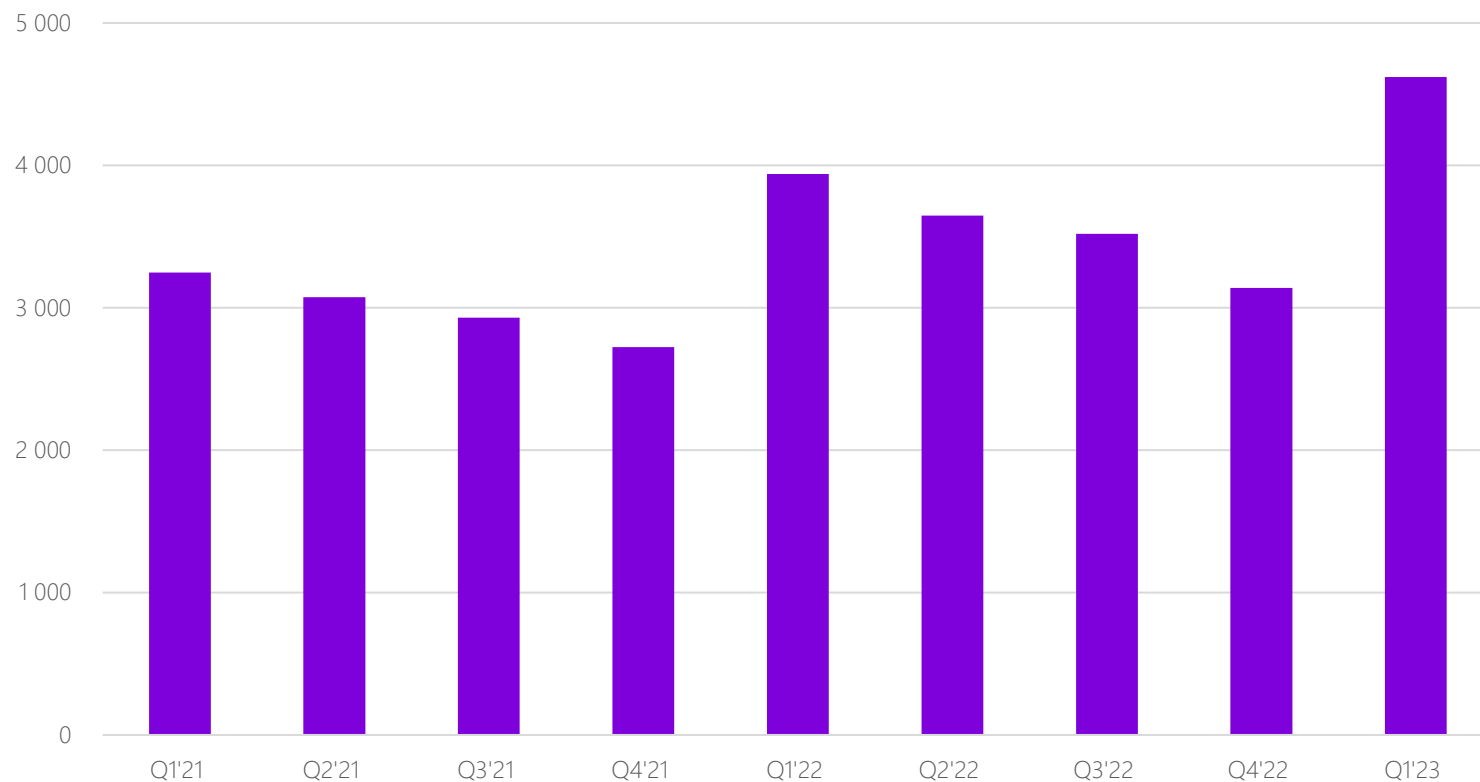
Order backlog as of Q1 2023: NOK 2 913 million up 126% YoY
 - Electrolyser: NOK 2 555 million up 159% YoY
 - Fueling: NOK 358 million up 19% YoY

The order backlog is subject to risks such as delays and/or cancellations

Q1 2023

Successful private placement completed, raising NOK 1.6 billion of new equity

NOKm



- On 6 March 2023 Nel raised NOK 1.6 billion through the largest private placement in Nel's history
- Nel will continue to invest in technology development and in scaling up the organization and production capacity
- This includes the planned expansions at Herøya and Wallingford, organizational growth and tender activity, as well as potential additional growth

3. Commercial developments

40 MW purchase order from HyCC for production of Sustainable Aviation Fuel (SAF)



- Client: HyCC
- Value: NOK ~125 million
- Size: 40 MW
- HyCC is a Dutch company specialising in hydrogen production
- The client has received environmental permit for a project in Delfzijl and is working towards an FID in 2024
- Kraftanlagen Energies & Services has been contracted for the FEED study related to the project

Firm contract with HH2E for 120 MW of alkaline equipment in Germany



- Client: HH2E
- Size: 2x60 MW plants
- HH2E is a German hydrogen production company
- The firm order is for two of Germany's largest electrolyser projects announced to date
- HH2E has an ambition to reach 4 GW of green hydrogen production capacity by 2030
- The final purchase order signed in March followed a Lol announcement in January 2023

Great interest in Nel as renewable hydrogen is seen as key to a society with low emissions



- Politicians from Australia, Europe, and the US travel to Norway to see our manufacturing facility and learn about our technology
- Nel is invited to discussions with policymakers and other stakeholders all over the world
- The EU is gradually catching up with the USA in developing favourable framework conditions
- The relaxation of EU state aid rules and introduction of the Hydrogen Bank represent a positive response to the Inflation Reduction Act in the US

4. Strategy update

BIGGER • BETTER • FOCUSED

The preferred high-capacity hydrogen fueling equipment provider with a 15% market share in 2025

BIGGER

- Develop a High-Capacity hydrogen filling station for sales and supply from 2025
- Prioritize bigger strategic customers (with high commitment to the industry) to avoid customized single unit sales

BETTER

- Improve performance to reduce ongoing operational costs for stations in the field
- Foster a culture where everyone works in line with common expectations, values and strategy

FOCUSED

- Phase out selected legacy product variants
- Focus on core technology development: High pressure compression (300->1000 bar), cooling and controls
- Focus on existing markets

The leading electrolyser provider with 20-30% market share (ex China) in 2025

BIGGER

- Go from small to **large-scale projects**
- Aggressively **scale up production capacity**:
 - 2 GW at Herøya
 - 500 MW in Wallingford
 - 4 GW facility at new site in the US
 - Prepare for new GW site

BETTER

- Develop the most **efficient and reliable Alkaline and PEM technology**
- **Significantly reduce stack cost**
- **Utilize Nel's deep H2 knowledge** to lead the industry
- **Foster a culture** where everyone works in line with common expectations, values and strategy

FOCUSED

- **Reduce scope of supply** to stack and balance of stack
- **More standardized deliveries** and less customization
- Focus on Europe and North America – over time Australia and Chile as export hubs

Capacity expansion plans in progress



- Construction of line 2 (~500 MW) at Herøya started in January and is progressing according to plan
- Production of PEM electrolyzers in Wallingford to be automated and capacity increased to ~500 MW by 2025

The site selection process for US Gigafactory has been concluded

- Announcement will be made shortly together with the selected state
- Nel aims to build a factory with 4 GW of production capacity, split between PEM and Alkaline
- The factory will be built in phases to match supply with demand
- No final investment decision has been made yet; the current Wallingford expansion is important to create the blueprint for PEM expansion



5. Summary

First quarter 2023 summary



Continued strong order intake and record-high order backlog



Successful private placement, raising NOK 1.6bn of new equity



Significant revenue growth and positive margin impact from large-scale contracts



Line two at Herøya on track → 1 GW
Wallingford expansion decided → 500 MW
Concluded on US site selection process

number one by nature