

Fourth quarter and full year 2023 results presentation

28 February 2024

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Agenda

1. Nel in brief
2. Q4 2023 highlights
3. Commercial developments
4. Strategy update
5. Summary
6. Q&A



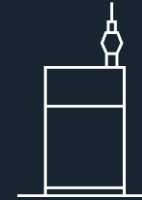
Leading pure play hydrogen technology company with a global footprint



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



Leading electrolyser manufacturer,
with >3 500 units delivered in 80+
countries since 1927



Leading manufacturer of
hydrogen fueling stations, with >140
H2Station™ solutions delivered/in progress
to 14 countries.



Manufacturing facilities in
Norway, the US, and Denmark



Global sales network and offices



~670 employees



Preferred partner with
industry leaders



NOK 3.4 billion in cash reserves

2. Q4 2023 highlights

Q4 2023

Quarterly highlights

Financial results and financing

Revenues and income

NOK 534 million

EBITDA

NOK -106 million

Order intake

NOK 183 million

Order backlog

NOK 2 458 million

Cash balance

NOK 3 363 million

Key developments in Q4 2023

- One containerized PEM order signed
- Received a cancellation from HyCC
- Received a significantly reduced notice of fines related to the Kjørbo incident
- Sale of Everfuel shares for a total compensation of NOK 116.6 million

Subsequent events

- Signed a contract with Samsung C&T for 10 MW alkaline equipment, EUR ~5 million
- Renewed the relationship with Nikola with a new framework supply agreement for a USD ~9 million compensation
- Partnering up with Fortescue on its Phoenix Hydrogen Hub, USD ~11 million
- Iwatani Corporation of America filed a lawsuit against Nel and some subsidiaries regarding the delivery of fueling equipment and services. Nel strongly rejects the allegations

Group Financials

(NOK million)	Q4 2023	Q4 2022	FY 2023	FY 2022
Total revenue and income	534	414	1 773	994
EBITDA	-106	-216	-474	-780
<i>EBITDA margin</i>	-20%	-52%	-27%	-78%
EBIT	-166	-590	-700	-1 279
Pre-tax income (loss)	-105	-731	-873	-1 187
Net income (loss)	-94	-721	-855	-1 171
Net cash flow from operating activities	-140	-194	-670	-691
Cash balance at end of period	3 363	3 139		

- Financial performance in Q4'23 and 2023 in general represents a significant improvement vs. 2022
- Strong revenue growth and better execution translated into improved profitability
- Nel has a solid cash position and no immediate needs for additional equity
- Significant portion of ongoing production capacity expansions already paid for during 2022/23, further expansions beyond committed CAPEX depends on order intake



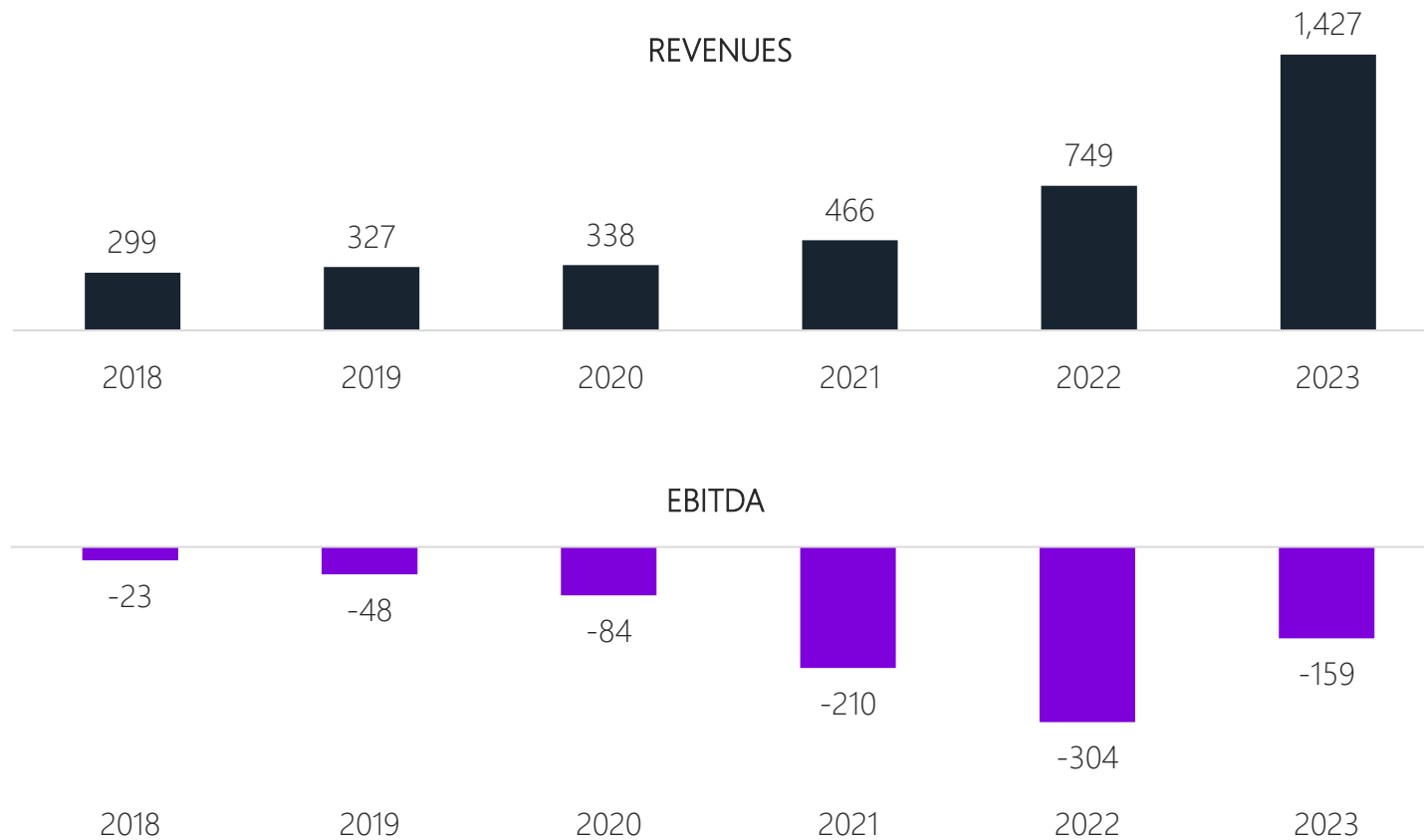
~80% revenue
growth
(NOK ~800m)

~50 pp
EBITDA margin
improvement
(NOK ~300m)

NOK ~3.4 bn in
cash reserves
entering 2024

Segment Financials – Electrolyser division

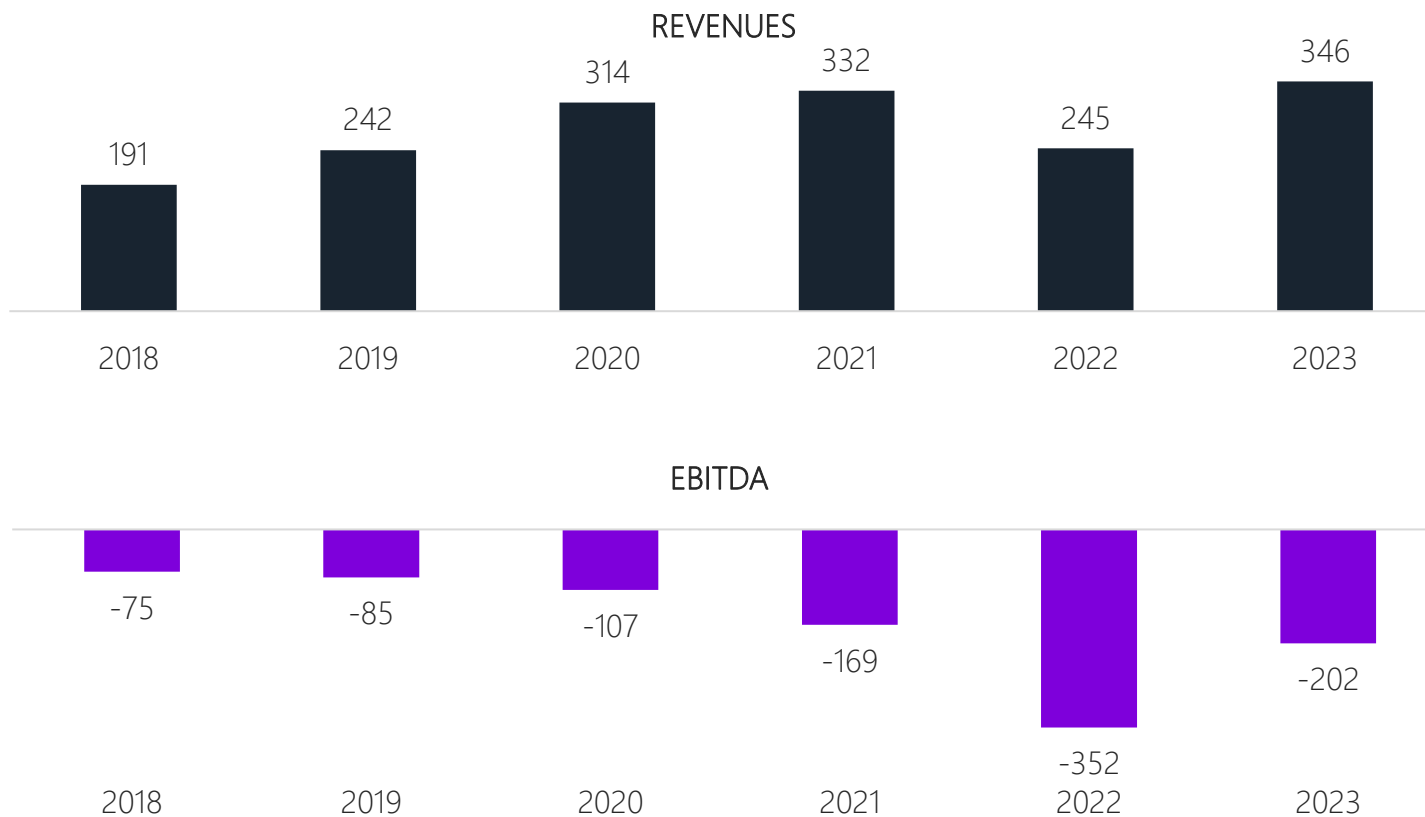
Electrolyser division
(NOK million)



- 91% YoY growth in 2023
- NOK 145m YoY EBITDA improvement in 2023
 - -3% EBITDA margin in AWE
 - -24% EBITDA margin in PEM
- 2023 EBITDA was impacted by legacy projects with wider scope than what Nel is now accepting
- Business model proven with clear scale effects

Segment Financials – Fueling division

Fueling division
(NOK million)



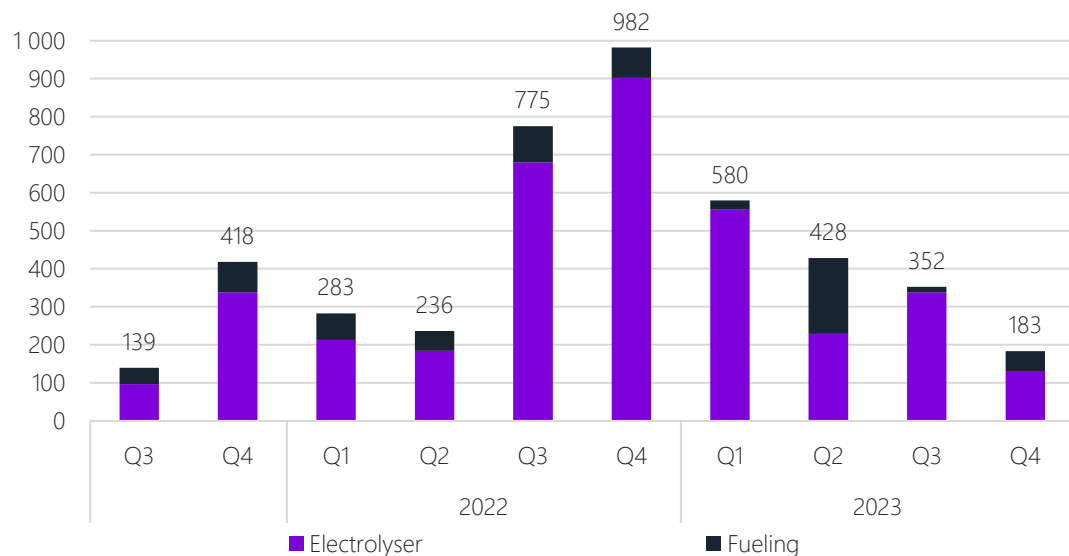
- 41% YoY growth in 2023
- NOK 150m YoY EBITDA improvement in 2023
 - Reduced warranty and quality cost
 - Leaner organisation
 - Improved margins on delivered systems
- Set up for growth with further development and commercialisation of high-capacity concept

3. Commercial developments

Order intake and backlog

ORDER INTAKE

(NOK million)



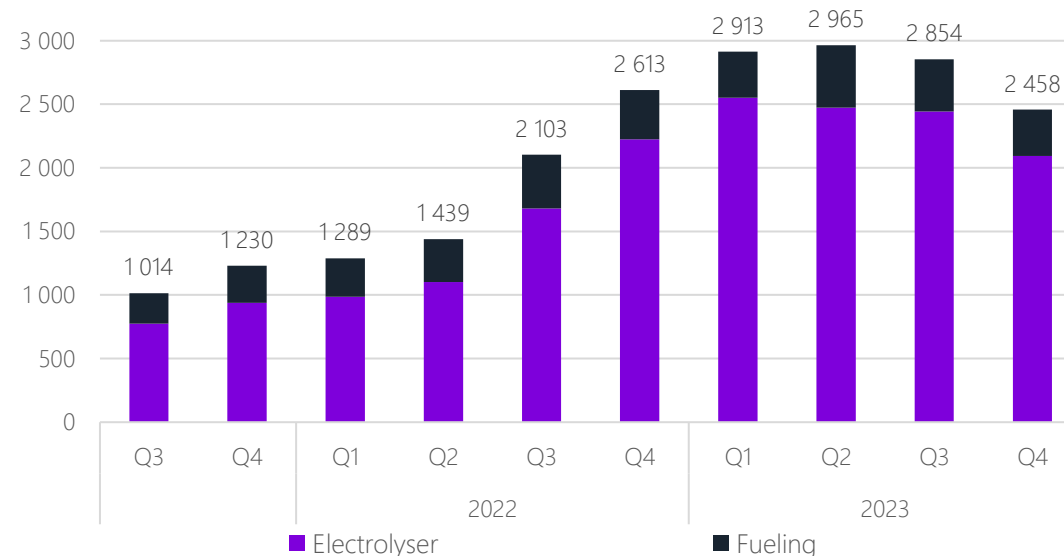
Order intake Q4 2023: NOK 183 million -81% y/y

- Electrolyser: NOK 131 million -86% y/y
- Fueling: NOK 52 million -35% y/y

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

ORDER BACKLOG

(NOK million)



Order backlog Q4 2023: NOK 2 458 million -6% y/y

- Electrolyser: NOK 2 093 million -6% y/y
- Fueling: NOK 364 million -6% y/y

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

Expected follow-up orders on signed contracts



- About 400 MW of current backlog is related to “stack only” purchase orders
- Nel will also deliver balance of stack equipment, not included in the order backlog for these orders
- The expected follow-up orders for stack only contracts accumulate to around NOK 500 million
- Exact timing of order intake depends on the maturity of the individual projects

Sales pipeline development

- The top 20 sales leads have an average size of about 450 MW and a median of about 200 MW
- Sales pipeline examples:
 - Ongoing paid FEED study with Samsung Engineering for a GW system in Asia
 - Ongoing paid FEED study with undisclosed customer for a multi-GW system in the US
- The top 20 pipeline has an overweight of large industrial companies, but also working with quality project developers. There is a good geographical spread across Europe, US and Asia



10 MW order from Samsung C&T



- Client: Samsung C&T
- Size: 10 MW
- Value: EUR ~5 million
- Location: South Korea
- This is the clients first off-grid green hydrogen production project
- Samsung C&T will do the EPC work internally
- Samsung C&T has a significant pipeline of electrolyser projects

Renewed relationship with Nikola



- Cancelled the old supply agreement from 2018
- Will enter into a new supply agreement for 110 stacks (275MW)
 - Not a firm order, and thus not in the order backlog
 - Aligned with Nel's preferred scope of supply (Stacks + BoS)
- Nel has received a USD 9 million compensation for the reduced commitment

Partnering up with Fortescue on its Phoenix Hydrogen Hub



- Client: Fortescue
- Scope:
 - BoS equipment for a 80 MW electrolyser system
 - Updated warranties and guarantees for already delivered stacks
- Value: USD 11 million
- Fortescue have taken over Phoenix Hydrogen Hub from Nikola, including stacks already delivered by Nel
- The project has taken FID, and will become one of North Americas largest electrolyser systems

4. Strategy update

Nel's electrolyser strategy

Nel aims to capture >20% of the market outside China by:

- Targeting large-scale projects and rapidly scaling manufacturing capacity in line with market demand (BIGGER)
- Offering the best technology at a competitive and market enabling price (BETTER)
- Adapting its business model and scope of supply to create required execution focus (FOCUSED)



2023 at a glance: Electrolyser division

BIGGER

- Production output more than doubled driven by yield improvements and line optimizations
- Expansion in Norway on track with 1 GW AWE production capacity from Q2 2024
- US expansion on track with 500 MW PEM production capacity from 2025
- >50 MUSD in support for a new gigafactory in Michigan, US



2023 at a glance: Electrolyser division

BETTER

- Product cost reduced and efficiency increased of atmospheric AWE electrolyzers
- Next-generation pressurized AWE solution progressed according to plan with very promising test results from Norway
- Feasibility of super-aggressive next-generation PEM stack targets verified in collaboration with GM



2023 at a glance: Electrolyser division

FOCUSED

- All contracts signed after summer of 2022 now aligned with Nel's preferred scope of supply: stack + balance of stack
- Partnership agreements signed with leading EPC companies to ensure global delivery capabilities for balance of plant equipment and drive standardization
- Standardization increased, design and system documentation enhanced, installation and commissioning routines improved



Nel's Fueling strategy

Nel aims to capture >15% of the high-capacity HRS market outside China by:

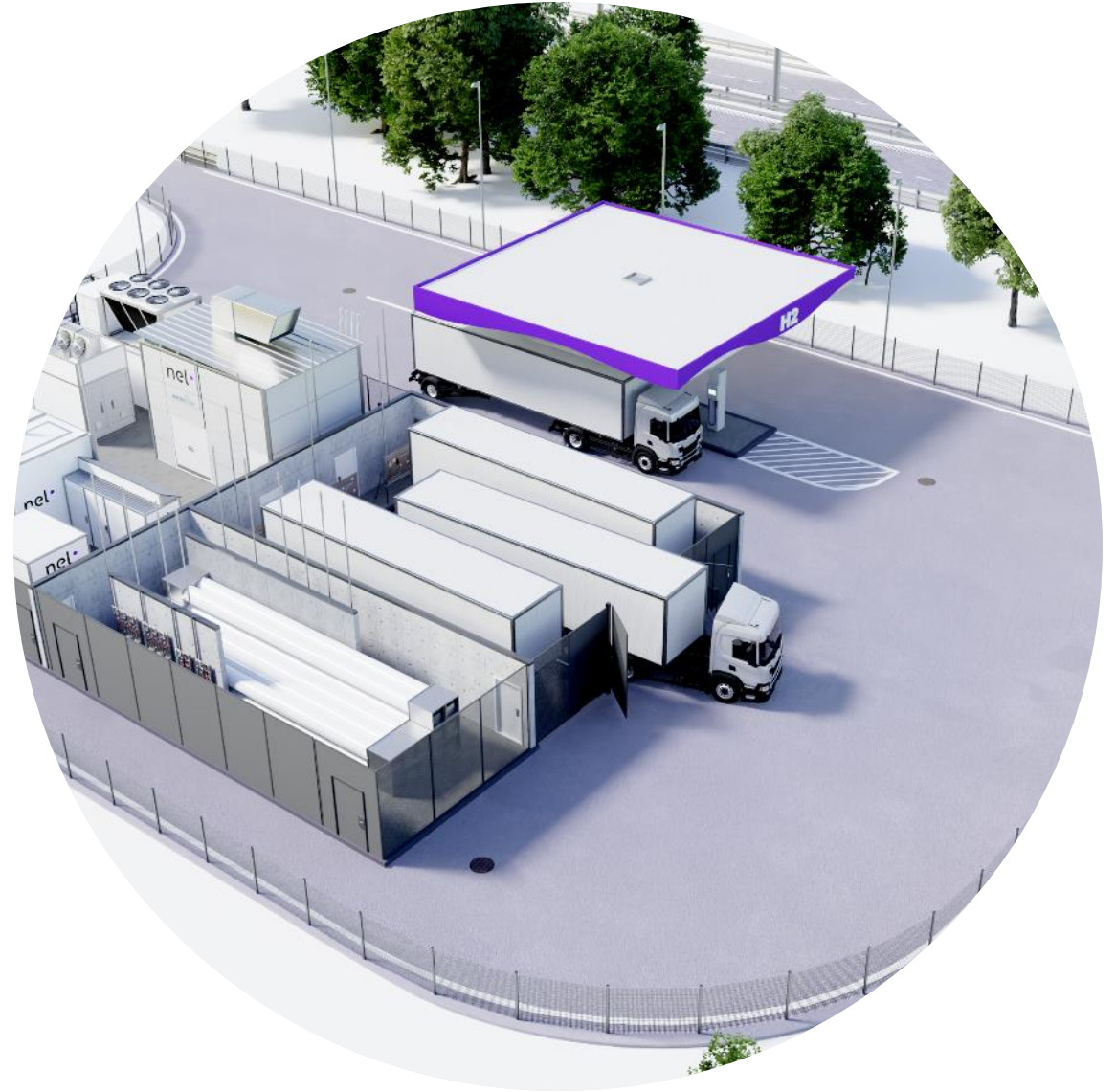
- Offering a station concept tailored to the needs of heavy-duty vehicles (BIGGER)
- Capitalizing on insights derived from the light-duty market to standardize products and derisk the high-capacity fueling business case (BETTER)
- Adapting its make versus buy plans to create required execution focus (FOCUSED)



2023 at a glance: Fueling division

BIGGER

- Development of high-capacity station for heavy duty transportation initiated
- Very positive market/customer feedback on design approach and targeted performance metrics
- Product expected to be commercialised in 2025 (combination of existing and new modules)



2023 at a glance: Fueling division

BETTER

- Increased uptime for station modules installed in the field (despite more fillings)
- Significant reduction in warranty/quality cost per station during the year across all key product platforms



2023 at a glance: Fueling division

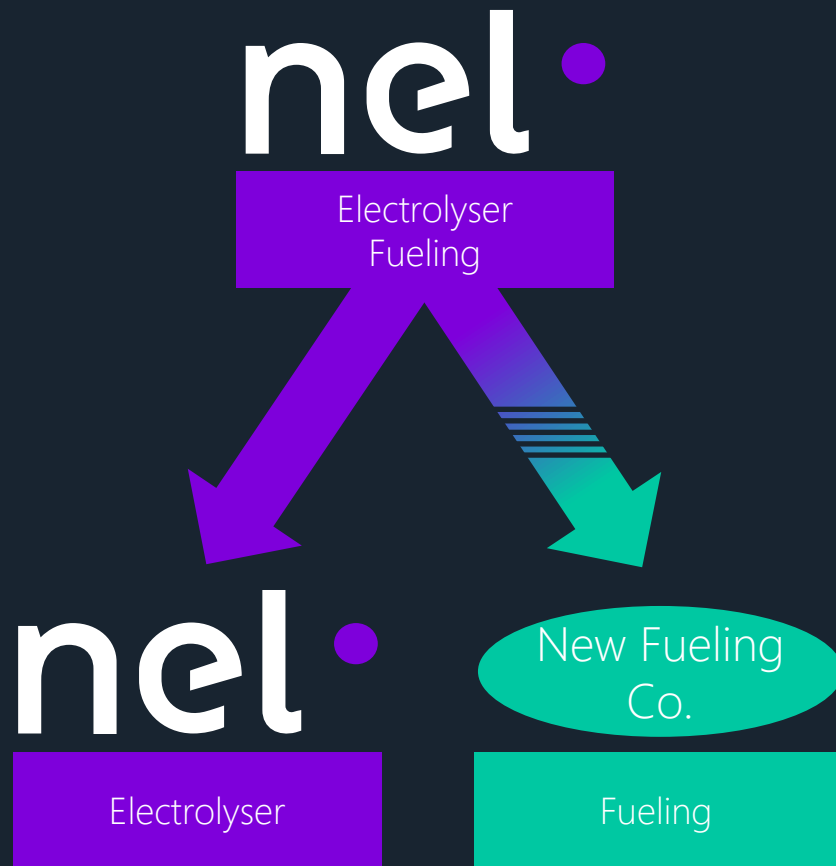
FOCUSED

- Old products phased out and existing products further standardized
- Decision to develop compression, cooling, and control system in-house and source remaining parts externally
- Development agreement signed with world-leading company for a key high-capacity station module



On the note of becoming more «FOCUSED»...

Exploring a spin-off and separate listing of the Fueling division



- There are few synergies between the Electrolyser and Fueling divisions
- With reference to the Q4'22 report, Nel has for some time considered strategic actions for its Fueling division
- Creating two independent companies targeting leadership within their respective segments of the hydrogen value chain is believed to be more beneficial
 - Sharper focus and increased execution speed
 - Allows both entities to explore their respective strategic agendas
- Contemplated transaction structure is a dividend-in-kind to Nel ASA shareholders during 2024, making Nel shareholders owners in both companies at the time of the split
- The decision to spin off and separately list the Fueling division has not yet been concluded and no assurances can currently be given that it will be completed

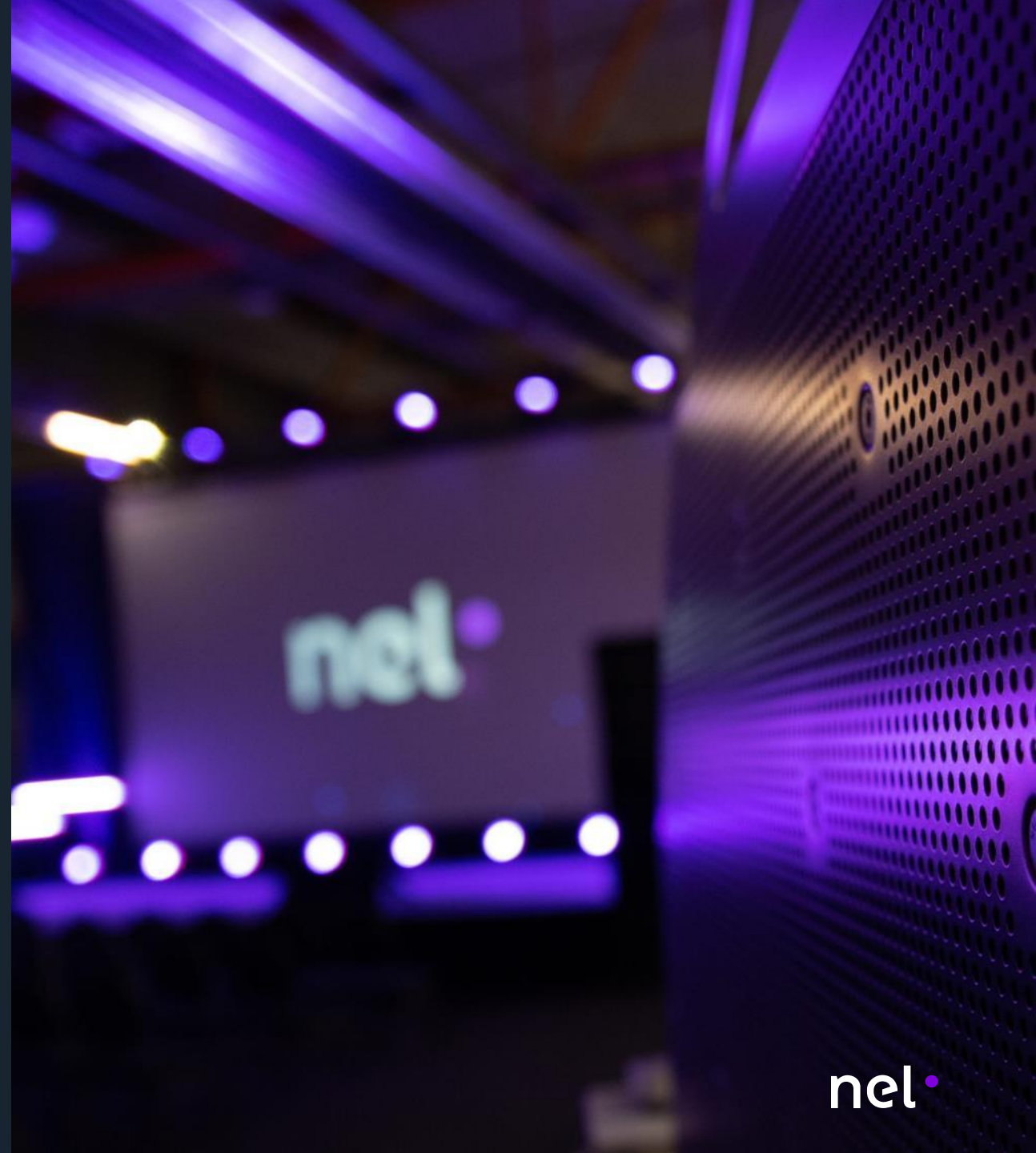
The potential new Fueling Co.

- A pure-play hydrogen fueling technology company with ~250 employees
- Headquartered in Herning, Denmark, and listed on the Oslo Stock Exchange
- Full attention from a new and dedicated Board, the management team, and the organization
- A more targeted strategy focused on:
 - Harvesting a leading position in the low-capacity segment
 - Pursuing market leadership in the developing high-capacity market
- Improved strategic flexibility to pursue organic and structural business opportunities



The potential new Nel ASA

- A lean, 100% focused electrolyser technology company with ~425 employees
- Uniquely positioned as a market leader in the only two commercially proven technologies
 - Products proven in the field for decades
 - Competitive pricing
 - Bankable performance
 - Strategic partners for full scope offering
- Funding and knowledge to launch next generation products with ground-breaking performance offering significantly lower LCOH



5. Summary

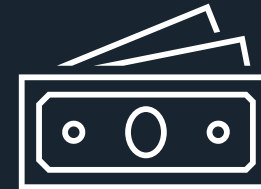
2023 in review



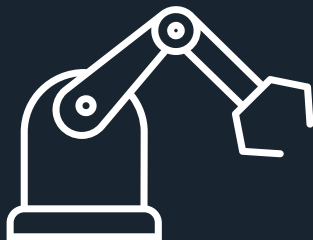
~30% YoY revenue increase in Q4,
~80% growth for the full year



NOK 87m YoY EBITDA improvement in Q4,
NOK ~300m for the full year



NOK 3.4bn in cash reserves entering 2024,
no near-term need to raise additional cash



Production output more than doubled,
capacity expansion to 1.5 GW on track/
budget



Substantial cost and efficiency improvements on
current offering, solid progress on next-gen
PEM and pressurized AWE stacks



All contracts signed since summer 2022 aligned
with preferred stack+BoS scope,
new global strategic EPC partners signed up

number one by nature