

# First quarter 2024 results presentation

17 April 2024

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# Agenda

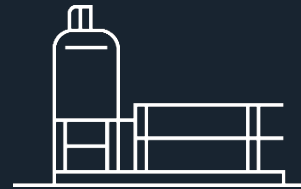
1. Nel in brief
2. Q1 2024 highlights
3. Commercial developments
4. Fueling presentation
5. Summary
6. Q&A



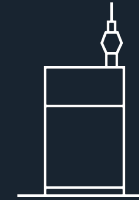
# Leading pure play hydrogen technology company with a global footprint



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 3.3 billion in cash reserves

## 2. Q1 2024 highlights

Q1 2024

# Quarterly highlights

## Financial results and financing

Revenue

**NOK 387 million**

EBITDA

**NOK -16 million**

Order intake

**NOK 459 million**

Order backlog

**NOK 2 437 million**

Cash balance

**NOK 3 260 million**

## Key developments in Q1 2024

- 10 MW electrolyser equipment purchase order from Samsung C&T
- Renewed relationship with Nikola
- Partnership with Fortescue on 80 MW Phoenix Hydrogen Hub
- Exploring spin-off and separate listing of the Fueling division
- Received USD 75 million in funding for the planned Michigan facility
- Nel and partners received USD 90 million in funding for several R&D projects

## Subsequent events

- USD 41 million in additional tax credit for manufacturing expansion in Michigan

Q1 2024

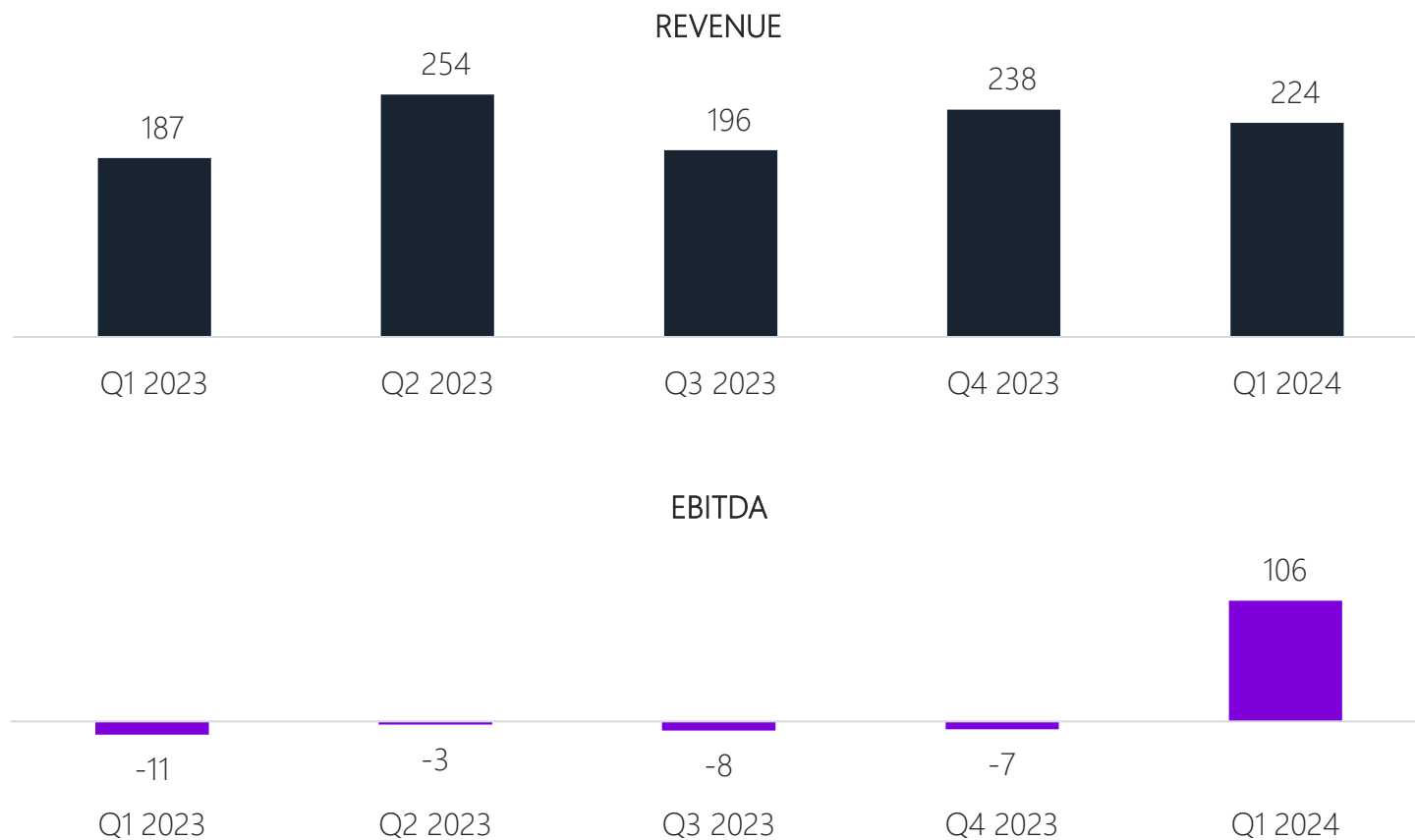
# Group Financials

(NOK million)	Q1 2024	Q1 2023	FY 2023
Revenue	387	341	1 681
EBITDA	-16	-121	-474
<i>EBITDA margin</i>	-4%	-34%	-28%
EBIT	-74	-175	-700
Pre-tax income (loss)	-24	-194	-873
Net income (loss)	-22	-192	-855
Net cash flow from operating activities	-62	-29	-670
Cash balance at end of period	3 260	4 621	3 363

- Revenue recognition depends on contract milestones, of which there were few significant in the quarter
- Revenue and EBITDA include NOK 96 million from renegotiated Nikola supply agreement
- Nel has a solid cash position and no immediate need to raise additional equity
- The expansion programs for Herøya and Wallingford remain on plan, capacity utilization will be adjusted to match demand

# Alkaline Electrolyser financials

## ALKALINE ELECTROLYZER REVENUE AND EBITDA (NOK million)

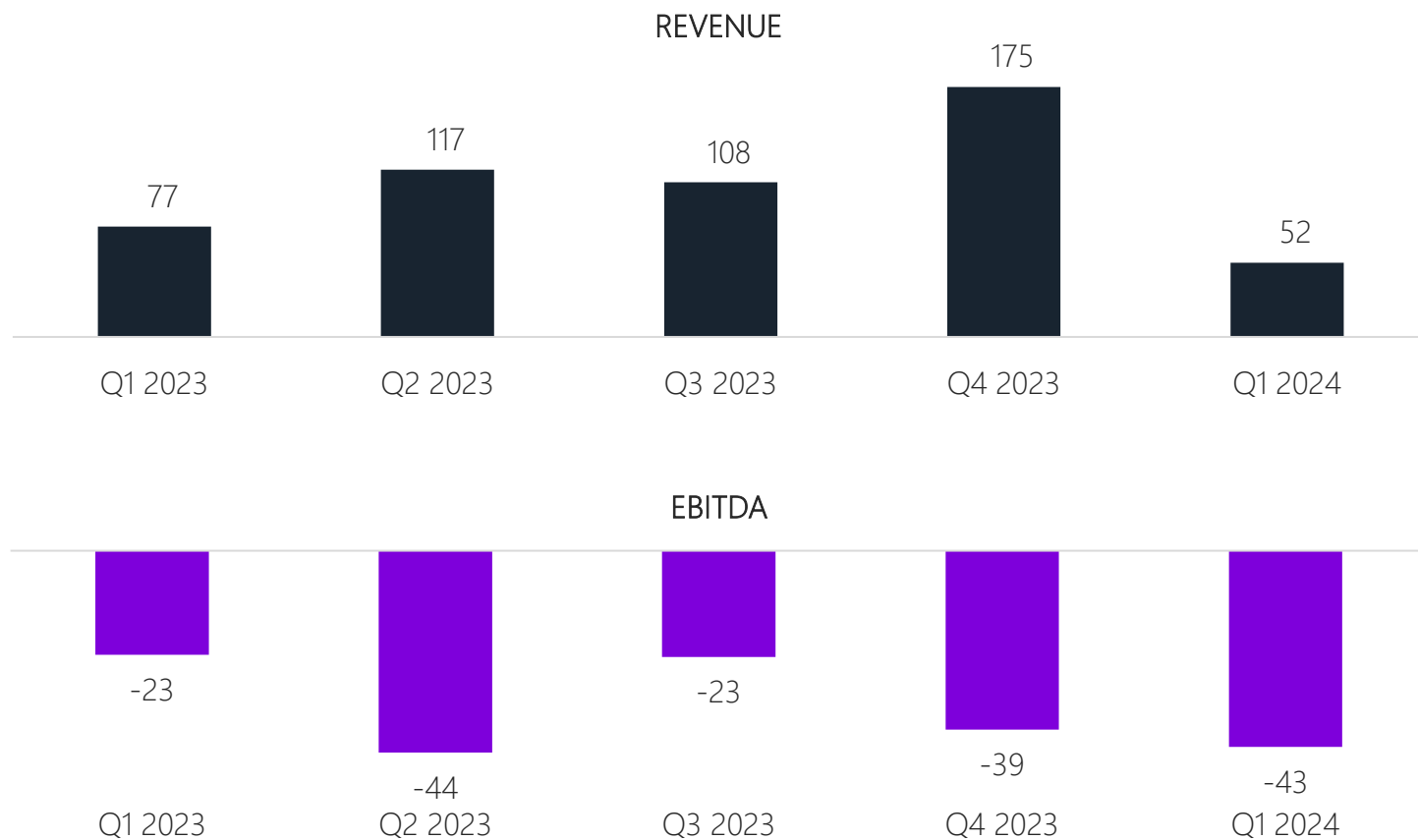


- 20% YoY revenue growth
- NOK 118 million YoY EBITDA improvement amid NOK 54 million in positive impact from renegotiated Nikola supply agreement
- Business model proven with clear scale effects



# PEM Electrolyser financials

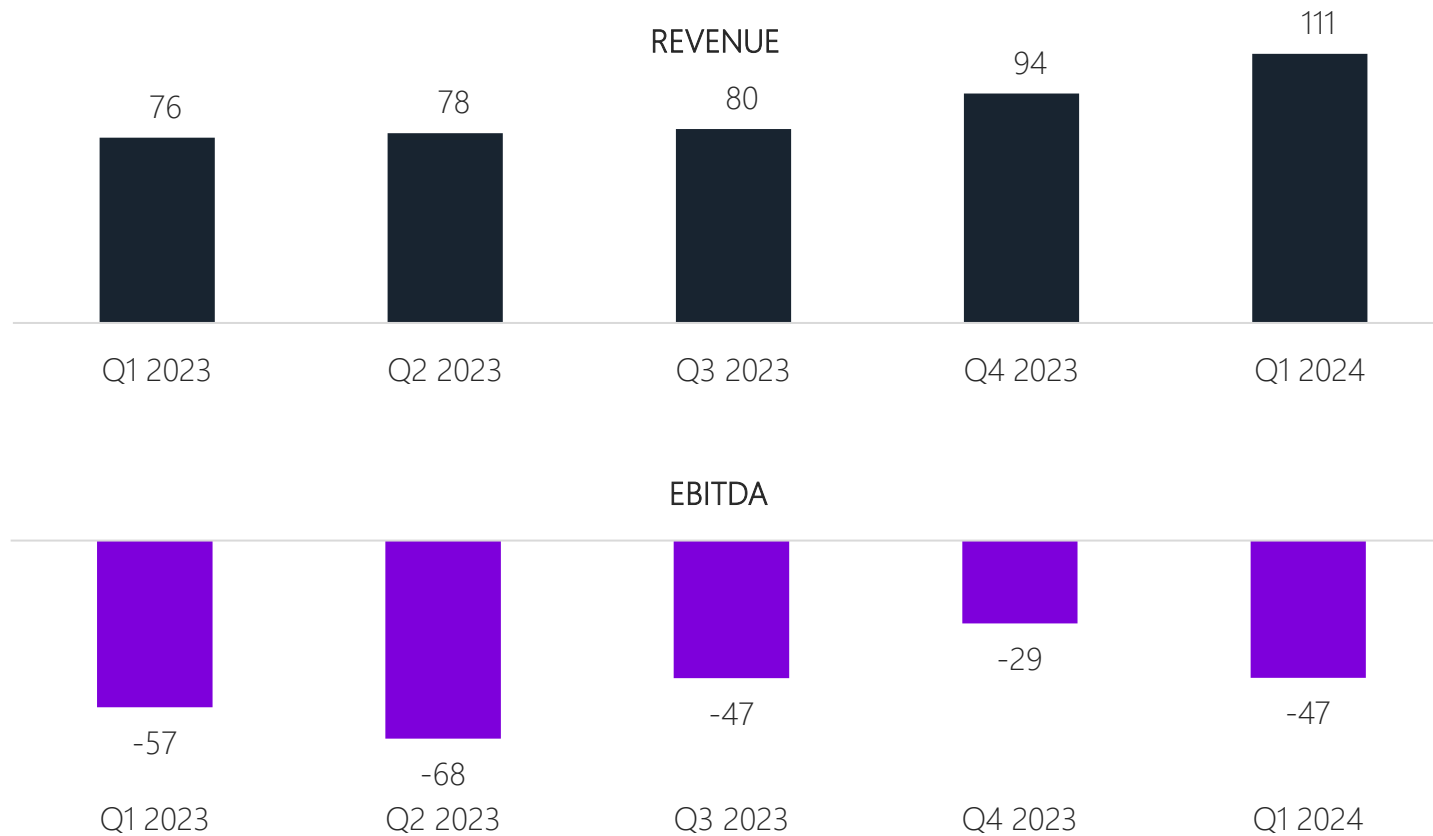
## PEM ELECTROLYSER REVENUE AND EBITDA (NOK million)



- -33% YoY revenue growth due to phasing of project revenues
- NOK 20 million YoY EBITDA reduction amid reduced revenue

# Fueling financials

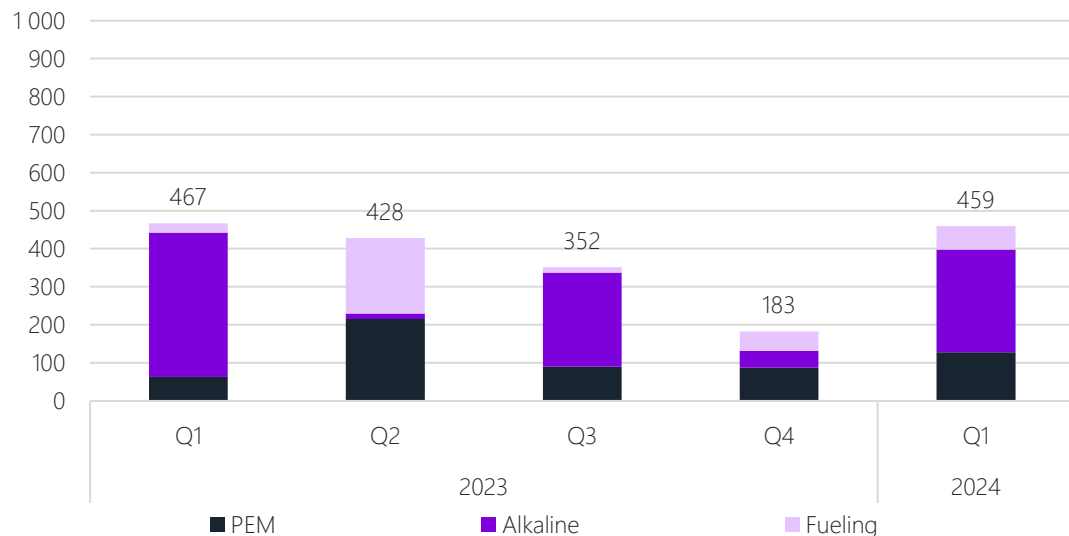
## FUELING REVENUE AND EBITDA (NOK million)



- 45% YoY revenue growth
- NOK 10 million YoY EBITDA improvement due to NOK 42 million from renegotiated Nikola supply agreement, partly offset by inventory adjustments for discontinued products and provisions

# Order intake and backlog

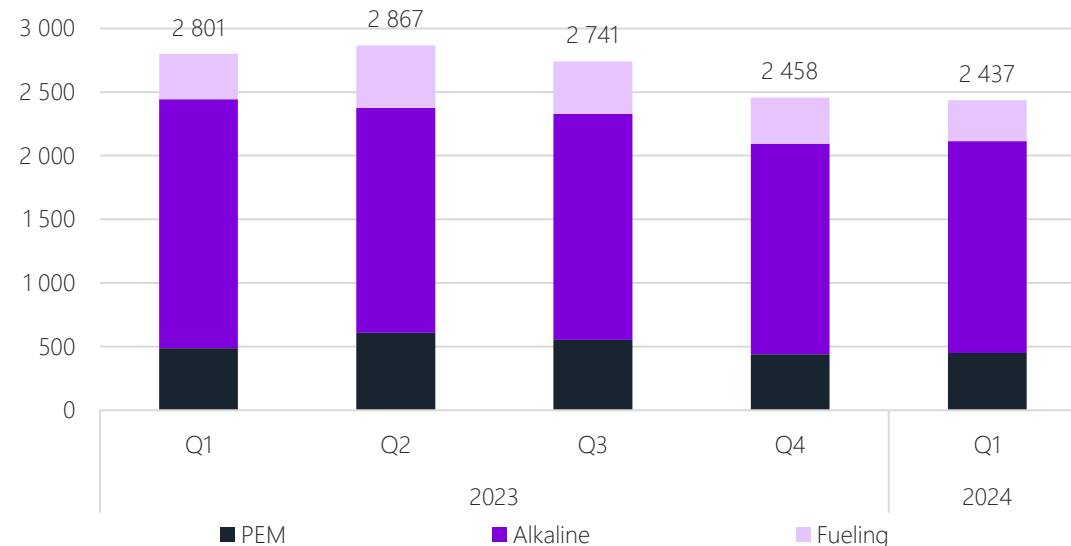
## ORDER INTAKE (NOK million)



<b>Order intake Q1 2024:</b>	NOK	459 million	-2%	y/y
- Alkaline electrolyser	NOK	270 million	-29%	y/y
- PEM electrolyser	NOK	128 million	104%	y/y
- Fueling:	NOK	61 million	149%	y/y

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

## ORDER BACKLOG (NOK million)



<b>Order backlog Q1 2024:</b>	NOK	2 437 million	-13%	y/y
- Alkaline electrolyser	NOK	1 667 million	-15%	y/y
- PEM electrolyser	NOK	448 million	-8%	y/y
- Fueling:	NOK	322 million	-10%	y/y

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

## 3. Commercial developments

# 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



- Old supply agreement from 2018 has been cancelled
- 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 USD 9 million in compensation for the reduced commitment

# Partnering with Fortescue on its Phoenix Hydrogen Hub



- Client: Fortescue
- Scope: BoS equipment for an 80 MW electrolyser system and updated warranties and guarantees for already delivered stacks
- Value: USD 11 million
- Location: Phoenix, USA
  
- Fortescue has taken over the Phoenix Hydrogen Hub from Nikola, including stacks already delivered by Nel
- The project has taken FID and will become one of North America's largest electrolyser systems

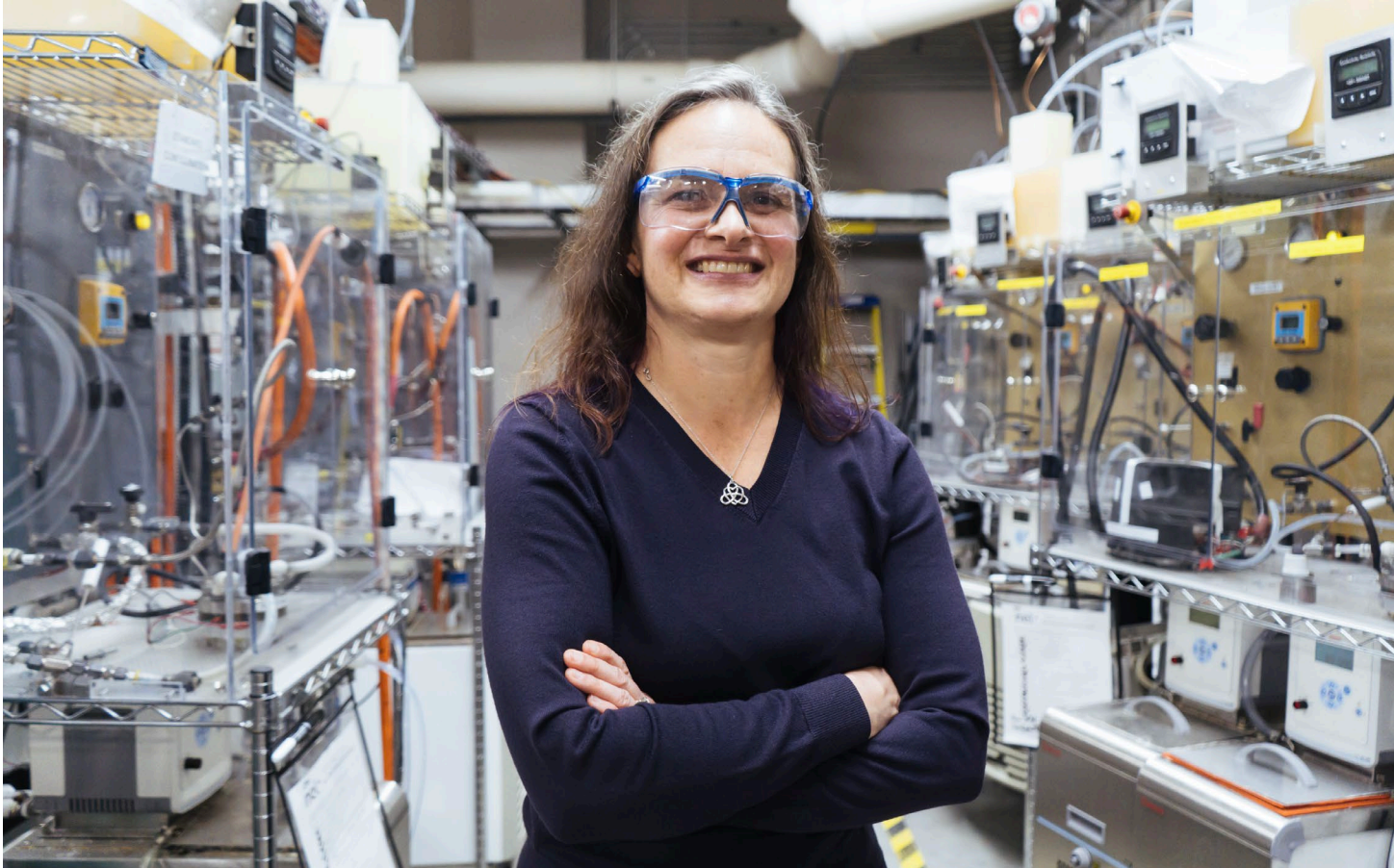
## Additional USD 116 million support for the planned electrolyser facility in Michigan



- On 13 March, Nel was awarded USD 50 million from the US Department of Energy (DoE) and USD 25 million in direct investment support from the State of Michigan
- On 4 April, Nel was awarded USD 41 million in tax credits through the Qualifying Advanced Energy Project Tax Credit (48C) program
- All in all, Nel has secured close to USD 170 million in accumulated support and roughly half is cash incentives
- In the planned 4 GW facility, Nel will manufacture its next-generation technologies
- FID not yet taken



# Nel and partners granted USD ~90 million in support for R&D projects



- U.S. Department of Energy has granted Nel and partners approximately USD 90 million in support for seven R&D projects
- Nel is the leading partner on one of the projects, which is related to low-cost, clean AEM electrolysis
- Nel will undertake about 10% of the work under the seven R&D programs

## 4. Fueling presentation



# Nel Fueling

140+ station modules sold globally  
20 years of experience

# Fueling's executive management



Robert Borin  
Fueling ASA CEO



Marcus Halland  
Fueling ASA CFO

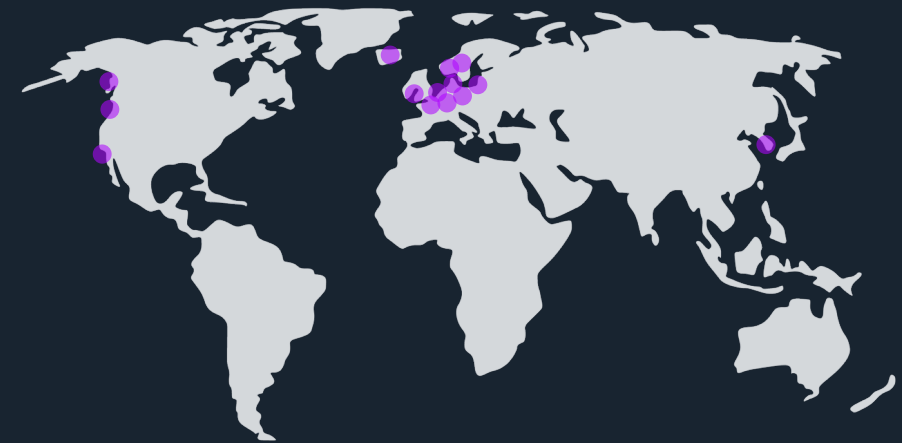


# This is Fueling – 20 years of experience developing fueling solutions

## Uniquely positioned to capture the hydrogen opportunity



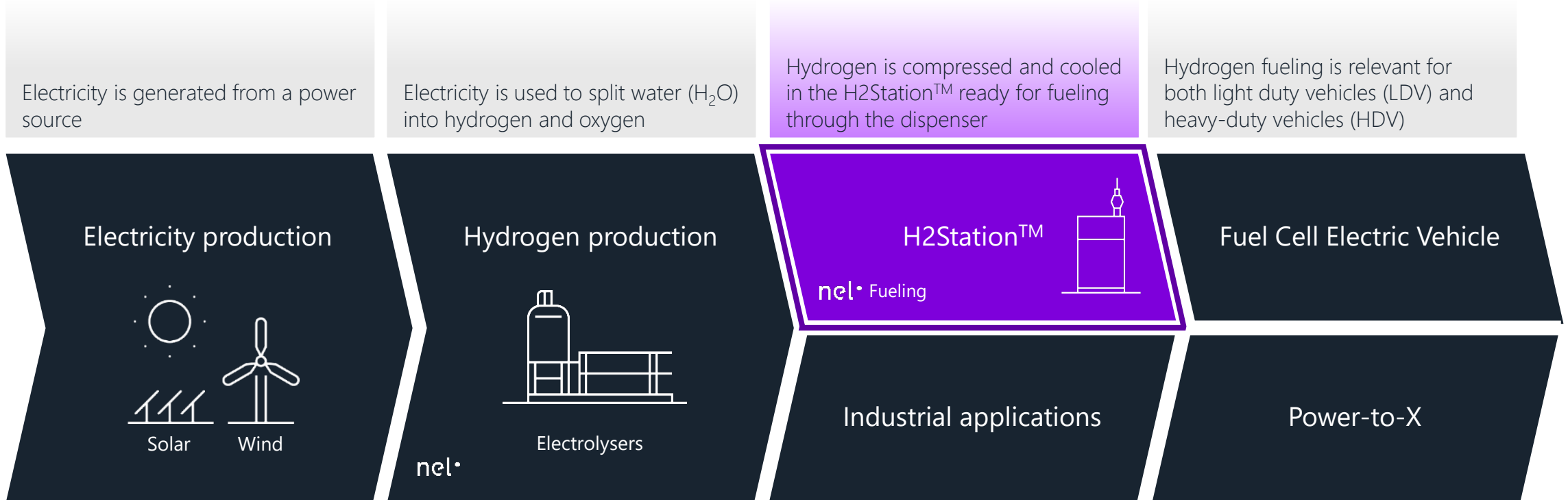
## Geographical presence in key markets



USA South Korea Poland France Germany Netherlands Canada  
Iceland United Kingdom Denmark Sweden Norway Latvia Belgium

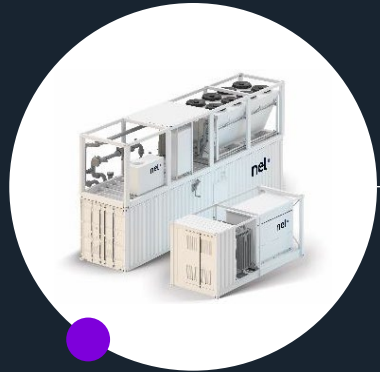
INTRODUCTION

# Fueling plays a critical role in the hydrogen value chain, enabling applications in transport



# Offering fueling equipment and full scope of services from installation to operations

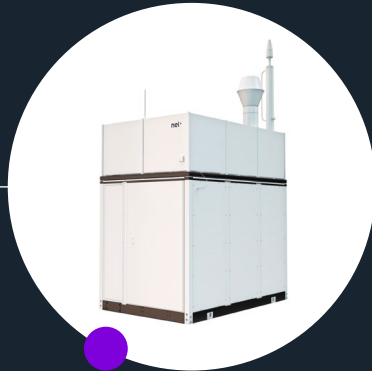
Supply source



Hydrogen storage



Fueling station



Dispenser



Vehicles



**Design and manufacturing**



**Project Engineering**



**Project Management**



**Installation**



**Commissioning**



**Maintenance**



**Operation Services**

# Advantages of hydrogen mobility



## No emissions

An obvious prerequisite for all modern vehicles, making all fossil fueled vehicles obsolete



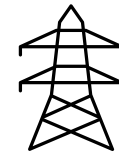
## Long driving range

A well-functioning truck must be able to drive 800 km on one tank



## Fueling time

Where the battery electric vehicle can not compete with a traditional fossil fueled vehicle on charging time, the fuel cell electric vehicle can

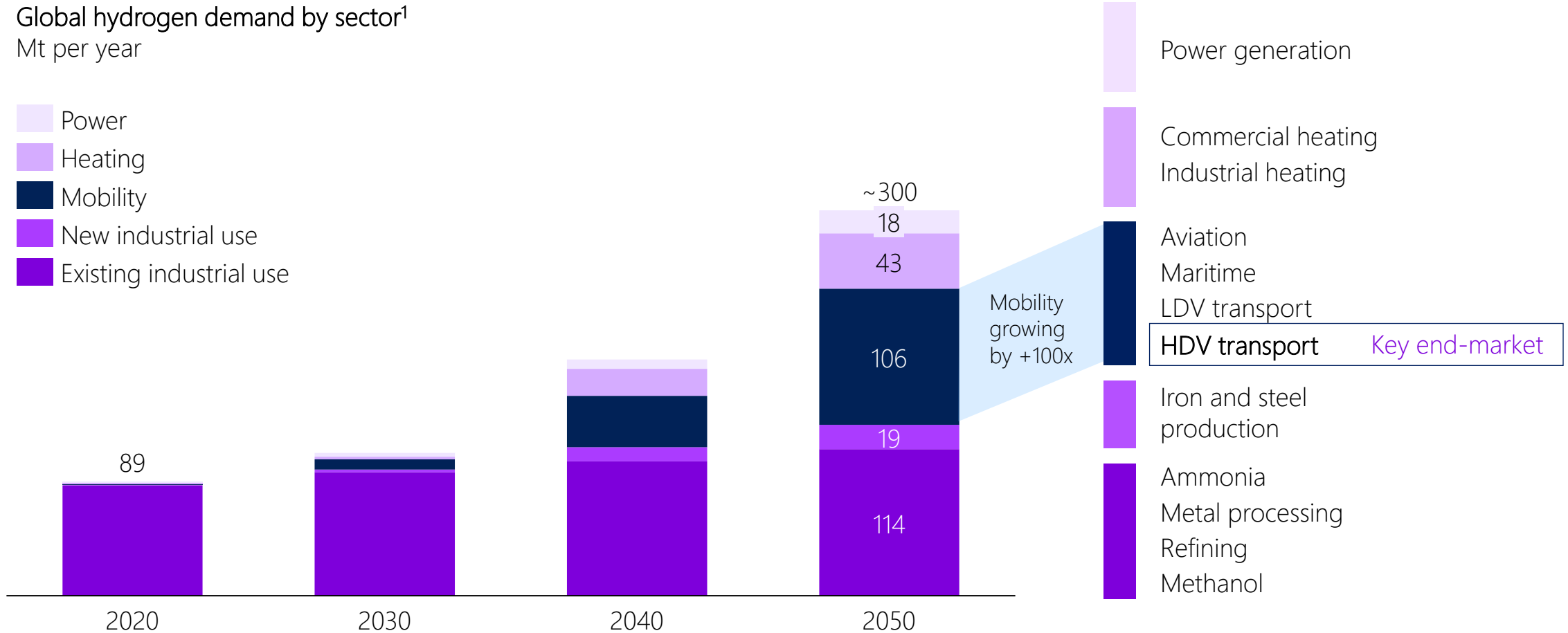


## Grid connection

Battery charging a truck would require a 6-10,000 kW grid connection – hydrogen fueling only 900 kW

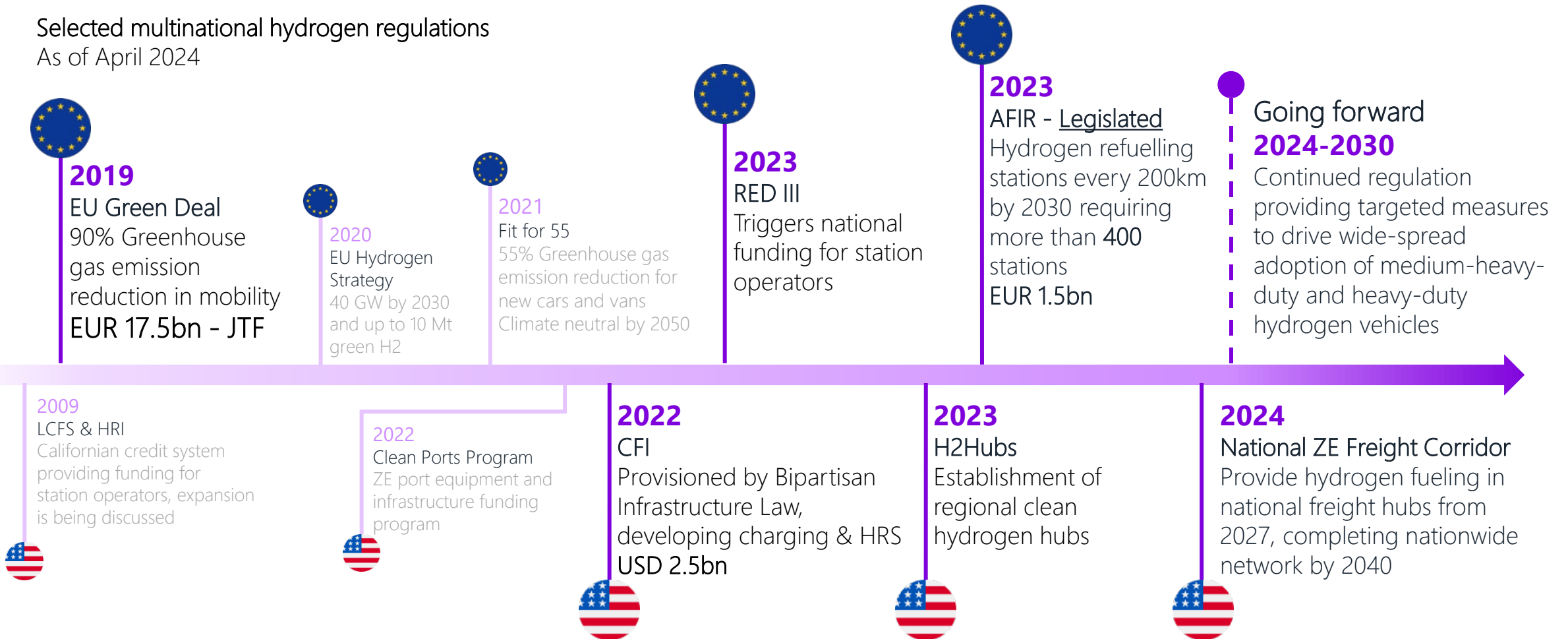


# Overall hydrogen market set to grow three-fold by 2050 with mobility being a key driver



# Regulatory momentum is creating strong tailwinds for hydrogen adoption in mobility

Selected multinational hydrogen regulations  
As of April 2024



Source: 1) Hydrogen Europe; Note: AFIR – Alternative Fuel Infrastructure Regulation, JTF – Just Transition Fund, CEC – California Energy Commission, CFI – Charging and Fueling Infrastructure Program, LCFS & HRI – Low Carbon Fuel Standard and Hydrogen Refueling Infrastructure, ZE – Zero-Emission, RFNBO – Renewable Fuels of Non-Biological Origin, HRS – Hydrogen Refueling Station, GHG – Green House Gas

## TECHNOLOGY

# Nel Fueling has the experience and building blocks needed to succeed

### Long history in a young market

- 20 years of experience and learnings accumulated to propel product development and capture market share

### Technology protected by patents

- Current technology and innovations are both protected by +75 patents<sup>1</sup> worldwide

### Strong R&D division

- ~60 research and development professionals globally developing the next generation of fueling solutions



## MARKET POSITION

# Well-invested production facilities with option to expand capacity if required



H2 Station production facility  
Herning, Denmark

**All-in-one** facility – the complete value chain under the same roof

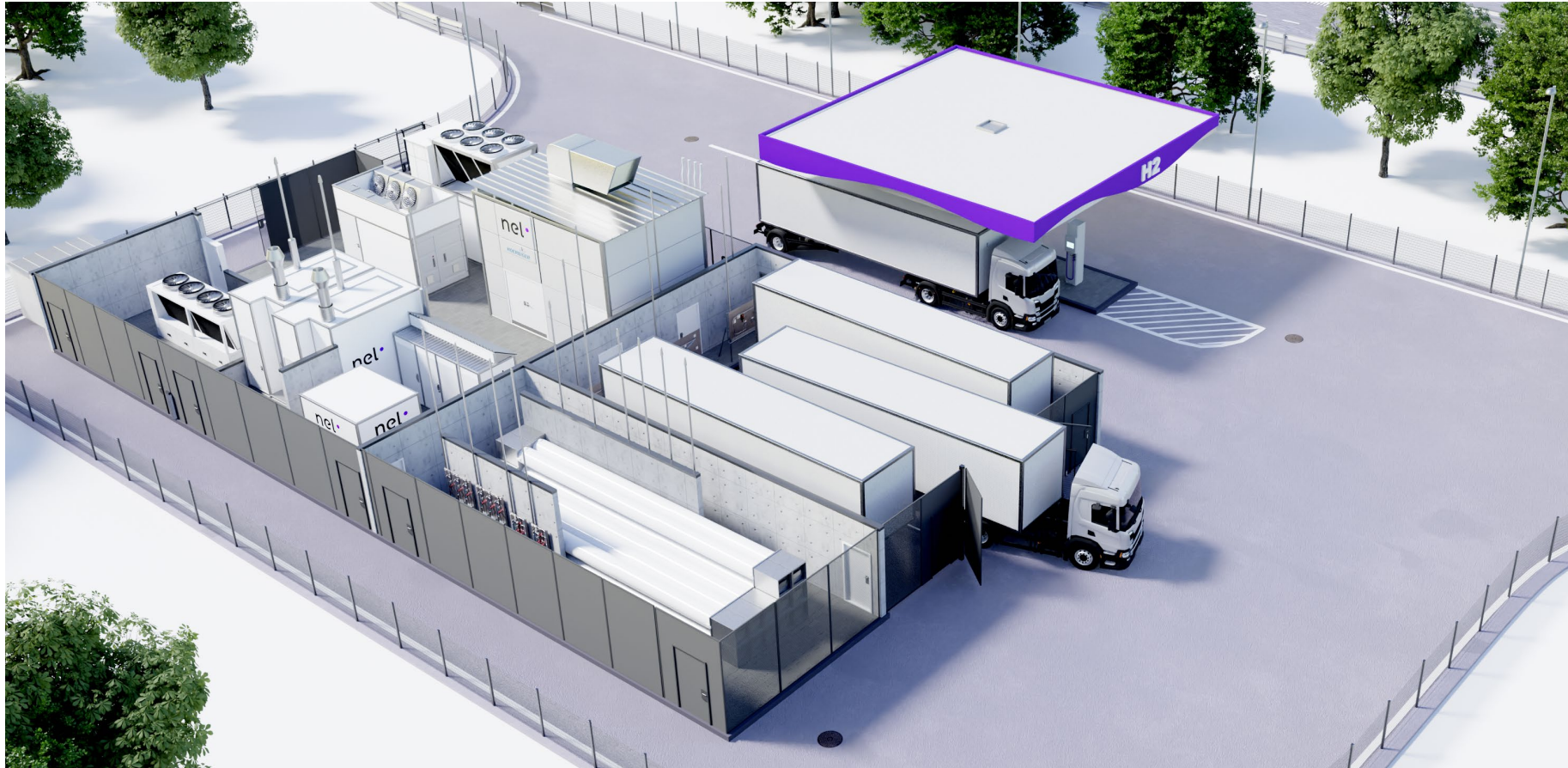
**+190** full-time employees

**7** years in operation

One of the **world's largest** **HRS** production facilities



# Developing the next generation hydrogen fueling concept for heavy-duty vehicles



## Current target values

- **Fueling capacity:**  
~260kg per hour  
(>3.200km range for heavy trucks)
- **Filling time:**  
65kg in 10 min  
(~800km in 10 min)
- **Dispensers:**  
Up to 6 dispensers
- **Standardization:**  
Compliant with  
SAE J2601-5 and future  
ISO standards

# Fueling's roadmap and ambitions



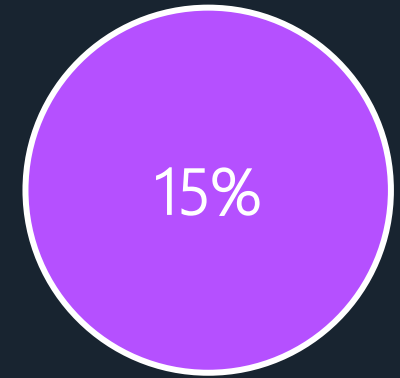
Initiated development of high-capacity stations for heavy-duty transportation in 2023



Capitalize on insights derived from the light-duty market to standardize products and de-risk the high-capacity fueling business case



The next-generation hydrogen fueling stations are expected to be commercialized in 2025



Ambition to capture 15% of the high-capacity market for hydrogen fueling outside China

# 5. Summary

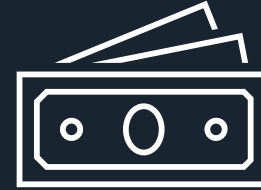
# Summary



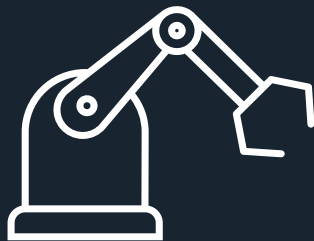
Positive EBITDA in Alkaline Electrolyser segment



Highest quarterly order intake since Q1-23



NOK 3.3bn in cash reserves, no near-term need to raise additional cash



USD 170 million in accumulated support for the planned electrolyser facility in Michigan



Exploring spin-off and separate listing of Fueling division



number one by nature