

Q3 2020

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Chief Executive Officer

Forward-looking information

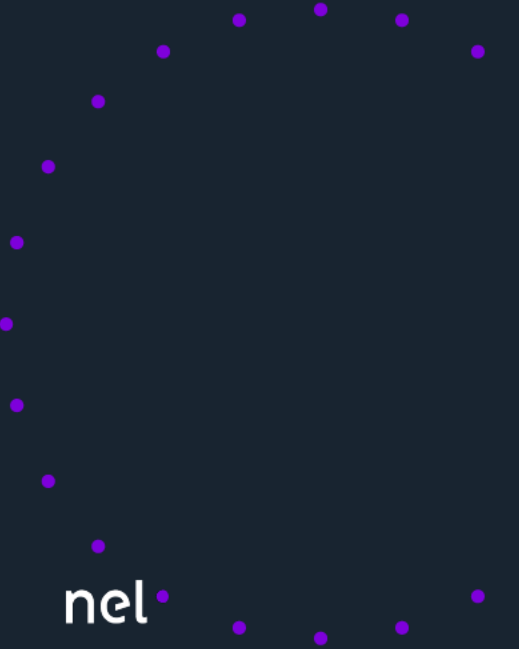
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Agenda

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- Q3 highlights
 - Financial review
 - Nel in brief
 - Key developments
 - Summary / Outlook
 - Q&A

Q3 highlights

Financial results and financing

Revenues

NOK 147.7 million

In line with guidance, slightly down from Q3 2019 (NOK 148.9 million)

EBITDA adjusted*

NOK -44.8 million

Decreased from Q3 2019 (NOK -17.9 million)

Order backlog

NOK 0.94 billion

Up >60% compared to same quarter last year (Q3 2019)

Cash balance

NOK >2.5 billion

Supports Nel's leading position and accelerated investments in organization and technology

Operations and sales

- NOK 16 million R&D-grant from Research Council of Norway to further develop next generation alkaline electrolyser
- USD 4.4 million R&D-grant from Department of Energy to further develop next generation PEM electrolyser

Subsequent events

- PO for 1 H2Station™ by Everfuel, value EUR 1.6 million
- PO for 2 H2Station™ units by ZE PAK, value EUR 3.2 million
- PO for 1.25 MW PEM electrolyser, value USD 2 million
- Listing of Everfuel on Merkur Market
- Lol with Statkraft for a green hydrogen project of up to 50 MW
- Selected as preferred supplier for a 20 MW electrolyser plant by Iberdrola

Financial review

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

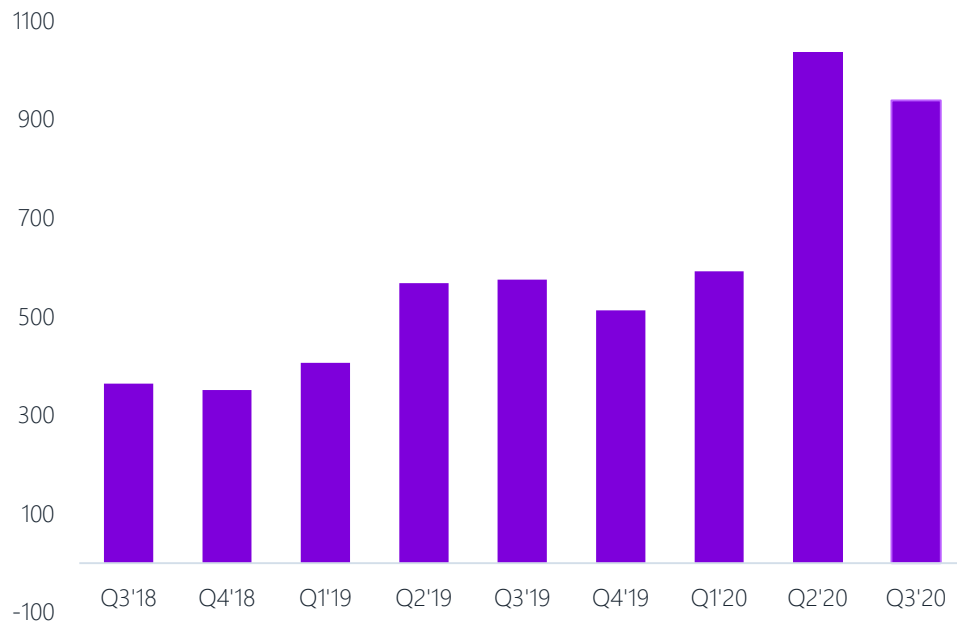
* Non-recurring, ramp-up and net other costs of -2,7 MNOK have been booked in the quarter. Mainly related to start-up costs for activities in new markets and ramp-up activities, counterbalanced by positive one-offs in the quarter. In addition, costs related to the group's share option program of 0.3 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 128 MNOK in gross proceeds in April 2020 and 1.3 BNOK in June 2020

Solid backlog

Order backlog by quarter (MNOK)



Solid order backlog

- Backlog decreased by ~9% in the quarter
 - Will see quarter-by-quarter fluctuations
- Order intake of NOK 45.8 million in Q3
 - Includes a number of PEM electrolyzers (S, H, and C-series) as well as after-sales
- Strong pipeline across segments and industries

Nel in brief

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

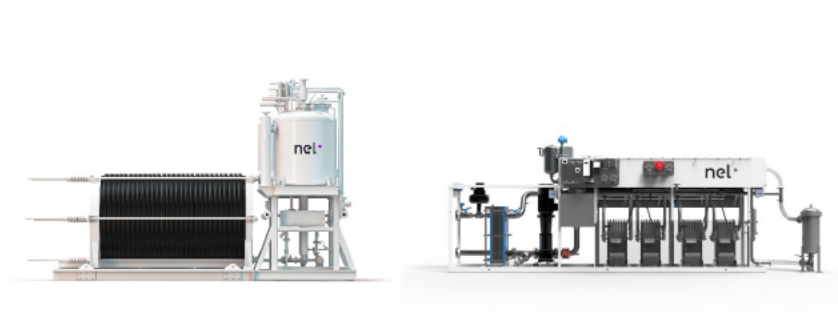


Leading manufacturer of hydrogen fueling stations, with >80 H2Station™ solutions delivered to 9 countries

The front runner within hydrogen technologies

Alkaline and PEM electrolyzers

Industry leading efficiency and reliability. Converting water and electricity to hydrogen and oxygen – for industry, mobility and energy purposes



Hydrogen fueling stations

The H2Station™ from Nel is the world's most compact fueling stations, capable of fueling any kind of vehicle and simple to integrate with other fuels



Strong field know-how & manufacturing capacity

PEM electrolyzers

Wallingford, USA



Systems delivered: **2,700+**

Nameplate capacity: **~40MW/year**

Alkaline electrolyzers

Notodden/Herøya, Norway



Systems delivered: **800+**

Nameplate capacity: **~40MW/year**
→ **~500 MW/year (~2GW/year)**

Hydrogen refuelling stations

Herning, Denmark

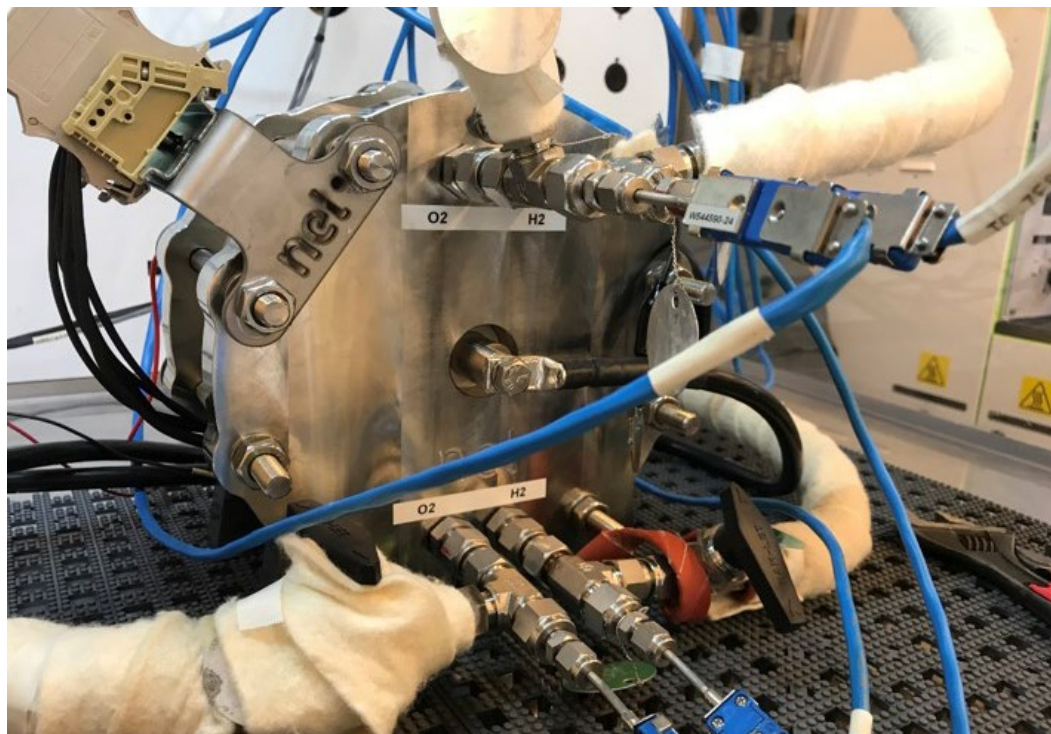


Stations delivered: **80+**

Nameplate capacity: **~300 HRS/year**

Key developments

Received R&D grants for development of next generation electrolyzers



Grant for next gen alkaline electrolyser

- Will improve fundamental elements in the cell stack affecting efficiency and cost
- NOK 16 million grant by the Research Council of Norway
- Full scale pilot will be installed at Yara for testing and production of green ammonia

Grant for next gen PEM electrolyser

- Will develop advanced components and manufacturing methods to optimize flow and conductivity of the stack
- USD 4.4 million grant by US Department of Energy under the H2@Scale initiative

H2Station™ order from Everfuel



Purchase order for hydrogen fueling station for buses

- Value in excess of around EUR 1.6 million
- Latest generation H2Station™ module to be used for fueling of buses in the Netherlands
- To be installed and operational during 2021

First H2Station™ order in Poland



Purchase order for two H2Station™ solutions for cars buses

- Value of around EUR 3.2 million
- Latest generation H2Station™ module to be used for fueling of cars and buses in Poland
- To be installed and operational during 2021

Successful IPO/listing of Everfuel



Successful intro on the Merkur Market

- Everfuel A/S, a Nel minority owned company listed on the Merkur Market of the Oslo Stock Exchange on October 29
- Raised NOK 290 million in conjunction with the listing
 - Nel participated with NOK ~9 million, leading to an ownership share of ~17%
 - Frame agreement of EUR 100 million between Everfuel and Nel

Herøya capacity expansion update



Electrolyser capacity expansion at Herøya

- Fully automated and designed according to lean manufacturing principles
- Large production line improvements already identified, name plate capacity of ~500 MW/year
- Room to expand to ~2 GW/year with 4 production lines
- CapEx requirements for latest line design NOK ~250 million excluding own hours

Signed letter of intent (LoI) with Statkraft for green hydrogen project in Norway



Up to 50 MW electrolysis to support fossil free recycling steel production

- Statkraft, the largest renewable energy company in Europe partnered up with Celsa Armeringsstål (Celsa), a leading steel producer
- Facility in Mo i Rana which produces reinforced steel from recycling of scrap metal
 - Current production: 700,000 tons/year (equal to two Eiffel towers per week)
 - By exchanging natural gas with hydrogen, CO₂-emissions can be reduced by >60%
- Nel and Statkraft has entered into a LoI for 40 – 50 MW of electrolyser capacity
 - EU funding application sent
 - Norway unable to support – should apply for IPCEI

EU & rest of the world stepping up, leaving Norway behind

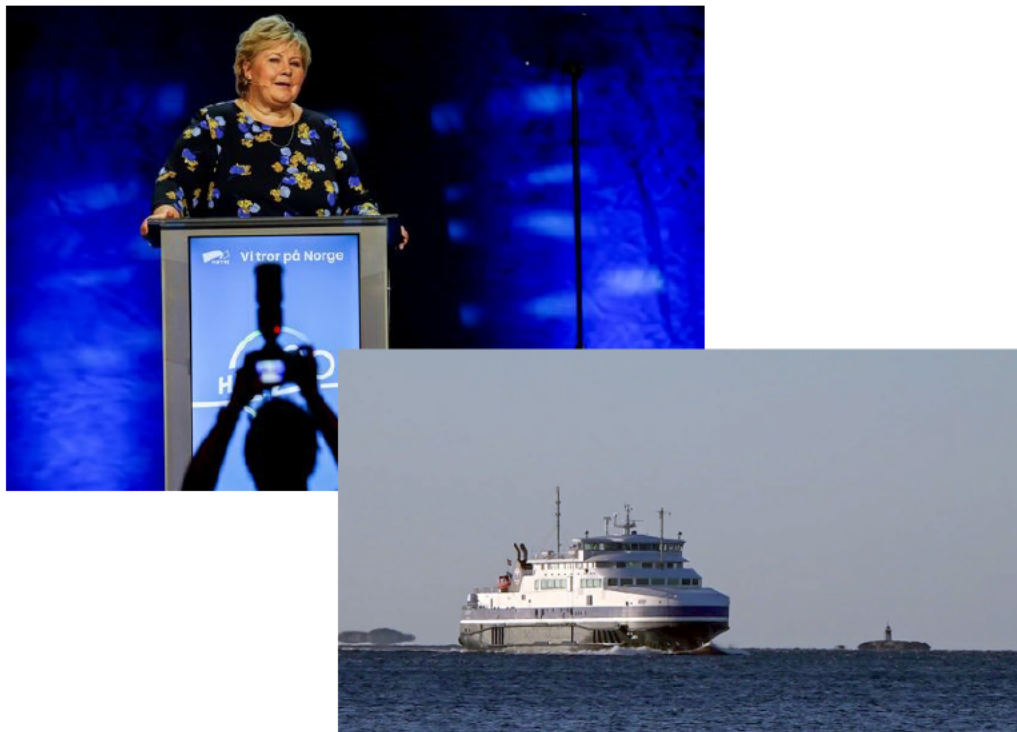
Nel Hydrogen



Norway still has work to do...

- EU target of 40 GW green hydrogen production by 2030
 - Equal to >400x global market in 2019
- Country-specific targets so far:
 - Portugal: 1 GW & EUR 7 billion
 - Germany: 5 GW & EUR 9 billion
 - France: 6.5 GW & EUR 7.2 billion
 - Netherlands: ~3.5 GW & EUR 9 billion
 - Spain: 4 GW & EUR ~9 billion
- Norway: 0 GW & EUR 0.02 billion
 - Vs. CCS support of NOK ~2 billion (out of NOK 25 billion) & BEV support of NOK >20 billion/year
 - Also need to adapt the Enova mandate to enable support of renewable hydrogen projects

Light at the end of the tunnel for hydrogen efforts in Norway?



The Norwegian Prime Minister, Erna Solberg promises increased efforts

- Recognizes the strong international support for hydrogen
- Promises a national road map to follow up previously launched strategy
- On October 31st 2020, the Norwegian government announced a new ferry tender on hydrogen
 - Important step to kickstart the hydrogen industry in Norway – justifies first hydrogen ferry demonstration
 - The so-called Vestfjord ferry traverses one of the longest and toughest ferry routes in the Norway and the world

Selected by Iberdrola as preferred supplier for a 20 MW green fertilizer project in Spain



In final negotiations to deliver a 20 MW PEM electrolyser solution to Iberdrola

- Iberdrola, one of the largest electricity utilities in the world, has together with a world-leading fertilizer manufacturer Fertiberia launched a project to establish the largest green hydrogen plant in Europe
 - Project includes 100 MW photovoltaic plant, a 20 MWh battery and a 20 MW electrolyser
 - Will use hydrogen to produce green fertilizer commencing in 2021
- Nel in final negotiations to deliver a 20 MW PEM solution for the first phase
 - Contract award is subject to mutual agreement on the final terms and conditions, technical details, and board approval

Summary/Outlook

Leveraging on the arising opportunities within energy storage and hydrogen fueling



Update on Covid-19 status, priorities and impact

- Nel has since February 2020 implemented and enforced strict regulations to ensure the safety for employees and partners across locations
 - To date, one Covid-19 event has been recorded:
 - At Notodden/Herøya early in October, close cooperation with local authorities and affected individuals were quarantined
- The global Covid-19 outbreak continues to cause disruptions in Nel's operations and financial performance as the pandemic negatively impacts the general business environment, orders received, installations, commissioning and associated revenue recognition
- Nel reiterates the confidence in the long-term potential for the industry, supported by the "green recovery" outlined by various governmental initiatives.
 - Nel holds the workforce largely intact to maintain the momentum when the situation normalizes

Safety as priority #1

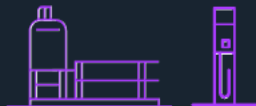
Maintaining growth momentum

A green Covid-19 recovery

Reiterating strong long-term outlook



To maintain and strengthen its leading position in a growing market, Nel will **accelerate investments in organisation, technology and partnerships**



Nel targets to maintain its current leading position in the electrolysis sector, **continuing to develop both PEM and alkaline technologies**, as well as developing technology elements to support fast and reliable **hydrogen fueling of heavy duty applications**



Markets in which Nel operates show high activity and strong growth momentum, making it increasingly important to **be a financially strong counterpart**, especially for larger contracts



Ongoing growth initiatives, ramp-up costs and remaining effects of the Covid-19 outbreak will have a **negative EBITDA impact into 2021**

IR analytics

Market cap

Billion NOK

~25

Investor base

>75%

International
ownership



Shares

1. Jan – 1. Nov, 2020

+109%

Daily average turnover
of NOK (million)

~275

Financial calendar

To be confirmed



Road show/CMD



5. Nov, 2020: Analyst call

21. Jan, 2021: CMD

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)

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Q&A

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