Capital Markets Day

January 21, 2021
Welcome

Leila Asdal Danielsen
Brand Manager
Forward-looking information

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Programme

- **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

- **Financials & ESG**
  Kjell Christian Bjørnsen, CFO

- **Next generation technologies**
  Anders Søreng, CTO

- **Guest speaker**
  Joseph S. Cappello, Iwatani Corporation of America

- **Summary and outlook**
  Jon André Løkke, CEO

- **Q&A**

- **Break**
  15 minutes
The global market leader

Jon André Løkke
Chief Executive Officer
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.

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

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

Electricity production

- Solar
- Wind

Electricity is generated from wind or solar

Hydrogen production

- Electrolysers

Electricity is used to split water (H₂O) into hydrogen and oxygen

Industrial applications

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

Fuel Cell Electric Vehicle

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

Power-to-X

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

H2Station™

Hydrogen is compressed and cooled in the H2Station™ ready for fueling through the dispenser
Empowering generations with clean energy forever

VISION

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

Commitment
Honesty
Boldness

Simplicity
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 HR Officer
Caroline Duyckaerts

VP Group Legal
Stein Over Erdal

SVP Electrolyser
Filip Smeets

SVP Technology Officer
Anders Søreng

SVP Corporate Projects
Hans Hide

SVP Fueling
Jørn Rosenlund

SVP Fueling
Jørn Rosenlund

This is NEL
The hydrogen opportunity
THE HYDROGEN OPPORTUNITY

Large opportunities for electrolysis within existing hydrogen market

Global hydrogen market by end use

- Ammonia
- Refineries
- Methanol
- Other

~70 Mton/year
~150 BUSD

• 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

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
THE HYDROGEN OPPORTUNITY

Hydrogen is expanding its areas of application

**Industrial applications**
- Food Industry
- Glass Industry
- Polysilicon Industry
- Laboratories
- Chemical Industry
- Thermal processing
- Chemical vapor deposition
- Steel Industry
- Power Industry
- Life support

**Power-to-X**
- Decreasing cost of renewables and electrolyzers is accelerating market
- Vast opportunities within existing & new sectors

**Mobility**
- 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

- Niche industrial applications represents “traditional” hydrogen markets
- Steady demand for hydrogen

Steady growing market

Markets expected to see fast growth going forward
THE HYDROGEN OPPORTUNITY

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

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 levelised cost of energy ($/MWh)$

- With falling LCOE$ 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 respectively³,⁴
- Prices expected to drop further, LCOE of solar PV and onshore wind expected to fall by 71% and 58% respectively⁵
- 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**

<table>
<thead>
<tr>
<th>Capex ($)</th>
<th>SMR – capex range</th>
</tr>
</thead>
<tbody>
<tr>
<td>historic</td>
<td>800</td>
</tr>
<tr>
<td>With current ongoing expansion (500 MW/year)</td>
<td>700</td>
</tr>
<tr>
<td>2 GW capacity</td>
<td>600</td>
</tr>
<tr>
<td>New product/technology development</td>
<td>500</td>
</tr>
</tbody>
</table>

- **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
We have reached a tipping point in policy awareness.
40 B€ market for green hydrogen production in EU until 2030

A REGULATORY LANDSLIDE IS COMING

- 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

Pledges in Europe

By country

EU total target

Sources: BloombergNEF, H2View
A REGULATORY LANDSLIDE IS COMING

USA and Australia to follow suit

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)
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
CAPITAL MARKETS DAY 2020

Programme

Q&A

Summary and outlook
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Financials & ESG
Kjell Christian Bjørnsen, CFO

Next generation technologies
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Guest speaker
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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

1. Understand your business case
2. Build a world-class organization
3. Nel Business System (NBS)
Market drive towards large Nel alkaline plants

Nel alkaline target market segment

A485 (2.2 MW) | 4.4 – 60 MW | 100 MW – 2 GW

Market need | Medium term | Long term

SOLAR | WIND | HYDRO

TO GW AND BEYOND
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

CO₂ 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
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

Pre-treatment, advanced texturing and in-line quality control
Production line 1 – chemical line
ELECTRODE PRODUCTION AT HERØYA

Production line 1 – assembly and final control
Fewer process steps and improved product reduce electrode cost

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

New plant business case: reducing electrode cost

Variable cost including direct manning

Production cost 2020  Target cost Herøya line 1  Target cost Herøya line 2
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

Oil services

Chemicals and metal industries

Solar and wind

Automotive
The world’s most efficient electrolyser becoming even more efficient

**Roadmap to reduce energy consumption towards theoretical minimum**

Energy consumption (kWh/Nm³ H₂)

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

First production line will start H2 2021
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Filip Smeets
SVP Electrolyser
Market developments
MARKET DEVELOPMENTS

Traditional electrolyser market / niche applications
Electrolyser market going forward

MARKET DEVELOPMENTS

- Ammonia
- Refinery
- Methanol/Synthetic fuel
- Cement
- Steel/Metals
- Remote power
- Gas pipelines
- Energy export
- Fish farming

Electrolysis potential >2,000 GW
**MARKET DEVELOPMENTS**

Hydrogen demand grows eightfold by 2050

**Hydrogen use by 2050**

*Million tons*

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2050</th>
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<tbody>
<tr>
<td>Transportation</td>
<td>70</td>
<td>539</td>
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<tr>
<td>Industrial heat and power</td>
<td>154</td>
<td>112</td>
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<tr>
<td>Building heat and power</td>
<td>77</td>
<td>63</td>
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<tr>
<td>Industrial feedstock</td>
<td>63</td>
<td>77</td>
</tr>
<tr>
<td>Power generation and storage</td>
<td>245</td>
<td>154</td>
</tr>
</tbody>
</table>

**Sources:** Hydrogen Council, Kearney Energy Transition Institute analysis

- 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
**MARKET DEVELOPMENTS**

PtX projects ramping up fast in EU and China

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

<table>
<thead>
<tr>
<th></th>
<th>EU</th>
<th>DE</th>
<th>NL</th>
<th>FR</th>
<th>ES</th>
<th>IT</th>
<th>UK</th>
<th>NO</th>
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<th>JP</th>
<th>KR</th>
<th>CN</th>
<th>AU</th>
<th>CA</th>
<th>MO</th>
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<tbody>
<tr>
<td>PtX plants in operation</td>
<td>64</td>
<td>34</td>
<td>2</td>
<td>8</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>PtX MW in operation</td>
<td>57</td>
<td>29</td>
<td>1</td>
<td>1</td>
<td>&lt;1</td>
<td>1</td>
<td>3.5</td>
<td>1</td>
<td>1</td>
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<td>0</td>
<td>11</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>6</td>
<td>&lt;1</td>
<td>0</td>
</tr>
<tr>
<td>PtX plants in preparation*</td>
<td>106</td>
<td>77</td>
<td>14</td>
<td>19</td>
<td>8</td>
<td>4</td>
<td>16</td>
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<td>0</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>10</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>PtX MW in preparation*</td>
<td>9500</td>
<td>750</td>
<td>3800</td>
<td>1600</td>
<td>161</td>
<td>2000</td>
<td>308</td>
<td>288</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>~10</td>
<td>5200</td>
<td>20</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: LBST analysis

- 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
MARKET DEVELOPMENTS

Galloping pipeline growth

<table>
<thead>
<tr>
<th>&gt;3 billion USD</th>
<th>&gt;100 projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;10 GW</td>
<td>80% value, &gt;100 MW</td>
</tr>
</tbody>
</table>

Single largest
>400 MW

Ideal for alkaline atmospheric electrolyzers
- 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

Broadiest 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
OUR UNIQUE ELECTROLYSER SOLUTIONS

Sales process

Engineering
- Tailor-made plant design

Procurement & manufacturing
- Cell stacks based on Nel technology
- Manufactured in Nel’s production facilities

Installation
- Contractor installation
- Nel supervision

Commissioning
- Nel assures plant operates according to requirements

Aftermarket
- Replacement of cell stack with 7-10 year intervals
- Service & spare parts
Industrial-scale hydrogen plant suppliers scope

Design your hydrogen plant

Choose your additional services

- EPC
- Financing/leasing
- Operations
- Service & maintenance
- Performance guarantees
OUR UNIQUE ELECTROLYSER SOLUTIONS

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
OUR UNIQUE ELECTROLYSER SOLUTIONS

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
SCALING TECHNOLOGY FOR A 10X MARKET

Standardization reducing system cost to enable $1.5/kg

- **Electrolyser 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**
  ~25%
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
New PEM electrolyser launched including new stack
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
SCALING TECHNOLOGY FOR A 10X MARKET

Electrolyser capex evolution

• 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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Renewable H₂</th>
<th>Fossil fuel derived H₂ with CO₂-capture</th>
<th>Fossil fuel derived H₂</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$5.0</td>
<td>$2.0</td>
<td>$1.5</td>
</tr>
<tr>
<td>2030</td>
<td>$3.0</td>
<td>$2.0</td>
<td>$1.5</td>
</tr>
<tr>
<td>2050</td>
<td>$3.0</td>
<td>$2.0</td>
<td>$1.5</td>
</tr>
</tbody>
</table>

- 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
Programme

- **CAPITAL MARKETS DAY 2020**
- **Programme**
  - Q&A
  - Summary and outlook
    - Jon André Løkke, CEO
  - Financials & ESG
    - Kjell Christian Bjørnsen, CFO
  - Next generation technologies
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    - 15 minutes
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  - Taking electrolysis to GW-scale
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  - Nel electrolyser activities
    - Filip Smeets, SVP Electrolyser
  - Guest speaker
    - Mikael Nordlander, Vattenfall/HYBRIT
  - Nel fueling station activities
    - 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 today’s 7.6 billion

68%  
Will live in urban areas, compared to today’s 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
Why electrification?

Transition to fossil-free energy in a global perspective
Modern renewables are gaining ground in energy consumption

- Fossil fuels: 79.7%
- Nuclear energy: 2.2%
- Traditional biomass: 7.5%
- Modern renewables: 10.5%
Why replacing fossil fuels with renewables works

There's room

It's cheap

It's fast
We take electricity from a power source to a source of innovation.

Fossil free electricity

Direct electrification

Electrolysis
The electricity splits water (H₂O) into hydrogen (H₂) and oxygen (O) and the hydrogen can be used both as a carrier of energy, and for chemical reactions.

H₂ + H₂O = H₂
REDUCTION POTENTIAL OF SWEDENS TOTAL CO2 EMISSIONS

- 10%

THE FIRST TECHNOLOGY IN THE WORLD
HYDROGEN BREAKTHROUGH IRONMAKING TECHNOLOGY

Iron ore pellets + Hydrogen = Sponge iron + Water
Three phases towards our goal:

- **Pre-study & Research program**: 2016 – 2017
- **Feasibility study & Pilot request**: 2018 – 2024
- **Demonstration plant with commercial fossil free steel & Restructuring of SSAB’s production facilities**: 2025 – 2040
## Three phases towards our goal

<table>
<thead>
<tr>
<th>Pre-study &amp; Research program</th>
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<td>• Start of a 4-year research program with help of the Swedish Energy Agency</td>
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<td>• Pilot Fossil Free Pellets</td>
<td>• First commercial Fossil Free Steel by SSAB</td>
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<tr>
<td>• Pilot Hydrogen based direct reduction of iron</td>
<td>• Pilot hydrogen storage</td>
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<td>How could this technique look like and work at large scale?</td>
<td>First enter the market with fossil free steel – Then restructure the whole production of SSAB</td>
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Parallel work streams

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- 2017 start laboratory scale
- 2018 start Pilot scale
- 2020 start Demonstration scale (until 2030)
  - 2022 All permits in place
  - 2025 Demonstration plant ready
HYBRIT’s pilot projects in Norrbotten, Sweden

- Pilot Fossil-free pellets in Malmberget (2020-2021) and in Luleå (2019-2021)(ECF)
- Pilot DRI in EAF in Luleå (2020-2024)(Swerim)
- Pilot DRI in Luleå (2020-2024)
- Pilot for hydrogen storage planned for (2021-2024)
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

= $\times 1,000,000$
Bringing electrification to new sectors

- Fossil free plastics
- Agriculture
- Biofuels
- Cement
Innovative value chain cooperation initiate market for green products

<table>
<thead>
<tr>
<th>Impact of decarbonization on product cost</th>
<th>Intermediate product</th>
<th>End product</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ / % price increase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cement</td>
<td>+100% (+30%)</td>
<td>=</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td>Ex: +$15,000 for a $500,000 house from fossil free cement</td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td>+20%</td>
<td>=</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1%</td>
</tr>
<tr>
<td></td>
<td>Ex: +$180 for a car made of fossil free steel</td>
<td></td>
</tr>
<tr>
<td>Plastics</td>
<td>+50%*</td>
<td>=</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;3%</td>
</tr>
<tr>
<td></td>
<td>Ex: +$0.01 for a bottle of soda from fossil free plastic</td>
<td></td>
</tr>
</tbody>
</table>

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
Programme

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Joseph S. Cappello, Iwatani Corporation of America

Q&A

Break
15 minutes
Nel fueling station activities

Jørn Rosenlund
SVP Fueling
Hydrogen fueling in brief
HYDROGEN FUELING IN BRIEF

Fueling fully aligned with global mega-trend on electrification of transportation
HYDROGEN FUELING IN BRIEF

Fueling fully aligned with global mega-trend on electrification of transportation
Hydrogen as the common energy carrier – H₂ as fuel is most cost effective.

HYDROGEN FUELING IN BRIEF

Electrolysis (H₂O)

Ammonia (NH₃) / Methanol (CH₃OH) production

Truck/pipeline

Hydrogen

Green synthetic fuels

Highest willingness to pay
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
HYDROGEN FUELING IN BRIEF

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

Battery charging would require a 1,200 kW grid connection – hydrogen fueling only 100 kW
HYDROGEN FUELING IN BRIEF

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

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
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
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

- **Product development**: in process of moving towards automotive design philosophy
- **Sales**: is performed through an increasing share of key accounts
- **Procurement & Logistics**: long-term supply agreements with strategic supplier
- **Production**: balanced LEAN production flow with a six-day takt time per step
- **Installation & Commissioning**: project management and engineering
- **Service**: support customers in permitting, 3rd party approvals etc.
- **Local permitting and civil works on site**

- **Global 24/7 monitoring system**
- **Preventive and proactive maintenance**
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
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

Accumulated installed H2Station™
Number of stations installed - Index

Accumulated fuel dispensed on H2Station™
H₂ quantity dispensed - Index
Harvesting Big Data – continuous improvement

- Dashboard of station availability and performance
- Specific alarms
- Station analysis and statistics
- Alarm before offline
### H2Station™ evolution: 10 times capacity increase and 90% capex reduction

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
<th>Pressure</th>
<th>Capex/kg capacity (Index)</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>50kg/day</td>
<td>250 bar</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>100kg/day</td>
<td>350+700 bar</td>
<td>100</td>
<td>Fueling control</td>
</tr>
<tr>
<td>2015</td>
<td>200kg/day</td>
<td>350+700 bar</td>
<td>50</td>
<td>CO₂ cooling</td>
</tr>
<tr>
<td>2020</td>
<td>500kg/day</td>
<td>350+700 bar</td>
<td>20</td>
<td>Fueling compressor</td>
</tr>
<tr>
<td>2020+</td>
<td>&gt;1000kg/day</td>
<td>350+700 bar</td>
<td>10</td>
<td>Scaling core technologies</td>
</tr>
</tbody>
</table>

20 patents acquired for development of core fueling technologies
SCALING TECHNOLOGY FOR A 10X MARKET

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 buses are fueled with 1-2 kg H₂/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
SCALING TECHNOLOGY FOR A 10X MARKET

Evolution of the hydrogen fueling station market

First Nel fueling station
Denmark, 2004

10 kg/day
0.02 kg/min

First Nel fueling station for light duty vehicles
Denmark, 2008

50 kg/day
0.5 kg/min
Northern California: H2Station™ for passenger cars

First 14 H2Station™
California, 2018

200 kg/day
1 kg/min
SCALING TECHNOLOGY FOR A 10X MARKET

Evolution of the hydrogen fueling station market

H2Station™ for HDV under construction
California, 2020

1,000 kg/day
2 kg/min
Hydrogen fueling station sales is expected to grow in average >30% from 2020 to 2030
Global leadership through proven track record and high-quality fueling stations

SUMMARY

1. In-house developed technologies with standardized and certified products
2. +110 H2Station™ units delivered/in progress to 13 countries
3. World largest fueling station factory - capacity for 300 H2Station™ per year
4. Full value chain services with local service hubs in key markets
Break

15 minutes
We’ll be back in 15 minutes
Programme

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Guest speakers

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

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)

Our Business

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 cookers

Industrial Gases & Machinery Division
- Industrial gases
- 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

Net Sales (Consolidated)
- 686.7 Billion yen (FY 2019)

Operating Income (Consolidated)
- 28.7 Billion yen (FY 2019)

Iwatani’s Hydrogen Leadership Position in Japan

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

Iwatani is Investing in Innovative H2 Technologies

Iwatani Hydrogen Refueling Stations in Japan as of October 2020

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 HySta
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 8, 2020
Commission Approves $115 Million for First 20 Stations

SACRAMENTO - The California Energy Commission (CEC) approved a plan today that will invest up to $115 million to significantly increase the number of hydrogen fueling stations in the state that support hydrogen fuel cell electric vehicles (FCEVs). The funding will not only increase the number of stations, but also bring them closer to key metropolitan areas to better meet the demand for hydrogen in those regions.

The plan also supports Governor Gavin Newsom’s executive order phasing out the sale of new gasoline-powered passenger vehicles by 2035 in providing essential infrastructure to meet the fueling needs of the increasing number of electric vehicles (EVs). It’s anticipated that the market will see a significant increase in EVs in the next decade. While battery electric vehicles (BEVs) are the most common EV in the state, hydrogen fuel cell electric vehicles (FCEVs) have also been tested and are on the rise.

Under the plan, up to 115 new hydrogen fueling stations will be built in the state by 2027, including many designed for multiuse by passenger vehicles, trucks and buses. Total project funding is subject to state laws and regulations. The CEC is working with the California Air Resources Board (CARB) on the state portion of project funding, which includes an initial $25 million in CEC grants.

Progress Report
200 Hydrogen Fueling Stations by 2025

- 45 Hyperion Hydrogen Fueling Stations
- 134 Rema Power Fueling Stations
- 21 South Bay Fueling Stations

$166 million
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 and Nel’s Collaboration in Southern California

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

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

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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Break
15 minutes
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
INTRODUCTION

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
INTRODUCTION

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
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

Early identification of risks to meet customer requirements

Field feedback loop for continuous improvements
Corporate technology team

Core competencies

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

~40 technologists & intellectual engineer capital totalling 100+ employees

Balance between educational and experienced-based competencies

20% PhDs

10-12% R&D net investment/turnover

R&D investment to follow industry development
Active IP protection strategy

**Patents follow markets**
- US: 56%
- China: 3%
- Czech Republic: 2%
- Denmark: 8%
- Estonia: 2%
- EU: 11%
- Finland: 2%
- Japan: 2%
- Portugal: 2%
- Poland: 2%
- Slovakia: 2%
- South Korea: 2%
- Solomon Islands: 2%
- Sweden: 2%
- Estonia: 2%
- Japan: 2%
- Portugal: 2%
- Poland: 2%
- South Korea: 2%

**Cost reduction and reliability in focus**
- Reliability: 25%
- New Function: 17%
- Design: 3%
- Cost Reduction: 55%

**Divided by three technology platforms**
- Fueling Station: 10%
- ELY Stack: 50%
- ELY System: 20%
- Fueling Protocol: 17%

Note: Numbers do not include applications in process
TECHNOLOGY STRATEGY

Our experimental capabilities are unique in the industry

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

#### KEY ELECTROLYSER DEVELOPMENTS

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

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
KEY ELECTROLYSER DEVELOPMENTS

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
KEY ELECTROLYSER DEVELOPMENTS

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

Atmospheric alkaline
- Low cost
- High efficiency
- Large scale

Advanced alkaline
- Dynamic response
- Intermittent operation

Advanced PEM
- Lower cost
- High efficiency
- Larger 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

Anion Exchange Membrane (AEM)

Solid Oxide (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
**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
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
Fueling technology roadmap: Enabling our business plans

**KEY H2STATION™ DEVELOPMENTS**

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

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
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 CO₂ cooling process, among the most energy efficient systems in industry
• Only hydrogen cooling system designed for minimal global warming impact
Well-positioned for a growing market

SUMMARY

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

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

Nel electrolyser activities
Filip Smeets, SVP Electrolyser

Guest speaker
Mikael Nordlander, Vattenfall/HYBRIT

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Financials & ESG
Kjell Christian Bjørnsen, CFO

Summary and outlook
Jon André Løkke, CEO

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

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

* 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

**FINANCIALS & ESG**

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

**Cash position**

NOK million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cash Position (NOK million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2018</td>
<td>0</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>500</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>1000</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>1500</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>2000</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>2500</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>3000</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>3500</td>
</tr>
</tbody>
</table>

- Capital raise of 1.3 BNOK
- Subsequent offering of 127 MNOK
- Capital raise of 850 MNOK
**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
FINANCIALS & ESG

Sustainability at the core

Empowering generations with clean energy forever

VISON

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

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
IR analytics

**Market cap**
Ranked by revenues

~40BNOK

**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 (Fearnley)
- Jean-Baptise Rolland (Bank of America)
- Xavier Regnard (Bryan Garnier)
- Håkon Aamundsen (ABG Scandia)
Programme

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Summary and outlook

Jon André Løkke
Chief Executive Officer
Strategy & 2025 ambitions
Today: creating a rapidly-growing billion NOK company

Strategic ambitions:
- Global presence
- World-class safety
- Strong financing
- Cost leadership
- Preferred partner
- Technology front-runner
Today: creating a rapidly-growing billion NOK company

- Global presence
- Strong financing
- Preferred partner
- World-class safety
- Scalability & Cost leadership
- Technology front-runner
2025: the global leader within hydrogen technologies

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

**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
STRATEGY & 2025 AMBITIONS

2025: the global leader within hydrogen technologies

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

**SUMMARY**

- **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**
2025: the global leader within hydrogen technologies

Global presence

Strong financing

Preferred partner

World-class safety

Scalability & Cost leadership

Technology front-runner
Thanks for the ride, dinosaurs. We’ll take it from here!
We’ll be back in

5 minutes
number one by nature