

Q1 2020

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1. Q1 highlights
2. Financial review
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5. Jorgo Chatzimarkakis, Hydrogen Europe – 2x40 GW initiative
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Covid-19 actions, effects and potential recovery

Safety as priority #1

Immediate implementation of strict regulations to ensure safety of customers, employees, partners and co-citizens

Transparency

Frequent updates to the capital markets with in-depth status reports 22 and 26 March, in addition to general comments 21 April

A green Covid-19 recovery

Significant governmental interest in developing and supporting major green initiatives as part of developing new industries and energy infrastructure post Covid-19

- Revenues and earnings negatively impacted by the Covid-19 pandemic
 - Reduced production due to “stay home - stay safe” policy
 - Delay in installation and commissioning due to travel restrictions, impacting revenue recognition
 - General temporary business slow down impacts customer dialogue and order bookings
 - Nel remains committed to its strategy and has since 2019 taken on additional employees and costs to prepare for future growth
 - Uphold of fixed/indirect costs, designed to support a higher activity level, will impact short-term financial results when revenues are lower
 - Nel reiterates the confidence in the long-term potential for the industry, supported by the “green recovery” outlined by various governmental initiatives

Financial results and financing

- Nel ASA (Nel) announced Covid-19 updates 22 and 26 March, in addition to general comments 21 April, underlining that revenues and operations would be negatively impacted by disruptions in the value chain, travel restrictions and the general temporary business slow down
 - Revenues of 126.5 MNOK in Q1'20, compared to 122.4 MNOK in Q1'19
 - Slightly higher y-o-y, despite Covid-19 impact installations and commissioning, affecting revenue recognition
- All-time high pipeline of tenders and projects across segments
- Order backlog of 592.3 MNOK at end of Q1'20
 - Up ~46% y-o-y, up ~16% since Q4'19
- Adjusted EBITDA* of negative 41.7 MNOK
- Cash balance of 1 221.4 MNOK (Q1'19: 743.2)
- Successful capital raise of 846 MNOK in gross proceeds in January 2020

Operations and sales

- Kjell Christian Bjørnsen appointed CFO effective 1 March 2020
- Filip Smeets appointed new head of Nel's electrolyser activities
- PO for 1 MW containerized Proton PEM® electrolyser from Trillium Transportation Fuels ~ 2.2 MUSD
- Entered into a strategic collaboration agreement with Kværner ASA
- Awarded a 1.85 MUSD grant by the Department of Energy for development of a novel electrolyser cell stack
- PO for PEM electrolyser cell stacks from United Technologies, bringing total booked orders from this client in the quarter to ~ 3.1. MUSD

Subsequent events

- Entered into a framework agreement for the delivery of up to 60 megawatt of electrolyzers to Lhyfe Labs SAS in France
- Successful subsequent capital raise of 127 MNOK in gross proceeds

Financial review

Financial highlights

Nel ASA Q1 2020

(NOK million)	2020 Q1 Adj*	2020 Q1	2019 Q1	2019 Q4	2019	2018
Operating revenue	126.5	126.5	122.4	175.9	569.7	489.0
Total operating expenses	190.6	213.4	174.4	239.3	824.3	685.1
EBITDA	-41.7	-64.6	-34.8	-42.7	-179.1	-131.6
EBIT	-64.1	-86.9	-52.0	-63.4	-254.6	-196.1
Pre-tax loss**	17.6	-5.2	-53.2	-95.1	-277.2	-197.5
Net loss	19.6	-3.2	-51.3	-93.2	-269.7	-188.8
Net cash flow from operating activities	-8.8	-8.8	-31.5	-64.1	-209.2	-142.6
Cash balance at end of period***	1 221.4	1 221.4	743.2	526.0	526.0	349.7

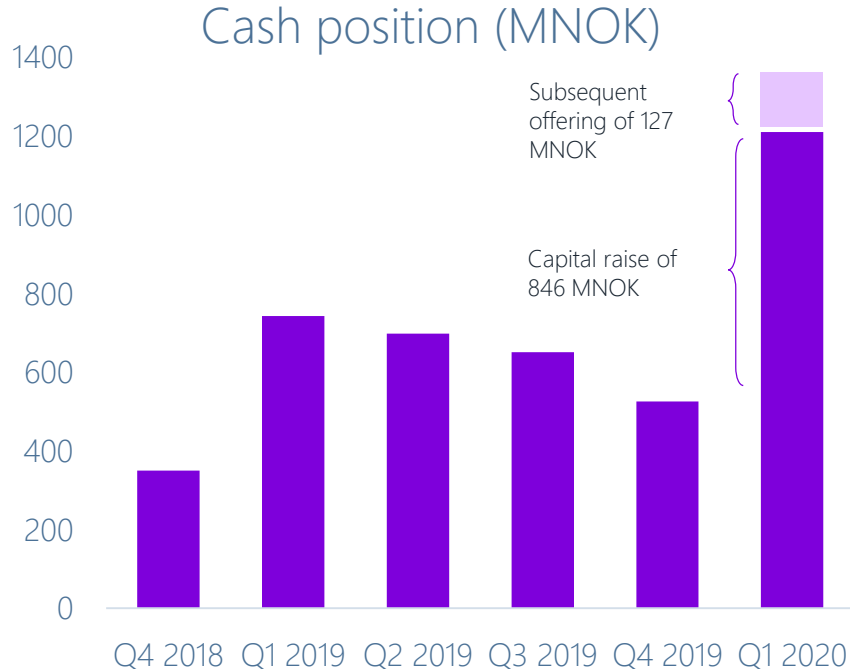
*Non-recurring and ramp-up costs of 22.8 MNOK have been booked in the quarter. Mainly related to start-up costs of the activities in South Korea and California, ramp-up activities related to factory expansion at Herøya and legal costs. In addition, non-cash costs related to the group's share option program of 3.0 MNOK were booked in the quarter.

**Includes 71.1 MNOK in unrealised currency exchange gain related to internal loans

*** Nel raised 127MNOK in gross proceeds in April 2020

Strong cash position of ~ NOK 1.35 billion

Raised 127 MNOK in subsequent offering in April 2020



- Nel targets to have a strong financial position to execute on the strategic plans
- January 2020 issue was 2.5x oversubscribed towards international and Norwegian institutional investors
- Completed subsequent offering of 13.4 million shares in April, 2020
- Targeted to strengthen market position through accelerated investments in technology and organization to take advantage of market opportunities

Nel in brief

- Pure play hydrogen technology company listed on Oslo Stock Exchange (NEL.OSE) w/>25,000 shareholders
- 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
- World leading manufacturer of hydrogen fueling stations, >50 H2Station® solutions delivered to 9 countries



Alkaline and PEM electrolysers

Converting water and electricity to hydrogen and oxygen – for industry, mobility and energy purposes



Compact hydrogen fueling stations

Hydrogen fueling stations capable of fueling any kind of vehicle. World's most compact – simple to integrate with other fuels & standardized

Strong field know-how & manufacturing capacity

Nel ASA Q1 2020



Wallingford, USA

PEM electrolyzers

2 700+ systems delivered

Production capacity:

>40MW/year



Notodden/Herøya, Norway

Alkaline electrolyzers

800+ systems delivered

Production capacity:

40 MW/year

→ 360 MW/year (> 1 GW/year)



Herning, Denmark

Hydrogen refuelling stations

50+ stations delivered

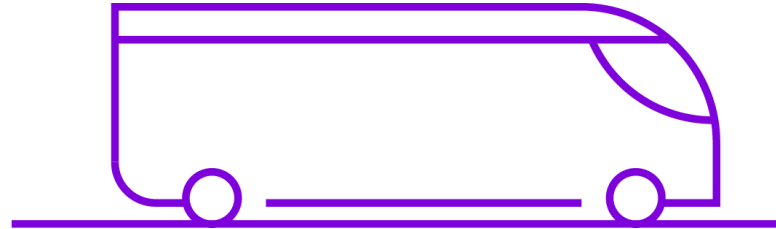
Production capacity:

300 HRS/year

Key Nel developments

Green hydrogen for 12 fuel cell electric buses in US

- Nel Hydrogen US received purchase order of 1 MW containerized PEM electrolyser from Trillium Transportation Fuels, LLC (Trillium)
- Will be used to produce hydrogen for a fleet of 12 fuel cell electric buses in Urbana, Illinois, USA
- Purchase order has a value of ~2.2 MUSD
- To be delivered late 2020
- Supported by the Federal Transit Administration and the State of Illinois



Signed strategic collaboration agreement with Kvaerner

Nel ASA Q1 2020

Key Nel developments

Projects and standardization for large scale hydrogen production plants

- Kvaerner has extensive experience from large projects all over the world
 - Supports larger projects with increased complexity
 - Contributes with engineering, procurement and construction (EPC) services and project management
 - Potential to utilize Kvaerner's global supply chain for electrolyser balance of plant (BoP) elements

Starting with project to standardize large-scale green hydrogen production facilities – key to reduce cost and project risk

- Initial module of a 20 MW building block to be expanded to 100MW & 200 MW modules for large-scale solutions



nel • + KVERNER™

Jon André Løkke, CEO of Nel and Kenneth Simonsen, EVP Renewables in Kvaerner

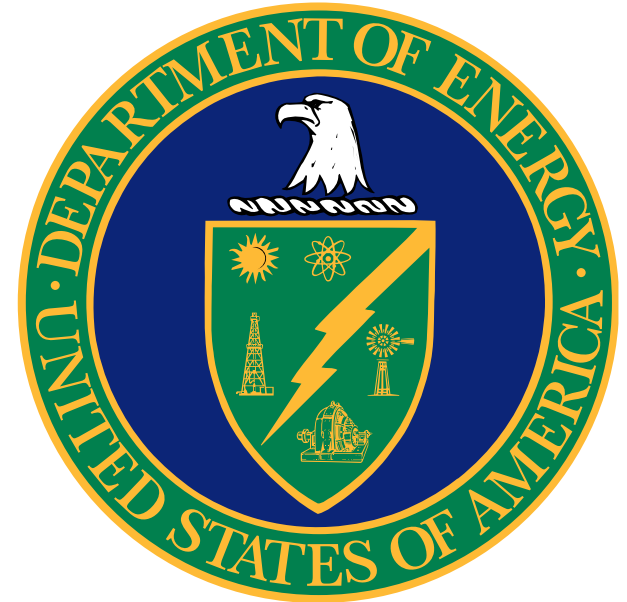
Awarded grant by the Department of Energy (DOE)

Nel ASA Q1 2020

Key Nel developments

Enabling a higher efficiency, low cost hydrogen generation

- Proton Energy Systems, Inc. awarded 1.85 MUSD grant
 - For development of a novel electrolyser cell stack approach to enable higher efficiency, low cost hydrogen generation
 - A successful project will demonstrate a cost-effective pathway for hydrogen energy storage and help further improve Nel's electrolysers in general, enabling lower cost hydrogen generation for all other customer segments
- Funded by the Fuel Cell Technologies Office
 - Part of DOE's H2@Scale initiative



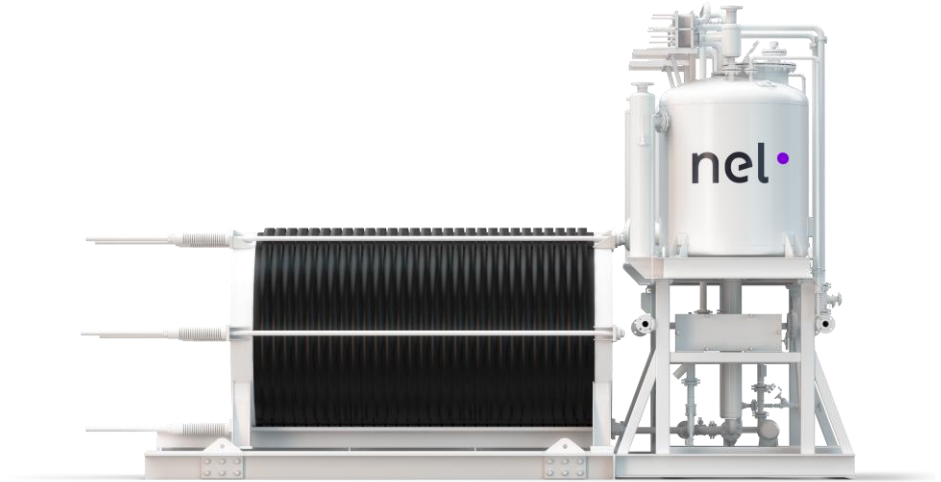
Cell stacks for oxygen production on submarines

- Nel Hydrogen received purchase order for PEM electrolyser cell stacks from United Technologies' Collins Aerospace Division
 - ~1.6 MUSD contract value
- Will produce critical life support oxygen for U.S. and U.K. Navy crews on multiple classes of nuclear-powered submarines
 - Delivered under an exclusive contract
- Part of an ongoing production contract
 - Continues Nel's history of supplying PEM electrolyser stacks for Navy submarines for over a decade
 - Two additional purchase orders earlier in 2020 with a combined value of 1.5 MUSD, total >3 MUSD to date this year



The choice of preference for Lhyfe

- Delivery of up to 60 megawatt of electrolysers to Lhyfe Labs SAS (Lhyfe) in France
 - Follows a 1 MEUR purchase order for an A150 alkaline electrolyser in March 2020
 - 60 MW of electrolysers is intended to be deployed over the next 4 years
 - The first electrolyser to be installed early 2021 in Bouin, France



A150 atmospheric alkaline electrolyser to be delivered to Lhyfe Labs SAS in Bouin, France

2x40 GW Initiative

Jorgo Chatzimarkakis
Secretary General Hydrogen Europe

[Separate slide deck](#)

Summary/Outlook

Covid-19 priorities and impact

The global outbreak of Covid-19 will continue to cause disruptions in Nel's operations and financial performance as "stay home – stay safe" policies and the general business slowdown impacts production, order intake, customer dialogue, installations, commissioning and associated revenue recognition.

The visibility on the duration and size of the effects from the Covid-19 situation is currently low. Nel remains committed to its strategy and has since 2019 taken on additional employees and costs to prepare for future growth. The revenue shortfall and business disruptions caused by Covid-19 have impacted and will continue to impact financial results negatively:

- Installation and commissioning delays caused by travel restrictions
- Certain new order booking delays due to the macroeconomic slow-down
- Nel holds the workforce largely intact to maintain the momentum when the situation normalizes and will continuously assess the situation
- Nel reiterates the confidence in the long-term potential for the industry, supported by the "green recovery" outlined by various governmental initiatives

Safety as priority #1

Transparency

Uninterrupted production for
essential manufacturing
business

A green Covid-19 recovery

Creating a rapidly growing billion NOK company

Nel ASA Q1 2020

Levering on the arising opportunities within energy storage and hydrogen fueling

Global presence

World-class safety

Strong financing

nel•

Cost leadership

Preferred partner

Technology front-runner

nel•

Outlook for core business – beyond Covid-19

Nel ASA Q1 2020

Q1 2020



The hydrogen market is expected to grow significantly and green hydrogen is on a trajectory to outcompete fossil hydrogen and fossil fuels



Increasing adoption of industrial hydrogen applications with huge overall potential



Strong momentum within mobility – especially within HDV. Hydrogen as the preferred future fuel alternative – facilitates true zero emission from production to use

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

Nel targets to maintain its current leading position in the electrolysis sector, continuing to develop both PEM and alkaline technologies to satisfy specific customer needs and preferences

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

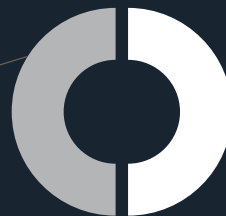
Ongoing growth initiatives and ramp-up cost will have a negative EBITDA impact in 2020

Market Cap
NOK (billion)

~16.5

Investor base
>25 000 investors

Top 20
investors own
~50%
of the shares



Shares
YTD May 6, 2020

+44%

Daily average turnover
of NOK (million)

~300

Financial calendar

May 7, 2020, Q1 2020

August 26, 2020, Q2 2020

November 11, 2020, Q3 2020

Roadshow

100% online Q1 2020 Covid-19
compliant roadshow



Analyst coverage

- Jonas Meyer – SB1
- Tomas Skeivys – Norne
- Mikkel Nyholt – Carnegie
- Daniel Stenslet – Arctic
- Ole-Andreas Krohn – DNB
- Gard Aarvik – Pareto
- Anders Rosenlund – SEB

nel

Q&A

number one by nature