

Fourth quarter & full year 2024 results presentation

26 February 2025

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Agenda

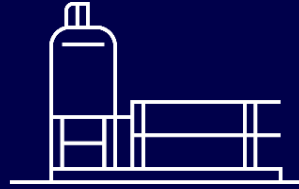
1. Nel in brief
2. Q4 and FY 2024 highlights
3. Commercial update
4. Technology update
5. Summary and outlook
6. Q&A

1. Nel in brief

A fully dedicated electrolyser technology company



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



Leading pure-play electrolyser
manufacturer with >7 000 stacks
delivered to more than 80 countries
since 1927



1 GW of ALK manufacturing capacity
(Norway)
500 MW of PEM manufacturing capacity
(USA)



~400 employees



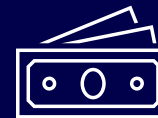
Investing heavily in R&D to develop
next-generation alkaline
and PEM technologies



Global sales network and offices



Preferred partner with
industry leaders



NOK 1.9 billion in cash reserves

Nel's value proposition

Unrivalled track record

- Decades of experience
- Large installed base

Technology leadership

- Multiple technology platforms (AWE+PEM)
- Guaranteed and proven performance
- Game-changing next-generation solutions

Cost and scale leadership

- Front-runner in cost reductions
- Market leading production capabilities



2. Q4 and FY 2024 highlights

Q4 2024

Quarterly highlights

Financial results and financing

(from continuing operations)

Revenue from contracts with customers

NOK 416 million

EBITDA

NOK -36 million

Order intake

NOK 148 million

Order backlog

NOK 1 614 million

Cash balance

NOK 1 876 million



Key highlights in Q4 2024

- 10 MW purchase order from Samsung C&T
- Purchase order for one MC250 from Trillium
- Selected for EUR 135 million in grants for industrialization of next-generation electrolyser technology in Norway
- Initiated a process to adjust capacity to market demand by reducing the workforce and temporarily halting production at the Alkaline production facility in Herøya, Norway

Subsequent highlights

- Additional USD 29 million in tax credits awarded for manufacturing expansion in Michigan
- USD 7 million purchase order for 5 MW of containerized PEM electrolysers

Q4 2024

Group financials

(Continuing operations)

(NOK million)	Q4 2024	Q4 2023 (restated)	FY 2024	FY 2023 (restated)
Revenue from contracts with customers	416	412	1 390	1 350
EBITDA	-36	-78	-173	-272
EBIT	-106	-123	-389	-444
Pre-tax income (loss)	-65	-52	-264	-574
Net income (loss)	-64	-50	-258	-566
Net cash flow from operating activities	25	-101	-83	-464
Cash balance at end of period*	1 876	3 363*		

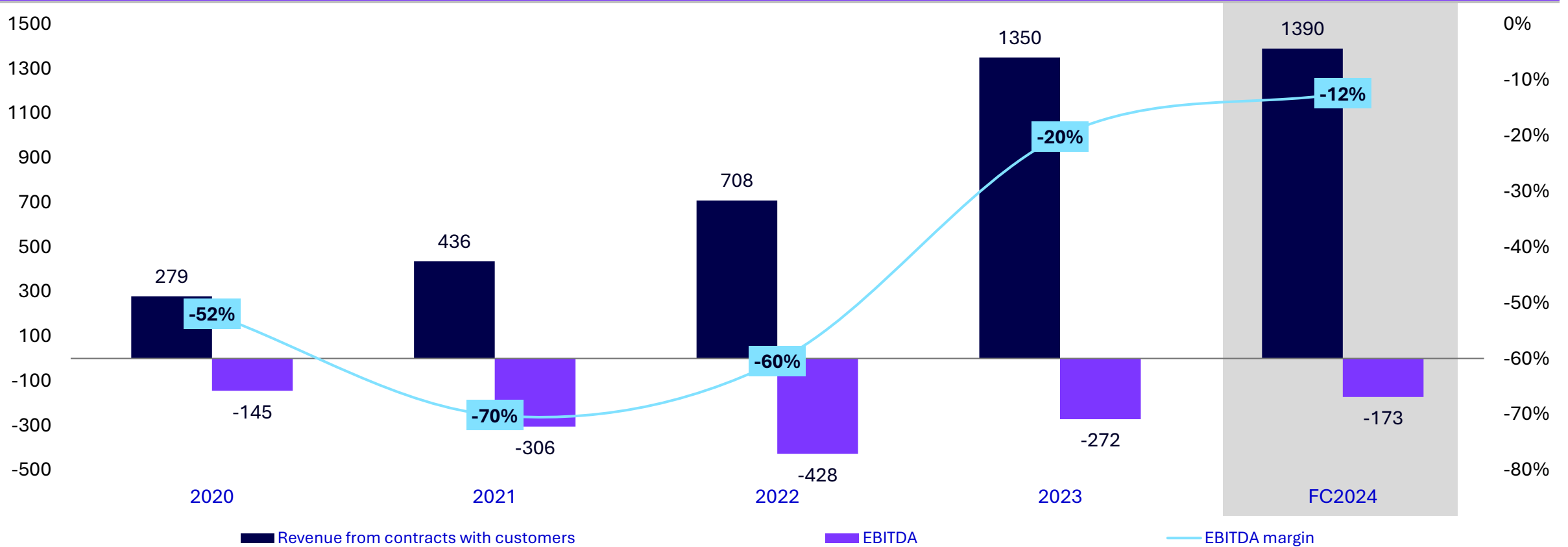
* Not restated following to the Fueling spin-off

- Revenues in the quarter positively impacted by increased deliveries of PEM electrolyser equipment and the Reliance IP sharing agreement in the Alkaline segment
- EBITDA improved YoY driven by solid gross margins on equipment deliveries and IP sharing milestone payments
- Improved execution resulted in positive cash flow from operations in Q4

Group financials 2020-2024

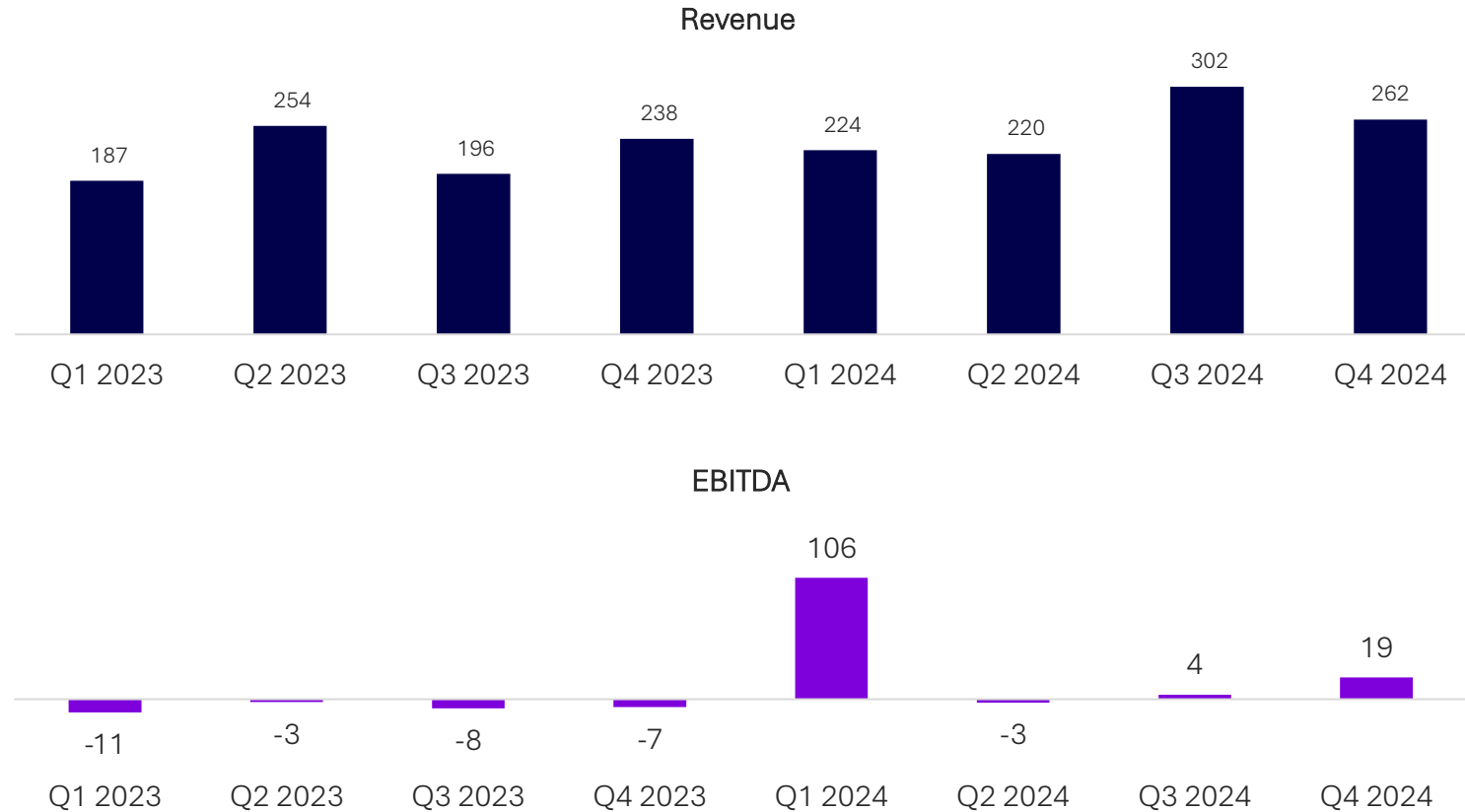
(Continuing operations)

Revenue, EBITDA and EBITDA margin development
(NOK million / %)



Alkaline electrolyser financials

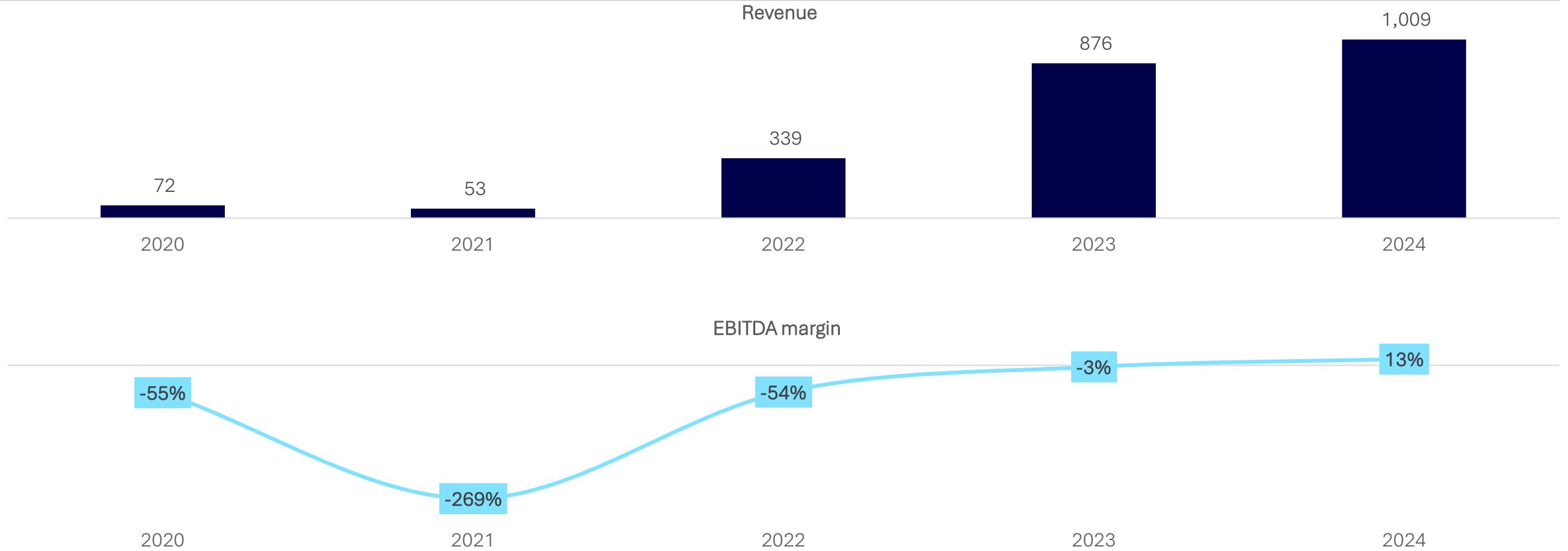
Alkaline Electrolyser Revenue and EBITDA (NOK million)



- Revenues were up 10% in the quarter compared to Q4'23, and 15% for FY24 vs. FY23
- EBITDA in Q4'24 improved by NOK 26m YoY due to higher revenues, solid gross margins on equipment deliveries, and technology license milestone payments
- The Alkaline segment has delivered close to NOK 100m in accumulated EBITDA in the past two years

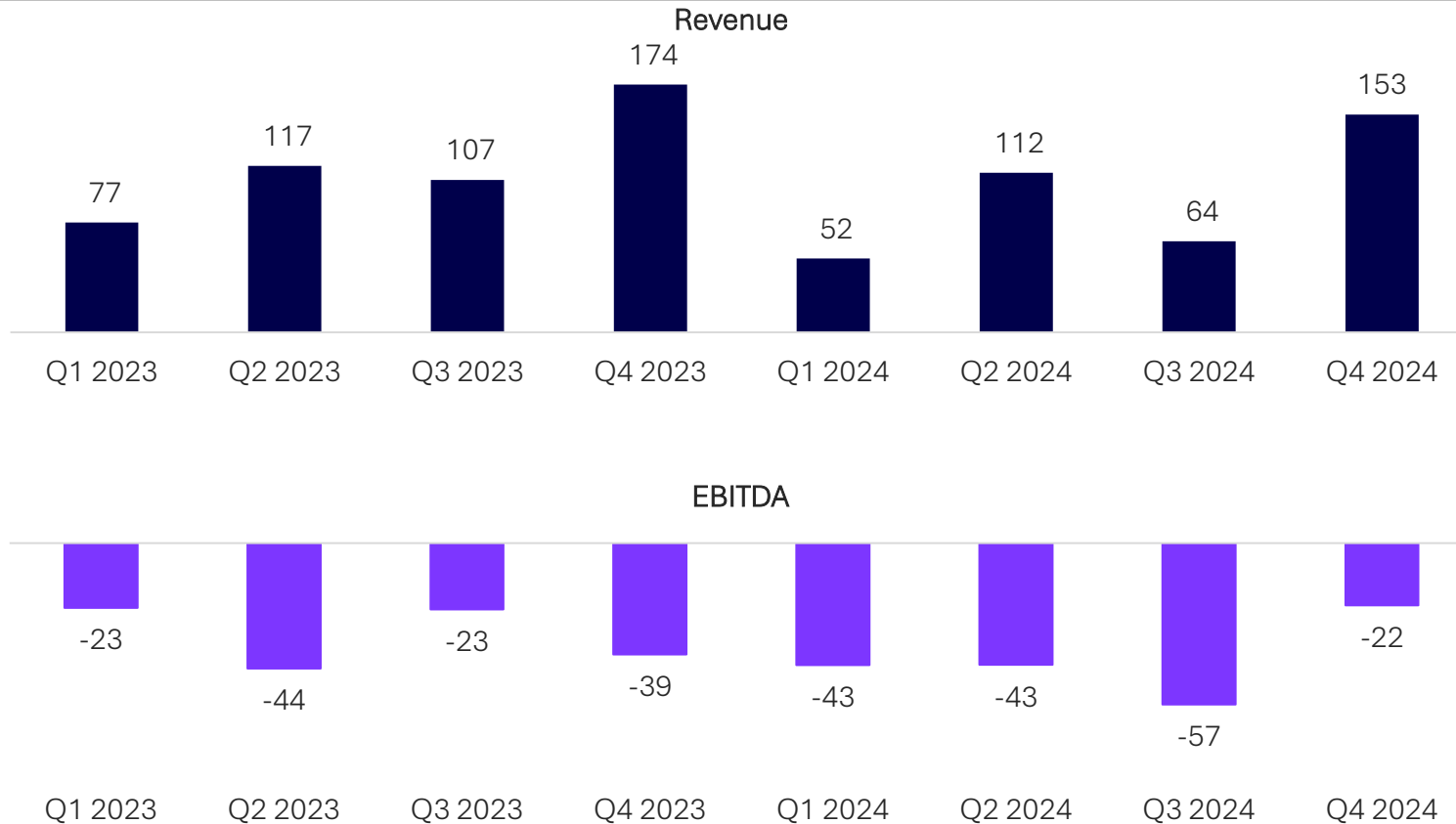
Alkaline electrolyser financials 2020-2024

Alkaline Electrolyser Revenue and EBITDA
(NOK million)



PEM electrolyser financials

PEM Electrolyser Revenue and EBITDA
(NOK million)



- Substantially higher revenues QoQ, but down 12% YoY
- EBITDA in the quarter improved by NOK 17m YoY, whereas FY24 EBITDA was reduced by NOK 35m compared to FY23
- As in the alkaline segment, project margins are in general up compared to previous years due to more favorable terms and conditions and better execution of production and delivery projects
- Similar positive scaling effects as in the Alkaline segment expected when production volumes come up and the benefits of the new production facility can be harvested

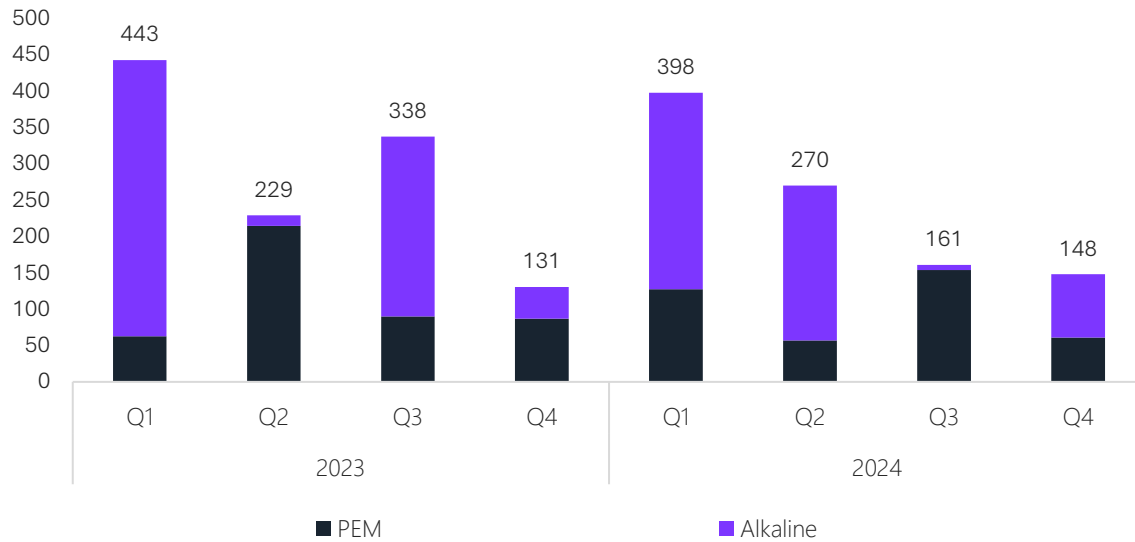
PEM electrolyser financials 2020-2024

PEM Electrolyser Revenue and EBITDA
(NOK million)



Order intake and backlog

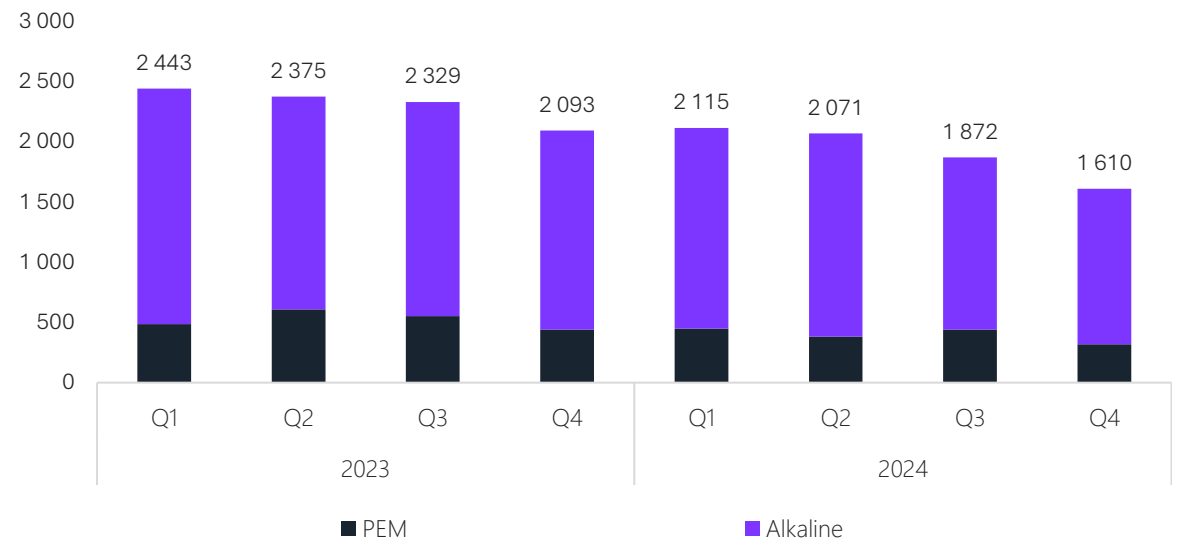
Order intake
(NOK million)



Order intake Q4 2024:	NOK	148 million	+13%	y/y
- Alkaline	NOK	87 million	+98%	y/y
- PEM	NOK	61 million	-30%	y/y

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

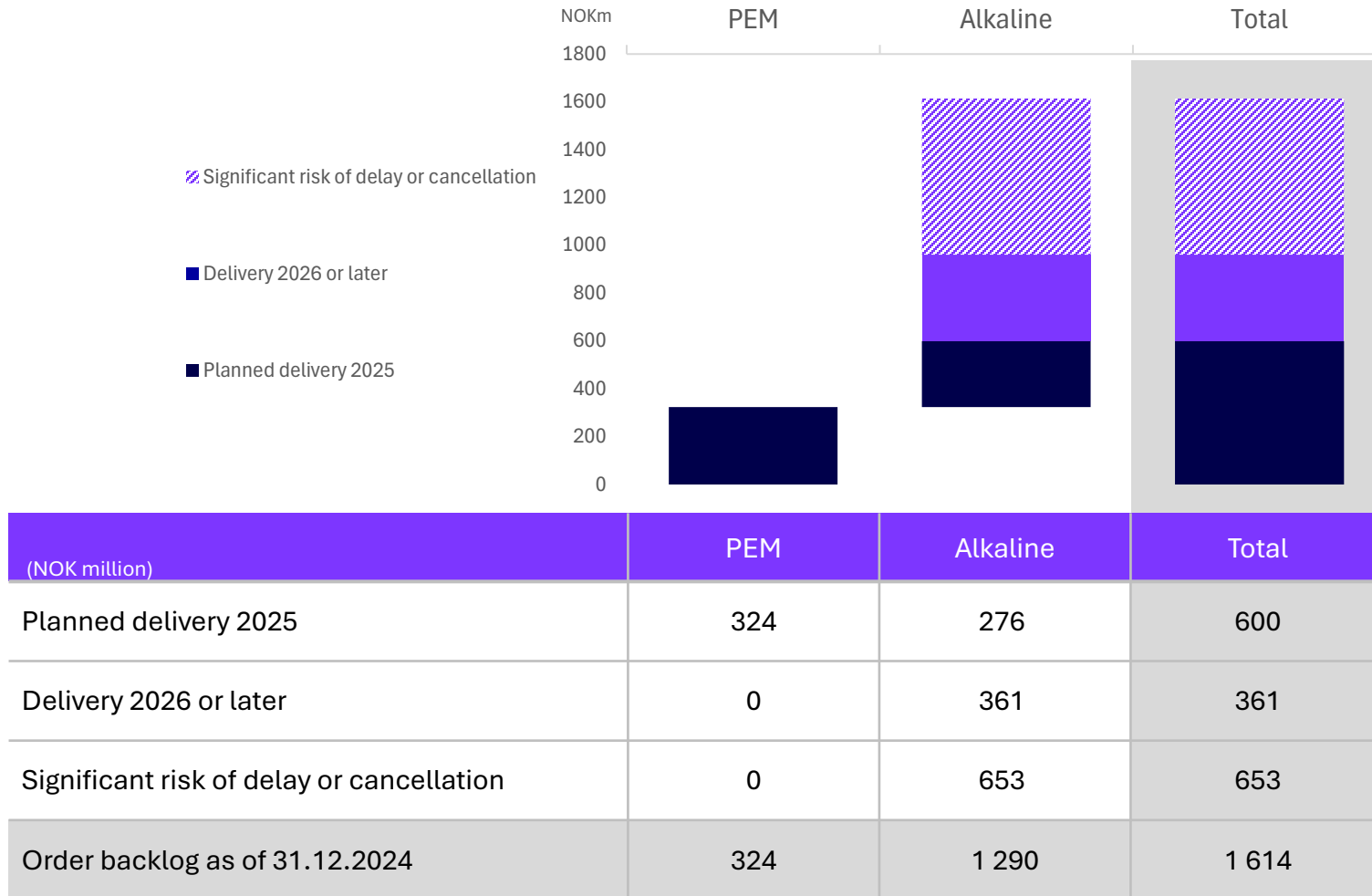
Order backlog
(NOK million)



Order backlog Q4 2024:	NOK	1 614 million	-23%	y/y
- Alkaline	NOK	1 290 million	-22%	y/y
- PEM	NOK	324 million	-26%	y/y

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

Backlog details



- 15 January 2025, Nel and client, the “undisclosed US customer” agreed to let Nel use the collateral as consideration for the receivables
 - The collateral value will offset the receivables from this customer
 - No expected P&L impact
- Another customer of Nel entered administration in November 2024
 - A provision for expected credit losses has been recognized in this quarter
 - No additional P&L impact expected

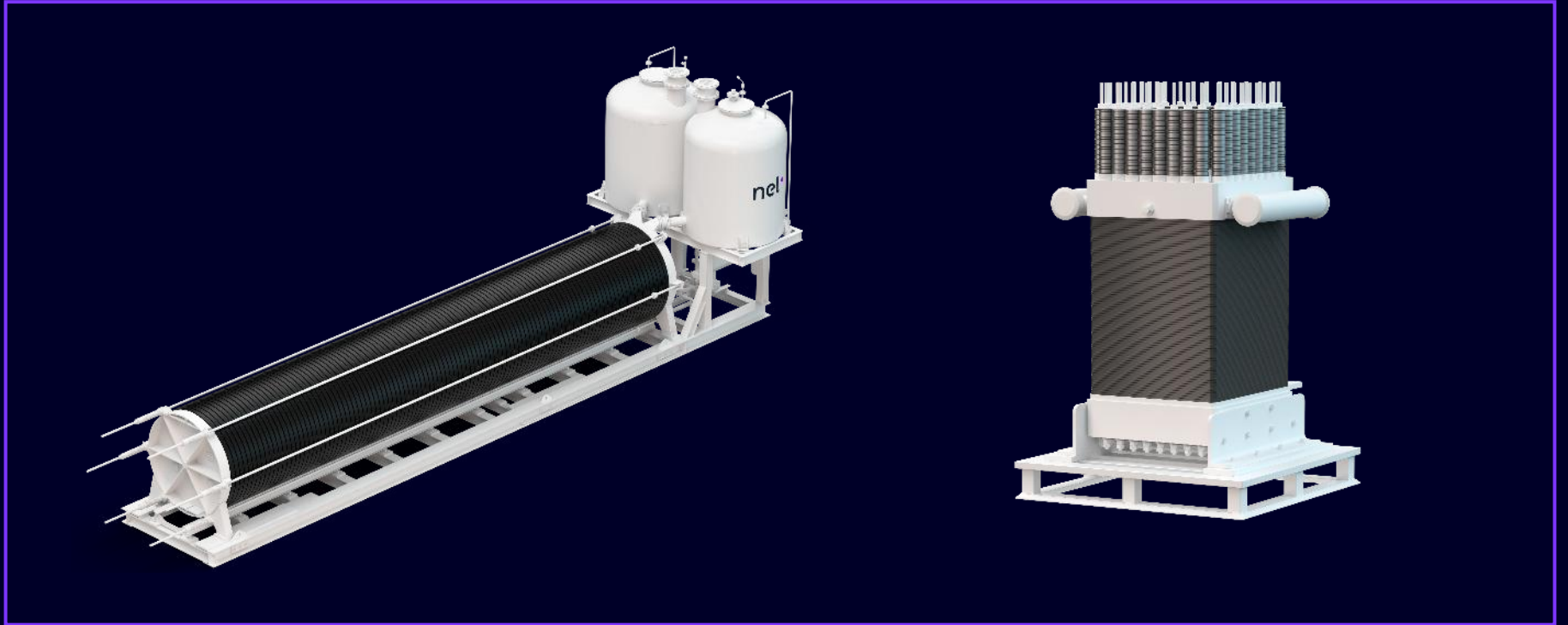
3. Commercial update

Delivery strategy to meet client demand

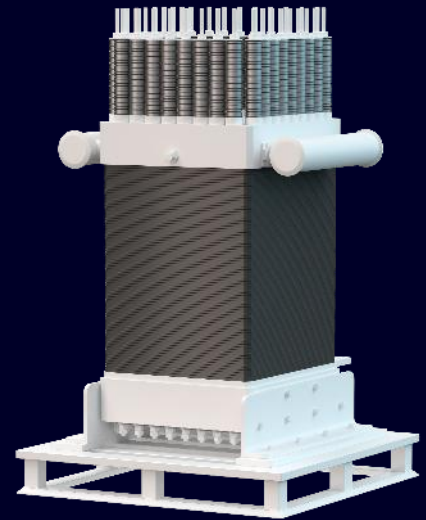
Nel alone



Nel + OEM



Nel + Preferred EPC



Nel + Customer EPC

COMMERCIAL

The second 10 MW purchase order from Samsung C&T



- Client: Samsung
- Size: 10 MW
- Value: USD ~5 million
- The client will set up a demonstration plant to validate the commercial model for nuclear pink hydrogen
- The aim is to produce hydrogen from excess nuclear power generation, allowing to utilize energy that is otherwise wasted in periods of oversupply, increasing overall energy efficiency

COMMERCIAL

The second purchase order from Trillium Transportation Fuels



- Client: Trillium Transportation Fuels on behalf of the Mass Transportation Authority (MTA) of Flint, Michigan
- Size: 1.25 MW
- The containerized electrolyser will support the clients expansion and be part of an \$20+ million initiative to scale up hydrogen production and fleet capacity with the goal of enhancing clean and efficient public transportation
- This is a repeat customer, where Trillium's continued trust highlights Nel's reliability

The third purchase order from a major US steel producer



- Client: Undisclosed
- Size: 5 MW
- Value: USD ~7 million
- The undisclosed customer, one of the largest US steel producers, already uses Nel's PEM electrolyzers to generate hydrogen at two other sites in the US
- Nel continues to see an increasing demand for containerized PEM electrolyzers for smaller installations as this reliable turn-key concept offers easy outdoor installation and operation

Preferred supplier for a 25MW project in Norway



- Signed Lol with Norwegian Hydrogen, naming Nel as the preferred supplier for the Rjukan project with next-gen alkaline electrolyser
- Nel to supply a 25MW pressurized alkaline electrolyser delivered in phases
- Technology manufacturing at the Herøya facility where the company has been selected for a EUR 135m grant
- Rjukan plays a key part of Nel's history, being the home to the biggest electrolyser ever built in the country. Rjukan is now set to play a pivotal role in introducing next-generation technology

MoU with Korea Hydrogen & Nuclear Power for developing pink hydrogen



- Signed MoU with Korea Hydro & Nuclear Power (KHNP) to collaborate on clean hydrogen production technology
- Partnership combines Nel's alkaline electrolysis expertise with KHNP's nuclear power experience
- KHNP has researched nuclear-produced clean hydrogen since 2022 and leads the world's largest demonstration project
- Nel and KHNP aim to expand into global clean hydrogen markets.

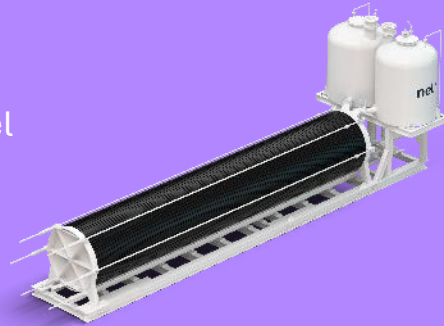
4. Technology update

Technology strategy

Current product portfolio

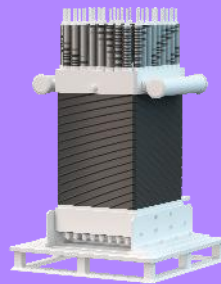
ATM Alkaline

- Continued cost reductions and efficiency improvements on stack level
- Large cost down potential on system level through standardization and closer collaboration with OEM and EPC partners



PEM

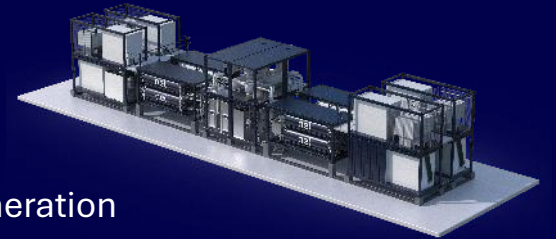
- Continued cost reductions and efficiency improvements on stack level with Nel's new production platform
- Increasingly more standardized systems, moving from projects to products (MC-series)



Next generation technologies

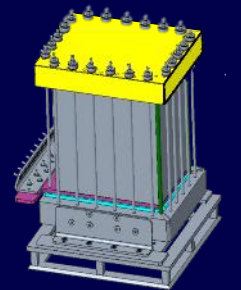
Pressurized Alkaline

- Significant CAPEX reduction on system level driven by new technology and modular design
- Substantially improved OPEX (efficiency) from current AWE generation



Next generation PEM

- Significant CAPEX reduction on stack level driven by new technology breakthroughs
- Substantially improved OPEX (efficiency) from current PEM generation
- Significant reduction of platinum group metals

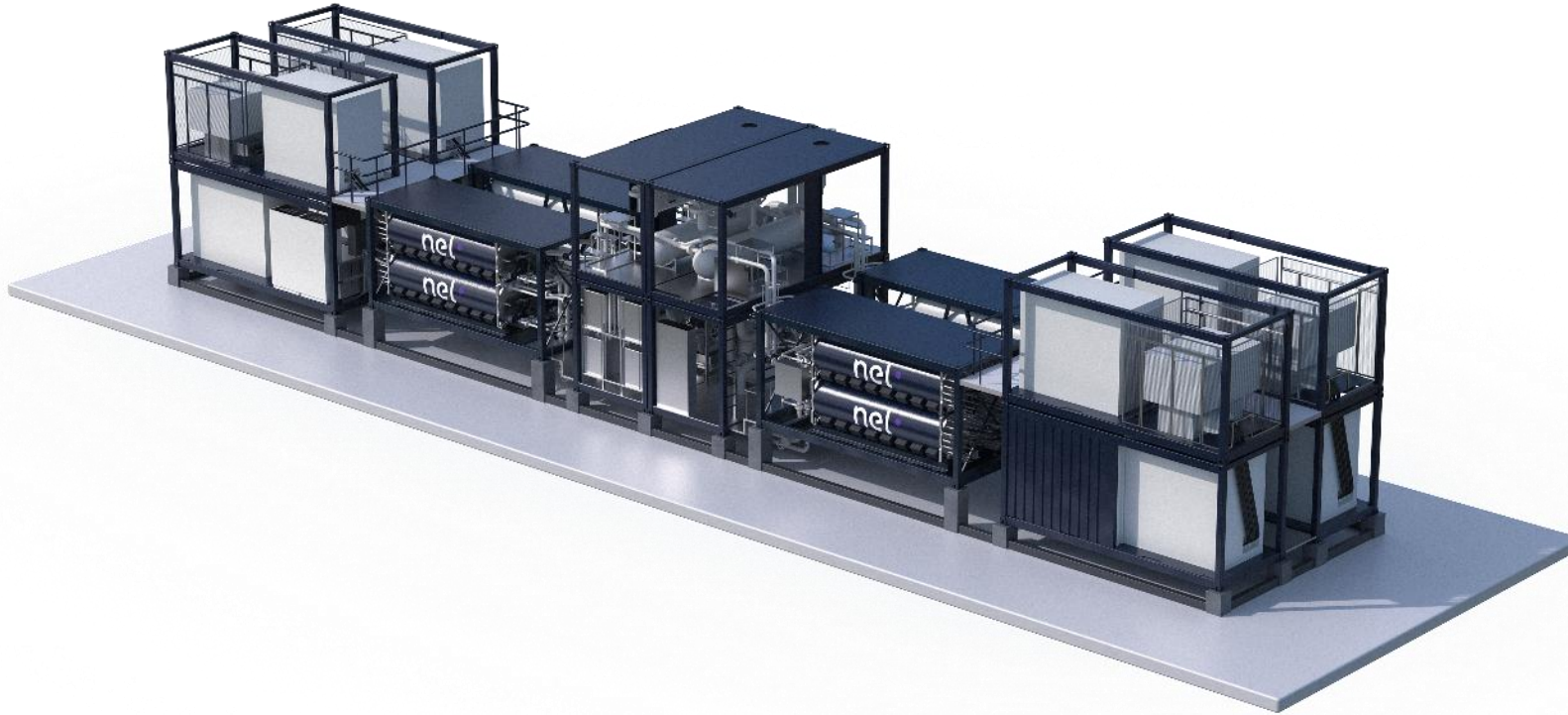


Pressurized alkaline status

- Full cell stack assembled and pressure-tested
- All long-lead components in house including transformer and rectifier
- Fabrication of processing skid ongoing
- Initial testing to be performed at Herøya in H1 2025



Selected for EUR 135 million in support for industrialization of pressurized alkaline



- Nel was selected for a grant up to EUR 135 million from the EU Innovation Fund
- This will enable faster market introduction of the new next-generation AWE technology
- Technology development has been ongoing for more than 7 years and builds on Nel's electrolyser expertise accumulated over almost 100 years
- The production line(s) will be built in steps at Nel's facility at Herøya with a total annual production capacity of up to 4 GW when finalized
- Final investment decision depends on successful prototype and pilot testing as well as market acceptance

5. Summary and outlook

Market perspective

- The market is showing signs of recovery, and projects continue to mature toward FID
 - Increased clarity around EU and US regulations in combination with national hydrogen auctions will help demand
 - Many of Nel's target projects are expected to take FID in the next quarters
 - Projects are generally in the 20-100 MW range
- Order intake in 2025 is expected to be higher than in 2024. The quality of the projects is also generally higher given more rigid and demanding FID requirements
- Healthy near-term demand for the PEM MC series, where Nel will deliver more of the total scope compared to its alkaline solutions



Adjusting capacity to market demand

- In January workforce adjustments and a temporary production halt at Herøya were announced amid lower-than-expected order intake in 2023/24 and several projects at risk of delays or cancellations
- Nel has secured overdue receivables by retaining control over delivered equipment, which provides inventory available for sale at high cash conversion
- Continued focus on cost discipline while preserving ability to pursue strategic sales opportunities and technology investments



Measures taken throughout 2024 to set the company up for future success

Restructuring completed, making Nel a pure-play electrolyser company

Improved financial performance with better cost control and margins

Significantly improved safety performance

Partnered with industry leaders such as Reliance, Saipem and KHNP

Expansion to 1.5 GW of automated production capacity

Organization adjusted through 25% capacity reduction

Next-generation technologies advanced at speed

The future belongs to
the front runners