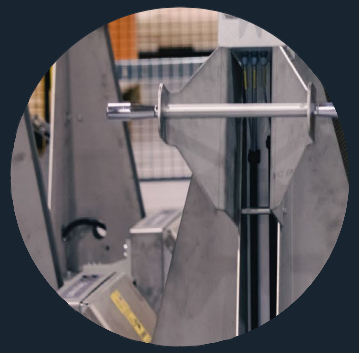
Activities of international organisations and hydrogen companies

23 March 2023



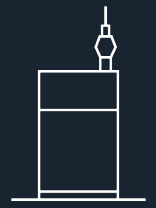
THIS IS NEL

Leading pure play hydrogen technology company with a global footprint

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

World's largest electrolyser manufacturer, with >3 500 units delivered in 80+ countries since 1927

Alkaline prod. capacity: ~500 MW → ~1 GW /year
PEM prod. capacity: ~50 → ~500 MW/year



Leading manufacturer of hydrogen fueling stations, with ~120 H2StationTM solutions delivered/in progress to 14 countries.

Manufacturing facilities in Norway, the US, and Denmark

Global sales network and offices

~600 Employees

Preferred partner with industry leaders

NOK 3.1 billion in cash reserves

THEMES FOR 2023

The race is on

Race for technology leadership

Race for survival of EU industry

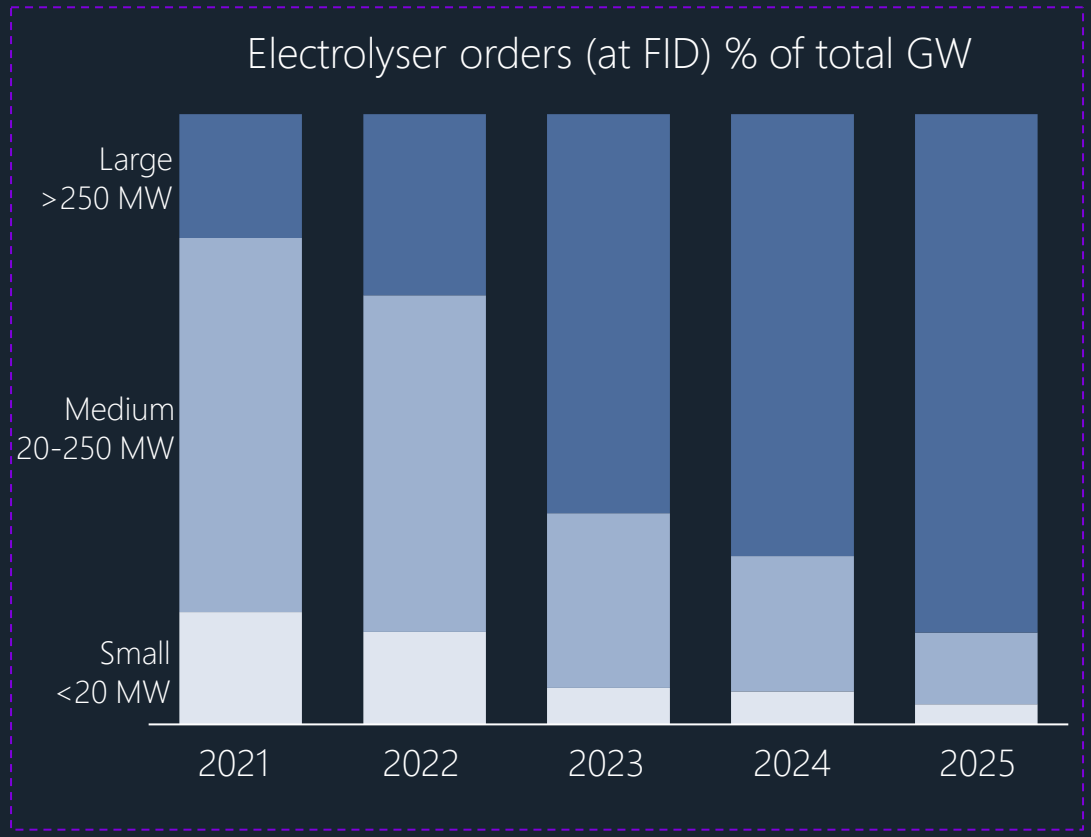
Race for subsidies & financial aid

EU 2030 Objectives & key numbers

- 2030 targets for renewable hydrogen
  - 20 million tons
  - (10 domestically produced, 10 imported)
- 100GW of installed electrolyser capacity in EU
  - Today less than 1GW installed
- Manufacturing capacity needed:
  - est. 25-35 GW of annual output
  - 40% made in Europe target
- Aggregated manufacturing capacity based on announcements of ELY manufacturers:
  - est. 40-50GW by 2025
- EU Renewable Energy Directive Targets (to be finalised)
  - 42% renewable fuels of non-biological origin to be consumed in industry by 2030
  - 2.5-5.7% renewable fuels of non-biological origin to be consumed in transport sector by 2030

NEL OBJECTIVES

Moving from small- to large-scale



Market shifting from small to large-scale projects

Up to ~2 GW
at Herøya

Up to ~500 MW
in Wallingford

Up to ~4 GW
at new site in the US

Prepare for new
GW site

Capacity to be scaled in line with demand

HERØYA CAPACITY EXPANSION

Game-changing expansion at Herøya - on time and on budget

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, name plate capacity of **more than 500 MW**

Room to expand to **~2 GW** annually

Annual CO_2 reduction potential in line 1 (pilot) of **1.000,000 tonnes** – with 2 GW, **4-5 million tonnes**

Automation: a key component for cost reductions

On track to reach the ambition to produce green hydrogen for $1.5/kg by 2025, target to reduce CapEx cost by ~75%

Around half of this reduction relates to scale-up and cost-down through automation at sites like Herøya

- ✓Higher volume
- ✓More efficient designs
- ✓Less usage of materials
- ✓No use of rare-earth/exotic materials

COMMERCIAL DEVELOPMENTS - SUBSEQUENT

Capacity expansion progress

- Construction of Herøya Line 2 (~500 MW) is running according to plan: April 2024
- Expansion of production capacity in Wallingford to be increased to ~500 MW by 2025 (Capex of NOK ~260 million)
- Site selection process for US Gigafactory in final phase (up to 4GW)
  - Three finalist sites across three states
  - Decision to be made shortly

Signed a joint development agreement with GM to accelerate PEM development

- General Motors has invested substantially in fuel cell technology
- Combining GM's and Nel's knowledge the two companies are looking to reduce the cost and increase the efficiency of Nel's PEM electrolysers
- Cheaper and better electrolysers will in turn make it cheaper to fuel GM's hydrogen vehicles

Key EU policies & instruments for renewable hydrogen

- Delegated Act on additionality, geographic & temporal correlation
- Renewable Energy Directive
- Critical Raw Materials Act
- European Hydrogen Bank
- Industrial Emissions Directive / Net Zero Industry Act
- Restriction on PFAS / “forever chemicals”
- Carbon border adjustment mechanism

number one by nature

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