

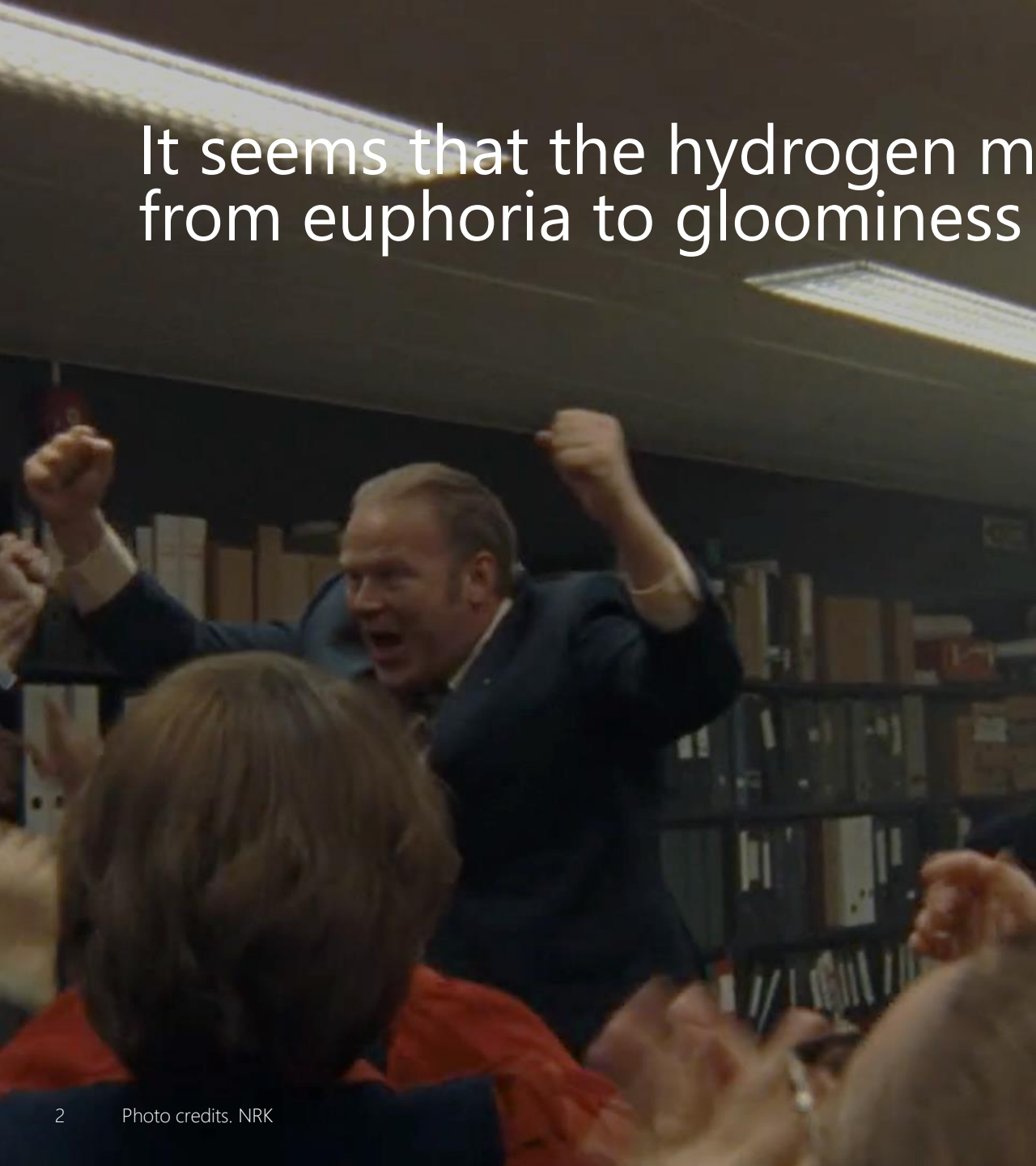


A call to action for Norwegian pioneers

H2 Value Chain Conference 15 November 2023
Håkon Volldal, President & CEO Nel ASA




It seems that the hydrogen market outlook has changed from euphoria to gloominess



The energy transition is NOT going to be easy

- A polarized public debate is slowing down progress
 - Sustainability vs. living expenses
 - Nature vs. climate
- The current narrative is simply wrong, we cannot "have the cake and eat it"
 - The energy transition will be expensive
 - It will require multiple sacrifices



"We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard"

Never forget “**the why**”

- Fight climate change by decarbonizing hard-to-abate industries that cannot be electrified directly
- Help bring energy from where it can be produced to where it will be consumed and improve energy security



What does it mean to be a pioneer?

- To have that **great idea!**
- To do something that has **never** been done before
- To make **mistakes** but never give up, even when everyone else tells you it cannot be done
- To finally **succeed** and have others **follow** in your footsteps



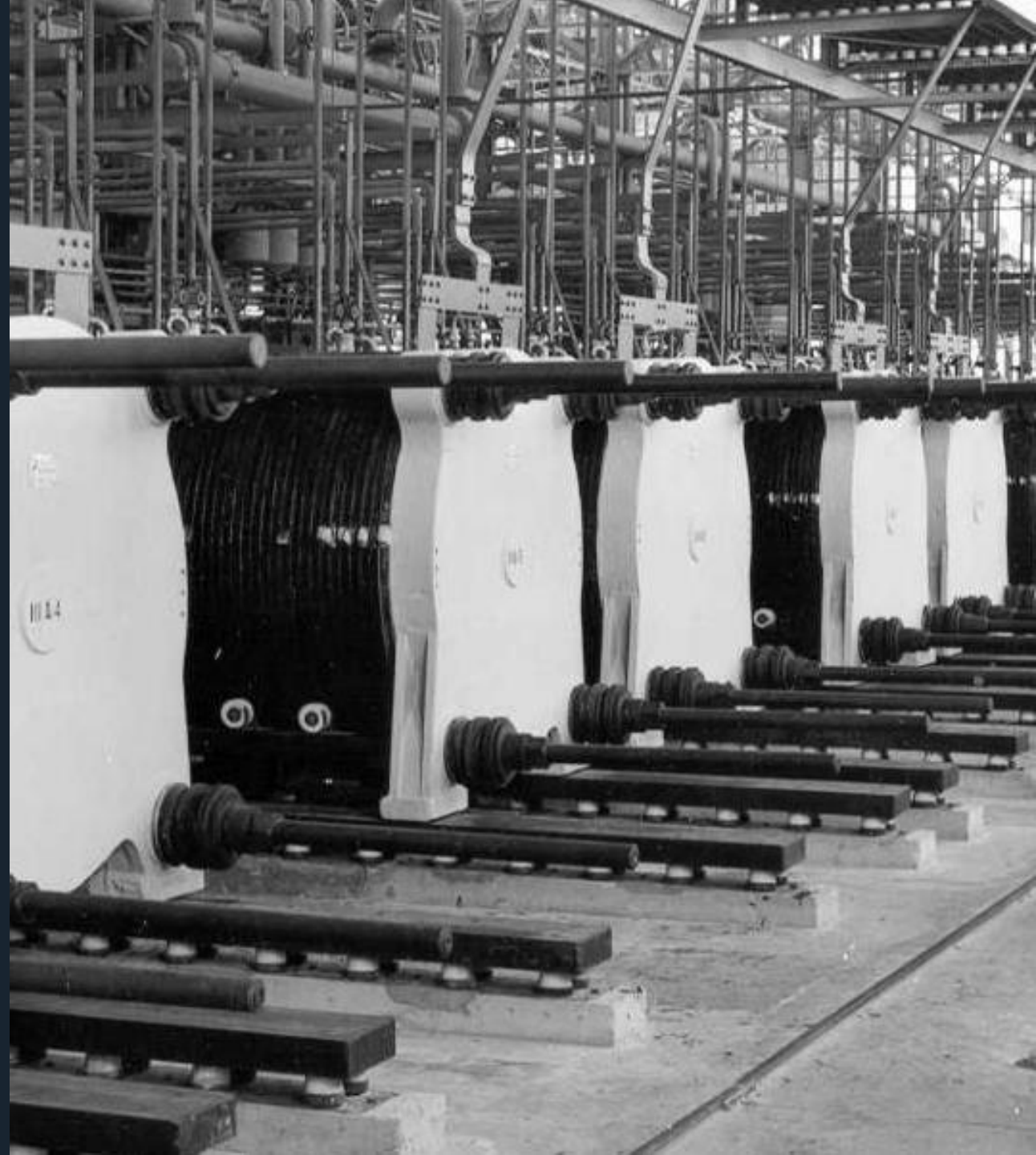
Ovako: Swedish pioneers

- Sweden's, and one of Europe's, largest electrolyser plant in Hofors
- The world's first fossil-free hydrogen plant to heat steel prior to rolling
- Cementing Ovako's position as the industry leader in sustainable steel production
- Must the Swedes be first in everything?



Key success factors

- Large plants to justify upfront CAPEX and take advantage of learning curves
 - Projects with multiple phases and/or
 - Pipeline of multiple projects
- Integrated value chains from energy supply to production and offtake
 - Favorable energy supply contracts
 - Hydrogen production co-located with hydrogen consumption (or short transportation distance)
 - A market premium on the end-product or subsidies
- While it would be appreciated, we are not optimistic that Norwegian politicians will drive the change...



We need the large Norwegian locomotives!

- Norway is a pioneer in renewable hydrogen and for almost 100 years we have built hydrogen expertise
- Today we have many leading small and mid-sized technology companies and developers that have invested significant money and time into bringing this legacy forward
- For that to happen we need to stand on the shoulders of the large Norwegian industry locomotives that for decades have shaped Norway into a leading energy nation
- We have done it before, we can do it again!



number one by nature