Nel ASA
Company presentation
January 2019
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Nel in brief

**BUSINESS OVERVIEW**

- Global pure-play OSE listed hydrogen company, w/facilities in Norway, Denmark and US
- A leading company within hydrogen electrolysers and fueling – strong performance and track-record
- More than 3,500 hydrogen solutions delivered in 80+ countries worldwide since 1927
- Significant foothold in fast-growing markets with several breakthrough contracts
- Complete range of products optimally positioned for large market opportunities
- Capable of delivering solutions to produce, store and distribute hydrogen from renewable energy – serving industry, energy and gas companies

**REVENUE SPLIT 2017**

**BY SEGMENT**

- 66% Hydrogen Fueling
- 34% Hydrogen Electrolysers

**BY GEOGRAPHY**

- 46% Europe
- 33% North America
- 18% Asia
- 3% RoW

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* Figures include Proton OnSite from the acquisition date, 30 June 2017; ** Combined Nel and Proton OnSite figures on 2017 full-year basis. Note that these numbers only represent a simple combination of the two companies’ revenue numbers and hence do not represent pro forma figures with the potential adjustments that such numbers would require. Combined figures are not audited*
Transaction and Nel update
The contemplated transaction

<table>
<thead>
<tr>
<th>KEY TRANSACTION DETAILS</th>
<th>USE OF PROCEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTEMPLATED TRANSACTION</strong></td>
<td>• Continued investment in development and innovation across segments and technologies to stay on the technological forefront and to take advantage of the attractive market opportunities, including:</td>
</tr>
<tr>
<td></td>
<td>− Upgrading existing H2Station® technology to better accommodate Heavy Duty Vehicle (“HDV”) applications (ref. announced contract on H2Station® for Heavy Duty Vehicles)</td>
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<td></td>
<td>− Development of high capacity cooling/compression technologies to accommodate future Nikola stations as well as other future HDV applications (trains, ferries, etc.)</td>
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<tr>
<td></td>
<td>− Development of next generation electrolyzer technology for industrial applications, such as ammonia (ref. Yara project), refineries, etc.</td>
</tr>
<tr>
<td></td>
<td>• The proceeds will also fund additional working capital in response to increased order volumes and improved positioning to benefit from markets with high activity and growth momentum, as well as general corporate purposes</td>
</tr>
<tr>
<td><strong>OFFER SIZE</strong></td>
<td>• Private placement</td>
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<tr>
<td></td>
<td>• Approx. 7.6% of current shares outstanding</td>
</tr>
<tr>
<td><strong>OFFER PRICE</strong></td>
<td>• To be determined through book building</td>
</tr>
<tr>
<td><strong>MINIMUM SUBSCRIPTION</strong></td>
<td>• NOK equivalent of EUR 100,000</td>
</tr>
<tr>
<td><strong>CONDITIONS</strong></td>
<td>• Board approval of the transaction based on the authorization to issue shares from the annual general meeting</td>
</tr>
</tbody>
</table>
Trading update

**Sales**

- Q4 sales around same level as Q3

**EBITDA (reported)**

- Q4 EBITDA (reported) is in the same order magnitude as Q3, still negatively impacted by cost overruns related to certain projects, non-recurring and other costs

**Cash reserve**

- Q4 cash reserve of NOK ~345 million

**Backlog**

- Current order backlog NOK ~350 million in combination with an all time high pipeline
Enters into contract on H2Station® for Heavy Duty Vehicles in the U.S.

• Nel Hydrogen Inc., a subsidiary of Nel ASA, has entered into a contract for delivery of a H2Station® solution for fueling of heavy-duty vehicles in the U.S.

• The H2Station® order has a total value of more than USD 6 million
  – The work related to the contract will start soon and exact delivery time will be agreed later
  – The H2Station® equipment will be deployed in the U.S. and will be capable of fueling both heavy duty trucks as well as light duty vehicles

• Nel will gear up its efforts and technology development towards solutions that can accommodate requirements in the fast-growing heavy-duty sector
Yara & Nel Green Fertilizer project

Nel & Yara awarded grant for development of green fertilizer project

- Grant from PILOT-E scheme aimed towards developing next generation green (renewable) ammonia and fertilizer production
- Target to utilize Nel’s next generation alkaline electrolyzer technology currently under development
  - Technology tailored for large scale hydrogen production w/direct connection to renewables
  - Ambitious development targets: lower unit cost, higher level of flexibility, higher pressure, lower footprint, equal efficiency
- Ammonia production accounts for >50% of total hydrogen market which currently is >95% fossil energy based
  - USD >100 billion total theoretical market opportunity
Update on Notodden electrolyzer facility expansion

Targeted capacity of 360 MW per year, ~10x current annual production

- Detailed planning and pre-engineering done, currently in the process of receiving updated offers from key equipment suppliers
  - Final design, production concept and CapEx levels still to be concluded
- Exact timing of expansion will be aligned with commercial demand, such as Nikola as well as other industrial customers
  - Good interest for new low cost 20MW electrolyzer solution, total value of customer requests currently amounting to USD >200 million
  - Working with Nikola on detailed commercial station roll-out plan
  - Maintaining flexibility in expansion plan to accommodate the above
- Building acquired in Q2’18

New facility located right next to existing plant

8-cluster electrolyzer solution, produces 8 tons of hydrogen per day
Outlook and key development in H2’18

• The hydrogen market is expected to grow significantly and renewable hydrogen is on a trajectory to outcompete fossil hydrogen
• Nel is a pure play hydrogen technology company positioned to play an important role in the hydrogen market
• Nel offers a complete range of electrolyzers, as well as fueling stations for fuel cell electric vehicles
• Nel will continue to develop and implement the market entry strategy for key Asian markets
• By strengthening its financial position, Nel aims to capitalize on the emerging opportunities within power-to-X and hydrogen fueling, targeting continued technology leadership, global presence, cost leadership, and preferred-partner status for industry participants

Key developments in the second half of 2018 includes:
• Decision to construct the world’s largest electrolyzer plant at Notodden, Norway
• Officially opened large-scale H2Station production facility in Denmark
• Invested USD 5 million into Nikola, as part of C-round financing
• Awarded contracts by Uno-X Hydrogen AS to build four H2Station® hydrogen fueling stations in Norway
• Awarded EUR 2 million contract by H2 Mobility to deliver two H2Station® hydrogen fueling stations in Germany
• Awarded Australia’s first power-to-gas (solar-to-hydrogen) project
• Participating in consortium for Alstom hydrogen train initiative in Germany
• Awarded grant for green fertilizer project with Yara International
• H2Station order from Shell under new framework agreement
A unique opportunity in the hydrogen space
Nel - a unique opportunity in the hydrogen space

1. **Hydrogen – a large market opportunity**
   Overall hydrogen market set to grow by 10x by 2050, hydrogen in HDV space developing faster than anticipated, accelerating growth - renewables expected to be the key driver

2. **Hydrogen from renewables becoming competitive**
   Large cost reductions for renewable energy combined with falling electrolyzer capex leads to total cost of renewable hydrogen reaching fossil parity

3. **Nel positioned as one of the global leaders**
   Among the largest electrolyzer and hydrogen fueling station manufacturers with >3,500 electrolyzer solutions delivered in ~80 countries worldwide

4. **Broad portfolio covers relevant technologies & sizes**
   One-stop-shop offering both production and fueling of hydrogen

5. **Nel will continue to invest to maintain and strengthen leadership position and capture attractive market opportunities**
Large opportunities for electrolysis within existing hydrogen market – only 1% from water electrolysis today

1. Large potential for growth, driven by increasing focus on climate and renewable energy, decreasing electricity prices and decreasing electrolyzer capex

2. Special focus on renewable hydrogen for refineries and ammonia, accounting for ~80% of the market

3. Electrolysis is set to take larger share of overall hydrogen market. Annual electrolyzer market potential of >$20 billion/year within existing hydrogen market alone
Hydrogen demand is changing longer-term, transportation and industry to be largest demand sources in the future

- Hydrogen market continues to develop, both within industrial applications as well as within transportation and power-to-gas
- Development seen over last few years points to the fact that the hydrogen market will grow substantially over the next years
- Growth in hydrogen market primarily driven by:
  - Regulations to lower sulphur demands for fuel
  - Decreased crude quality, requires more hydrogen for processing
  - Electrification of transport sector
  - A move from coal to hydrogen for various industries (e.g. steel manufacturing)
- Transport sector expected to dominate as of 2050, accounting for ~29% of the hydrogen demand
- Depending on cost development and penetration of renewable energy, electrolysis market can potentially grow by >500x by 2050

Note: 1) Converted from EJ to million tons (1 EJ = 7$m$ tons)  | Source: 2) Hydrogen Council, November 2017
Hydrogen is expanding its areas of application

**Conventional Industry**
- Food Industry
- Glass Industry
- Polysilicon Industry
- Laboratories
- Chemical Industry

**Mobility**
- Key market going forward – both within hydrogen production and fueling/dispensing
- Heavy duty sector developing faster than anticipated – hydrogen now a relevant fuel in all forms of mobility

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

**Steady Growing Market**

**Markets expected to see fast growth going forward**
Growth expected to be accelerated by transportation

- Hydrogen has potential to become a preferred fuel alternative in the future:
  - True zero emission from production to use
  - Can beat fossil fuel applications on a TCO-basis
  - Low weight (compared to e.g. batteries), especially relevant in the heavy duty segment
  - Fast recharging (fueling) time
  - Long driving range
  - Low/no need for electric grid upgrades
  - Not dependent on rare metals (e.g. cobalt, lithium)
  - Global standards for fueling established
  - Same quality fuel used for small to large applications

- Initial development highly affected by policies and subsidies
Heavy duty vehicles responsible for 47% of CO₂ emissions from land based mobility and ~8% of total global CO₂-emissions

Freight activity (ton-km) projected to double by 2050

Hydrogen most promising zero-emission fuel for heavy trucks

1. Power-To-X to drive additional growth

- Wide variety of existing and new markets where electrolysis can play a major role
  - Exchanging fossil hydrogen with renewable hydrogen (e.g. fertilizer)
  - Exchanging coal with renewable hydrogen (e.g. steel manufacturing)
  - Oxygen and heat from electrolyzer adds value
- Electrolysis “bridges the gap” between the power and industry sector, increasing the value of electrons
- Ability to adapt to diverse and intermittent renewable energy sources becoming increasingly important
Case example of large industrial opportunities: Green Ammonia

- Ammonia (NH₃): essential precursor of fertilizer
  - Current ammonia production (170 Mton/year) accounts for ~ 1 billion ton CO₂/year (>2% of total global emissions)
- Renewable electricity (electrolysis) can replace natural gas and coal as a means of producing the necessary hydrogen for ammonia
- Production cost of green ammonia at 400 $/ton requires an LCOE below 0.03 $/kWh (i.e. 30 $/MWh)
  - Attractive to use electrolysis instead of fossil sources
- Typical plant size is ~500,000 ton/year ammonia
  - Needs ~1000 MW of electrolysis (@ 50% utilization)
  - Current global electrolyzer market approx. 100 MW per year
- Large newbuilds can happen after 2025, additions to existing sites can happen earlier
  - Possible to retrofit existing ammonia plants with 30 – 40% renewable hydrogen

Source: 1) International Energy Agency; 2) Yara - Green Hydrogen in Ammonia Production (August 2018)
Cost of wind and solar has dropped by 69% and 88% respectively during last decade – renewable hydrogen following the same path.

Wind and solar on a trajectory to become the cheapest forms of electricity

Wind (onshore) LCOE
Unsubsidised levelized cost of energy ($/MWh) ²)

Solar PV LCOE
Unsubsidised levelized cost of energy ($/MWh)²)

- With falling LCOE¹ of wind and solar prices, renewable hydrogen follows the same path, as electrical power constitutes 70-80% of the total cost of hydrogen.
- Record low auction prices for solar PV and wind has seen prices as low as $17.7/MWh and $17.86/MWh respectively (as of 2017)³)
- Prices are expected to drop further, LCOE of solar PV and onshore wind are expected to fall by 71% and 58% respectively by 2050⁴)
- At $50/MWh renewable hydrogen is becoming competitive with fossil fuels and at $30/MWh renewable hydrogen is becoming competitive in most markets.

Note: 1) LCOE = Levelised cost of energy, which is a way of calculating the total production cost of building and operating an electricity-generating plant
Source: 2) Lazard; Renewables Now, 3) IRENA (International Renewable Energy Agency); 4) BloombergNEF New Energy Outlook 2018
Hydrogen industry (electrolysis and fueling stations) can become as large as we currently see within wind and solar, however, maturity (market/technology) is far behind.

- Will see same focus on cost reductions

Early stage maturity leads to several technologies competing to be the “winning technology”, like previously seen within e.g. solar.

- For electrolysis, it is still unclear whether atmospheric or pressurized alkaline or PEM will be the winning technology

Increased volumes will reduce costs, e.g.:

- Swanson’s Law, prices of solar PV tend to drop 20% for every doubling of cumulative shipped volume

Hydrogen technology is behind solar and wind on the maturity curve, but catching up – key technology going forward to be decided.
Growth in renewable hydrogen will accelerate with reduced capex for electrolysers.

- SMR – “steam methane reforming” is dominating hydrogen production today, using natural gas and steam
- Nel is establishing a new manufacturing plant targeting a >40% cost reduction
  - Expect to see further reduction in capex with increased production volume, and further size scaling of products
- Nel targets capex to drop below SMR over time
- Electrolysis expected to be the preferred production method if opex (i.e. power prices) is low enough (or at parity) with the alternative production methods (see next page)

**Hydrogen production - capex price**

- **SMR – capex range**
  - Fossil parity at $500/kW capex level

Source: Nel
...and by outcompeting fossil alternatives on opex

Renewable energy already enables fossil parity for hydrogen - expect price to decrease further in the long-term

<table>
<thead>
<tr>
<th>Source: Lazard</th>
<th>purple lines illustrate combination of capex &amp; opex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview of recent power purchase agreements (¢/kWh)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Solar PV</strong></td>
<td><strong>Onshore wind</strong></td>
</tr>
<tr>
<td>Average 2016</td>
<td>Average 2017</td>
</tr>
<tr>
<td>Fossil Parity: Fuel</td>
<td>5.4</td>
</tr>
<tr>
<td>Fossil Parity: Industry</td>
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</tbody>
</table>

- Opex accounts for ~75% while capex represents ~25% of the total cost of hydrogen
- At or below 5¢ per kWh, renewable hydrogen can be competitive with fossil fuels
  - Local price of fossil fuels, taxation schemes and utilization rate of electrolyzer and fueling station important factors
- At 3¢ per kWh, renewable hydrogen is reaching fossil parity for industrial uses
  - Local prices of natural gas, taxation schemes and distance to market important factors
- Centralised production can use low cost renewable energy and achieve scale advantages while onsite production eliminates costs for distribution
Nel among the global market leaders within hydrogen electrolyzers...

**Hydrogen electrolyzers producers globally**

Market share (based on 2017 revenues)

- Nel is among the global leaders within the hydrogen electrolyzer space, ~29% market share when excluding China
- Nel has an unmatched track record with more than 3,500 hydrogen solutions delivered in ~80 countries worldwide since 1927
- Nel continues to strengthen its position by signing contracts like:
  - Multi-billion NOK partnership with Nikola, where Nel will deliver 448 electrolyzers and associated hydrogen fueling equipment

**Hydrogen electrolyzers producers globally (excl. China)**

Market share (based on 2017 revenues)

Source: QY Research and press search
...and has announced a large number of hydrogen fueling stations over the last 2 years

Hydrogen fueling stations
Total hydrogen fueling station projects announced since 1 Jan 2017 – as of Oct 2018

- To date, Nel has delivered in total ~40 stations in 9 countries across Europe, US and Asia – with the entry of South Korea in 2019
- Expect number of stations to increase in near future with several initiatives driving the demand:
  - Heavy duty vehicles show greatest accumulated market potential towards 2025 exemplified by Nikola’s announced plans

Source: Press search & company websites
### Current product offering PEM + Alkaline

- Both PEM (Proton Exchange Membrane) and Alkaline products are offered across various market segments – but with specific focus
- Continuous coordination between Wallingford and Notodden on specific customer leads – to offer the best technology
- Nel to include next generation alkaline technology, in addition to larger scale electrolyzer, both within PEM and alkaline

<table>
<thead>
<tr>
<th>PEM</th>
<th>Alkaline (atmospheric and pressurized in the future)</th>
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<tbody>
<tr>
<td>LAB-Series</td>
<td>A-Series-C</td>
</tr>
<tr>
<td>Low capacity</td>
<td>Up to 600 kg/day</td>
</tr>
<tr>
<td>S+H-Series</td>
<td>A-Series</td>
</tr>
<tr>
<td>Up to 13 kg/day</td>
<td>Up to 1,000 kg/day</td>
</tr>
<tr>
<td>C-Series</td>
<td></td>
</tr>
<tr>
<td>Up to 60 kg/day</td>
<td></td>
</tr>
<tr>
<td>M-Series</td>
<td></td>
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<tr>
<td>Up to 900 kg/day</td>
<td></td>
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<tr>
<td>per module</td>
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#### Laboratories
- PEM
- Alkaline (atmospheric and pressurized in the future)

<table>
<thead>
<tr>
<th>Industrial gas</th>
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<tbody>
<tr>
<td>Fueling</td>
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<td>Power-To-X</td>
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Nel well positioned with key electrolysis technologies in its portfolio – further development needed to maintain position

<table>
<thead>
<tr>
<th>Key specs</th>
<th>Key focus going forward</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> ATMOSPHERIC ALKALINE</td>
<td>✓</td>
</tr>
<tr>
<td><strong>2</strong> NEXT GEN. ALKALINE</td>
<td>✓</td>
</tr>
<tr>
<td><strong>3</strong> PEM</td>
<td>✓</td>
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</tbody>
</table>

- High efficiency
- Low capex
- Proven, high reliability
- Already deployed in 100+ MW scale

- Targeting same efficiency as atmospheric electrolyzer
- Pressurized and compact
- Direct integration with renewables
- Adapted for GW-scale H2-production

- Most proven PEM electrolyzer in market
- High reliability and long life time
- Direct integration with renewables
- Offering PEM in all relevant markets

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- Most proven PEM electrolyzer in market
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Broad offering within H2 fueling – developing new solutions to strengthen position in heavy duty vehicle (“HDV”) segments

<table>
<thead>
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<th>Key specs</th>
<th>Key focus going forward</th>
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<tbody>
<tr>
<td>• Small footprint</td>
<td>✓ Improve performance</td>
</tr>
<tr>
<td>• First station to be both CE &amp; UL certified</td>
<td>✓ Reduce cost</td>
</tr>
<tr>
<td>• Fueling &gt;5 kg @ 700 bar in 3-5 minutes</td>
<td>✓ Increase capacity</td>
</tr>
<tr>
<td>• Equals charging @750 kW on avg. (1 MW peak)</td>
<td>✓ Continued inhouse technology development – maintain leadership</td>
</tr>
</tbody>
</table>
| • Complies with latest fueling standards                                  | ✓ Enable fossil parity (5-6 EUR/kg) on commercial bus fleets (based on learnings from multiple demo projects 13’ – 18’)
| • High capacity fueling for commercial bus fleets                          | ✓ Fueling time comparable to diesel                                                     |
| • Fueling >30 kg @ 350 bar in ~15 minutes                                   | ✓ Target to launch by 2020                                                              |
| • Equals charging @ 1 MW on avg. (2 MW peak)                              |                                                                                         |
| • Demonstration of 700 bar trucks (small scale setups)                    |                                                                                         |
| • Dedicated HDV Platform for commercial applications like trucks, trains etc. | ✓ New technology for fast fill capability                                              |
| • Fueling >50 kg @ 700 bar in ~10 minutes                                  | ✓ Develop new Nel compressor and cooling technology                                       |
| • Equals charging @ 5 MW on avg (10 MW peak)                              | ✓ Target to launch in 2021/2022                                                         |
| • Applicable for Nikola commercial H2Stations                             |                                                                                         |
Nel has an attractive proposition as a one-stop shop offering both production and distribution of hydrogen.

Nel offers renewable hydrogen solutions, efficient system integration, project development and sales across segments.

“Nikola Motor Company is building the largest hydrogen network in the world that consists of over 700 stations. We looked for a partner that had history and could keep up with our needs and demands. Nel has the experience and history to be a great partner and has proven that by delivering on time with our existing purchase orders. Our team at Nikola is looking forward to keeping Nel as our supplier and rolling out their new hydrogen technology throughout our station network.”

Trevor Milton, CEO of Nikola Motor
**Summary**

The hydrogen market is expected to grow significantly and renewable hydrogen is on a trajectory to outcompete fossil hydrogen.

Mobility is set to become one of the dominating hydrogen markets, and heavy duty applications are developing faster than expected.

Nel will continue investing in development and innovation across all segments and technologies to stay on the technological forefront and to take advantage of the attractive market opportunities we see going forward, with a near-term focus on developing 1) larger scale electrolyzers; 2) heavy duty fueling solutions.

Uncertainty as to which electrolyzer technology will become the “winning technology”. However with its full offering and strategic investments Nel can maintain current position in the sector.
Segment overview
Nel Hydrogen Electrolyser business area

• Production and installation of water electrolyzers for hydrogen production
• A leading company within hydrogen production plants - high uptime, low conversion cost, robust and reliable
• >3,500 hydrogen solutions delivered in >80 countries world wide since 1927
• Scalable production capacity for industrial and energy/transport applications – small scale to large scale solutions

Small scale turn-key modules
Up to 600 kg/day

Alkaline and PEM electrolyzers
Scalable and modular

Large scale plant solutions
Up to any capacity size

Solar Grid Wind
Nel Hydrogen Fueling business area

• Production of hydrogen fueling stations for cars, buses, trucks, forklifts and other applications
• A leading company within hydrogen fueling solutions for vehicles, adapted to latest fueling standards
• Delivered >40 stations across Europe and US since 2003, expanding into Asia
• High availability and innovative, in-house developed technologies
• CE & UL approved

Dispenser assembly

5-stage H2Station® assembly

World’s largest manufacturing facility for H2Stations®:
300 stations per year capacity
Nel Hydrogen Solutions business area

- Established to utilize market opportunities across the Nel group and offers complete solutions to customers
- Unified delivery of complex renewable hydrogen solutions, efficient system integration, project development and sales across segments
- Sole provider of integrated solutions along the entire value chain:
  1. Fueling Networks
     - Develop entire fueling networks, incl. renewable hydrogen production
     - Service and maintenance
     - Network monitoring services
  2. Renewable Hydrogen and Storage Solutions
     - Renewable hydrogen
     - Production based hydro, wind or solar
     - Large, medium or small scale
     - Storage solutions and “constant” renewable supply

Fueling station for hydrogen trucks in Trondheim, Norway

First ever triple-dispenser station
- For ASKO, Norway’s largest grocery wholesaler
- On-site renewable hydrogen from electrolysis
- Connected to rooftop solar on warehouse
- Containerized turn-key A-series-C-150 electrolyzer
- H2Station® for trucks, cars and forklifts
Key risks to the Nel investment case
<table>
<thead>
<tr>
<th>Key risks to the Nel investment case (1 of 2)</th>
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<tbody>
<tr>
<td>Nel cannot know for certain whether hydrogen will become a major energy carrier, or whether renewable energy will be a large source of hydrogen production for industrial purposes in the future</td>
</tr>
<tr>
<td>There is still uncertainty regarding which electrolyzer technologies that will become the “winning technologies” in the future. In the meantime Nel will pursue multiple technology tracks (like atmospheric alkaline, pressurized alkaline and PEM) which demands significant capital investments</td>
</tr>
<tr>
<td>There is still uncertainty within the area of transportation, especially heavy duty (e.g. trucks, busses, trains, boats, ferries), where development of new technology elements will require significant capital investments. To what extent fuel cell based technology will be the winning solution or not is still uncertain</td>
</tr>
<tr>
<td>There is no guarantee that the price of renewable electricity will continue to decrease, hence there is no guarantee for the future competitiveness of renewable hydrogen which rely heavily on this critical input</td>
</tr>
<tr>
<td>There is no guarantee that there will be enough production capacity and high enough capacity utilization to drive down manufacturing costs according to envisaged target levels. Further cost reductions are critical for the overall success of Nel and renewable hydrogen</td>
</tr>
</tbody>
</table>
Key risks to the Nel investment case (2 of 2)

There is no guarantee that Nel will be able to execute successfully on large commercial projects, projects may be located in various parts of the world and could incur significant cost overruns as well as delays.

The Nikola contract may be delayed and/or Nikola may not prove successful in the launch of their new truck.

Investments for developing new technologies and production facilities may exceed the current estimates.

The Nel organization is currently relatively small, especially in light of the large potential opportunities that lies ahead. There is no guarantee that Nel will be able to build a capable organization at the speed that is required to maintain its leadership position.

There is no guarantee that Nel will be able to maintain a leadership position within hydrogen electrolyzers and hydrogen fueling - new, strong competitors may enter our markets.

Nel perceives the largest risk to be carrying out demanding investments, technology developments and fulfilling large orders over a relative short period, while at the same time successfully developing the organization.
Appendix
Appendix: Nel – pioneering renewable hydrogen for 90 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1927</td>
<td>Building of the first small electrolyzer installation at Norsk Hydro at Notodden, Norway. Testing for pure hydrogen for fertilizer production</td>
</tr>
<tr>
<td>1929</td>
<td>World’s largest installation of water electrolyzers at Rjukan, Norway. Increasing over time to 3 plants and 440 electrolyzers, exceeding 60,000 Nm³/hour (~300 MW). Sourced by hydropower</td>
</tr>
<tr>
<td>1953</td>
<td>Creation of a second large-scale hydropowered electrolyzer plant for supplying hydrogen for ammonia production in Glomfjord, Norway</td>
</tr>
<tr>
<td>1974</td>
<td>Nel’s renowned electrolyzer technology made available for other companies and other industries</td>
</tr>
<tr>
<td>1988</td>
<td>The world’s first electrolyzer supplier to provide non-asbestos alkali electrolyzers</td>
</tr>
<tr>
<td>2003</td>
<td>Nel opens the world’s first publicly available hydrogen fueling station in Reykjavik, Iceland</td>
</tr>
<tr>
<td>2004</td>
<td>The world’s first Power-to-Power demonstration project at the island of Utsira, Norway, enabling power to 10 households from stored hydrogen produced by excess wind power</td>
</tr>
<tr>
<td>2014</td>
<td>Nel becomes the first 100% dedicated hydrogen company listed on the Oslo Stock Exchange</td>
</tr>
<tr>
<td>2015</td>
<td>Nel acquires H2 Logic, adding world leading hydrogen fueling technology to the product portfolio</td>
</tr>
<tr>
<td>2016</td>
<td>Initiates construction of the world’s largest manufacturing plant for hydrogen fueling stations, with a capacity of 300 units per year</td>
</tr>
<tr>
<td>2017</td>
<td>Nel acquires Proton OnSite, adding world leading PEM electrolysis technology to the product portfolio, becoming the world’s largest electrolyzer company</td>
</tr>
</tbody>
</table>
Appendix: Nel – recent events

- Nel dates back to 1927 when Norsk Hydro installed the first small electrolyzers at Notodden
- Nel initially served Norsk Hydro’s own demand for green hydrogen, a critical component in the production of ammonia/fertilizer
- In the 1970’s, Norsk Hydro started offering the electrolyzer technology to external customers
- Nel was later developed into a separate entity and listed on the Oslo Stock Exchange in 2014 (listed entity DiaGenic ASA acquired Nel and changed its name to Nel ASA)
- Nel has grown significantly through a range of acquisitions as well as organic growth, and has taken a leadership role in the development of the global hydrogen economy
- Hence, the slogan “number one by nature”

<table>
<thead>
<tr>
<th>KEY EVENTS UNDER NEL ASA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nel was listed at the Oslo Stock Exchange Oct 2014</td>
</tr>
<tr>
<td>Nel acquired RotoBoost H2 AS which holds all assets related to the RotoLyzer * May 2015</td>
</tr>
<tr>
<td>Nel entered into an agreement with SunPower to build and operate the first solar-driven hydrogen production plant in US Aug 2015</td>
</tr>
<tr>
<td>JV agreement with Hexagon Composites ASA and PowerCell Sweden Mar 2016</td>
</tr>
<tr>
<td>Awarded a 8.3 MUSD Hydrogen Electrolyzer Fueling Station Contract for SunLine Feb 2017</td>
</tr>
<tr>
<td>Nel entered into an exclusive partnership with Nikola and was awarded a initial purchase order for two demo stations (3.6 MUSD) Apr 2017</td>
</tr>
<tr>
<td>Nel was awarded a contract for hydrogen fueling station by SSAB EMEA AB in Sweden Sep 2017</td>
</tr>
<tr>
<td>Nel was awarded full ownership (100%) of its JV in South Korea, Nel-Deokyang Co. Ltd Nov 2017</td>
</tr>
<tr>
<td>Nel took full ownership (100%) of its JV in South Korea, Nel-Deokyang Co. Ltd Dec 2017</td>
</tr>
<tr>
<td>Officially opens large-scale H2Station® production facility in Denmark Feb 2018</td>
</tr>
<tr>
<td>Awarded Australia’s First Power-to-Gas (Solar-to-Hydrogen) project Apr 2018</td>
</tr>
<tr>
<td>Participates in consortium for Alstom hydrogen train initiative in Germany Jun 2018</td>
</tr>
<tr>
<td>Awarded grant for green fertilizer project with Yara Aug 2018</td>
</tr>
<tr>
<td>Received purchase order for two additional fueling stations in Norway (Uno-X Hydrogen) Sep 2018</td>
</tr>
<tr>
<td>Nel acquired H2 Logic, a supplier of Hydrogen Fueling Stations Oct 2018</td>
</tr>
<tr>
<td>JV Uno-X Hydrogen AS established together with Uno-X, Nel and Praxair</td>
</tr>
<tr>
<td>Framework contract for the supply, construction and maintenance of H2Station® hydrogen fueling stations in California for Shell in a partnership with Toyota</td>
</tr>
<tr>
<td>Nel acquired Proton OnSite to become the world’s largest electrolyzer company</td>
</tr>
<tr>
<td>Nel was awarded an additional purchase orders from Shell</td>
</tr>
<tr>
<td>Nel received additional purchase order from Nikola</td>
</tr>
<tr>
<td>Awarded multi-billion NOK electrolyzer and fueling station contract by Nikola</td>
</tr>
<tr>
<td>Nel through Proton OnSite was awarded orders over 2.3 MUSD for US and UK Navy Electrolyzer Stacks</td>
</tr>
<tr>
<td>Announces the construction of the world’s largest electrolyzer plant (i.e expansion at Notodden)</td>
</tr>
<tr>
<td>Invested USD 5m in Nikola C round financing</td>
</tr>
<tr>
<td>Received purchase order for two additional fueling stations in Norway (Uno-X Hydrogen)</td>
</tr>
<tr>
<td>Received H2Station® orders from Shell under new framework agreement</td>
</tr>
</tbody>
</table>
## Appendix: Profit and loss

<table>
<thead>
<tr>
<th>(NOK million)</th>
<th>2018 Q3 Adj*</th>
<th>2018 Q3</th>
<th>2017 Q3</th>
<th>2017 Q1-Q4</th>
<th>2016 Q1-Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>116.0</td>
<td>116.0</td>
<td>111.7</td>
<td>298.4</td>
<td>114.5</td>
</tr>
<tr>
<td>Total operating costs</td>
<td>182.2</td>
<td>182.2</td>
<td>145.0</td>
<td>415.6</td>
<td>169.8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-16.8*</td>
<td>-53.3</td>
<td>-18.5</td>
<td>-81.2</td>
<td>-44.9</td>
</tr>
<tr>
<td>EBIT</td>
<td>-29.8</td>
<td>-66.3</td>
<td>-33.3</td>
<td>-117.2</td>
<td>-55.3</td>
</tr>
<tr>
<td>Pre-tax loss</td>
<td>-30.9</td>
<td>-67.4</td>
<td>-36.4</td>
<td>-124.4</td>
<td>-62.6</td>
</tr>
<tr>
<td>Net loss</td>
<td>-29.0</td>
<td>-65.5</td>
<td>-32.6</td>
<td>-52.4</td>
<td>-55.8</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>-37.4</td>
<td>-37.4</td>
<td>-90.9</td>
<td>-113.0</td>
<td>-34.2</td>
</tr>
<tr>
<td>Cash balance at end of period</td>
<td>434.1</td>
<td>434.1</td>
<td>252.8</td>
<td>295.0</td>
<td>225.5</td>
</tr>
</tbody>
</table>

* EBITDA negatively impacted in Q3’18, total non-recurring and other cost of NOK 36.5 million
## Appendix: Balance sheet

<table>
<thead>
<tr>
<th>(NOK million)</th>
<th>2018 Q3</th>
<th>2017 Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>1,176.6</td>
<td>1,141.4</td>
</tr>
<tr>
<td>Current assets</td>
<td>732.3</td>
<td>584.3</td>
</tr>
<tr>
<td>-of which is cash and cash equivalents</td>
<td>434.1</td>
<td>295.0</td>
</tr>
<tr>
<td>Equity</td>
<td>1,582.1</td>
<td>1,409.4</td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>113.0</td>
<td>102.4</td>
</tr>
<tr>
<td>Short term liabilities</td>
<td>213.8</td>
<td>213.9</td>
</tr>
<tr>
<td>Total balance</td>
<td>1,908.9</td>
<td>1,725.7</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>82.9%</td>
<td>81.7%</td>
</tr>
</tbody>
</table>
## Appendix: Cash flow

<table>
<thead>
<tr>
<th>(NOK million)</th>
<th>2018 Q3</th>
<th>2017 Q1-Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax loss</td>
<td>-67.4</td>
<td>-124.4</td>
</tr>
<tr>
<td>Net cash from operations</td>
<td>-37.4</td>
<td>-113.0</td>
</tr>
<tr>
<td>Net cash from investments</td>
<td>-48.9</td>
<td>-219.3</td>
</tr>
<tr>
<td>Net cash from financing</td>
<td>41.7</td>
<td>401.8</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>-44.6</td>
<td>69.5</td>
</tr>
<tr>
<td>Cash at end of period</td>
<td>434.1</td>
<td>295.0</td>
</tr>
</tbody>
</table>