

Q3 2017

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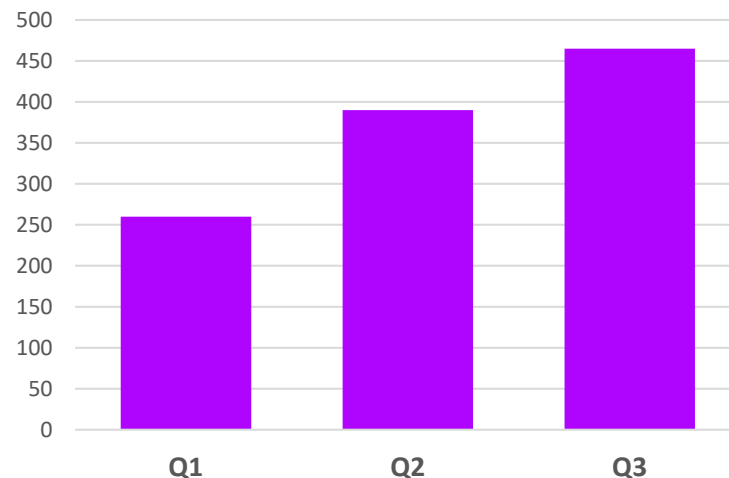
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- **Q3 highlights**
 - Financials
 - Order intake
 - Private placement
- **General market update**
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 - Nel Hydrogen Electrolyser
 - Nel Hydrogen Fueling
 - Nel Hydrogen Solutions
- **Summary/Outlook**
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- Reported revenues in Q3 2017 of NOK 111.7 million , up from NOK 24.4 million in Q3 2016, an increase of ~3.5 times
 - Underlying organic growth of >50% (excl. Proton)
- All-time high order backlog of NOK ~460 million
- Private placement successfully completed in late September, raising gross proceeds of NOK 220 million
- Received additional purchase order on H2Station® equipment and services under previously announced California framework contract
- Awarded USD 8.3 million contract for delivery of world's largest combined hydrogen production and fueling facility to SunLine Transit Agency in California
- Received additional order for M-series hydrogen electrolyzer from Synergy in China, the contract's fourth system order, bringing total agreement value to more than USD 22 million
- Received pre-engineering contract from H2V PRODUCT for Dunkerque project

- Orders received by end of period: >180 MNOK
 - Only includes firm PO's with agreed price/volume/Terms & Conditions
- Main order announcements to date:
 - Sunline, PEM electrolyzers and H2Station fueling in California, total contract value > 8 MUSD
 - Additional fourth system as part of Proton's agreement with Synergy, total agreement covers up to 13 MW-systems. Additional order with value up to 1.8 MUSD
 - Additional purchase order from Shell under California framework contract, ~50 MNOK
 - After-sales and orders of smaller PEM systems (not announced)
- Current order backlog ~460 MNOK

Order backlog development in 2017 (MNOK)



Financial highlights

Nel ASA Q3 2017

(NOK million)	2017 Q3 Adj.*	2017 Q2 Adj.*	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1
Operating revenue	111.7	39.1	111.7	39.1	35.7	50.6	24.4	13.5	26.0
Total operating costs	145.0	63.9	145.0	63.9	51.3	66.6	37.1	29.9	36.1
EBITDA	-10.5	-12.5	-18.5	-22.0	-13.0	-13.1	-10.2	-14.0	-7.6
EBIT	-25.2	-15.3	-33.3	-24.7	-15.6	-16.0	-12.8	-16.5	-10.1
Pre-tax profit	-28.3	-16.6	-36.4	-26.0	-16.2	-24.1	-12.4	-16.0	-10.1
Net profit	-24.5	-17.3	-32.6	-26.7	-15.6	-18.5	-12.0	-15.6	-9.7
Net cash flow from operating activities	-90.9	37.3	-90.9	37.3	-14.0	11.0	-10.5	-24.2	-21.3
Cash balance at end of period	298**	201.2	85.6	201.2	386.3	225.0	223.6	265.9	289.0

- Revenue grew more than 3.5 times compared to same period last year
- Operating earnings negatively impacted by Proton acquisition items, ramp-up cost and non-cash option commitments
 - *Adjusted for Q3 acquisition cost of NOK 3.2 million and non-cash share options cost of NOK 4.9 million
 - **Cash balance including net proceeds from private placement (not incl. repair issue/subsequent offering)
- Higher depreciation due to Proton acquisition, mainly contributed by purchase price allocation effect

Successful private placement

- Raised NOK 220 million in gross proceeds through a private placement of 88,000,000 at NOK 2.50 / share
- Significantly oversubscribed, strong interest from existing shareholders and new, high-quality investors
- Net proceeds will be used for:
 - i. Additional working capital in response to increased order volumes and improved positioning to benefit from markets with high activity and growth momentum, build-up of organization in connection with additional purchase orders
 - ii. Better financial positioning for large European power-to-gas projects
 - iii. Positioning Nel for the opportunity to take on attractive projects with strong industrial partners, and general corporate purposes
- Following the September private placement, the company's current organic strategy and business plan is well funded
- Preparing for repair issue (subsequent offering) of 10 million shares at 2.50 NOK/share
 - Offered to all existing shareholders as of September 27th, execute as soon as prospectus is approved

General market update

Total global hydrogen market

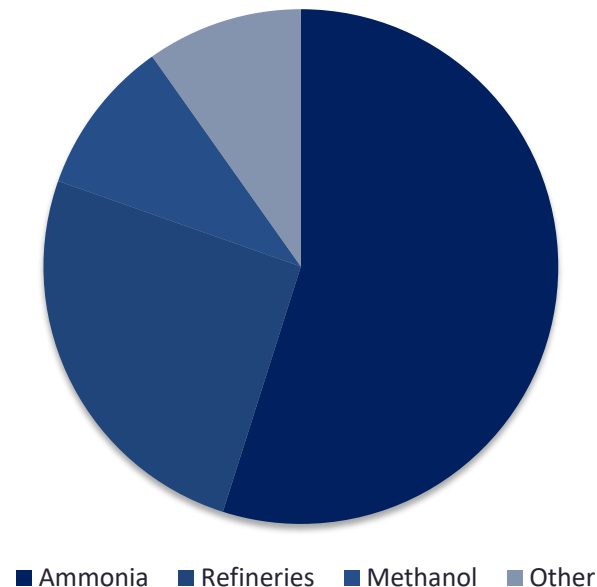
Nel ASA Q3 2017

General market update

Large opportunities for growth of electrolysis within existing hydrogen market

- ~50 million ton/year market (~\$150 B)
- Only 1% from water electrolysis today, rest is fossil-based
- Large potential for growth, driven by:
 - Increasing focus on climate and renewable energy
 - Decreasing electricity prices
 - Decreasing electrolyzer capex
- Special focus on refineries and green ammonia, which account for ~80% of the world hydrogen market

Global hydrogen market, by end-use



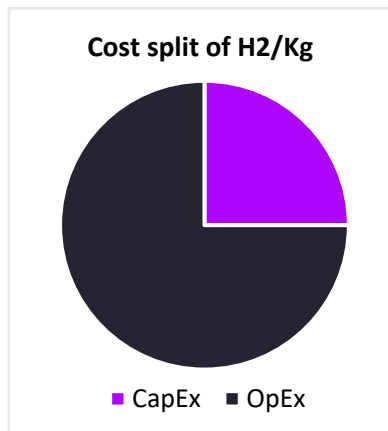
The pathway towards fossil parity for renewable hydrogen

Nel ASA Q3 2017

General market update

	~2015	~2020	~X-years
Nel electrolysis (large scale alkaline) [\$ /kW]	<700	<500	<350
Solar (utility scale) [\$ /kW]	~1,500	~700	<500
Solar PPA [\$ /kWh]	0.04 – 0.06	0.02 – 0.04	0.015 – 0.02
Total hydrogen production cost [\$ /kg]	2.7 – 4.0	1.3 – 2.7	1.0 – 1.3

- Large electrolyzer facilities from Nel already at CapEx parity with medium scale SMR¹
 - Nel targets to reach CapEx parity with large scale SMRs in foreseeable future
- Solar PV at utility scale has today reached a price of < 1 \$/W
 - LCOE from solar expected to drop by another 66% by 2040²
 - At 0.04 \$/kWh renewable hydrogen is reaching fossil parity on an OpEx basis



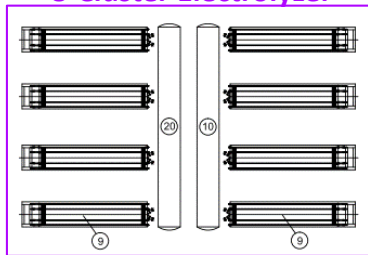
Project develop.: 400MW renewable H2 plant to outcompete natural gas reforming

Nel ASA Q3 2017

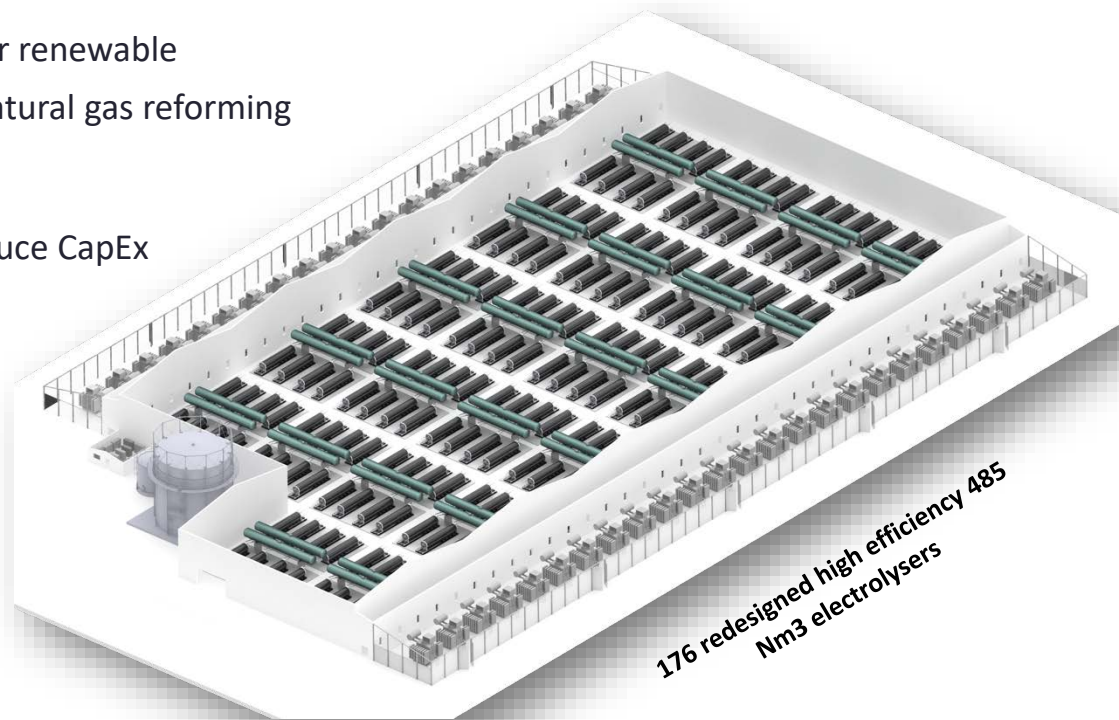
General market update

- Progressing on GIGA factory concept for renewable hydrogen production to **outcompete** natural gas reforming
 - International industrial customer
- Have developed “cluster design” to reduce CapEx

8-Cluster Electrolyzer

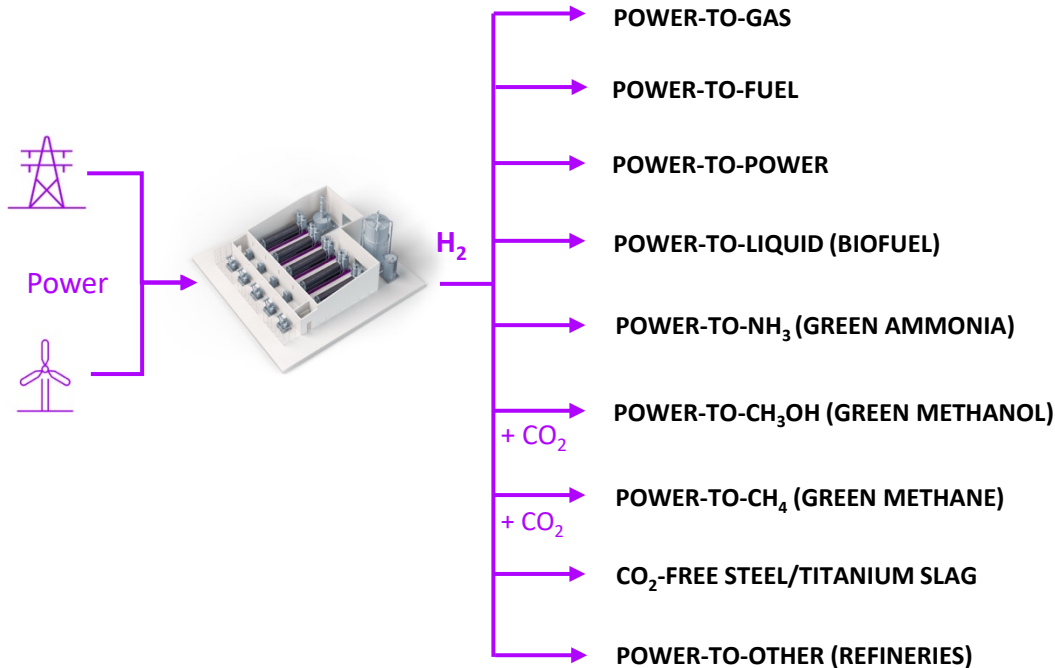


- Benchmark CapEx ratio:
 - 450 \$/kW



Unparalleled position of electrolysis in producing other green energy forms

- Hydrogen from electrolysis will be key in producing large quantities of sustainable energy in various forms
- Ability to adapt to diverse and intermittent renewable energy sources becoming increasingly important

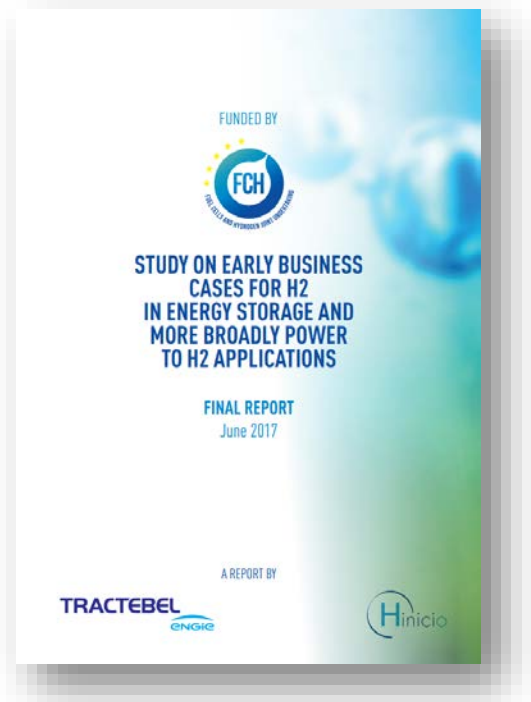


Power-to-H₂ market of NOK 39 billion until 2025, in Europe alone

Nel ASA Q3 2017

General market update

- Recent study shows that power-to-hydrogen is already bankable in Europe at electricity prices of 40 – 50 €/MWh (NOK 0.37-0.47/kWh)
- Potential in the EU from now until 2025 of a **cumulative electrolyzer capacity of 2.8 GW, representing a market value of NOK 39 billion**
- Most bankable in short- and medium-term: hydrogen mobility deployment, refineries, chemical industries, complemented by gas grid injection

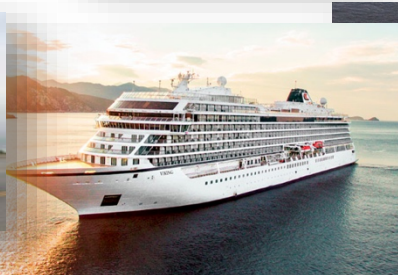


http://www.fch.europa.eu/sites/default/files/P2H_Full_Study_FCHJU.pdf

Several hydrogen initiatives ongoing: selected examples

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General market update



Record range and low cost achieved

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General market update



- Hyundai recently launched next generation FCEV
- Range of >800 km
- Improvements from last generation:
 - ~20% lighter fuel cell, ~10 % more efficient
 - ~30% higher effect density
 - >60% total (tank-to-wheel) efficiency
- Commercial launch in 2018

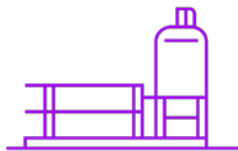


- Toyota targets 1,000 km range for the Fine-Comfort Ride, 50% longer than current hydrogen-powered Mirai sedan
- Includes artificial intelligence and automated driving features
- Japan plans to increase the number of fuel-cell vehicles to 40,000 by 2020, up from today's 2,200

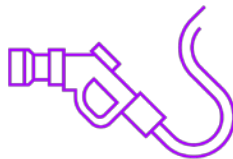
Nel in brief

- Global pure-play hydrogen company – facilities in Norway, Denmark and the U.S.
 - Significant foothold in fast-growing markets with several breakthrough contracts
- World-leading on hydrogen electrolyzers and fueling equipment – unrivalled performance and track-record
 - 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
 - >3500 hydrogen solutions delivered in ~80 countries world wide since 1927

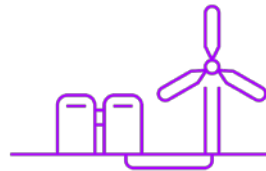
Three business segments



Hydrogen Electrolyzers



Hydrogen Fueling



Hydrogen Solutions

Proton OnSite

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Part of Nel Hydrogen Electrolyser

- Completed the acquisition of Proton OnSite on June 30, 2017
- Creating the world's largest electrolyzer company
- Enabling Nel to offer any type of electrolyzer in the market
- Great strategic fit, and several areas of synergies
 - Proton OnSite and Nel have already started working together on integrated projects, proving the strong organizational and technical fit
- Enhances Nel's foothold in the US and accelerates Nel's growth ambitions
- Combined pro forma FY 2016 revenues of NOK 342.7 million (vs Nel 2016 revenue of NOK 114.5 million)

PROTON IN NUMBERS

- USD 27m in revenues (2016)
- 2600+ installations worldwide
- 75+ countries with generators installed
- 80 registered patents
- 20 years of installations
- ~100 employees
- Fully developed product offering, with the world's largest megawatt PEM electrolyzer deal at the time in December 2016 (deal value excess of USD 20m)

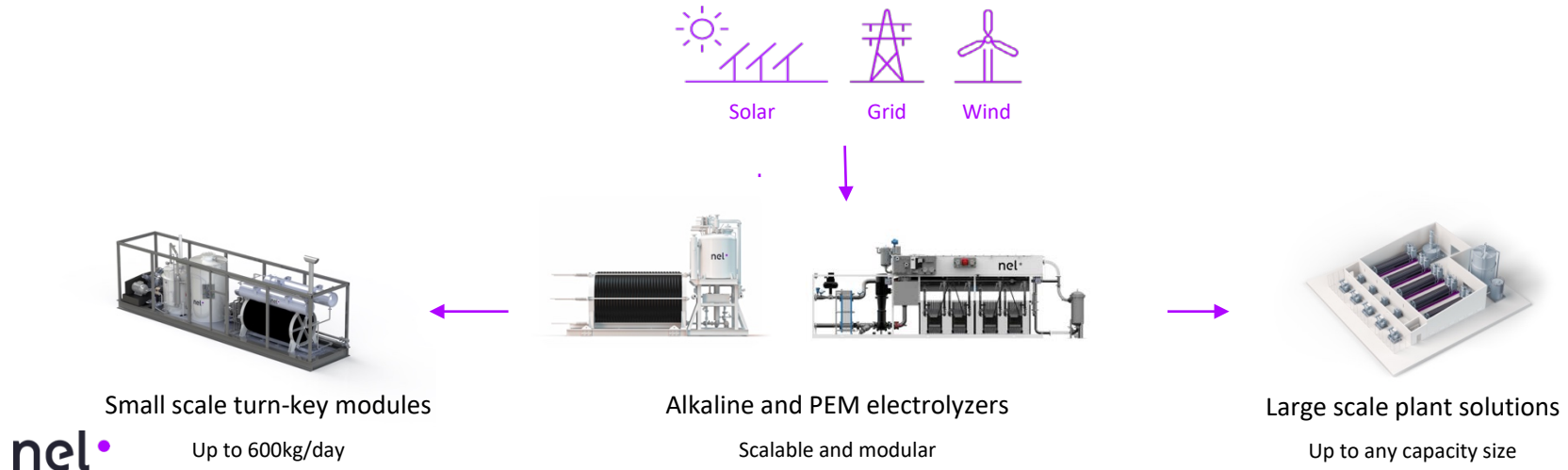


Segment updates

Nel Hydrogen Electrolyser

Production and installation of water electrolyzers for hydrogen production

- Global leader in hydrogen prod. plants - highest uptime, lowest conversion cost, robust and reliable
- >3500 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



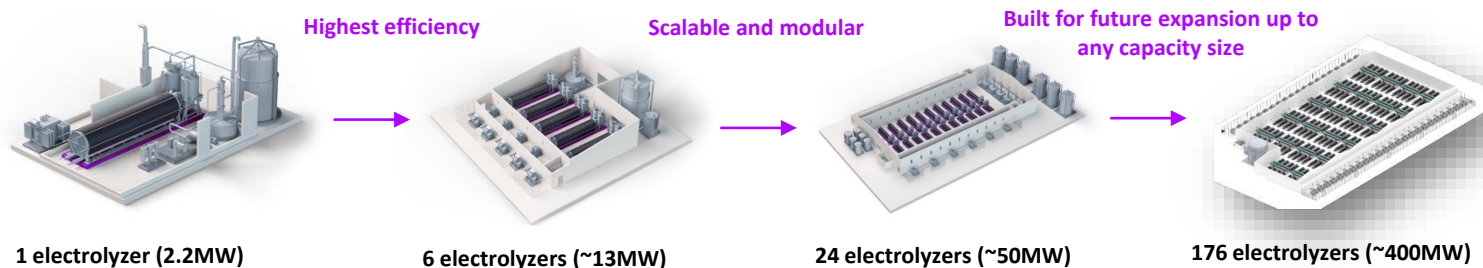
Alkaline product range, both tailored and turnkey

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Nel Hydrogen Electrolyser

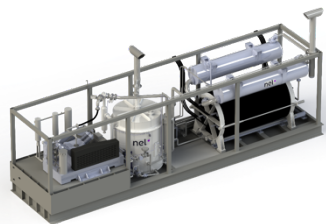
A-SERIES

TAILORED ELECTROLYSER
SOLUTION

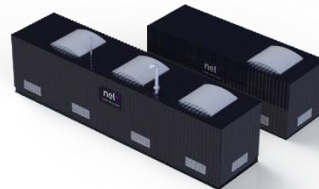


A-SERIES-C

TURNKEY ELECTROLYSER
SOLUTION



Containerized turn-key modules



A-Series-C150 (~0.7MW)

A-Series-C300 (~1.4MW)

PEM product range

Nel Hydrogen Electrolyser

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H-Series



Net production rate: 2-6 Nm³/hr

C-Series



Net production rate: 10-30 Nm³/hr

M Series

1 MW solution



Net production rate: 100-200 Nm³/hr

2 MW solution



Net production rate: 300-400+ Nm³/h

S-Series



Net production rate: 0.53-1.05 Nm³/hr

Lab Gas Generators



- Wide range of products sold to ~75 countries
- Customers range from industrial companies to laboratory institutes
- Also offers services, incl. installation training, service and maintenance
- More than 1 billion hours worth of operating experience on PEM

Key differentiating factors of our PEM electrolyzers

Nel Hydrogen Electrolyser

- Nel is the largest PEM electrolyzer producer in the world, 5-10 times larger than the closest competitor
 - Lowest cost position on PEM systems in the industry
- Long track record with more than 1 billion hours aggregated operational experience in the field
- Highly productized portfolio with volume production up and running
 - Lean manufacturing and quality system integrated into production
- Full differential pressure PEM electrolyzers, hydrogen at 30 bar and atmospheric oxygen side simplifies design and reduces cost as well as improves safety
 - Robust technology roadmap to increase capacity and reduce cost going forward
 - More than 80 patents

Additional order as part of the world's largest PEM electrolyzer agreement

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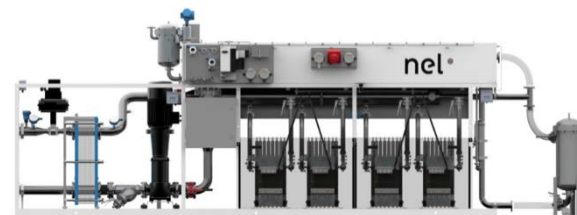
Nel Hydrogen Electrolyser

Another MW delivery to China for fuel cell buses

- Order for the fourth MW-system under agreement between Nel/Proton and Synergy in China
 - Synergy also cooperating with Ballard on fuel cell technology
- Value of up to USD 1.8 million, including installation, commissioning, and other related services
- Total agreement covers up to 13 MW-systems with a total value, including installation and associated services, of more than USD 22 million
- Installations and commissioning will start towards the end of 2017 and continue into 2018



Synergy fuel cell bus production facility, official opening in Sept. 2017



1MW PEM electrolyzer, net production rate:
100-200 Nm³/hr

Working to finalize agreements with H2V PRODUCT

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Nel Hydrogen Electrolyser

EUR 100,000 pre-engineering contract from H2V PRODUCT

- Exclusive, industrial-scale power-to-gas framework agreement signed in June
 - Pre-engineering has been initiated
 - Working to finalize contracts over the next number of months
- First 100 MW hydrogen plant, contract value of NOK ~450 million, increasing to NOK ~3.15 billion for six other H2V PRODUCT plants (total of 700 MW)
 - First plant developed 2018-2020, target to continue adding lines in period between 2020-2025
 - Partnership represents significant opportunities for further expansions

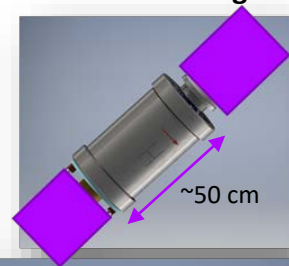
Dunkerque gas terminal



Project running according to plan

- Design and technical solutions improved to facilitate higher capacity and commercial hydrogen production
- Phase 1 tests complete, phase 2 tests planned for November
 - Test center is equipped with infrastructure dedicated for testing of advanced electrolyzer systems
 - Encouraging results related to gas quality during phase 1 testing
 - Phase 2 testing will focus more on endurance and lifetime
- Target commercial launch in 2018 (10 Nm³/h)
 - Continue development to increase scale over time

100x smaller than ATM from high pressure and centrifugal effect



Nel Hydrogen Fueling

Production of hydrogen fueling stations for cars, buses, trucks, forklifts and other applications

- Global leader within hydrogen fueling solutions for vehicles, first to adapt the newest fueling standards
- Delivered more than 30 stations in 8 countries across Europe since 2003
- Highest reported availability and innovative, in-house developed technologies



High capacity, smallest footprint

200 kg/day, 10m²



Flexible installation, smallest footprint

50 m from station, 1/3 size of normal dispenser



Largest manufacturing facility

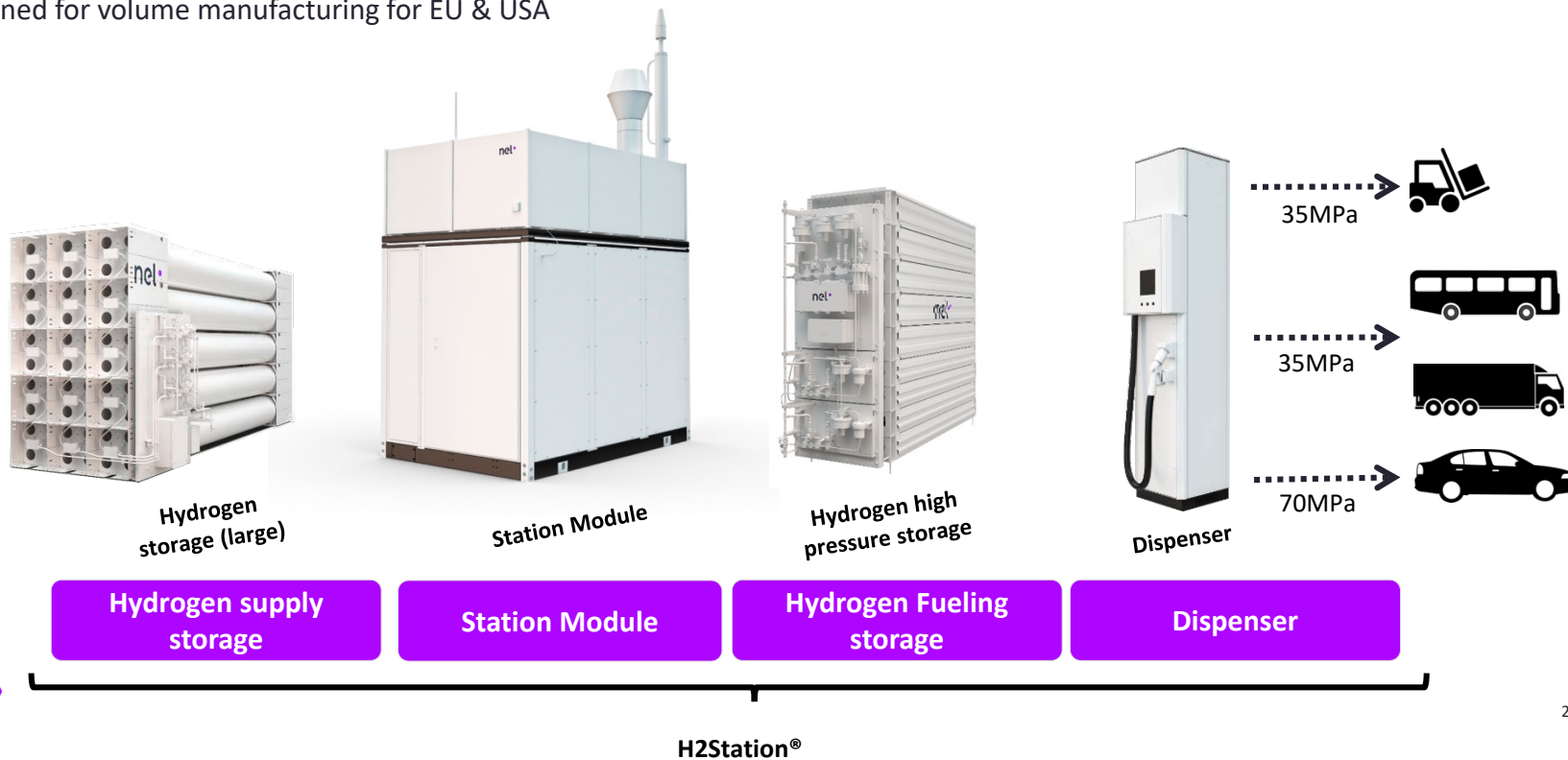
300 station per year capacity

Fueling station modules – designed for volume manufacturing

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Nel Hydrogen Fueling

- Compact modular turn-key system with flexible site integration
- Designed for volume manufacturing for EU & USA

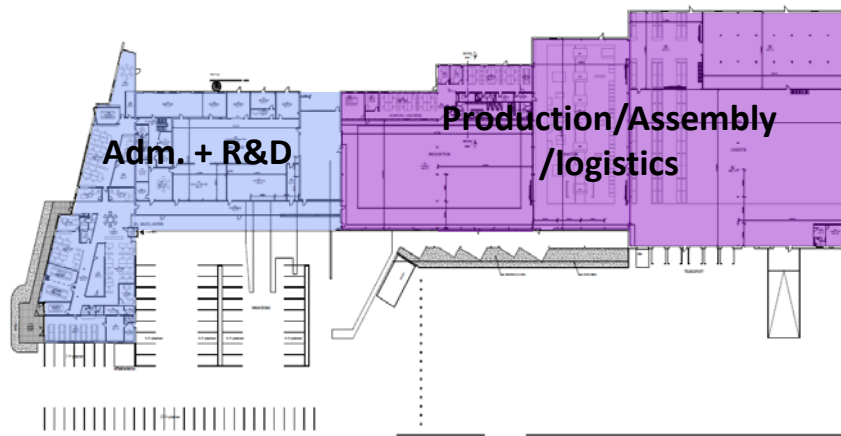


Have started production of H2Stations in our new plant

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Nel Hydrogen Fueling

- Development of Herning facility continues on budget & schedule
 - Production moved into the new facility over the summer
 - Started production of first US stations mid-August, official opening to be scheduled
 - Name-plate production capacity of ~300 stations/year



Opening of the first fueling station with Nel-technology in Japan

Nel Hydrogen Fueling

Ribbon cutting ceremony on October 5th, 2017

- Mitsubishi Kakoki Kaisha (MKK) purchased the rights to manufacture hydrogen stations based on Nel H2Station® CAR-100
- Design adapted to Japanese regulations and local standards
- Opened in Kawasaki City on October 5th, 2017
- Japan has a target of establishing 160 hydrogen fueling stations by 2020, out of which approximately 90 are in operation today



Nel Hydrogen Solutions

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
- Only 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 & Storage Solutions

- Renewable hydrogen
- Production based hydro, wind or solar
- Large, medium or small scale
- Storage solutions and “constant” renewable supply



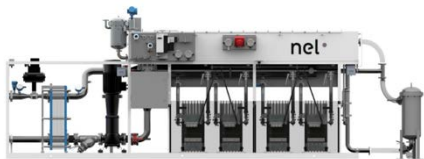
PEM electrolyzer and H2Station® for bus fueling in California

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Nel Hydrogen Solutions

High capacity station for 25 buses in CA

- First integrated Nel/Proton product offering
- One 2 MW PEM electrolyzers
- Two H2Station® for buses
- Total contract value of USD >8 million
- Delivery during 2018



1 MW PEM electrolysis



Hydrogen storage



Station module



Dispensers



35MPa

35MPa

Additional order from Shell under framework agreement

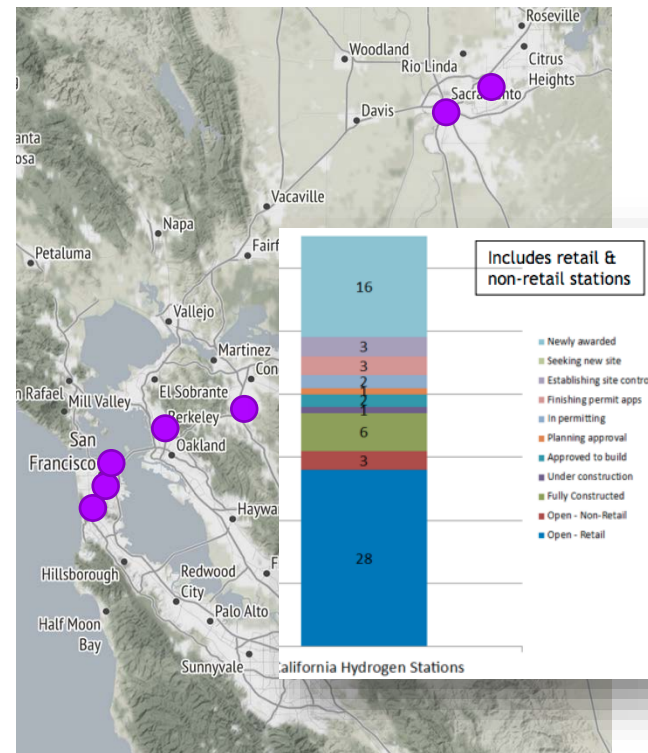
Nel Hydrogen Solutions

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Further initiatives from Shell in California

- Nel has exclusive framework contract with Shell (in partnership with Toyota and Honda) for supply, construction and maintenance of hydrogen stations San Francisco CA
 - Initial purchase order received Q1'17 with value of NOK ~140 million
 - Received additional purchase order with value of NOK ~50 million during Q3
 - H2Station® modules expected to ship in 2017 and 2018, installation in 2018 and into 2019
- Shell has issued an RFI for additional 100 hydrogen stations to California
 - Visibility on deliveries will help the industry to reduce costs

Shell hydrogen stations in Northern CA



Locations where Shell receives CEC grants from current round of funding

Potential large scale energy storage project in Fredericia, Denmark

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Nel Hydrogen Solutions

Multi-value stream project in Denmark

- Potential project of ~20 MW electrolysis
- Renewable hydrogen for multiple purposes:
 - Replace fossil hydrogen used in refinery process
 - Energy storage and power generation
 - Hydrogen used directly for transportation purposes, fuel cell electric busses and cars (FCEV's)
- Other value streams:
 - Oxygen used locally within refinery
 - Heat used for city district heating
- Developed solution relevant in many other oil refineries across the globe



Shell oil refinery in Fredericia, Denmark

HYON

Hyon is equally owned by Nel ASA, Hexagon Composites ASA and PowerCell Sweden AB, and utilizes each partner's respective world-leading technologies and competencies to manage and develop projects for effectively integrating and optimal zero-emission power solutions for the customers

HYDROGEN ENERGY SOLUTIONS

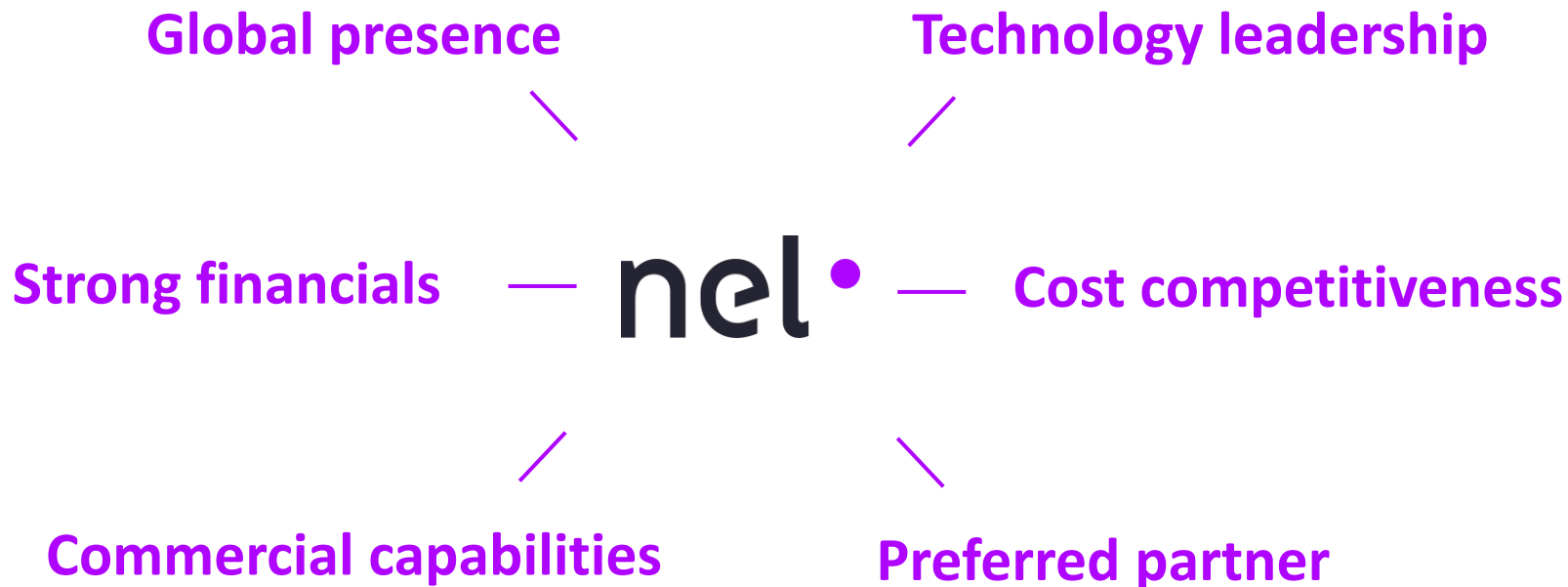
Hyon enables clean and profitable energy solutions, providing complete, world-class hydrogen technologies. On customer requirements we deliver integrated systems including renewable hydrogen production, storage, distribution, dispensing, and electricity generation via fuel cells.

Summary/Outlook

Creating a rapidly growing billion NOK company

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Levering on the arising opportunities within energy storage and hydrogen fueling



Nel ASA

- The company has a current all-time-high order backlog of NOK ~460 million
- Following the September private placement, the company's current organic strategy and business plan is well-funded
- Repeating the revenue guidance in Q4'17 of NOK ~100 million

Nel Hydrogen Electrolyser

- All time high level of sales leads, both in traditional and new markets, implementation of synergies

Nel Hydrogen Fueling

- Started production in new Herning facility early August, currently focusing on U.S. H2Station® modules for Shell
- Start to ship the U.S. stations towards end of the year

Nel Hydrogen Solutions

- Currently pursuing projects together with Proton in the US and other locations
- Hyon (JV with Hexagon and PowerCell) is operational and working to develop sales pipeline further

Q&A

Appendix: Profit and loss

Nel ASA Q3 2017

(NOK million)	2017 Q3	2016 Q3	2017 Q1-Q3	2016 Q1-Q3	2016
Operating revenue	111.7	24.4	186.6	63.9	114.5
Operating costs	145.0	37.1	260.2	103.2	169.8
EBITDA	-18.5	-10.2	-53.5	-31.8	-44.9
EBIT	-33.3	-12.8	-73.6	-39.3	-55.3
Pre-tax profit	-36.4	-12.4	-79.8	-38.3	-62.6
Net profit	-32.6	-12.0	-75.2	-37.4	-55.8
Total comprehensive income	-22.5	-24.5	-64.4	-58.3	-75.4

Appendix: Balance sheet

Nel ASA Q3 2017

(NOK million)	2017 Q3	2016 Year End
Fixed assets	1,115.3	462.9
Current assets	365.0	300.0
-of which is cash and cash equivalents	85.6	225.5
Equity	1,107.0	671.2
Long term liabilities	25.4	12.6
Short term liabilities	209.9	65.6
Total balance	1,480.3	762.9
Equity ratio (%)	74.8%	88.0%

Appendix: Cash flow

Nel ASA Q3 2017

(NOK million)	2017 Q3	2016 Q3	2016
Pre-tax profit (loss)	-36.4	-12.4	-62.6
Net cash from operations	-90.9	-10.5	-34.2
Net cash from investments	-24.4	-31.8	-60.2
Net cash from financing	0.3	0.0	6.8
Net change in cash and cash equivalents	-115.6	-42.2	-87.6
Cash at end of period	85.6	223.6	225.5

Appendix: explanation of value and depreciation of depreciable intangible assets arising from the PPA related to the acquisition of Proton Onsite.

Nel ASA Q3 2017

(NOK million)	Excess value	Lifetime	Depreciation per quarter
<i>Intangible assets:</i>			
Technology	261.7	7 and 15 years	4.7
Customer relationship	59.0	7 years	2.1
Customer contracts*)	19.5	1 year	4.9
Depreciation of intangible assets arising from the PPA related to the acquisition of Proton Onsite			11.7

*) Note that customer contracts are depreciated over 1 year only, so this element of the depreciation will cease from Q3-18

Number one by nature