Q4 2016

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Chief Executive Officer

Forward looking information

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Financial highlights - quarterly development 2016

(NOK million)	Q1	Q2	Q3	Q4	Total	*Share prog.*	FY 2016
Operating revenues	**26.0**	**13.4**	**24.4**	**50.6**	**114.5**	-	**114.5**
EBITDA	-7.6	-14.0	-10.1	**-2.8**	**-34.6**	-10.3	**-44.9**
EBIT	-10.1	-16.5	-12.7	**-5.7**	**-45.1**	-10.3	**-55.3**
Cash balance end of period	289.0	265.9	223.6	**225.0**	-	-	**225.0**

- **Non-cash costs** related to stock option- and share incentive programs
  - 2016: NOK -10.30 million
  - Q1’17: NOK -4.19 million
  - Q2’17: NOK -3.96 million
  - Q3’17: NOK -2.35 million
  - Q4’17: NOK -2.38 million
- Reclassification of grants received to other operating income/revenues, NOK 5.6 million
- Orders received during 2016 totaling NOK ~150 million (NOK ~190 million incl. Iceland)
- Order backlog of NOK ~130 million (incl. Iceland)

Q4 Highlights

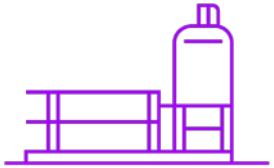
- Reported Q4 revenues of NOK 50.6 million, sequentially up from NOK 24.4 million in Q3
- Cash balance at end of quarter at NOK 225.5 (Q3'16: 223.6)
- Awarded a solution contract for hydrogen production and triple-filling H2Station® with ASKO in Trondheim
- Opening of the Kjørbo station on Nov. 22nd
- Awarded grants for:
  - Deployment of hydrogen production and two H2Stations® in Bergen
  - Next generation H2Station® technology development
- Awarded contract with Instituto Mexicano del Petróleo (IMP) for the delivery of a Nel A-150 electrolyser plant

Subsequent events

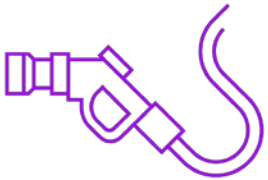
- Entered into cooperation with SunPower to build and operate the first solar-driven hydrogen production plant in the US
- Entered into LOI with Hexagon Composites ASA and PowerCell Sweden AB to establish a joint venture for the development of integrated hydrogen projects
- Received order from Iceland for three H2Stations® and one C-150 electrolyser

Nel ASA

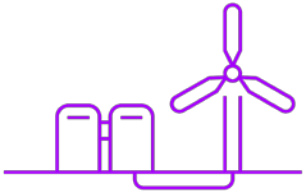
- Pure-play hydrogen company listed on the Oslo Stock Exchange – facilities in Norway and Denmark
- Three divisions offering hydrogen technology and solutions for industrial and energy applications
- More than 850 hydrogen solutions delivered in 60 countries world wide since 1927
- World #1 on hydrogen electrolysers and hydrogen fueling – unrivalled performance and track-record
- Financially strong company with a world-class experienced management team in place



Hydrogen Electrolysers



Hydrogen Fueling



Hydrogen Solutions

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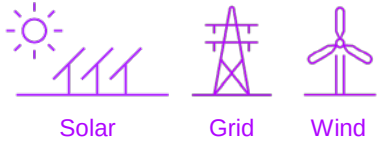
Segment updates

Nel Hydrogen Electrolyser

- Global leader in hydrogen prod. plants - highest uptime, lowest conversion cost, robust and reliable
- More than 850 hydrogen solutions delivered in 60 countries world wide since 1927
- Scalable production capacity for industrial and energy/transport applications – small scale to large scale solutions



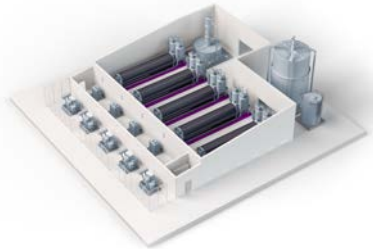
C-Series

Small scale turn-key modules

Up to 600kg/day

Electrolyser

Scalable and modular



A-Series

Large scale plant solutions

Up to any capacity size

Recent developments

Nel Hydrogen Electrolyser

- High interest for C-range electrolysers
  - Low-cost, turn-key solution, representing the world's smallest footprint for containerized, high capacity electrolysers with 200 bar pressure
- Contract with Instituto Mexicano del Petróleo (IMP) confirms leading Nel efficiency and quality
  - Agreement for the delivery of a Nel A-150 electrolyser plant
- A number of after sales contracts not individually announced to the market, amounting to a total revenue value of NOK 13.7 million

C-150

150 Nm^3/h (330 kg/day)

700 kW system

C-300

300 Nm^3/h (660 kg/day)

1.4 MW system

Turn-key, both delivering 200 bar output pressure

Rotolyser status

Nel Hydrogen Electrolyser

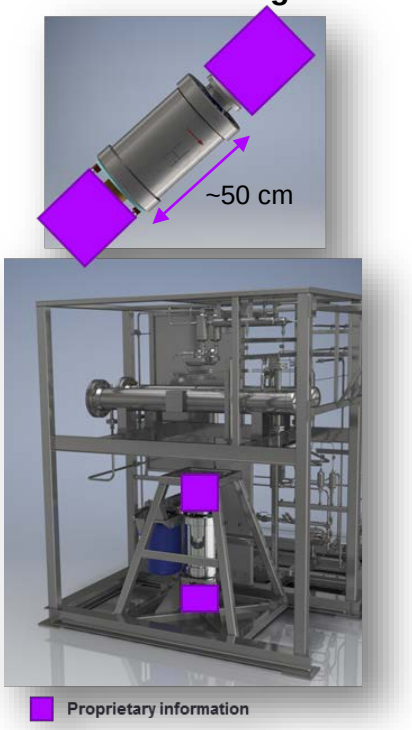
Project running according to plan

- Design and technical solutions improved to facilitate higher capacity and commercial hydrogen production
  - In process of completing production drawings
- Testing planned in Q2 at Nel Electrolyser Test Center
  - Test center is equipped with infrastructure dedicated for testing of advanced electrolyser systems
- Initiate long-lifetime tests during fall of 2017, assuming improved design is verified (incl. performance/business case)
- Target commercial launch in 2018 (10 Nm3/h)
  - Continue development to increase scale over time

The Research Council of Norway

With funding from
The Research Council of Norway

100x smaller than ATM from high pressure and centrifugal effect



Proprietary information

Nel Hydrogen Fueling

- 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, 10m^2

Flexible installation, smallest footprint

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

Largest manufacturing facility

300 station per year capacity

Recent developments

Nel Hydrogen Fueling

- Development of Herning facility continues on budget & schedule
  - Investments related to plant takeover/rebuild/ construction amounts to NOK 30 million in H2’16
  - Name-plate production capacity of ~300 stations/year
- Was awarded two R&D grants
  - Grants totaling EUR 1.1 million from Danish EUDP program for continued H2Station® development
- Launched new upgraded multi purpose H2Station®
  - Three hydrogen dispenser that can fuel hydrogen cars, buses, trucks and forklifts (700 and 350 bar pressure)

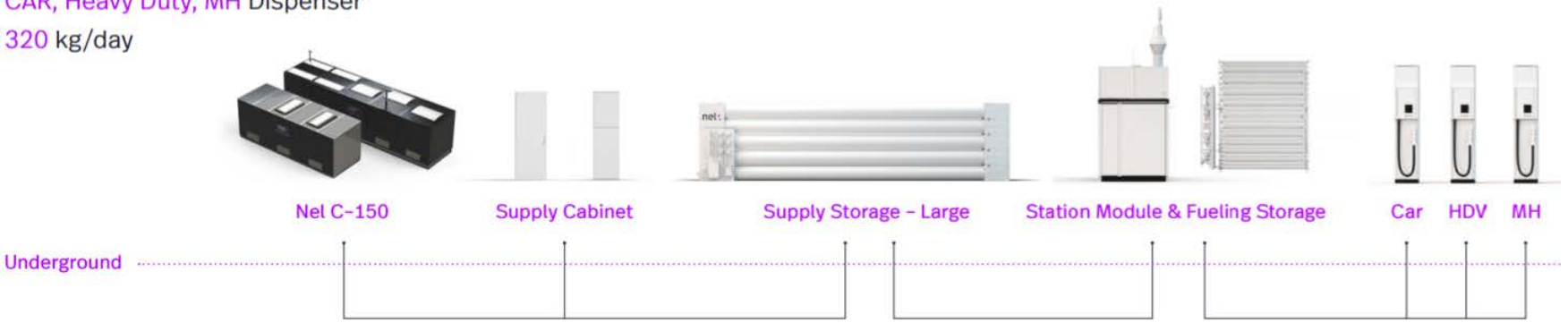
All new multi purpose H2Station®

Nel Hydrogen Fueling

H2Station®

CAR, Heavy Duty, MH Dispenser

320 kg/day



- Can fuel up to three different types of vehicles
- Cars, busses, heavy duty trucks and forklifts
- At both 700 and 350 bar pressure

Nel Hydrogen Solutions

- 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:

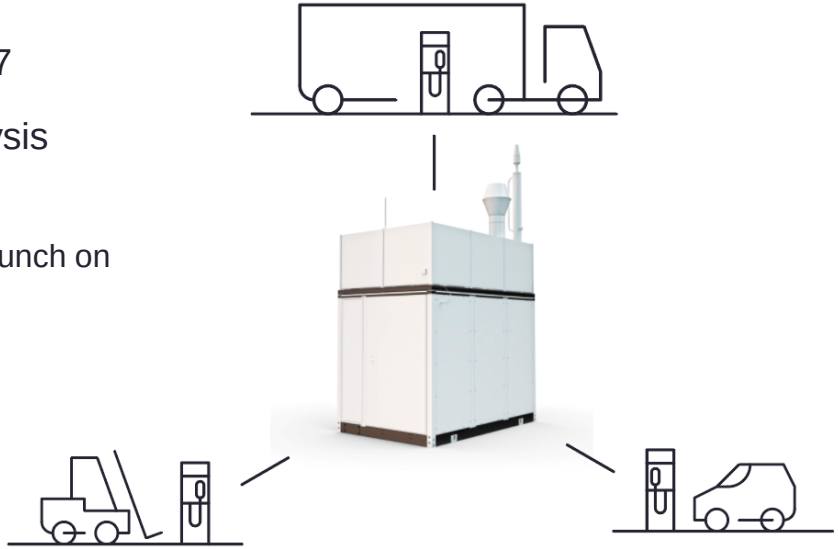
1. Fueling Networks
   - Develop entire fueling networks, incl. renewable hydrogen production
   - Service and maintenance
   - Network monitoring services
2. Renewable Hydrogen & Storage Solutions
   - Renewable hydrogen
   - Production based hydro, wind or solar
   - Large, medium or small scale
   - Storage solutions and “constant” renewable supply

Multi Purpose Station for Asko

Nel Hydrogen Solutions

Nel awarded contract with ASKO, Norway's largest grocery wholesaler with 600 trucks on Norwegian roads

- ASKO facility at Tiller, Trondheim, installation in 2017
- Locally produced renewable hydrogen from electrolysis
  - Will be tied to solar power from warehouse roof
  - First containerized turn-key C-150 electrolyser sold after launch on August 24th, 2016
- H2Station® with triple-fueling functionality:
  - Trucks
  - Forklifts
  - Cars



1st of 20 opened, next station in Bergen

Nel Hydrogen Solutions

- Official opening of 1st station on November 22nd 2016 at Kjørbo, the #1 HRS in Scandinavia
  - Supported by Enova & Akershus fylkeskommune
- Latest generation H2Station® with on-site hydrogen production from local PV solar power
- Payment by mobile phone app
- Avg. ~20 cars per week, total of ~550 Kg H2 sold

- Two additional H2Stations will be installed in key locations in the Bergen area during 2017
- Large fleet customers already engaged in the project:
  - Bergen kommune
  - Hordaland fylkeskommune
  - Bergen Taxi
- More than 20 Hyundai ix-35 hydrogen vehicles already ordered
- Supported by Enova

Official opening of the Kjørbo station on Nov. 22nd, 2016

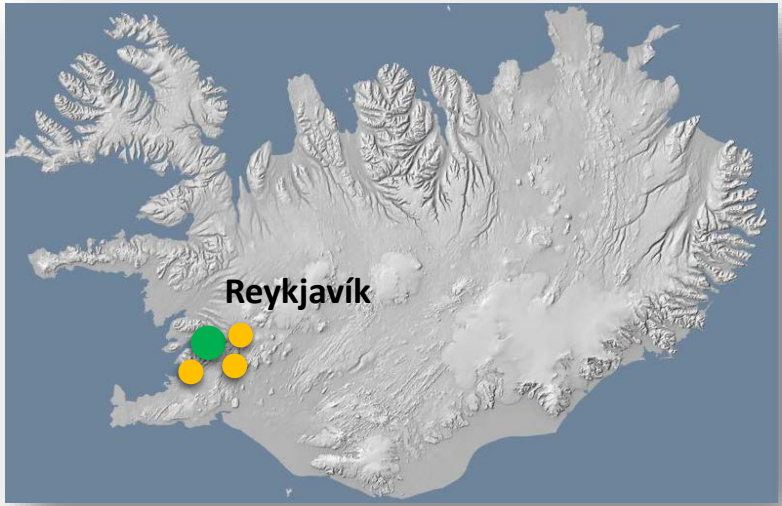
Three stations + an electrolyser to Iceland

Nel Hydrogen Solutions

Awarded contract by Icelandic Hydrogen for three H2Station® hydrogen fueling stations and one NEL C-series electrolyser

- Icelandic Hydrogen is the customer, JV between Nel and oil retail company Skeljungur
- Skeljungur 90% and Nel owns 10%
- Target to deliver first fueling station and electrolyser towards end of 2017
- Aim to expand the network along with FCEV deployments
- Total contract value EUR >4 million

Initial hydrogen network in Iceland



The hydrogen opportunity

Why now?

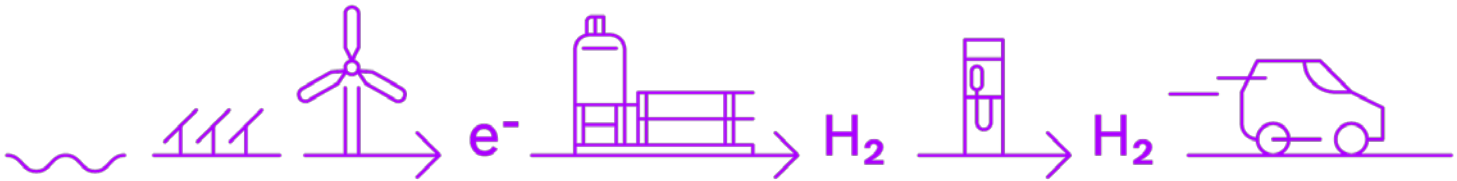
The hydrogen opportunity

Renewable electricity is becoming competitive & also creates new challenges

- Cheap renewable = cheap hydrogen, creating “fossil parity”
- Timing of supply/demand does not always match - hydrogen “bridges the gap”
  - Hydrogen solutions needed to realize full potential of renewable energy

Hydrogen cars are available and affordable

- High global focus on zero-emission transportation
  - Climate, environment, local energy security & health
- Big advances in cost/quality within hydrogen technology for automotive purposes
  - Majority of car manufacturers see hydrogen as the main breakthrough for electric/zero emission mobility



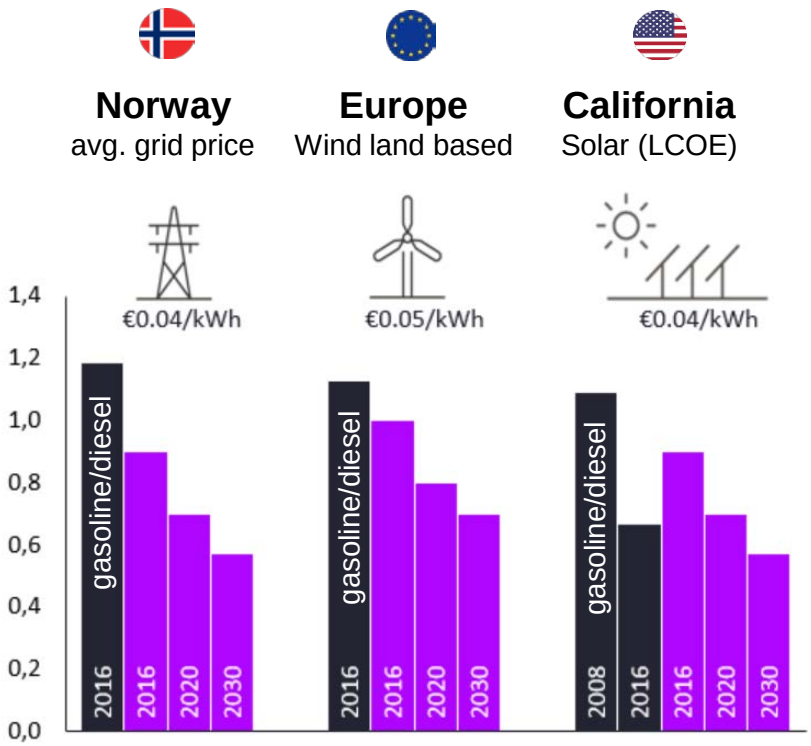
Renewable hydrogen has reached “fossil parity” in multiple markets

The hydrogen opportunity

Renewable hydrogen is set to out-perform gasoline on a cost basis, due to substantial cost reductions for renewables & hydrogen technologies

Assumptions:

- Pump price for hydrogen is converted to a €/litre equivalent
- Incl. both CapEx and OpEx without subsidies
- Electricity and gasoline prices incl. applicable energy taxes, excl. VAT
- **Capacity utilization makes the difference, assumes utilization of 70% on installed equipment**



Available and affordable

The hydrogen opportunity

- All major car manufacturers are deploying Fuel Cell Electric Vehicles (FCEVs)
- Hyundai, Toyota and Honda have already started FCEV sales & lease in California at affordable prices
- Additional car manufacturers are expected to launch FCEVs models in the coming years

$499/month lease
(incl. hydrogen)

HYUNDAI

$349/month lease
(incl. hydrogen)

TOYOTA

$369/month lease
(incl. hydrogen)

HONDA

From H2'17

Mercedes-Benz

Learn more at: www.toyota.com/fuelcell or www.hyundaiusa.com/tucsonfuelcell or http://automobiles.honda.com/clarity

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The automotive industry sees hydrogen as the most important fuel of the future

The hydrogen opportunity

78%

of executives absolutely or partly agree that FCEVs will be the real breakthrough for electric mobility

62%

of executives absolutely or partly agree that BEVs will fail due to infrastructure challenges

KPMG: Global Automotive Executive Survey 2017

..and is putting money behind their words: pledges USD 10.7 billion investment

The hydrogen opportunity

AIR LIQUIDE Creative Oxygen · ALSTOM · AngloAmerican · BMW GROUP · DAIMLER · ENGIE by people for people

HONDA · HYUNDAI · Kawasaki · THE LINDE GROUP · TOTAL · TOYOTA

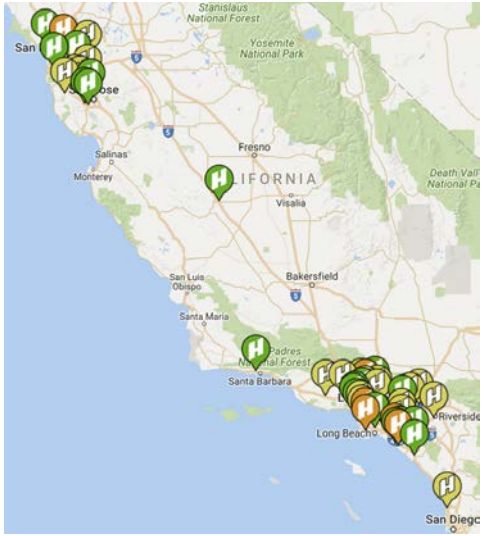
Market update for the US

California

Market update for the US

- Application submitted to California Energy Commission, allocation expected in Q1’17:
  - Grant Funding Opportunity (GFO) to reach 100 fueling stations by 2020
  - Current funding round to cover ~20 stations, for installation in 2017, strong operator interest
- Direct/indirect market penetration strategy, reducing risk:
  - **Direct**: established U.S. subsidiary Everfuel to apply directly, “feet on the ground” and intend to attract additional investors
  - **Indirect**: offer own leading H2Station® solutions to other GFO applicants, have received confirmation that operators have included Nel equipment in their proposal

Map of hydrogen stations in CA



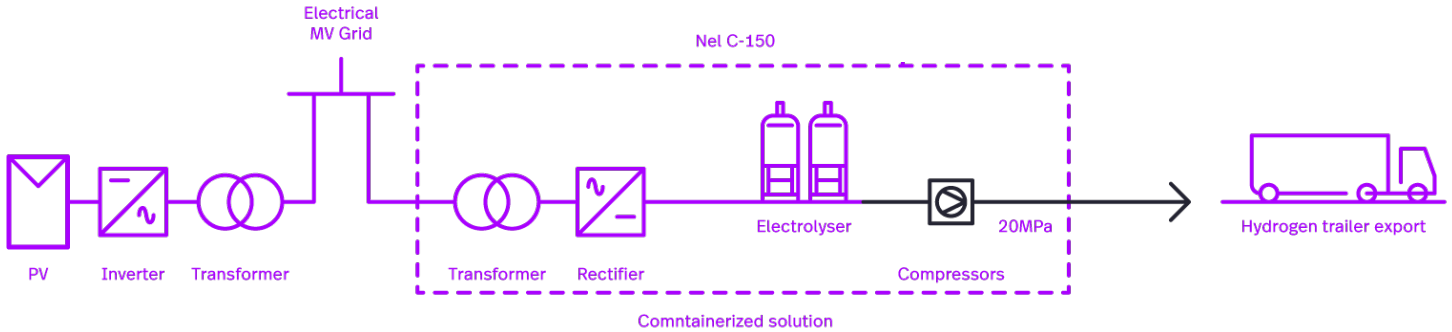
Green = open
Yellow = under construction

Source: California Fuel Cell Partnership

Partnership with SunPower

Market update for the US

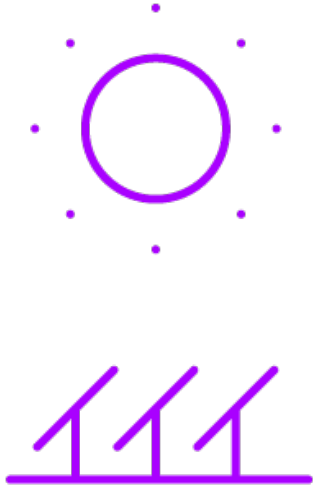
- Nel entered into a framework agreement with SunPower to construct and operate renewable hydrogen production tied directly to solar
  - First project of its kind in the U.S., located in California
- Will serve the local market with 100% TRUE renewable hydrogen, target H2’17
  - Plant can produce up to 120 metric tons per year
  - **Target to market the renewable hydrogen at the plant for $4/Kg**
- Experience gained will allow for deployment of significantly larger plants going forward



Significant market opportunity

Market update for the US

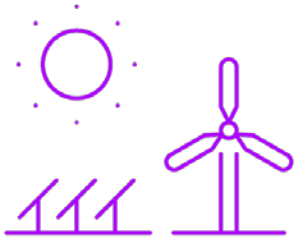
- **Already more than 1,000 hydrogen cars on the road in CA**
  - **Expected to increase to between 7,000-10,000 in 2017**
- Currently, no true renewable hydrogen being produced in the U.S.
  - California (CA) requires that at least 33% of the hydrogen for transportation is renewable
  - Today, covered by use of Carbon Credits, as the majority of the hydrogen being produced is based on natural gas
- Strong demand for TRUE renewable hydrogen



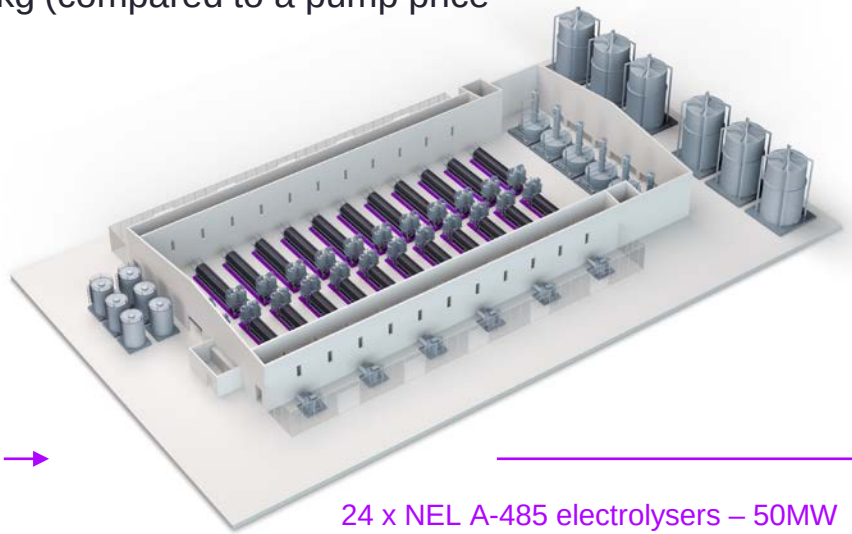
Hydrogen can be produced at a very competitive price from renewable

Market update for the US

Renewable power at <$50/MWh enables production of H2 at plant <$3.5/kg (compared to a pump price of $10-15/kg)



<$50/MWh



24 x NEL A-485 electrolysers – 50MW

<$3.5/kg

55.000 vars/year

1.000 buses/year

500 trucks/year

Heavy duty transportation opportunities


HY 10070


Denne bussen kjører på hydrogen


ASKO
ASKO


STILL
Fuel Cell


AMPERE
NORLED

New Norwegian Incentive Program

Heavy duty transportation opportunities

- Det er starten på slutten for fossil kjøring

Energiministeren og Enova innfører støtte til utslippsfrie varebiler og lastebiler for bedriftene. Miljøstiftelsen Zero sier dette er begynnelsen på slutten for fossil kjøring.

Hedvig Bjørgum
@nrkhedvig
Journalist

- MER OM **KLIMA OG MILJØ**
- MER OM **BIL OG MILJØ**
- MER OM **KLIMATOPPMØTET I PARIS**

Oppdatert 31.01.2017, kl. 15:52

Nikola One unveiled, Nikola Two announced

Heavy duty transportation opportunities

Class 8 hydrogen truck unveiled December 1st 2016

- Up to 1,900 km range
- 100 kg onboard hydrogen storage & 320 kWh battery
- Surpassed $4 billion in pre-orders
- Norwegian orders:
  - Tine, Tenden Transport, VT Gruppen, Per E. Kristiansen
- Will build a network of 364 stations across the U.S. and Canada, and provide renewable hydrogen at $3.5/kg

Nikola One

Nikola Two

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Hydrogen ferry project

Heavy duty transportation opportunities

Nel part of the Norwegian project “HYBRIDskip”

- Purpose of project: establish knowledge base for longer journeys/operational times in bigger vessels, based on battery and hydrogen technology
  - Target to realize a hybrid-ferry in operation by 2020
- Nel role: provide information on fueling/bunkering, techno-economical analysis and safety considerations
- Other partners: Fiskerstrand Holding, AS, Fiskerstrand Verft AS, Multi Maritime AS, Stiftelsen SINTEF, Hexagon Raufoss ASA, DNV GL, Sjøfartsdirektoratet, Direktoratet for Samfunnsikkerhet og Beredskap (DSB), Møre og Romsdal Fylkeskommune

Fiskerstrand FV Hydrogen powered – Zero emission

Scandinavian Powerhouse on Hydrogen

Heavy duty transportation opportunities

The hydrogen specialists in Scandinavia join forces to create a JV, taking advantage of world-leading hydrogen technology and competence

Leading company on hydrogen production and fueling technologies

Leading company on composite hydrogen storage solutions

Leading company on fuel cell technology

- The JV will be a one-stop-shop for world-class hydrogen solutions tailored for selected emerging, high growth hydrogen energy markets

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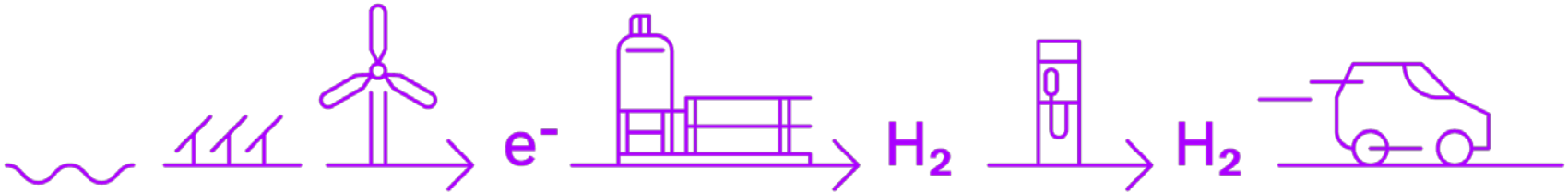
Summary/outlook

Summary

1. At Nel we deliver solutions to ensure the success of hydrogen
2. Hydrogen already competitive with fossil fuels, and has reached “fossil parity” in numerous markets
3. Hydrogen cars are available and affordable
4. Hydrogen can be used in every form of transportation
   - The larger, longer, heavier - the more relevant hydrogen will be



Strong position, large opportunities

Nel is at the forefront of the hydrogen industry, pure play company with market leading technology, strong management team, solid balance sheet and positioned to play a leading role in a fast moving industry

Nel Hydrogen Electrolyser

- All time high level of sales leads, both in traditional and new markets
- Strong interest for containerized turn-key solution

Nel Hydrogen Fueling

- Ramp-up of H2Station® production 2017, launch of a multipurpose hydrogen fueling station
- New Herning facility on budget

Nel Hydrogen Solutions

- Well-positioned in Californian, both related to fueling stations and renewable hydrogen production
- Development of the first renewable hydrogen production plant with SunPower Corp.
- JV with Hexagon and PowerCell for development of integrated hydrogen projects

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Q&A

Appendix: Profit and loss

(NOK million)	Q4 2016	Q4 2015	2016	2015
Operating revenue	50.6	35.6	114.5	99.9
Operating costs	66.6	40.9	169.8	118.2
EBITDA	-13.1	-1.2	-44.9	-2.7
EBIT	-16.0	-5.4	-55.3	-18.3
Pre-tax profit	-24.1	-16.1	-62.6	-27.8
Net profit	-18.5	-12.7	-55.8	-21.7
Total comprehensive income	-14.7	3.6	-73.0	-1.5

Appendix: Balance sheet

(NOK million)	Q4 2016	Q4 2015
Fixed assets	464.5	435.0
Current assets	300.0	380.7
-of which is cash and cash equivalents	225.5	313.0
Equity	673.7	721.0
Long term liabilities	13.1	14.6
Short term liabilities	63.5	49.0
Total balance	764.5	815.7
Equity ratio (%)	88.1%	89.6%

Appendix: Cash flow

(NOK million)	Q4 2016	Q4 2015
Pre-tax profit (loss)	-24.1	-18.8
Net cash from operations	11.0	-14.1
Net cash from investments	-9.2	-0.1
Net cash from financing	0.0	102.4
Net change in cash and cash equivalents	1.8	88.2
Cash at end of period	225.5	313.0