

Q3 2019

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1. Q3 highlights
2. Nel in brief
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5. Industry updates
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Financial results and financing

- Revenues of NOK 149 million in Q3'19, compared to NOK 116 million in Q3'18
 - All time high, 28% growth q-o-q
 - In line with company outlook
- All-time high pipeline of tenders and projects across segments
- Solid order backlog of NOK 575 million (all time high) at end of Q3'19
 - Up ~58% y-o-y
- Adjusted EBITDA of negative NOK 17.9 million
- Cash balance of NOK 651 million (Q3'18: 434)

Operations and sales

- Launched new product, the A1000 alkaline electrolyser
- Closed agreements with Everfuel and signed an exclusive sales and service agreement
- Proposed for USD 2 million funding on project for fueling of Heavy-Duty hydrogen vehicles with Nikola
- Agreement with Yara to develop a green and efficient ammonia and fertilizer production based on a next generation pressurized alkaline electrolyser
- PO for two H2Station® hydrogen fueling stations in Korea, EUR ~2.7 million
- Secured new manufacturing location in Herøya Industrial Park, allowing for more than 1 GW/year capacity
- Contract for delivery of a 3.5 MW alkaline electrolyser, ~USD 4 million
- Awarded grant from Enova of NOK 9.3 million for development of an advanced pilot production line for electrolyzers

Financial highlights

Nel ASA Q3 2019

(NOK million)	2019 Q3 Adj*	2019 Q3	2018 Q3	2019 Q2	2018	2017
Operating revenue	148.9	148.9	116.0	122.5	489.0	302.2
Total operating expenses	186.3	197.3	182.2	228.7	685.1	419.4
EBITDA	-17.9	-28.9	-53.3	-72.6	-131.6	-77.4
EBIT	-37.4	-48.4	-66.3	-90.7	-196.1	-117.2
Pre-tax loss	-23.2	-35.3	-67.4	-94.7	-197.5	-124.4
Net loss	-21.4	-33.4	-65.5	-92.8	-189.0	-52.4
Net cash flow from operating activities	-31.2	-31.2	-37.4	-81.4	-142.6	-113.0
Cash balance at end of period**	651.0	651.0	434.1	697.7	349.7	295.0

* Non-recurring and ramp-up costs of NOK 11.0 million has been booked in the quarter.

Mainly related to start-up costs of the activities in South Korea and California, ramp-up activities related to factory expansion at Herøya and legal costs. In addition, non-cash costs related to the group's share option program of NOK 2.8 million was booked in the quarter.

Nel in brief

Nel ASA

- Pure play hydrogen technology company listed on the Oslo Stock Exchange (NEL.OSE) w/~23,000 shareholders
- Manufacturing facilities in Norway, Denmark, and U.S., and a global sales network
- World's largest electrolyser manufacturer, with >3 500 units delivered in 80+ countries since 1927
- World leading manufacturer of hydrogen fueling stations, with ~50 H2Station® solutions delivered to 9 countries



Alkaline and PEM electrolyzers

Converting water and electricity to hydrogen and oxygen – for industry, mobility and energy purposes



Compact hydrogen fueling stations

Hydrogen fueling stations capable of fueling any kind of vehicle. World's most compact – simple to integrate with other fuels & standardized

Strong field know-how & manufacturing capacity

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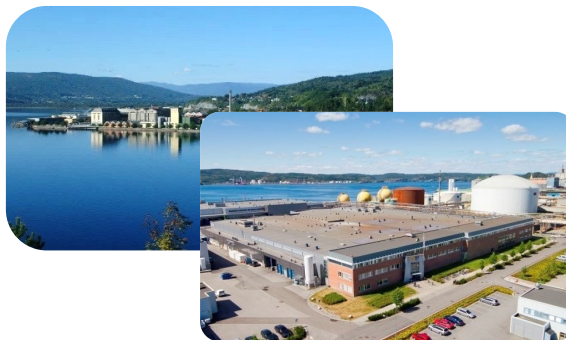
Wallingford, USA

PEM electrolyzers

2 700+ systems delivered

Production capacity:

>40MW/year



Notodden/Herøya, Norway

Alkaline electrolyzers

800+ systems delivered

Production capacity:

40 MW/year

→ 360 MW/year (> 1 GW/year)



Herning, Denmark

Hydrogen refuelling stations

50+ stations delivered

Production capacity:

300 HRS/year

Key developments

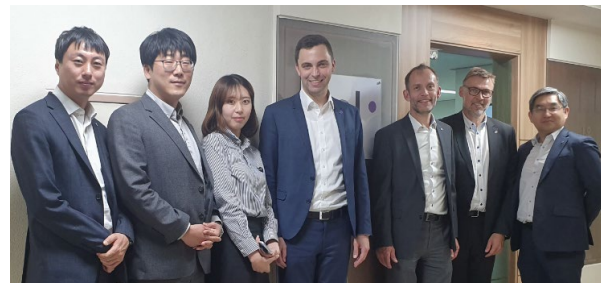
Received additional purchase orders for H2Stations in Korea & invests in HyNet

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Key developments

Breakthrough for the Nel hydrogen fueling solutions in the Korean market

- National target in Korea of 310 hydrogen stations by 2022
- Nel Korea has received following purchase orders in 2019:
 - 2 H2Station® from Gangwon Technopark (Q1-19, ~2.8 MEUR)
 - 6 H2Station® from KOGAS-Tech (Q2-19, ~8 MEUR)
 - 2 H2Station® from HyNet (Q3-19, ~2.7 MEUR)
- Nel made investment of ~0.8 MEUR into HyNet, a special purpose company for expanding the Korea's hydrogen infrastructure
 - HyNet aims to establish 100 hydrogen stations in Korea by 2022, as a part of the national targets



Nel Korea fully established with local office in Gangnam, Seoul & taking active part in the Korean hydrogen development

Establishes consortium to deploy 600 H2-buses & closes agreements on Everfuel

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Key developments

Hydrogen industry leaders establishing consortium to commercialize hydrogen buses in Europe

- Nel, Hexagon Composites, Ballard Power Systems, Ryse Hydrogen, Everfuel and Wrightbus are part of the H2Bus Consortium
- Members are committed to deploying 600 hydrogen fuel cell electric buses, along with supporting infrastructure, in European cities at commercially competitive rates
- Closed agreement with Everfuel as an owner/operator of infrastructure for busses throughout Europe
 - Nel minority investor into Everfuel
- Nel signed equipment sales and service contract with Everfuel with a potential value up to EUR 100 million



Nel and Nikola proposed for USD 2 million award

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Key developments

Nel and Nikola = Hydrogen @Scale

- Selected by the Department of Energy (DOE) on a proposed USD 2 million funding for continued development of the hydrogen station technology together with Nikola
- Target to further develop the H2Station® technology to better cater for Heavy-Duty vehicles through greater capacity and cost reductions
- Nikola and Nel continue the work to define details in longer-term station roll out plan, hope to return soon with more details
- Nikola currently has 14 000+ trucks in pre-orders



Nikola Two and Nikola fueling station, Photos: Nikola

Signs collaboration agreement with Yara on green fertilizer project

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Key developments

Landmark project on green fertilizer initiated

- Project for developing next generation green (renewable) ammonia and fertilizer production supported by the PILOT-E program
- Nel role in project: developing next generation alkaline electrolyser
 - Tailored for large scale hydrogen production for industrial applications w/direct connection to renewables
 - Development targets: lower unit cost, higher level of flexibility, higher pressure, lower footprint, equal efficiency to current Nel electrolyzers
 - Electrolyser for pilot plant will have a capacity of ~5MW
 - Will supply equal to ~1% of hydrogen needed by Yara at Herøya facility
- Ammonia represents >50% of hydrogen market, currently based on fossil sources – significant market opportunity for electrolysis

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Jon André Løkke, CEO in Nel and Tove Andersen, EVP Production in Yara signing the collaboration agreement. Photo: Yara

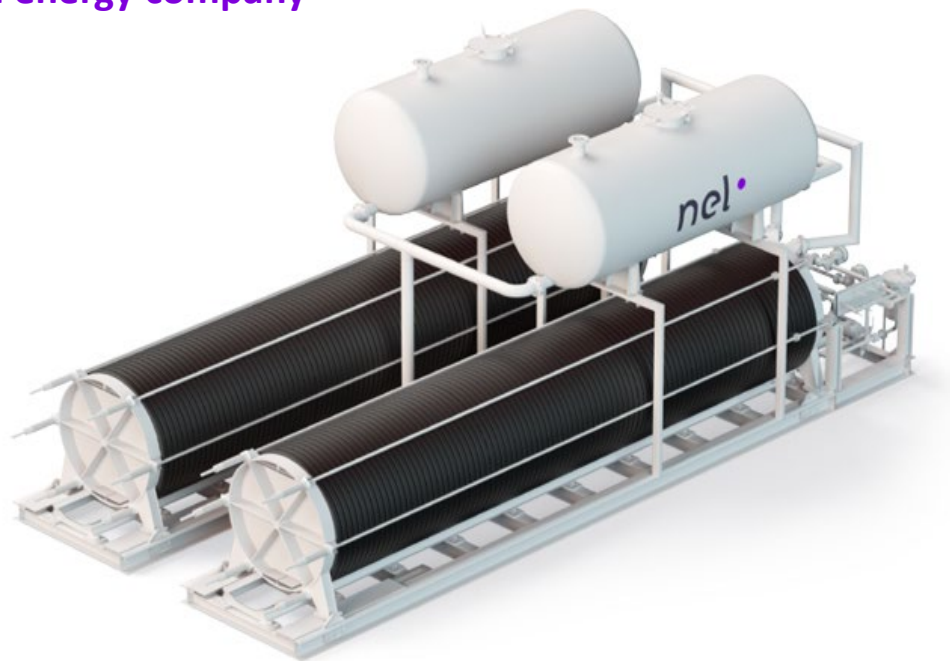
Contract for delivery of a 3.5 MW alkaline electrolyser

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Key developments

Delivering electrolyser to large, international energy company

- Scheduled to be installed during 2020
- Contract value of approximately USD 4 million
- More information to follow early 2020



Capacity expansion

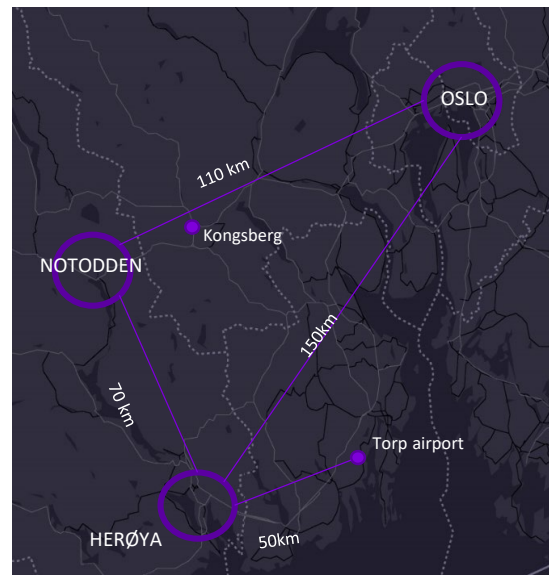
Secured ideal location for large scale manufacturing at Herøya

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Capacity expansion

Alkaline electrolyser manufacturing plant with possibility to grow beyond 1 GW/year

- Herøya secured as location for manufacturing:
 - Industrial park w/state-of-the-art infrastructure already in place
 - Closer proximity to harbor and Yara
 - Initial target capacity: 360 MW/year
 - Opportunities for scaling up beyond 1 GW/year in existing facilities
- Notodden continues as main location for remaining functions:
 - Technology development, engineering, etc.
 - Proximity to leading engineering competence (Notodden, Kongsberg)



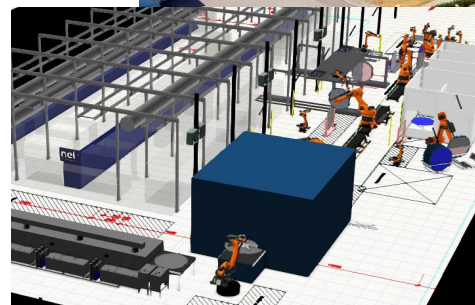
Awarded grant for development of more advanced production line at Herøya

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Capacity expansion

Awarded grant of NOK 9.3 million from Enova for advanced production line

- Nel is establishing the world's largest, automated electrolyser production line (initial target of 360 MW/line)
- Grant awarded for increasing the level of advances made, from concept to full-scale production line
- Engineering/development until end of 2019, potential execution as part of expansion in Herøya
 - Fully automated chemical line as well as robot-centers
 - New line will significantly reduce production cost, lower energy consumption and further increase electrolyser efficiency



Fully automated
chemical line and
robot-cells

The new manufacturing facilities are located in Herøya Industrial Park, in a 15 000m² building in one of the largest industry parks in Norway

Industry updates

IVECO and Nikola partnering in the European fuel cell Heavy-Duty Truck market

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Key developments

CNH new Nikola shareholder following D-round equity raise

- CNH invests USD 250 million in D-round
 - Pre-money valuation of USD 3 billion
- IVECO and FPT Industrial, brands of CNH Industrial, will assist in engineering and manufacturing expertise to industrialize Nikola's fuel-cell and battery electric trucks
 - Partnership will benefit several trucks, among these Nikola Tre, a European compliant cab-over Heavy-Duty Truck
- Nikola will contribute technologies for a European joint venture with CNH Industrial that will include class-leading fuel-cell expertise
 - Nikola plans to leverage IVECO's European sales, service and warranty channels to accelerate access to the European market



Nikola Tre, Photo: Nikola

Strong global Q3 newsflow within hydrogen mobility

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Industry updates



Photos from top left: Toyota, BMW, CaetanoBus, Renault, Hyundai and Komatsu

Hydrogen as key energy carrier for mobility solutions – Latest initiatives and launches include:

- **Cars**
 - BMW Hydrogen NEXT
 - New Toyota Mirai
- **Bus**
 - CaetanoBus (Portugal) with Toyota technology
 - VanHool Exqui.City 18, awarded the Grand Award Bus at Busworld
- **Van**
 - Renault Kangoo vans (ZE Hydrogen)
 - Renault Master vans (ZE Hydrogen)
- **Truck**
 - Nikola Tre / IVECO
 - Hyundai Xcient
- **Other mobility segments**
 - Hydrogen mining truck
 - Most top mining companies have ambitions targets to reduce CO₂¹⁾

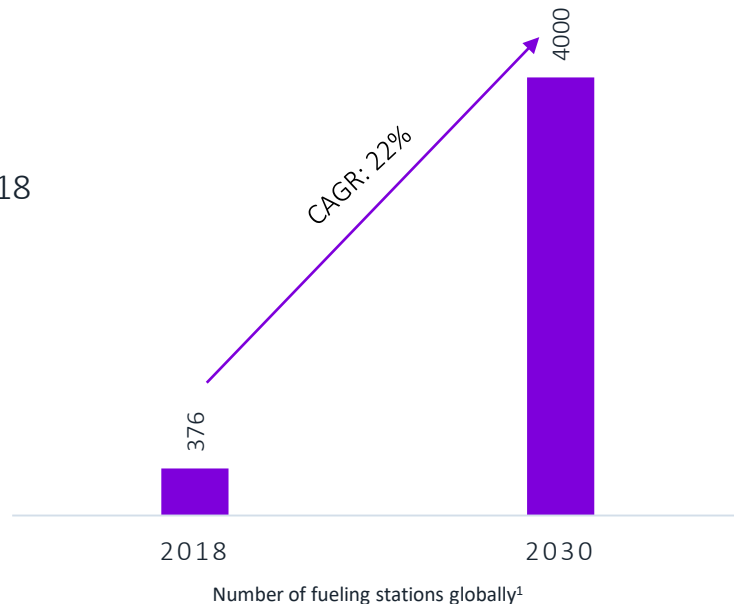
IEA expects strong growth in hydrogen mobility towards 2030

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Industry updates

Number of fuel cell electric vehicles are set to grow by 223x by 2030, stations by >10x

- Global numbers of fuel cell electric vehicles (FCEV) expected to increase from 11 200 at the end of 2018 to 2.5 million units by 2030 according to IEA (International Energy Agency)
- In addition, a fleet of close to 30 000 forklifts operating in 2018
- China, US. Japan and Korea is currently expected to drive the growth
 - Car, bus, truck, delivery vans, etc.
- Growth of FCEV, drives growth in fueling stations



Major new hydrogen initiatives from the leading car manufacturers

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Industry updates

Hydrogen electric solutions highlighted at Frankfurt and Tokyo motor shows



BMW Hydrogen NEXT, to be launched in 2022



Next generation Toyota MIRAI, to be launched in 2020

Let's compare apples with apples

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Industry updates

Due to scaling effects, BEVs and FCEVs will co-exist for a 100% electrification

Batteries cheapest <200km range
Hydrogen cheapest >200km range

Technology price & performance =
future best case for both technologies



	Fuel Cell Electric Vehicle			Battery Electric Vehicle		
Fueling time	3-5 min			>40 min.		
Driving range	1.000km	600km	200km	1.000km	600km	200km
H2 tank / battery size	8kg	5kg	1,6kg	150kWh*	100kWh	22kWh
Base vehicle price*	€20.000	€20.000	€20.000	€20.000	€20.000	€20.000
Battery, fuel cell & H2 tank cost	€4.000	€3.500	€2.400	€13.500	€9.000	€2.000
Total vehicle price	€24.000	€23.500	€22.400	€33.500	€29.000	€22.000

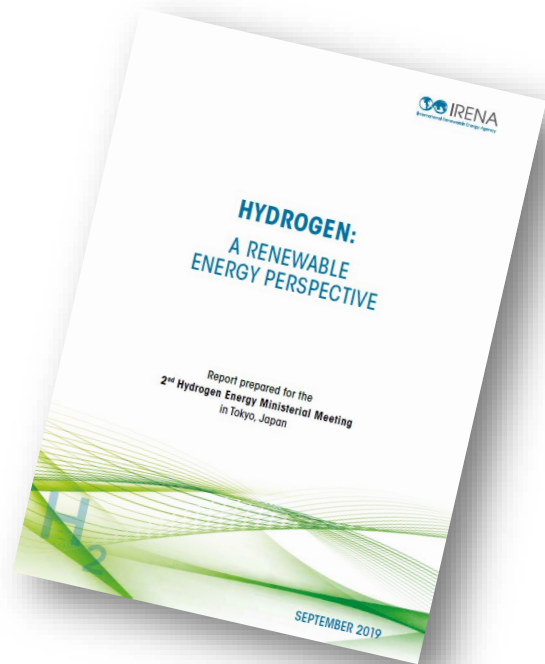
*EU CONCAWE C-Segment vehicle
Figures rounded for simplicity

55kW fuel cell @ €27/kW - US DOE target
1kWh hybrid battery @ €525/kWh
€240/kg H2 storage - US DOE target

€90/kWh battery price - US DOE target
*if using today's Model S as reference, would need ~170 kWh

Demand for renewable H₂ can trigger a demand for 4 – 16x current global solar & wind capacity

- International Renewable Energy Agency (IRENA) estimates green hydrogen could translate into 5 - 16% of global energy consumption by 2050^{1,2}
- Will need to install ~10-times the amount of wind and solar until 2050 compared to all installations to date
 - I.e. 4 - 16 terawatts (TW) of solar and wind generation capacity to be deployed for hydrogen-based products until 2050 vs.
 - Today's total installations of 1 TW of solar and wind power capacity



Summary/Outlook

Creating a rapidly growing billion NOK company

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Levering on the arising opportunities within energy storage and hydrogen fueling

Global presence

World-class safety

Strong financing

Cost leadership

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Preferred partner

Technology front-runner

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- Ongoing growth initiatives and focus on long term high value orders will have a negative impact on Nel's ability to deliver positive EBITDA in the short term
 - Continued development of state-of-the art safety solutions and processes
 - Development of x10 electrolyser factory expansion to support deliveries to Nikola and other customers
 - Leveraging the fast-growing Heavy-Duty vehicle opportunities
 - Developing next generation electrolyser technology for industrial applications, such as ammonia, refineries, etc.
 - Significant tender activities for larger projects for electrolyzers and H2Stations

number one by nature

Q&A

IR analytics

Market Cap

NOK (billion)

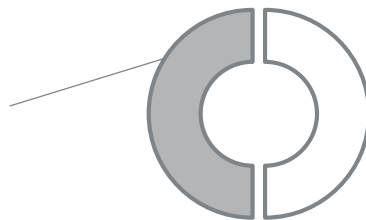
~9.9

Investor base

>23 000 investors

Top 20

investors own
~50%
of the shares



Shares

YTD November 6, 2019

+75%

Daily average turnover
of NOK (million)

~140

Financial calendar

March 5, 2020,
Q4 2019 presentation

Roadshow

Brussels - Nov 20, 2019
Stuttgart– Nov 27, 2019
Frankfurt– Nov 27, 2019
Dublin - Nov 28, 2019
London – Dec 12, 2019



Analyst coverage

- Jonas Meyer – SB1
- Karl-Johan Molnes –Norne Securities
- Mikkel Nyholt – Carnegie
- Daniel Stenslet – Arctic Securities