Nel ASA

(A public limited liability company organized under the laws of Norway)
Org.no. 979 938 799

Subsequent Offering of up to 10,840,109 Offer Shares
Subscription Price: NOK 18.45 per Offer Share
Subscription Period: From 10 September 2020 to 21 September 2020 at 16:30 CET

Listing on Oslo Børs of up to 10,840,109 shares being offered in the Subsequent Offering (the "Offer Shares"), all with a nominal value of NOK 0.20 per share.

NEL ASA (the "**Company**" and together with its subsidiaries the "**Group**" or "Nel"**)** completed a private placement (the "**Private Placement**") of 70,460,705 new shares (the "**Private Placement Shares**") on 15 June 2020. The Private Placement Shares represented less than 20% of the total issued shares of the Company, and was therefore exempt from the listing prospectus requirements. Following the Private Placement, the Company is offering up to 10,840,109 Offer Shares in the Company with a nominal value of NOK 0.20 each at a subscription price of NOK 18.45 per Offer Share (the "**Offer Price**") in a subsequent offering (the "**Subsequent Offering**") to Eligible Shareholders (as defined below). Holders of the Company's shares as of 15 June 2020, as registered in the Norwegian Securities Depository (the "**VPS**") as of 17 June 2020 pursuant to the ordinary two days' settlement procedure (the "**Record Date**") (the "**Existing Shareholders**") and who were not allocated shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or (for jurisdictions other than Norway) would require any prospectus, filing, registration or similar action (the "**Eligible Shareholders**") are on the terms and conditions of this Prospectus being granted non-tradable subscription rights (the "**Subscription Rights**") that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Offer Price. Eligible Shareholders will be granted 0.00832 Subscription Rights for each Share held as of the Record Date. The number of Subscription Rights granted to each Eligible Shareholder will be rounded down to the nearest whole Subscription Right. Each Subscription Right will give the right to subscribe for, and be allocated one (1) Offer Share rounded down to the nearest whole share, subject to applicable securities laws. Over-subscription will be permitted; but there can be no assurance that Offer Shares will be allocated for such subscriptions. Subscription without Subscription Rights will not be permitted. The subscription period commences on 10 September 2020 and expires on 21 September 2020 at 16:30 CET (the "**Subscription Period**").

Subscription Rights that are not used to subscribe for Offer Shares before expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

Assuming due payment of the Offer Shares subscribed for and allocated in the Subsequent Offering, delivery of the Offer Shares in the VPS is expected to take place on or about 2 October 2020. The Company's issued and outstanding shares are referred to as "**Shares**", which unless the context indicates otherwise also cover the Private Placement Shares and the Offer Shares.

The Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares in any jurisdiction outside Norway. The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers of the Offer Shares (pursuant to the exercise of Subscription Rights or otherwise) may lawfully be made. For more information regarding restrictions in relation to the Subsequent Offering pursuant to this Prospectus, please see section 16.

Investing in the Company's Shares, including the Offer Shares involves risk. See section 2 "Risk Factors".

Managers:

ARCTIC SECURITIES | Carnegie | SpareBank 1 Markets

9 September 2020

IMPORTANT INFORMATION

For the definitions of terms used throughout this prospectus (the “**Prospectus**”), see section 17 “Definitions and Glossary of Terms”.

This Prospectus has been prepared in connection with the Subsequent Offering and the listing of the Offer Shares. This Prospectus has been prepared solely in the English language.

The Company has engaged Carnegie AS, Arctic Securities AS and SpareBank 1 Markets AS as managers in the Subsequent Offering (the "**Managers**").

The Company has furnished the information in this Prospectus. This Prospectus has been prepared in order to provide information about Nel ASA and its business in relation to the Subsequent Offering, and in order to comply with the Norwegian Securities Trading Act of June 29, 2007 no. 75 (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the “**Prospectus Regulation**“).

This Prospectus has been approved by the Financial Supervisory Authority of Norway (the “**Norwegian FSA**“), as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

All inquiries relating to this Prospectus should be directed to the Managers or to the Company. No other person has been authorized to give any information, or make any representation on behalf of the Company in connection with the issuance and listing of the Offer Shares, and if given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Managers.

The information contained herein is as of the date of this Prospectus and subject to change, completion and/or amendment without notice. There may have been changes affecting Nel subsequent to the date of this Prospectus. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistake or material inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares, including the Offer Shares, arising after the publication of this Prospectus and before the Offer Shares are listed on Oslo Børs, will be published and announced promptly as a supplement to this Prospectus. Neither the delivery of this Prospectus nor the completion of the listing of the Offer Shares at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

The contents of this Prospectus shall not be construed as legal, business or tax advice. None of the Company or the Managers, or any of their respective employees, affiliates or advisors, is making any representation to any offeree or subscriber of the Offer Shares or regarding the legality of an investment in the Offer Shares by such offeree or subscriber under the laws applicable to such offeree or subscriber. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If any person is in any doubt about the contents of this Prospectus, it should consult its stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Prospectus and subscription for Offer Shares in the Subsequent Offering may be restricted by law in certain jurisdictions. The Company and the Managers require persons in possession of this Prospectus, in possession of Subscription Rights, or who are considering to subscribe for Offer Shares, to inform themselves about, and to observe, any such restrictions. This Prospectus does not constitute an offer of, or an invitation to subscribe or purchase, any of the Offer Shares in any jurisdiction in which such offer or subscription or purchase would be unlawful. No person has taken any action that would permit a public offering of the Offer Shares to occur outside of Norway. In addition, the Offer Shares may in certain jurisdictions be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Furthermore, the restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to the Subsequent Offering and/or the Prospectus that are not known or identified by the Company or the Managers at the date of this Prospectus may apply in various

jurisdictions as they relate to the Prospectus. For further information on certain applicable selling and transfer restrictions, see section 16 “Selling and transfer restrictions” of this Prospectus.

The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**“) or with any security regulatory authority of any state or other jurisdiction in the United States. This Prospectus has not been approved nor reviewed by the US Securities and Exchange Commission and is not for general distribution in the United States. Accordingly, the securities described in the Prospectus may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act and in compliance with any applicable state securities laws.

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association.

This Prospectus and the terms and conditions of the Subsequent Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

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1. EXECUTIVE SUMMARY

1.1 INTRODUCTION AND WARNINGS

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's Shares involves inherent risk and the investor could lose all or part of its invested capital.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Name of securities	NEL (ticker: NEL)
ISIN	NO 0010081235
Issuer	Nel ASA
Issuer's office address	Karenslyst allé 20, N-0278 Oslo
Issuer's postal address	PB: 199 Skøyen, N-0212 Oslo
Issuer's LEI (Legal Entity Identifier)	549300G6XN5IXMRKEG37
Issuer's phone number	+47 971 79 821 (IR contact)
Issuer's e-mail	bjorn.simonsen@nelhydrogen.com (IR-contact)
Issuer's website	http://www.nelhydrogen.com/ Note that the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus
The competent authority approving the Prospectus	The Financial Supervisory Authority of Norway *(Nw.: Finanstilsynet)*
Visiting address, the Financial Supervisory Authority of Norway	Revierstredet 3, 0151 Oslo
Postal address, the Financial Supervisory Authority of Norway	Postboks 1187 Sentrum 0107 Oslo
E-mail, the Financial Supervisory Authority of Norway	post@finanstilsynet.no
Date of approval of this Prospectus	9 September 2020

1.2 KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Nel ASA is a public limited liability company (allmennaksjeselskap), governed by the Norwegian Public Limited Companies Act, with company registration number 979 938 799 and Legal Entity Identified (LEI) 549300G6XN5IXMRKEG37. The Company is incorporated and organized under the laws of Norway.

Nel ASA is a global hydrogen technology company, delivering solutions to produce, store and distribute hydrogen from renewable energy. The Company serves industry, energy and gas companies with advanced hydrogen technologies, and offers solutions covering key elements in the value chain, , enabling industries to transition to green hydrogen, as well as providing fuel cell electric vehicles ("FCEVs") with refueling time and range comparable to conventional vehicles today, without the emissions.

As a manufacturer of water electrolysers for hydrogen production, Nel's primary end market has historically been the industry sector, driven by applications where hydrogen is used as an input factor. However, the Company through its subsidiaries has since the early 2000s also gained experience with hydrogen for energy applications, and is currently specialized within hydrogen electrolysers and hydrogen (re)fueling stations (HRS).

As of 28 August 2020, the Company had 26,244 shareholders. The following table shows an overview of the Company's 20 largest shareholders as recorded in the shareholder's register of the Company with the VPS as of 28 August 2020, the last practical date prior to the date of this Prospectus.

Name	**Number of shares**	**Percentage (%)**
CLEARSTREAM BANKING S.A.	613 543 758	43.8 %
FOLKETRYGDFONDET	29 458 393	2.1 %
JPMorgan Chase Bank, N.A., London	21 918 520	1.6 %
SIX SIS AG	20 984 936	1.5 %
The Bank of New York Mellon SA/NV	20 349 025	1.5 %
UBS Switzerland AG	18 898 033	1.3 %
Nordnet Bank AB	18 636 824	1.3 %
State Street Bank and Trust Comp	18 392 594	1.3 %
Avanza Bank AB	12 780 317	0.9 %
State Street Bank and Trust Comp	12 773 300	0.9 %
JPMorgan Chase Bank, N.A., London	12 253 563	0.9 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	10 053 671	0.7 %
NORDNET LIVSFORSIKRING AS	9 904 399	0.7 %
KLP AKSJENORGE INDEKS	9 338 792	0.7 %
JPMorgan Chase Bank, N.A., London	8 798 283	0.6 %
STOREBRAND NORGE I VERDIPAPIRFOND	7 888 942	0.6 %
Nordea Bank Abp	7 330 845	0.5 %
VERDIPAPIRFONDET STOREBRAND	7 180 741	0.5 %
J.P. Morgan Bank Luxembourg S.A.	6 962 954	0.5 %
Danske Bank A/S	6 890 616	0.5 %

As of 28 August 2020, the following shareholder owns or controls more than 5% of the issued share capital in the Company:

- Clearstream Banking S.A. (43.78%), which is a nominee account

As of 28 August 2020, Clearstream Banking S.A. has in principle negative control of the Company due to its 43.78% shareholding in the Company.

To the knowledge of the Company, no person, entity or group directly or indirectly controls the issuer to such extent that special measures are considered necessary to ensure that abuse of such control does not take place.

Following completion of the Subsequent Offering, the Company is not aware of any persons or entities who, directly or indirectly, joint or severally, will exercise or could exercise control over the Company other than Clearstream Banking S.A. (nominee account) as illustrated above. The Company is not aware of any other arrangements which may at a subsequent date result in a change of control in the Company.

The Company's management team consists of ten individuals. The names of the members of the Management and their respective positions are presented in the table below.

Name	Position	Business address:
Jon André Løkke	Chief Executive Officer	Karenslyst allé 20, 0278 Oslo, Norway
Kjell Christian Bjørnsen	Chief Financial Officer	Karenslyst allé 20, 0278 Oslo, Norway
Bjørn Simonsen	VP Investor Relations & Corporate Communications	Karenslyst allé 20, 0278 Oslo, Norway
Anders Søreng	Chief Technology Officer	10 Technology Drive, Wallingford, CT USA
Filip Smeets	SVP Nel Electrolyser Division	Heddalsveien 11, 3674 Notodden
David T. Bow	SVP Corporate Business Development	10 Technology Drive, Wallingford, CT USA
Jørn Rosenlund	SVP Nel Hydrogen Fueling	Industriparken 348, 7400 Herning, Denmark
Raluca Leordeanu	VP Business Development	Karenslyst allé 20, 0278 Oslo, Norway
Hans H. Hide	SVP Projects	Karenslyst allé 20, 0278 Oslo, Norway
Stein Ove Erdal	VP Legal and General Counsel	Karenslyst allé 20, 0278 Oslo, Norway

The Company's auditor since November 11, 2000 has been Ernst & Young AS. The address of Ernst & Young AS is Oslo Atrium, Box 20, N – 0051 Oslo. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants.

What is the key financial information regarding the issuer?

Consolidated statement of profit or loss

	Three-month period ended 30 June		Six-month period ended 30 June		Year ended 31 December		
In NOK thousands	2020 (IAS 34)	2019 (IAS 34)	2020 (IAS 34)	2019 (IAS 34)	2019 (IFRS)	2018 (IFRS)	2017 (IFRS)
Revenue	148,555	122,542	275,082	244,947	569,707	489,049	302,220
Operating loss	-72,026	-90,728	-158,941	-142,752	-253,595	-196,061	-117,162
Net income (loss)	596,436	-92,831	593,205	-144,172	-269,710	-188,827	-52,447
Year on year revenue growth	21.2%		12.2%		16.5%	61.8%	
Operating margin	-48.5%	-74.0%	-57.8%	-58.3%	-44.5%	-40.1%	-38.8%
Net profit margin	n.m.	-75.8%	n.m.	-58.8%	-47.3%	-38.6%	-17.4%
Earnings per share (Basic)	0.45	-0.08	0.45	-0.12	-0.22	-0.18	-0.06

Consolidated statement of financial position

	As of 30 June	As of 31 December		
In NOK thousands	2020 (IAS 34)	2019 (IFRS)	2018 (IFRS)	2017 (IFRS)
Total assets	5,453,333	2,430,673	1,944,401	1,764,823
Total equity	4,751,169	1,846,618	1,578,978	1,409,387
Net financial debt	-2,533,380	-404,218	-317,721	-288,462

Consolidated statement of cash flow

	Three-month period ended 30 June		Six-month period ended 30 June		Year ended 31 December		
In NOK thousands	**2020 (IAS 34)**	**2019 (IAS 34)**	**2020 (IAS 34)**	**2019 (IAS 34)**	**2019 (IFRS)**	**2018 (IFRS)**	**2017 (IFRS)**
Net cash flow from operating activities	-54,060	-81,723	-62,849	-113,183	-209,228	-142,820	-113,018
Net cash flow from investing activities	-18,562	-27,433	-135,347	-48,569	-134,118	-143,458	-219,272
Net cash flow from financing activities	1,419,762	63,576	2,238,237	509,627	519,496	340,773	401,823
Net change in cash and cash equivalents	1,344,710	-45,564	2,040,086	347,904	176,235	54,747	69,533
Cash and cash equivalents at beginning of the period	1,221,358	743,216	525,982	349,747	349,747	295,000	225,467
Cash and equivalents at end of the period	2,566,068	697,651	2,566,068	697,651	525,982	349,747	295,000

What are the key risks that are specific to the issuer?

- Nel is exposed to risk related to technological change in a highly competitive energy market. There are risks associated with technological change, both related to technology elements within the field of hydrogen as well as technology elements outside hydrogen that potentially could make hydrogen less relevant for the future.
- Significant markets for fueling products, other hydrogen energy products or renewable energy as a major source for hydrogen production may never develop or may develop more slowly than the Company anticipates. This would significantly harm Nel's revenues and may cause Nel to be unable to recover the losses it has incurred and expect to incur in the development of its products.
- Problems with product quality or product performance, including defects in Nel's products, could result in a significant decrease in the number of customers and in revenues, significant unexpected expenses, and loss of market share.
- Nel relies upon intellectual property and trade secret laws and contractual restrictions to protect important proprietary rights, and, if these rights are not sufficiently protected, its ability to compete and generate revenue could suffer significantly.
- Nel is exposed to risk relating to customers' ability to succeed and fulfil their contractual obligations and any failure to do so may have material adverse impact
- Risk related to yields or quality in manufacturing its products, sales, customer relationships and reputation in the marketplace, may be significantly and adversely affected
- Nel is dependent on a limited number of third party suppliers for key production components for its products and any disruption to supply could negatively impact its business
- Nel is exposed to risk related to patent protection on the technologies embodied in its products, as well as legal, governmental or arbitration proceedings, including intellectual property disputes, which could significantly harm its competitive position and increase its expenses significantly
- If Nel does not properly manage foreign sales and operations or comply with applicable national and international laws and regulations, it could adversely affect its business and profitability

- Nel could become involved in intellectual property disputes that could be time-consuming and costly and could result in loss of significant rights and/or penalties such as loss of freedom to operate

- Nel has accumulated operating losses and had negative cash flow from operating activities, and there can be no assurances as to when and if Nel will achieve significant revenues, profitability and/or positive net cash flow from operations

- Nel may need to raise additional capital to finance its operations, and there can be no assurances that additional financing will be available in a timely manner or on favorable terms or at all, nor that this will not dilute the shareholding

1.3 KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The securities' type, class and ISIN	The Company has one class of Shares in issue and all Shares in that class provide equal rights to all such other Shares in that class. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO0010081235
The securities' currency, denomination, par value, the number of securities issued and the term of the securities	The Shares are issued in NOK and will be quoted and traded in NOK on the Oslo Stock Exchange. As of the date of this Prospectus, the Company's share capital is NOK 280 488 697.60 divided into 1,407,433,488 shares, each with a par value of NOK 0.20.
The rights attached to the securities	The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Company's Shares carries one vote.
Restrictions on the free transferability of the securities	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors. No actions have been taken, and no actions are intended to be taken, to register the Private Placement Shares in any other jurisdiction than in Norway. The transfer of any of these securities in or into various jurisdictions may be restricted or affected by law in such jurisdictions.
Dividend policy	The Group has not paid any dividend during its lifetime. The Group is currently focused on growing the business of the Group and has therefore not paid out any dividend, nor made any decision to do so. However, based on future cash flows, capital expenditures, financing requirements and profitability, the Group may choose to start paying dividends.

Where will the securities be traded?

The Company's existing Shares, including the Private Placement Shares, are, and the Offer Shares will be, traded on the Oslo Stock Exchange.

What are the key risks that are specific to the securities?

- Shareholders not participating in the Subsequent Offering and/or future offerings of Shares or other equity investments may be diluted

- The market price of the Shares has been and may continue to be highly volatile, and Eligible Shareholders may not be able to resell Shares at or above the Offer Price

- The Company may or may not pay any cash dividends in the future. Shareholders may never obtain a return on their investment

1.4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in the security?

The Subsequent Offering consists of an offer by the Company to issue up to 10,840,109 new shares ("Offer Shares") at a subscription price of NOK 18.45 per Offer Share, thereby raising gross proceeds of up to NOK 200 million.

Existing Shareholders will based on their registered holding of shares in VPS at the end of the Record Date be granted Subscription Rights providing a preferential right to subscribe for and be allocated Offer Shares in the Subsequent Offering. The Company will issue 0.00832 Subscription Rights per 1 (one) Share held in the Company on the Record Date.

The number of Subscription Rights issued to each shareholder will be rounded down to the nearest whole number of Subscription Rights. Each Subscription Right grants the owner the right to subscribe for and be allocated one (1) Offer Share in the Subsequent Offering. Over-subscription is permitted; however, there can be no assurance that Offer Shares will be allocated for such subscriptions. Subscription without Subscription Rights is not permitted.

The below timetable sets out certain key dates for the Subsequent Offering:

Last day of trading in the Shares incl. Subscription Rights	15 June 2020
First day of trading in the Shares excl. Subscription Rights	16 June 2020
Record Date	17 June 2020
Start of Subscription Period	10 September 2020 at 09:00
End of Subscription Period	21 September 2020 at 16:30
Allocation of Offer Shares	22 September 2020
Notification of allocation	22 September 2020
Payment Date for the Offer Shares	28 September 2020
Registration of share capital increase	On or about 1 October 2020
Listing and first day of trading of the Offer Shares on Oslo Børs	On or about 2 October 2020
Delivery date for the Offer Shares	On or about 2 October 2020

The above dates are indicative and subject to change. No action will be taken to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction outside Norway.

After the expiry of the Subscription Period, the Subscription Rights will be of no value and automatically lapse. Eligible Shareholders not subscribing for entitled Offer Shares will entail no rights to such Offer Shares after expiry of the Subscription Period.

Why is the prospectus being produced?

The Private Placement was completed in order to raise new equity to. strengthen investment in development and innovation across segments and technologies to stay on the technological forefront and to take advantage of the attractive hydrogen market opportunities.

The main purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding.

The Company intends to use the net proceeds from the Private Placement and Subsequent Offering for the following purposes:

- Strengthening investment in development and innovation across segments and technologies to stay on the technological forefront and to take advantage of the attractive hydrogen market opportunities

- Continue to develop the organization, both within engineering, project execution, production and process improvement

- Strengthening the balance sheet and financial position to satisfy counterparty requirements on large scale projects

  - Ability to satisfy contractual obligations
  - Ability to provide required bonds/guarantees

- Fund additional working capital in response to increased order volumes and contract sizes, as well as general corporate purposes

All of the purposes mentioned above are important to accommodate increased order volumes, and the Company does not intend to prioritize any of the purposes over others.

2. RISK FACTORS

An investment in the Company and the Shares involves inherent risks. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by Nel as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for Nel, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on Nel and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Offer Shares.

2.1 RISKS RELATING TO THE HYDROGEN MARKET AND NEL'S BUSINESS

2.1.1 Nel is exposed to risk related to technological change in a highly competitive energy market.

Nel competes in a highly competitive energy market, with many competitors within electrolyser and hydrogen fueling products and services and many competitors providing substitutional products or services based on other technologies. The energy market consist of competitors which have longer operating histories, greater name recognition, lower costs, better access to skilled personnel, research and development partners, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than Nel. There is a risk that competitors may utilize technological change to launch new products and services, to provide products or services at more competitive prices, or to secure exclusive rights to new technologies. If these circumstances materialize, it may have a material adverse effect on Nel’s business, prospects, financial results or results of operations.

2.1.2 Nel is exposed to risk relating to the efficiency of hydrogen and price of renewable power.

The efficiency of hydrogen, the so-called “well-to-wheel”, is typically lower than that of battery technologies. A higher price for renewable power could consequently negatively affect the demand for hydrogen technologies, which could materially adversely affect Nel’s revenues, results of operation and cash flow. There is still uncertainty regarding which electrolyser technology that will become prevailing in the future (if any). Nel seeks to pursue multiple technology tracks (e.g. atmospheric alkaline, pressurized alkaline and PEM), which demands significant capital investment and there is no assurance that the Company has focused on the technology that actually becomes prevailing in the future. Nel’s investments for developing new technologies and production facilities may exceed Nel’s current estimates or be delayed, both of which may have a material adverse effect on Nel’s business, prospects, financial conditions, results of operations and/or cash flow.

2.1.3 Risk related to markets for fueling products, other hydrogen energy products or renewable energy.

Significant markets may never develop for fueling products, other hydrogen energy products or renewable energy as a major source for hydrogen production or they may develop more slowly than the Company anticipates. Any such delay or failure would significantly harm Nel’s revenues and it may be unable to recover the losses it has incurred and expect to continue to incur in the development of its products and technology. Fueling products, other hydrogen energy products and renewable energy as a source for hydrogen production represent emerging markets, and whether or not end-users will want to use such products and technology may be affected by many factors, many of which are outside Nel’s control, including: the emergence of more competitive technologies and products; other environmentally clean technologies and products that could render Nel's products obsolete; the future cost of hydrogen and other fuels; the regulatory requirements, hydrogen refueling infrastructure and other hydrogen energy products; government support, hydrogen storage technology and hydrogen refueling technology; the manufacturing and supply costs for fuel cell components and systems; the continued development and improvement of existing power technologies; and the future cost of fuels used in existing technologies.

2.1.4 Risk related to problems with product quality or product performance, including defects.

Nel's products must meet stringent quality requirements, but may contain defects that are not detected until after they are shipped or installed because Nel cannot test for all possible scenarios or applications. Any such defects could cause Nel to incur significant replacement costs or re-engineering costs, divert the attention of its engineering personnel from product development efforts, and significantly affect its customer relations and business reputation. If Nel delivers defective products or if there is a perception that its products are defective, Nel's credibility and the market acceptance and sales of its products could be harmed. This could have a significant adverse effect on Nel's business, prospects, financial results and results of operations.

Furthermore, widespread product failures may damage Nel's market reputation, reduce its market share and cause sales to decline. A successful product liability claim against Nel could require it to make significant damage payments, which would negatively affect Nel's business, prospects, financial results and results of operations. Although a defect in Nel's products may be caused by defects in products delivered by Nel's sub-suppliers which are incorporated into Nel's products, there can be no assurance that Nel will be entitled to or be successful in claiming reimbursement, repair, replacement or damages from its sub-suppliers relating to such defects.

2.1.5 Risk related to intellectual property, trade secret laws and contractual restrictions to protect important proprietary rights.

Nel seeks to protect important proprietary manufacturing processes, documentation and other written materials, and other intellectual property primarily under patent, trade secret and copyright laws. It also typically requires employees, consultants and companies that have access to its proprietary information to execute confidentiality agreements. The steps taken by Nel to protect its proprietary information may not be adequate to prevent misappropriation of its technology. In addition, Nel's proprietary rights may not be adequately protected because:

- people may not be deterred from misappropriating its technologies despite the existence of laws or contracts prohibiting misappropriation;
- policing unauthorized use of Nel's intellectual property is difficult, expensive and time-consuming, and Nel may be unable to determine the extent of any unauthorized use; and
- the laws of certain countries in which Nel markets or plans to market its products may offer little or no protection for its proprietary technologies.

Unauthorized copying or other misappropriation of Nel's proprietary technologies could enable third parties to benefit from Nel's technologies without compensating Nel for doing so. Any inability to adequately protect its proprietary rights could harm Nel's ability to compete, to generate revenue and to grow its business. This could have a significant adverse effect on Nel's business, prospects, financial results and results of operations.

2.1.6 Nel may be unable to manage successfully the anticipated expansion of its operations.

Nel intends to continue to pursue growth initiatives and expand facilities to meet expected customer demand. The uneven pace of Nel's anticipated expansion in facilities, staff and operations may place serious demands on Nel's managerial, technical, financial and other resources. The Nel organization is currently relatively small. There is no guarantee that Nel will be able to build a capable organization at a speed that is required to meet the demand by its customers or potential customers. There is a risk that capacity expansion may have cost or schedule overruns. Nel's failure to manage its growth effectively or to implement its strategy in a timely manner may have a significant adverse effect on Nel's business, prospects, financial results and results of operations, and may significantly harm its ability to achieve profitability.

2.1.7 Nel may be unable to retain or replace key executives, key employees and qualified employees.

Due to intense competition and shortage of professionals with relevant advanced technological skill set, there is a risk that key executives, key employees and qualified employees will be attracted by competitors and that Nel will be unable to find a sufficient number of appropriate new employees. There can be no assurance that Nel will be successful in retaining its key executives, key employees and qualified employees or replace such personnel with corresponding qualifications. If Nel fails to do so, or if such competition leads to severe wage inflation, it could have a material adverse effect on Nel’s business, prospects, financial results and/or results of operations.

2.1.8 Nel's large commercial projects are subject to risks of delay, cost overruns, renegotiation or cancellation.

Nel participates in large commercial projects, which are subject to risks of delay and cost overruns inherent in any large construction project from numerous factors, including unexpectedly long delivery times for, or shortages of, key equipment, parts and materials, unforeseen design and engineering problems leading to delays, labor disputes and work stoppages, health, safety and/or enviromental accidents/incidents or other safety hazards, disputes with suppliers, last minute changes to the customer's specifications, adverse weather conditions or any other force majeure events, and inability or delay in obtaining regulatory approvals or permits. Failure to complete a commercial project on time may result in the delay, renegotiation or cancellation of the contract. Further, significant delays could have a negative impact on Nel’s reputation and customer relationships. Nel could also be exposed to contractual penalties for failure to complete the project and commence operations in a timely manner, all of which would materially adversely affect Nel’s business, financial condition and results of operations.

2.1.9 Integration of acquired companies into Nel may take longer or prove to be more costly than anticipated.

Nel has historically made several sizable acquisitions, such as Proton Energy Systems Inc., and may carry out further acquisitions of other companies, products and/or technologies in the future to secure growth. Any acquisition entails certain risks, including operational and company-specific risks. There is always a risk that the integration process could take longer or be more costly than anticipated. Any failure to successfully integrate acquisitions, or the people or technologies associated with those acquisitions, into Nel, the results of operations of the combined group could be adversely affected. Any integration process will require significant time and resources, require significant attention from management and disrupt the ordinary functioning of business, and Nel may not be able to manage the process successfully, which could harm its business. In addition, Nel may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges. If any such factor occurs, this may have a negative impact on Nel’s business, financial position and results of operation.

2.1.10 Risk relating to outbreak of pandemics, including Covid-19.

The Group's performance is affected by the global economic conditions of the markets in which it operates, including the risk relating to the outbreaks of pandemics. The global economy has been experiencing a period of uncertainty since the recent outbreak of the Covid-19 virus, which was recognized as a pandemic by the World Health Organization in March 2020. There is a risk that outbreaks of pandemics in the future and the extraordinary health measures imposed as a result, may cause disruptions in Nel's operations. Nel currently covers a large portion of the hydrogen value chain, from the hydrogen production to the hydrogen fueling station end market. There can be no assurances that the Group's operations will continue without major interruptions arising from outbreaks of pandemics such as the ongoing Covid-19 pandemic. For example may any mandatory “stay home - stay safe” policy result in reduced production and sales, or any mandatory travel restrictions may cause delays in installation and commissioning. If such pandemics should impact the Group's operations, it may have material adverse effect on the Group's business, financial condition, results of operations, cash flow and/or prospects.

2.2 RISK RELATED TO CUSTOMER RELATIONSHIPS AND THIRD PARTIES

2.2.1 Risk relating to Nel's customers’ ability to succeed and fulfil their contractual obligations.

Nel's ability generate incremental revenue depends to a substantial degree on its customers' ability to succeed and fulfill their contractual obligations. A number of Nel’s existing customers, including Nikola, operate in growth business segments, and should these customers fail to succeed with their business plans or fail to fulfill their contracts with Nel, Nel’s sales to such customers may be adversely affected, and Nel’s revenues and results may suffer as a result. Should these risks materialize with respect to any of Nel’s most substantial customers, the material adverse impact on Nel’s business, results of operations, financial conditions and/or prospects as a result thereof may be material.

2.2.2 Risk related to yields or quality in manufacturing, sales, customer relationships and reputation.

The manufacture of the Nel's products is a complex process, and Nel continuously strives to introduce improvements to its processes. If Nel does not achieve planned yields, its product costs could increase, and product availability could decrease, each of which could have a significant adverse effect on Nel's business, prospects, financial results and results of operations. In order to produce certain of Nel's products at affordable prices, Nel will have to manufacture a large volume of such products. Nel's failure to develop these manufacturing processes in an efficient, low-cost way that will enable Nel to meet the quality, price, engineering, design and production standards or production volumes required to successfully mass market such products, could prevent Nel from achieving its growth and profitability objectives. Nel, like any manufacturer, may from time to time receive complaints from customers regarding the quality of its products. If Nel is not able to achieve satisfactory quality in manufacturing its products, or is not able to continue to develop at the same rate as its competitors, the demand for its products could be adversely affected and existing contracts could be terminated, which could have a significant adverse effect on Nel's business, prospects, financial results and results of operations.

2.2.3 Nel is dependent on a limited number of third-party suppliers for key production components for its products.

Nel is dependent on a limited number of third-party suppliers for key production components for its electrolyser and hydrogen fueling products. All contract manufactured or purchased components are designed and selected in order to avoid a critical supply situation. There are few, if any, suppliers that may substitute the delivery of key production components within a short period of time. If Nel fails to develop or maintain its relationships with its suppliers, such suppliers are prevented from supplying, or its suppliers delivers products not in compliance with contractual obligations, then Nel may be delayed in manufacturing its products or its products may be available only at a higher cost which could prevent Nel from timely delivering its products to its customers and Nel may experience order cancellation, customer claims and loss of market share. Nel has historically accumulated operating losses and intends to pursue profitable growth in the future. Any failure by third party suppliers for delivery of key production components may result in inability to pursue profitable growth in a highly competitive market, which could have a material adverse effect on Nel's business, prospects, financial results and results of operations.

2.2.4 Nel is exposed to risk relating to external suppliers of services and goods.

Nel's electrolyser and hydrogen fueling manufacturing operations rely to varying degrees on external subcontractors and suppliers of services and goods. This operating model inherently contains a risk to Nel's goodwill and branding. If suppliers fail to meet agreed or generally accepted standards in areas such as environmental compliance, human rights, labor relations and product quality, this could have a significant adverse effect on Nel's business, prospects, financial results and results of operations. In general, the Company aims at dual sourcing of critical components to limit risk. In addition, the majority of spend is directed towards large industrial companies with full ISO compliance and smaller vendors that are in compliance with local legislation. Further, Nel conducts regular quality reviews, including production site visits for risk assessment.

2.3 RISK RELATED TO LEGAL MATTERS

2.3.1 Risk related to patent protection on the technology embodied in its products and production processes.

Nel has historically invested significantly in research and development in order to become a leading manufacturer of electrolyser and hydrogen fueling stations. In order to achieve future success in a highly competitive market, Nel is dependent on its ability to protect patents on the technology embodied in its products and production processes. Failure in obtaining patent applications or insufficient scope and/or protection of issued patents may make it difficult for Nel to effectively protect its intellectual property from misuse or infringement by other companies. Any inability to obtain and enforce intellectual property rights could have a material adverse effect on Nel's business, prospects, financial results and results of operations. In addition, given the costs of obtaining patent protection and the sometimes limited potential for protection, Nel may choose not to patent-protect certain innovations that later turn out to be important. There is also a general risk that Nel receives information regarding other parties' know-how and trade secrets subject to confidentiality agreements, which may hinder Nel from development of similar intellectual assets.

2.3.2 Risk relating to foreign sales and operations.

A substantial portion of Nel’s revenues derives from foreign sales and Nel expects to continue expanding its international operations. Nel’s international activities may be subject to inherent risks, including regulatory limitations restricting or prohibiting the provision of Nel’s products and/or services, unexpected changes in regulatory requirements, tariffs, customs and other trade barriers, difficulties in staffing and managing foreign operations and technology export and/or import restrictions or prohibitions. Laws and regulations are subject to continual changes, whereas some legislative changes may be either disadvantageous to the Group's business or could oblige Nel to change its course of business or amend its business strategy to a less profitable strategy. If Nel does not properly manage foreign operations or if Nel fails to comply with applicable national and/or international laws and regulations could lead to costly litigations, penalties and other sanctions, and thus materially adversely affect its business and profitability.

2.3.3 Risk related to legal, governmental or arbitration proceedings, including intellectual property disputes.

Nel, its customers or third parties may be involved in legal, governmental or arbitration proceedings related to the ordinary course of Nel's business, including personal injury litigation, intellectual property litigation, contractual litigation, environmental litigation, tax or securities litigation, as well as other proceedings. Such disputes may entail significantly higher operating expensed by additional legal and other related costs. For example, Nel’s operating expenses was 37% higher in third quarter 2018 than in the same period in 2019, due to settling a legal dispute. With respect to intellectual property rights, then Nel may receive claims from various industry participants, alleging infringement of their patents, including claiming damages and/or stopping Nel from using trademarks which could case it could harm Nel’s ability to compete, generate revenue and to grow its business. To protect its intellectual property rights and to maintain its competitive advantage, Nel may file suits against parties who it believes are infringing its intellectual property. The ultimate outcome of any legal, governmental or arbitration proceedings and the potential costs associated with prosecuting or defending such proceedings, including the diversion of the management's attention to these matters, could have a material and adverse effect on Nel's business, financial condition, results of operations, cash flows, time to market and/or prospects.

2.3.4 Nel may incur significant costs to comply with, or as a result of, health, safety, environmental and other laws and regulations.

Nel’s operations are subject to numerous environmental requirements. Such laws and regulations govern, among other matters, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations are becoming increasingly stringent (and may be on a “strict liability” basis), and the cost of compliance with these requirements can be expected to increase over time. Nel’s production depends on various discharge permits granted by various authorities. From time to time, breaches of the allowed emission limits set out in such permits may occur. If such limits of the relevant permits should be exceeded, this may have a significant effect on Nel’s operations and results, as Nel may be ordered to temporarily halt production, be subject to fines and/or be ordered to undertake corrective measures. Nel cannot predict the impact of new or changed laws or regulations relating to health, safety, the environment or other concerns or changes in the ways that such laws or regulations are administered, interpreted or enforced. The requirements to be met, as well as the technology available to meet those requirements, continue to develop and change. To the extent that any of these requirements impose substantial costs or constrain Nel’s ability to expand or change its processes, Nel’s business, prospects, financial results and results of operations could suffer. Any breach of such requirements could further result in fines or other substantial costs and/or constraint Nel’s ability to operate its production plant, which could have a material adverse effect on its business, prospects, financial results and results of operations.

2.3.5 Nel is dependent on government subsidies and supportive regulatory framework.

Nel depends substantially on government subsidies. Political developments could lead to a material deterioration of the conditions for, or a discontinuation of, the subsidies for its technology. It is also possible that government financial support for Nel’s technology will be subject to judicial review and determined to be in violation of applicable constitutional or legal requirements, or be significantly reduced or discontinued for other reasons. Without government subsidies, or with reduced government subsidies, the availability of profitable investment opportunities for Nel would be significantly lower, which could have a material adverse effect on Nel’s business, financial condition, results of operations and cash flows.

2.3.6 Risk related to product liability claims.

Nel has an unwavering ambition of no incidents at sites with its technology. However, it is possible that Nel's products could result in injury, whether by product malfunctions, defects, improper installation or other causes, which exposes Nel to the general risk of product liability claims. There are several risks relating to products associated with hydrogen. Hydrogen possesses high rating on the flammability scale because it is flammable when mixed in small amounts with ordinary air and ignition can occur at low volumetric ratio of hydrogen to air due to the oxygen in the air and the simplicity and chemical properties of the reaction. The storage and use of hydrogen poses challenges due to leaking as a gaseous fuel, low-energy ignition, wide range of combustible fuel-air mixtures, buoyancy and its ability to embrittle metals. Liquid hydrogen poses additional challenges due to its increased density and the extremely low temperatures needed to keep it in liquid form. Nel cannot predict whether or not product liability claims will be brought against it, the effect of any resulting negative publicity on its business, or if its insurance coverage is inadequate to cover potential product liability claims. For example may Nel liable for product liability claims if an incident at a hydrogen fueling station result in shutdown of hydrogen fueling stations and a temporary halt in sales of fuel cell vehicles. Another example may be workplace accidents that causes personal injury to employees or others, where Nel may be held liable for third party complaints as a product manufacturer. Moreover, Nel may not have adequate resources in the event of a successful claim against it. The successful assertion of product liability claims against Nel could result in potentially significant monetary damages, which could have a material adverse effect on Nel's business, prospects, financial results and results of operations.

2.3.7 Changes in government policies and regulations could hurt the market for Nel's products.

The fuel cell and hydrogen industry is in its development phase and is not currently subject to industry specific government regulations in the European Union, Asia and the United States, as well as other jurisdictions, relating to matters such as design, storage, transportation and installation of fuel cell systems and hydrogen infrastructure products. However, given that the production of electrical energy has typically been an area of significant government regulation, the Company expects it will encounter industry specific government regulations in the future in the jurisdictions and markets in which it operates. For example, regulatory approvals or permits may be required for the design, installation and operation of Nel's products. To the extent there are delays in gaining such regulatory approval, Nel's development and growth may be constrained. Nel's business will suffer if environmental policies change and no longer encourage the development and growth of clean power technologies.

2.4 RISK RELATED TO FINANCIAL MATTERS

2.4.1 There is a risk that Nel may continue to accumulate operating losses and negative cash flow from operating activities.

Since its incorporation, Nel has since incorporation accumulated severe substantial losses and had negative cash flow from operating activities. For the quarter ended 30 June 2020, net the operating loss amounted to approximately NOK 7293 million and the negative net cash flow from operating activities amounted to approximately NOK 82 54 million. Although Nel intends to generate profits in the obtain a long- term profitable business in the future, Nel currently intends to pursue growth initiatives and focus on long-term high value orders, which in the short term may continue to have a negative impact on Nel's ability to deliver positive operating profit and positive cash flow from operating activities. In addition, there can be no assurances as to when and if Nel will achieve significant revenues, profitability and/or positive net cash flow from operations. If Nel's strategy to pursue growth initiatives and long-term high value orders turns out to be unsuccessful, it could ha a material adverse effect on Nel's business, results of operations, financial condition, cash flow and/or prospects.

2.4.2 Nel may need to raise additional capital to finance its operations.

Nel may deem it purposeful or necessary to raise additional capital through equity issues, debt financing, collaborative arrangements, strategic alliances or from other sources in order to successfully execute strategies with respect to product development and commercialization within its existing business, to finance further growth in general, or for other reasons. Nel has historically been able to raise equity capital in a timely manner, for example through the private placements successfully completed in June 2020 (NOK 1,300 million in gross proceeds), January 2020 (NOK 846 million in gross proceeds), January 2019 (NOK 463 million in gross proceeds) and June 2018 (NOK 281 million in gross proceeds). There can be no assurance that Nel will be able to raise additional capital at the relevant time in the future. If required funds are not available and Nel continues to accumulate losses and negative net cash flow from operating activities, Nel may have to reduce expenditure on product development and/or marketing activities, which could have a material adverse effect on Nel's business, results of operations, financial condition, cash flow and/or prospects. Lack of ability to obtain sufficient funding in the future could result in insolvency or liquidation of the Group.

2.4.3 Nel is exposed to credit risk.

Nel is exposed to credit risk, which is the potential loss that may arise from any failure in the ability or willingness of a counterparty to fulfil its contractual obligations, as and when they fall due. Competitive pressure and challenging markets may increase credit risk through sales to financially weak customers, extended payment terms and sales into new and immature markets. This could have a material adverse effect on Nel's business, financial condition, results of operations, cash flow, and/or prospects. WithIn regards to trade receivables, Nel's customer credit risk is managed by each business unit subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Other receivables are prepaid expenses or accruals. Outstanding customer receivables are regularly monitored. As reported as of second quarter 2020, the maximum risk exposure related to trade receivables amounted to NOK 154.4 million. The Group does not hold collateral as security. Although the Group performed impairment analysis of major clients and other collectively in groups, there can be no assurances that Nel will not experience significant losses due to failure in the ability or willingness of a counter party to fulfil its contractual obligations, which could ha a material adverse effect on Nel's business, results of operations, financial condition, cash flow and/or prospects.

2.4.4 Nel is exposed in foreign currency exchange rate fluctuations.

Nel operates internationally and a significant part of its business is conducted in countries with other currencies than in NOK (i.e. Nel's functional reporting currency). Thus, Nel is subject to currency risks arising from foreign currency transactions and exposures. As Nel reports its consolidated results in NOK, any change in exchange rates between NOK and its subsidiaries' functional currencies, primarily with respect to changes in USD, DKK and EUR, affects its consolidated statement of income and consolidated statement of financial position. As reported Nel's 2019 financial statement, 1.6% of its revenues related to customers in Norway, 26.6% of its revenues related to customers in Europe (excluding Norway), 45.8% of the revenues related to customers located in North America (including United States), 17.7% of the revenues related to customers located in Asia and 8.3% of the revenues related to customers in Middle East, Africa, South America and Oceania. In addition, of Nel's allocated property, plant and equipment, 44.2% was allocated to Norway, 36.5% was allocated to Denmark, 18.5% was allocated to the United States and 0.8% was allocated to South Korea. As Nel expands its international operations, including with projects in new markets, Nel's currency risk exposure is expected to increase. Nel is on an overall level managed as a NOK company for currency risk management purposes with primary focus on NOK cash flow. Although Nel secures larger net exposures from contracts in foreign currency by entering into forward currency contracts, there can be no guarantees that the Group's financial results will not be adversely affected by currency exchange fluctuations or that any efforts by the Group to engage in currency hedging activities will be effective. Currency exchange rate fluctuations, thus, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.4.5 Risk related to impairment of intangible assets, including goodwill.

As reported in Nel's consolidated financial statement for second quarter 2020, intangible assets constituted 78% (NOK 1,236.4 million) of total non-current assets and 23% of total assets, including goodwill which constituted 54% (i.e. NOK 669.2 million) of intangible assets and 12% of total assets. Goodwill and intangible assets are related to the Group's cash-generating units (CGUs) Electrolyser Norway, CGU Electrolyser US and CGU Fueling. In accordance with IFRS the group tests at least annually whether it is necessary to do an impairment of capitalized goodwill. The value of the CGUs will be stipulated as the recoverable amount, which is the higher of net sales value and value in use. The estimated recoverable amount is calculated on the basis of the present value of budgeted cash flows. The calculation requires the use of estimates relating to future cash flows, uncertainty will normally attach to these cash flows. Events, changes in assumptions and management assessments will all affect the evaluation of impairments in the relevant period. Even though based on management in each subsidiaries view, the estimates and assumptions used are sufficiently accurate to determine the recoverable amount of goodwill, the estimated recoverable amount may differ significantly from the actual future amounts. Changes in the development of net sales (expected growth rate), profitability, discount rate and cash flow growth rate, forecasts or a combination of these factors, could lead to impairment losses on goodwill, which could weaken the Group's financial conditions, results of operations, equity and/or its ability to pay dividends or distributions. If the value of intangible assets, including goodwill, is impaired, it could have an adverse effect on the Group's financial condition, results of operations, equity and/or its ability to pay dividends or distributions.

2.4.6 Present or future debt levels could limit Nel's flexibility to obtain additional financing and pursue other business opportunities.

Nel may incur additional indebtedness in the future. The current or future level of debt could have important consequences to Nel, including that:

- Nel’s ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may be unavailable on favorable terms;
- Nel’s costs of borrowing could increase as it becomes more leveraged;
- Nel may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- Nel’s debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- Nel’s debt level may limit its flexibility in responding to changing business and economic conditions.

Nel’s ability to service its current or future debt will depend upon, *inter alia*, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If Nel’s operating income is not sufficient to service its current or future indebtedness, Nel will be forced to take action, such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. Nel may not be able to affect any of these remedies on satisfactory terms, or at all, which could have a material adverse effect on Nel’s business, financial condition, results of operations, cash flows, time to market and/or prospects.

2.4.7 Nel is exposed to interest rate changes, which could affect its profitability and cash flow.

Interest rates, which are impacted by factors outside of Nel's control, including the fiscal and monetary policies of governments and central banks, as well as Norwegian and international political and economic conditions, may affect Nel's results of operations, profitability and return on capital in different areas. Nel is exposed to interest rate risk primarily in relation to its pensions, leases and bank deposits, and a change in interest rates may therefore affect the results of operations, profitability and capital return. Considering Nel’s cash balance, which amounted to NOK 2,566 million at the end of second quarter 2020, Nel receives interest income with positive contribution to its profitability and cash flow.

2.5 RISK FACTORS RELATED TO THE SUBSEQUENT OFFERING AND THE SHARES

2.5.1 The Company may not pay any cash dividends in the future.

The Company’s strategy is to be a growth company that focuses on growing its revenues within the hydrogen electrolyser segment and the hydrogen fueling segment. Dividends are not currently part of the plan for this stage of the business development process. Dividends may in the future only be declared to the extent that the Company has distributable funds and the board of directors of the Company (the "**Board**" or "**Board of Directors**") finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company’s operations and the need to strengthen its liquidity and financial position. The Company aims at making the Shares in the Company an attractive investment object and at providing its shareholders with a competitive return on investment over time, in terms of dividend and/or development in the share price. The Company’s target is that the underlying values shall be reflected in the share price. The payment of future dividends will depend on the Company’s earnings, financial condition and other factors including cash requirements, taxation, regulation, etc. If the Company starts to pay dividends under a new strategy and stage of the business development, then there is a risk that the stock market will interpret this action as a negative signal of permanently lower future investments in valuable growth opportunities. Thus, there is a risk that the Company's future dividend policy may adversely affect the market price of the Shares.

2.5.2 Risk related to the volatile market price of the Shares.

The market price of the Shares have historically been and may continue to be highly volatile due to actual or anticipated variations in operating results, changes in financial estimates or recommendations by stock market analysts regarding the Company, announcements by the Company of significant acquisitions, partnerships, joint ventures or capital commitments, sales or purchases of substantial blocks of Shares, additions or departures of key personnel, future equity or debt offerings by the Company and its announcements of these offerings and/or general market and economic conditions. Eligible Shareholders may not be able to resell Shares at or above the Offer Price in the Subsequent Offering.

2.5.3 Risk related to the share price in Nikola Corporation

Nel currently owns 1,106,520 shares in Nikola Corporation that were acquired to further strengthen the partnership and collaboration between Nel and Nikola. At 30 June 2020, the shares owned by Nel in Nikola Corporation had a book value of NOK 728 million, or approximately NOK 0.51 per outstanding Nel share. A 10 USD increase/reduction in the share price of Nikola Corporation will lead to gains/losses of approximately NOK 100 million, or NOK 0.07 per Nel share, assuming a USD/NOK exchange rate of 9.0. Nel's financial results can thus be adversely affected by a negative share price development in Nikola Corporation.

2.5.4 Pre-emptive rights to secure and pay for Shares in any additional issuance may be unavailable to US or other shareholders.

Under Norwegian law, unless otherwise resolved at a general meeting, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new shares for cash consideration. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and shares or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approval under the laws of any other jurisdiction outside Norway, and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, their proportional interests in the Company will be reduced.

3. STATEMENT OF RESPONSIBILITY

This Prospectus has been prepared in connection with the Subsequent Offering described herein and the listing of the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange.

The Board of Directors of Nel ASA accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 9 September 2020

The Board of Directors of Nel ASA

Ole Enger
Chair of the Board

Finn Jebsen Board member	Beatriz Malo de Molina Board member	Hanne Blume Board member
Charlotta Falvin Board member		Tom Røtjer Board member

4. GENERAL INFORMATION

4.1 FSA APPROVAL

This Prospectus has been approved by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation (Regulation (EU) 2017/1129). Investors should make their own assessment as to the suitability of investing in the securities.

4.2 OTHER IMPORTANT INVESTOR INFORMATION

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made or given by the Managers or any of their affiliates or any of their respective directors, officers or employees or any other person as to the accuracy, completeness, fairness or verification of the information or opinions set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the contents of this Prospectus or for any other statements made or purported to be made by either themselves or on their respective behalf in connection with the Company, Nel, the Private Placement, the Subsequent Offering or the Offer Shares and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares or holder of the Subscription Rights regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares and the use of the Subscription Rights to subscribe for Offer Shares.

Although the Managers are party to various agreements pertaining to the Private Placement and the Subsequent Offering and each of the Managers has or might enter into a financing arrangement with the Company or any of their affiliates, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See section 2.

4.3 PRESENTATION OF FINANCIAL AND OTHER INFORMATION

4.3.1 Financial information

The Company's audited consolidated financial statements as of and for the years ended 31 December 2019, 2018 and 2017 and the Company's unaudited consolidated interim financial statements as of and for the three months' periods ended 30 June 2020 and 2019 have been incorporated by reference hereto, see section 15.2.

The Company's consolidated financial statements as of and for the years ended 31 December 2019, 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), while the interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("IAS 34"). The financial statements have been audited by Ernst & Young AS, as set forth in their report included therein. The interim financial statements have not been audited.

4.3.2 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Nel's future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in section 2 and elsewhere in this Prospectus.

4.3.3 Other information

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "USD" are to the lawful currency of the United States, all references to "DKK" is to the lawful currency of Denmark and all references to "EUR" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. No representation is made that the NOK, USD, DKK or EUR amounts referred to herein could have been or could be converted into NOK, USD, DKK or EUR as the case may be, at any particular rate, or at all. The Financial Information is published in NOK.

4.3.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.4 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, including, without limitation, projections and expectations regarding the Company’s future financial position, business strategy, plans and objectives. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “seek to”, "will", "may", "intends", "assumes" or other words of similar meaning and similar expressions or the negatives thereof, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the

Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Nel’s present and future business strategies and the environment in which the Company and its subsidiaries operate.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that Nel’s actual financial position, operating result and liquidity, and the development of the industry in which Nel operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

In particular, section 6.4 and section 6.1 of this Prospectus contain statements regarding Nel’s strategy going forward.

Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, section 2 for a more complete discussion of the factors that could affect Nel's future performance and the industry in which Nel operates when considering an investment in the Company.

All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5. THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING

5.1 BACKGROUND AND USE OF PROCEEDS

The Company intends to use the net proceeds from the Private Placement and the Subsequent Offering (the "**Offerings**") to accommodate increased order volumes and contract sizes by:

- Strengthening investment in development and innovation across segments and technologies to stay on the technological forefront and to take advantage of the attractive hydrogen market opportunities
- Continue to develop the organization, both within engineering, project execution, production and process improvement
- Strengthening the balance sheet and financial position to satisfy counterparty requirements on large scale projects including the ability to satisfy contractual obligations and to provide required bonds/guarantees

All of the purposes mentioned above are important to accommodate increased order volumes, and the Company does not intend to prioritize any of the purposes over others.

The net proceeds will also fund general corporate purposes.

In connection with the completion of the Private Placement, the Company intends to conduct a subsequent offering (the "**Subsequent Offering**") of up to 10,840,109 new shares directed towards shareholders in the Company as of close of trading 15 June 2020 (and as registered in the VPS on 17 June 2020) who were not allocated shares in the Private Placement.

The subscription price in the Private Placement and the Subsequent Offering is the same, i.e. NOK 18.45 per new share. The subscription of the Private Placement Shares and the Offer Shares shall pursuant to the respective subscription documents be governed by Norwegian law.

The Company cannot predict with certainty all of the particular uses for the net proceeds from the Private Placement and the Subsequent Offering or the amounts that it will actually spend. The amount, allocation and timing of actual uses of net proceeds will vary depending on numerous factors, including the relative success and cost of developing Nel ASA into a sustainable business.

5.2 THE PRIVATE PLACEMENT

On 15 June 2020, the Company raised NOK 1,300 million in gross proceeds through a private placement (the "Private Placement") of 70,460,705 Private Placement Shares, each with a par value of NOK 0.20 at a subscription price of NOK 18.45.

The Private Placement, which represented approximately 5% of the Company's outstanding share capital, and was therefore exempt from listing prospectus requirements, was directed towards new investors as well as existing shareholders of the Company.

The subscription price of NOK 18.45 was determined by the Company based upon an accelerated bookbuilding process managed by Carnegie AS as Bookrunner, and Arctic Securities AS,and SpareBank 1 Markets AS as Joint Lead Managers (jointly the "**Managers**"). The subscription price was announced through Oslo Børs' information system on 15 June 2020.

Allocation of the Private Placement Shares was made on 15 June 2020, and notifications of allocation were sent to the applicants the following morning through a notification issued by the Managers.

The Private Placement was completed in order to raise new equity to strengthen investment in development and innovation across segments and technologies to stay on the technological forefront and to take advantage of the attractive hydrogen market opportunities.

The main purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding.

In connection with the Private Placement, the Board of Directors of the Company resolved to set aside the preferential rights of the existing shareholders. It was the Board's opinion that setting aside the Shareholders preferential right in the Private Placement was in compliance with the equal treatment requirements under the Norwegian Securities Trading Act section 5-14 and Circular no 2/2014 from Oslo Børs in particular due to the fact that:

a) the waiver was considered necessary in the interest of time and successful completion;

b) the costs of raising the new capital were low due to the small discount and that the Company avoided underwriting fees; and

c) the choice of a private placement also gave the Company the opportunity to seek to attract new investors with qualities that could contribute to strengthen the Company on a long-term basis.

The beneficiaries of the decision to set aside the preferential rights of the existing shareholders were the shareholders and other investors who subscribed for shares in the Private Placement.

In addition, the Company resolved to compensate shareholders who were not allocated Private Placement Shares in the Private Placement with an offer to subscribe for Offer Shares at the same subscription price of NOK 18.45 in a subsequent offering. See Section 5.3.1 for more information regarding the resolution of the Subsequent Offering.

5.2.1 Type, class, currency and ISIN number of the Shares

The Private Placement Shares were issued pursuant to an authorization granted to the Board at the Company's annual general meeting on 13 May 2020. Settlement of the Private Placement shares towards investors was made on a delivery versus payment basis on 18 June 2020 (T+2 settlement). The share capital increase pertaining to the Private Placement was registered by the Norwegian Register of Business Enterprises on 18 June 2020. The Managers pre-paid the total subscription amount in the Private Placement in order to facilitate delivery-vs-payment settlement. Allocated Shares became tradable upon the relevant capital registration has taken place.

Prior to the Private Placement the Company's share capital was NOK 266,186,956.60 divided into 1,330,934,783 shares, each with par value of NOK 0.20. Following the registration of the share capital increase related to the Private Placement Shares with the Norwegian Register of Business Enterprises related to the Private Placement Shares, the Company’s share capital increased to NOK 280,279,097.60 divided into 1,401,395,488 shares, each with a par value of NOK 0.20.

All Private Placement Shares issued in the Private Placement were, upon payment and registration with the Norwegian Register for Business Enterprises, fully paid ordinary shares of the Company and equal to the existing shares of the Company in all respects.

The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO 0010081235 The Shares are issued in NOK and will be quoted and traded in NOK on the Oslo Stock Exchange. The registrar for the Company’s Shares in VPS is DNB Bank ASA, Registrar’s Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway.

The Shares in the Company are freely transferable.

For a further description of the rights attached to the Shares, see section 12.

5.2.2 Admission to trading of the Private Placement Shares

The Private Placement Shares were listed on Oslo Børs under the ticker code “NEL” upon registration in the Norwegian Register for Business Enterprises on 18 June 2020.

5.2.3 Dilutive effect

The percentage of immediate dilution resulting from the issue of the Private Placement Shares for the Company’s shareholders was approximately 5.03%.

5.2.4 Selling and transfer restrictions

See section 16 for applicable selling and transfer restrictions relating to the Private Placement Shares.

5.2.5 Expenses and net proceeds

Transaction costs and all other directly attributable costs in connection with the Private Placement that were borne by the Company are estimated to approximately NOK 36 million, thus resulting in net proceeds of approximately NOK 1,264 million.

5.2.6 Resolution relating to the authorization to issue shares

The Private Placement Shares have been issued pursuant to the following Board authorization granted at the extraordinary general meeting held on 13 May 2020.

"The Board is granted authorization to increase the share capital with up to NOK 26,498,695 through one or several share capital increases.
The authorization may be used for one or more of the following purposes:

(i) for issuance of shares in connection with the Company's incentive plan for employees; and/or
(ii) to provide the Company with financial flexibility, including in connection with investments, mergers and acquisitions.

Price and conditions for subscription will be determined by the Board on issuance, according to the Company's needs and the shares' market value at the time. Shares may be issued in exchange for cash settlement or contribution in kind.

The existing shareholders preferential rights to subscribe shares may be waived by the Board in connection with the effectuation of this authorization.

The authorization is valid until the annual general meeting in 2021, but shall in any event expire at the latest on 30 June 2021.

The Board is at the same time given authorization to make the necessary amendments to the articles of association on execution of the authorization. This authorization replaces the authorization to increase the share capital granted by the extraordinary general meeting on 28 March 2019."

On 15 June 2020, the Board of Directors passed the following resolution (unofficial office translation):

1. *The Company's share capital increases with NOK 14.092m by issuance of 70,460,705 shares, each with a nominal value of NOK 0.20.*

2. *The subscription price shall be NOK 18.45 per share.*

3. *The subscription amount shall be paid in cash to the designated account for share increase purposes.*

4. *The shares may be subscribed for by the subscribers which have applied for shares in the Private Placement. The shareholders' preferential rights are consequently waived, cf. the Public Limited Liability Companies Act §§ 10-4 and 10-5*

5. *Subscription for the new shares shall be done on a separate subscription form as soon as possible and within 30 business days from today's date.*

6. *The subscription amount shall be settled as soon as possible and within 30 business days from today's date.*

7. *The shares give full rights, including rights to dividends, from and including the date of registration of the capital increase in the Register of Business Enterprises.*

8. *The expenses related to the share capital increase are estimated to amount to approximately NOK 36 million.*

9. *Article 4 of the Articles of Association is amended to reflect the new share capital and the new number of shares after the capital increase.*

5.3 THE SUBSEQUENT OFFERING

The Subsequent Offering consists of an offer by the Company to issue up to 10,840,109 Offer Shares at an Offer Price of NOK 18.45 per share, being equal to the subscription price in the Private Placement, thereby raising gross proceeds of NOK 200,000,011 (subject to all Offer Shares being issued).

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding. On this background, the Board is of the opinion that there are sufficient grounds to deviate from the rules on the shareholders pre-emption right in connection with the Subsequent Offering.

Eligible Shareholders will based on their registered holding of shares in VPS at the end of the Record Date be granted non-transferable Subscription Rights providing a preferential right to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Offer Price. The Company will issue 0.00832 Subscription Rights per 1 (one) Share held in the Company on the Record Date.

The number of Subscription Rights issued to each shareholder will be rounded down to the nearest whole number of Subscription Rights. Each Subscription Right will, subject to applicable securities law, give the holder the right to subscribe for and be allocated one (1) Offer Share at the Offer Price in the Subsequent Offering. Over-subscription is permitted; however, there can be no assurance that Offer Shares will be allocated for such subscriptions. Subscription without Subscription Rights will not be permitted.

The below timetable sets out certain key dates for the Subsequent Offering:

Last day of trading in the Shares incl. Subscription Rights...............................	15 June 2020
First day of trading in the Shares excl. Subscription Rights..............................	16 June 2020
Record Date	17 June 2020
Start of Subscription Period	10 September 2020 at 09:00
End of Subscription Period	21 September 2020 at 16:30
Allocation of Offer Shares	22 September 2020
Notification of allocation	22 September 2020
Payment Date for the Offer Shares	28 September 2020
Registration of share capital increase	On or about 1 October 2020
Listing and first day of trading of the Offer Shares on Oslo Børs.....................	On or about 2 October 2020
Delivery date for the Offer Shares	On or about 2 October 2020

The above dates are indicative and subject to change. No action will be taken to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction outside Norway.

5.3.1 Resolution regarding the Subsequent Offering

The Private Placement Shares have been issued pursuant to the following Board authorization granted at the general meeting held on 13 May 2020, as stated above. The resolution to issue the Offering Shares will be passed by the board of directors based on the authorization granted by the annual general meeting of the Company on 13 May 2020 (see section 10.6).

5.3.2 Eligible Shareholders and Record date

The Company will issue non-transferable Subscription Rights to the Company's shareholders as of close of trading on 15 June 2020, as registered in the VPS on 17 June 2020 (the "Record Date"), who were not allocated shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or (for jurisdictions other than Norway) would require any prospectus, filing, registration or similar action

(Eligible Shareholders). Eligible Shareholders will receive non-transferable Subscription Rights equal to their pro rata shareholding as of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one (1) Offer Share at the Offer Price in the Subsequent Offering. The Subscription Rights will be distributed free of charge, and the recipient of Subscription Rights will not be debited any cost. The Subscription Rights are expected to be registered in each Eligible Shareholders' VPS account on or about 10 September 2020.

5.3.3 Offer Shares and Subscription Rights

The Subsequent Offering comprises 10,840,109 subscription rights (the "Subscription Rights"), where each Subscription Right gives the holder the right to subscribe for and be allocated one (1) Offer Share.

Eligible Shareholders will be allowed to subscribe for more Offer Shares than the number of Subscription Rights held by Eligible Shareholders. See section 5.3.8 for allotment criteria.

The Subscription Price for one Offer Share shall be NOK 18.45.

No fractional Offer Shares will be issued. Fractions will not be compensated, and all fractions will be rounded down to the nearest integer that provides issue of whole numbers of Offer Shares to each participant.

The Offer Shares will be created under the Norwegian Public Limited Companies Act and will be registered in book-entry form with the VPS under ISIN NO 0010081235 The Shares will be issued in NOK and will be quoted and traded in NOK on the Oslo Stock Exchange. The registrar for the Company's Shares in VPS is DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway.

The Subscription Rights will be non-transferable and hence not listed on Oslo Børs during the Subscription Period. The Subscription Rights will be transferred to the Eligible Shareholders' VPS-accounts on or about 10 September 2020.

Each Eligible Shareholder will receive 0.00832 Subscription Rights for every Share held as of the Record Date. Over-subscription is permitted, however, there can be no assurance that Offer Shares will be allocated for such subscriptions.

The Subscription Rights may be used to subscribe for Offer Shares in the Subsequent Offering before the expiry of the Subscription Period on 21 September 2020 at 16:30 hours (CET).

Subscription Rights that are not exercised before 16:30 hours (CET) on 21 September 2020 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and that the Subscription Right does not in itself constitute a subscription of Offer Shares. The Subscription Rights are non-transferable.

Subscription Rights of shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares or (for jurisdictions other than Norway) would require any prospectus, filing, registration or similar action **("Ineligible Jurisdictions"**) will initially be credited to such persons' ("**Ineligible Shareholders**") VPS accounts. Such credit specifically does not constitute an offer to Ineligible Shareholders. The Company will instruct the Managers, as far as possible, to withdraw the Subscription Rights from such Ineligible Shareholder's VPS accounts. If the relevant Ineligible Shareholder by 16:30 CET on 11 September 2020 documents to the Company a right to receiving the Subscription Rights withdrawn from its VPS account, the Managers will re-credit the withdrawn Subscription Rights to the VPS account of the relevant Ineligible Shareholder.

5.3.4 Subscription Period

The Subscription Period in the Subsequent Offering will commence on 10 September 2020 at 09:00 hours (CET) and expire on 21 September 2020 at 16:30 hours (CET). The Subscription Period may not be closed earlier than 16:30 hours (CET) on 21 September 2020. The Subscription Period will not be extended.

5.3.5 Subscription Price

The subscription price for one (1) Offer Share is NOK 18.45 (the "**Subscription Price**"). The Subscription Price is equal to the subscription price in the Private Placement. The subscribers will not incur any costs related to the subscription for, or allotment of, the Offer Shares.

5.3.6 Subscription procedures and subscription office

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix A (the "**Subscription Form**") to the Managers during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

The number of Subscription Rights allocated to the Eligible Shareholder will be made available online through VPS. The Prospectus is available at www.nelhydrogen.com, www.arctic.com, www.carnegie.no and www.sb1markets.no .Subscriptions for Offer Shares must be made on a Subscription Form attached as Appendix A hereto.

Subscribers who are Norwegian citizens may subscribe for Offer Shares by following the link on www.arctic.com, www.carnegie.no or www.sb1markets.no which will redirect the subscriber to the VPS online subscription system. In order to use the online subscription system, the subscriber must have, or obtain, a VPS account number. All online subscribers must verify that they are Norwegian citizens by entering their national identity number (Nw.: *personnummer*).

Online subscriptions must be duly registered, and accurately completed Subscription Forms must be received by the Managers by 16:30 CET on 21 September 2020.

Properly completed and signed Subscription Forms may be mailed or delivered to the Managers at the address set out below:

Arctic Securities AS Haakon VII´s gate 5 P.O. Box 1833 Vika N-0123 Oslo, Norway Tel.: +47 21 01 30 40 E-mail: subscription@arctic.com	Carnegie AS Fjordalléen 16, Aker Brygge PO Box 684 Sentrum NO-0106 Oslo, Norway Tel: +47 22 00 93 60 E-mail: subscriptions@carnegie.no	SpareBank 1 Markets Olav Vs gate 5 PO Box 1398 Vika NO-0114 Oslo, Norway Tel: +47 24 14 74 00 E-mail: subscription@sb1markets.no

Neither the Company nor the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber. The Managers have the right to disregard any application, without any liability towards the subscriber, if a LEI or NID number[1] or any other compulsory information requested in the Subscription Form is not populated. If a LEI number or other compulsory information is not populated by the subscriber, the Managers also reserve the right to obtain such information through publicly available sources and use such number to complete the Subscription Form.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Managers. The subscriber is responsible for the correctness of the information filled into the Subscription Form. By signing and submitting a Subscription Form, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) is permitted. However, there can be no assurance that Offer

[1] A LEI number is a global identification code for legal entities and a NID number is a global identification code for natural persons. As a result of MiFID II/MIFIR, all legal entities and natural persons need a LEI/NID number in order to participate in financial transactions from 3 January 2018. For Norwegian citizens, the NID code is the same as the national identity number (Nw.: *personnummer*), with "NO" as a prefix.

Shares will be allocated for such subscriptions. See section 5.3.8 for further details on applicable allocation principles. Subscription without Subscription Rights will not be permitted.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

The Company is not aware of whether any members of the Company’s Management or Board of Directors intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Offer Shares.

5.3.6.1. Mandatory Anti-Money Laundering Procedures

The Subsequent Offering is subject to the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 (collectively, the "Anti-Money Laundering Legislation").

Subscribers who are not registered as existing customers of one of the Managers must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

5.3.7 Financial Intermediaries

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e., brokers, custodians and nominees) should read this section. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares or Subscription Rights are held.

5.3.7.1. Subscription Rights

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Ineligible Shareholders holding their Shares through a financial intermediary will not be entitled to exercise their Subscription Rights.

5.3.7.2. Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

5.3.7.3. Subscription

Any shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Managers of their exercise instructions.

Please refer to section 16 "Selling and transfer restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

5.3.7.4. Method of Payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Prospectus. Payment by the financial intermediary for the Offer Shares must be made to the Managers in accordance with section 5.3.9 "Payment for the Offer Shares" no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

5.3.8 Allocation

Allotment of the Offer Shares is expected to take place on or about 22 September 2020.

The following allocation criteria will be used for allotment of Offer Shares in the Subsequent Offering:

1. Allocation will be made to subscribers on the basis of granted Subscription Rights which have been validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) new Offer Share.
2. If not all Subscription Rights are validly exercised in the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed will have the right to be allocated remaining Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by the subscriber. In the event that pro rata allocation is not possible, the Company will determine the allocation by lot drawing.

The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

General information regarding the result of the Subsequent Offering is expected to be published on or about 22 September 2020 in the form of a stock exchange release through www.newsweb.no. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed online through VPS on or about 22 September 2020. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 10:00 hours (CET) on 22 September 2020. Subscribers who do not have access to investor services through their VPS account manager may contact one of the Managers from 10:00 hours (CET) on 22 September 2020 to obtain information about the number of Offer Shares allocated to them

5.3.9 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on 28 September 2020 the "**Payment Date**"). Payment must be made in accordance with the requirements set out below.

5.3.9.1. Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Managers with a one-time irrevocable authorization to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorized to debit such account once but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorizes the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the subscriber, and the Board reserves the right, at the risk and cost of the subscriber, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the Offer Shares, and hold the subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Managers may enforce payment of any such amount outstanding.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide Arctic Securities AS, Carnegie AS or SpareBank 1 Markets AS with a one-time irrevocable authorization to directly debit the specified bank account for the entire subscription amount.

5.3.9.2. Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Managers for further details and instructions.

5.3.9.3. Overdue payments

Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.50% per annum. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Public Limited Companies Act and at the discretion of the Managers, not be delivered to the subscriber.

The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

5.3.10 Publication of information relating to the Subsequent Offering

Publication of information related to any changes in the Subsequent Offering and the amount subscribed, will be published on www.newsweb.no under the Company's ticker "NEL", and will also be available on the Company's website www.nelhydrogen.com. The announcement regarding the amount subscribed is expected to be made on or about 22 September 2020.

5.3.11 VPS registration

The Offer Shares will be registered with VPS under ISIN NO0010081235.

The Offer Shares will not be delivered to the subscribers' VPS accounts before they are fully paid, registered with the Norwegian Register of Business Enterprises and registered in the VPS. See section 10.5 for information regarding the Company's registrar.

5.3.12 Delivery and listing of the Offer Shares

All subscribers subscribing for Offer Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Offer Shares. The share capital increase through which the Offer Shares will be issued will be registered with the Norwegian Register of Business Enterprises as soon as practicable after payment of the total subscription amount for all the Offer Shares has been received by the Company. Assuming that payments from all subscribers are made when due, it is expected that the share capital increase will be registered with the Norwegian Register of Business Enterprises on or about 1 October 2020 and that the delivery of the Offer Shares will take place on or about 2 October 2020. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and hence for the subsequent delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period (i.e., 21 December 2020). In order to avoid delays in the registration of the share capital increase, the Company may (but has no obligation to) arrange for the Manager or other third parties to make a pre-payment for the Offer Shares.

Delivery of Offer Shares to a subscriber will only take place if such subscriber has made full payment for the Offer Shares in accordance with the payment instructions set out in section 5.3.9. Trading in the Offer Shares must not take place until delivery of the Offer Shares.

The Offer Shares are expected to be listed on Oslo Børs on or about 2 October 2020.

5.3.13 Share capital following the Subsequent Offering

The final number of Offer Shares to be issued in connection with the Subsequent Offering will depend on the number of Offer Shares subscribed for. The maximum number of Offer Shares to be issued is 10,840,109 all with a nominal value of NOK 0.20 per Offer Share which will give an increase in the Company's total number of issued Shares from 1,407,443,488 to a maximum of 1,418,283,597 each with a nominal value of NOK 0.20 per Share. The Offer Shares will be issued in accordance with the Board authorization granted at the general meeting held on 28 March 2019. See section 10 for a further description of the Company's share capital.

5.3.14 Transferability of the Offer Shares

The Offer Shares may not be transferred or traded before they are fully paid, the share capital increase has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. The Offer Shares are expected to be delivered to the subscribers' VPS accounts on or about 25 September 2020, subject to timely payment for the Offer Shares by the relevant subscriber.

5.3.15 Expenses and net proceeds

Transaction costs and all other directly attributable costs in connection with the Subsequent Offering that will be borne by the Company are estimated to approximately NOK 6.5 million, of which approximately NOK 5.5 million are fees to the Managers and approximately NOK 1 million are other fees, costs and expenses, thus resulting in net proceeds of approximately NOK 193.5 million (assuming that all Offer Shares are issued). No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Subsequent Offering.

5.3.16 Dilution

The Company's total number of Shares will be increased by 10,840,109 following the Subsequent Offering, assuming full subscription, resulting in a total number of 1,418,283,597 outstanding Shares (including the Private Placement Shares). The immediate dilutive effect for the Company's shareholders who do not participate in the Subsequent Offering will be up to 0.76%, excluding the dilutive effect of the Private Placement Shares and exercise of employee options. See section 5.6 for the dilutive effect of the Private Placement and the Subsequent Offering.

5.3.17 Publication of information relating to the Subsequent Offering

In addition to press releases which will be posted on the Company's website (www.nelhydrogen.com), the Company will use the Oslo Stock Exchange's information system to publish information relating to the Subsequent Offering.

5.3.18 Participation of major existing shareholders and members of the Company's management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering.

5.3.19 The rights conferred by the Offer Shares

The Offer Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase pertaining to the Subsequent Offering in the Norwegian Register of Business Enterprises (see timetable of key dates in this Section 5.3). For a description of rights attached to the Shares in the Company, see Section **Error! Reference source not found.** "Shareholder matters and Norwegian Company and Securities Law".

5.4 SHAREHOLDERS’ RIGHTS RELATING TO THE PRIVATE PLACEMENT SHARES AND OFFER SHARES

The rights attached to the Private Placement Shares and the Offer Shares will be the same as those attached to the Company’s existing Shares. The Private Placement Shares have been, and the Offer Shares will be, issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act and will rank pari passu with existing Shares in all respects from such time as the share capital increases in connection with the issuance of the Private Placement Shares and the Offer Shares are registered in the Norwegian Register of Business Enterprises. The subscribers of the Offer Shares will be entitled to shareholder rights from and including the date of delivery of the relevant Offer Shares to the relevant subscriber’s VPS account. The Offer Shares shall be listed on the Oslo Stock Exchange prior to being delivered (or upon delivery) to the subscribers.

The Private Placement Shares have been and the Offer Shares will be registered with VPS under ISIN NO0010081235.

Pursuant to the Norwegian Public Limited Companies Act, all shares have equal rights to the Company’s profits, in the event of liquidation and to receive dividend, unless all the shareholders approve otherwise. Please see section 12 for more details regarding shareholding in a listed Norwegian Public Limited Company.

5.5 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE PRIVATE PLACEMENT OR SUBSEQUENT OFFERING

There are no material interests to the Private Placement or the Subsequent Offering involving any directors or senior management of the Company.

The Managers and their respective affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their respective employees and any affiliate may currently own existing Shares in the Company. The Managers have advised that they will not disclose the extent of any such investments or transactions other than as required as a consequence of legal or regulatory obligations.

The Managers will receive a success fee of a fixed percentage of the gross proceeds raised in the Private Placement and Subsequent Offering and, as such, have an interest in both the Private Placement and the Subsequent Offering.

There are no interests (including conflict of interests) of natural and legal persons involved in the Private Placement or Subsequent Offering.

5.6 DILUTION

The Company's total number of shares will increase by 70,460,705 and 10,840,109 new shares following the Private Placement and the Subsequent Offering respectively. In addition, the Company issued 6,048,000 new shares in connection with exercise of employee options on 28 August 2020, resulting in a total of 1,418,283,597 shares outstanding (assuming full subscription in the Subsequent Offering). Therefore, the dilutive effect for shareholders not participating in the Private Placement or the Subsequent Offering will be approximately 6.16%. Of this, approximately 0.4% is related to exercise of employee options.

	Prior to the Private Placement and the Subsequent Offering	**Subsequent to the Private Placement**	**Subsequent to the Private Placement, exercise of employee options and Subsequent Offering**
Ordinary shares outstanding	1,330,934,783	1,401,395,488	1,418,283,597
Dilutive effect		5.03%	6.16%

The net asset value per existing Share as at 31 December 2019 was NOK 1.51102. The Offer price per Offer share is NOK 18.45.

5.7 MANAGERS AND ADVISORS

The Managers for the Private Placement and the Subsequent Offering are Arctic Securities AS, Haakon VIIs gate 5, PO Box 1833 Vika, 0123 Oslo, Norway; Carnegie AS, Fjordalléen 16, PO Box 684 Sentrum, 0106 Oslo, Norway; and SpareBank 1 Markets AS, Olav Vs gate 5, PO Box 1398 Vika, 0114 Oslo, Norway as joint bookrunner and. The legal advisor is Advokatfirmaet Schjødt AS, Ruseløkkveien 14, PO Box 2444 Solli, 0201 Oslo, Norway.

5.8 GOVERNING LAW AND JURISDICTION

This Prospectus, the Subscription Form and the terms and conditions of the Subsequent Offering shall be subject to Norwegian law, unless otherwise indicated herein. Any dispute arising out of, or in connection with, this Prospectus, the Subscription Form or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo City Court as legal venue.

6. PRESENTATION OF NEL ASA

6.1 GENERAL

Nel ASA is a public limited liability company (allmennaksjeselskap), governed by the Norwegian Public Limited Companies Act. The Company's registration number in the Norwegian Register of Business Enterprises is 979 938 799, and the Shares are registered in book-entry form with the VPS under ISIN NO 0010081235. The Company's Legal Entity Identification ("LEI") number is 549300G6XN5IXMRKEG37. The Company is incorporated and organized under the laws of Norway.

The Company's registered office is:
Nel ASA
Karenslyst allé 20
0278 Oslo, Norway

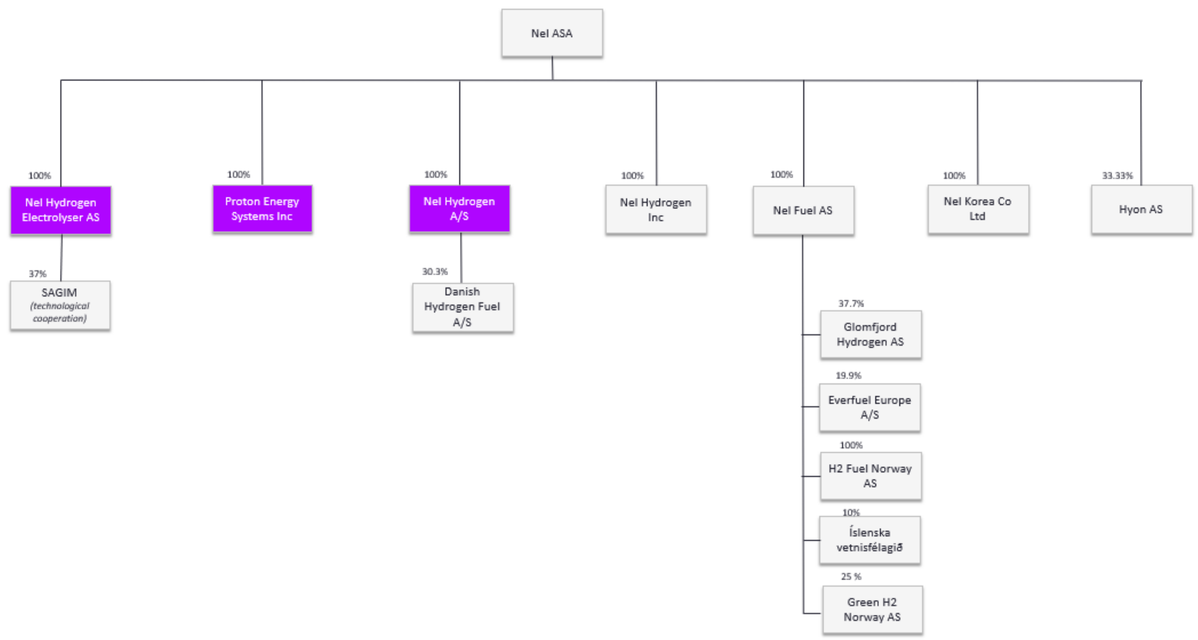
PO box 199, Skøyen, 0212 Oslo

Telephone: +47 23 24 89 50
Website: www.nelhydrogen.com
Note that the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

6.2 LEGAL STRUCTURE

Nel ASA is a holding company and 100% owner of Nel Hydrogen Electrolyser AS, Proton Energy Systems Inc., Nel Hydrogen A/S, Nel Hydrogen Inc., Nel Fuel AS, Nel Korea Co. Ltd., and Nel ASA additionally owns 33.3% of Hyon AS. Nel ASA has no operational activities and has as of the date of this Prospectus thirteen employees, of which six are members of the executive management.

The illustration below sets out the current legal structure of Nel.



6.2.1 Brief description of the subsidiaries and affiliated companies

Nel Hydrogen Electrolyser AS (100%):
This wholly owned subsidiary of Nel ASA and the operating entity within Nel's alkaline electrolysis business, is responsible for selling, projecting, engineering and manufacturing all Nel's alkaline electrolysis projects. Nel Hydrogen Electrolyser AS has a 37% ownership stake in SAGIM. Furthermore, Nel Hydrogen Electrolyser AS owns all patents, inventories and rights for Nel's products related to alkaline electrolysis. Nel Hydrogen Electrolyser AS is incorporated in Norway under organization number 912 185 877. The company operates under the Nel Hydrogen Electrolyser division.

SAGIM (37%):
Nel has a 37% ownership stake in SAGIM, a French company that sells small scale hydrogen generator units. Nel has an agreement with SAGIM whereby the company is allowed to use Nel's diaphragm in their products. The company operates under the Nel Hydrogen Electrolyser division.

Proton Energy Systems Inc. (100%):
A company 100% owned by Nel ASA. The company was acquired in June 2017. Proton Energy Systems Inc. constitutes Nel's PEM electrolysis business, responsible for projecting, engineering and manufacturing all Nel's PEM electrolysis projects. Furthermore, Proton Energy Systems Inc. owns all patents, inventories and rights for Nel's products related to PEM electrolysis. The company operates under the Nel Hydrogen Electrolyser division. See section 6.3.7 for information regarding the acquisition of Proton Energy Systems Inc.

Nel Hydrogen A/S (100%):
This wholly owned subsidiary of Nel ASA develops and manufactures the H2 Station® hydrogen fueling station for cars, buses, trucks, forklifts and other applications. Its production facility is located in Herning, Denmark. Nel Hydrogen A/S is incorporated in Denmark and registered under CRV number 269 33 048. The company operates under the Nel Hydrogen Fueling division.

Danish Hydrogen Fuel A/S ("DHF") (30.3%):
DHF (registered with the Danish Business Authority under CRV-number 360 39 264) is a joint venture agreement between Nel Hydrogen A/S (former H2 Logic A/S) and the companies OK a.m.b.a. and Christian Nielsen Strandmøllen A/S ("CNS").DHF was established by Nel Hydrogen A/S (then H2 Logic) in 2014 as a 100% owned subsidiary, with the purpose of establishing and operating a network of hydrogen fueling stations in Denmark ("HRS"). In January 2015 OK and CNS joined as investors and co-owners of DHF. The company operates under the Nel Hydrogen Fueling division.

Nel Hydrogen Inc. (100%):
The company operates under the Nel Hydrogen Fueling division. The company is established to be responsible for installation, commissioning and service operations the Fueling divisions activities in the US.

Nel Fuel AS (100%):
Nel Fuel AS is incorporated in Norway with the organization number 915 319 351, and is established to represent Nel's ownership in joint ventures related to hydrogen fueling station infrastructure. The company operates under the Nel Hydrogen Fueling division.

Green H2 Norway AS (25%):
A joint venture together with H2 Energy, Greenstat and Akershus Energi established in December 2029. Green H2 Norway will establish hydrogen production facilities in Norway to supply hydrogen to Hyundai trucks which are expected in Norway from 2020. Green H2 Norway is equally owned by the four involved parties, and will in dialogue with other potential partners as well as national authorities initiate the first project in 2020, which will include exploring sector coupling aspects of large-scale electrolysis based hydrogen production. Green H2 Norway is intended to be the exclusive supplier of hydrogen for Hyundai trucks in Norway.

Everfuel Europe A/S (19.9%):

Everfuel is the initiator and coordinator of the H2Bus Consortium, which Nel is part of. Nel has invested 19.9% in Everfuel Europe A/S, while Jacob Krogsgaard controls the remaining stake. Everfuel will provide a complete offering of hydrogen fuel to heavy duty customers such as city buses. Everfuel has signed a long-term exclusive contract with Nel for delivery of H2 Stations® and electrolysers with potential value up to EUR 100 million.

H2 Fuel Norway AS (100%):
A company whose purpose is to build a network of hydrogen fueling stations with hydrogen production, allowing fuel cell electric vehicles (FCEVs) to operate in and between all the major cities in Norway. The company operates under the Nel Hydrogen Fueling division.

Glomfjord Hydrogen AS (37.72%):
A joint venture between Nel ASA (37.72%), Greenstat AS (37.72%) and Meløy Energi AS (24.56%) to invest in and build a large scale hydrogen production facility in Glomfjord, taking advantage of local, low-cost renewable hydro power, and sell hydrogen to customers in the surrounding region. Nel's ownership in Glomfjord Hydrogen AS is owned through its subsidiary Nel Fuel AS.

Íslendska Vetnisfelagið (10%):
A joint venture in Iceland in connection with the Skeljungur project that operates fueling stations installed on Iceland. The joint venture has been in operation since 2018. Nel has a 10% ownership in the joint venture through its subsidiary Nel Fuel AS.

Nel Korea Co., Ltd. (100%):
A company 100% owned by Nel ASA. Previously a 50/50 joint venture between Nel ASA and Deokyang Co., Ltd. established for the exclusive sales and marketing of Nel's H2Station™ hydrogen fueling station in South Korea. The joint venture was named Nel-Deokyang Ltd. Nel ASA took 100% ownership of the company in July/August 2018, and renamed it Nel Korea Co. Ltd.

Hyon AS (33.33%):
A joint venture between Nel ASA (33%), Hexagon Composites ASA (33%) and PowerCell Sweden AB (33%). The parties aim at leveraging their respective capabilities and technologies to offer integrated solutions. The company will initially focus on opportunities in the maritime and marine segments as well as projects to leverage renewable energy resources.

As at the date of this Prospectus, Nel is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

6.3 HISTORICAL BACKGROUND AND COMPANY DEVELOPMENT

The Company was incorporated on 3 June 1998 under the name DiaGenic ASA, and has been listed on Oslo Børs since 2004. On 21 October 2014, the Company changed its name to Nel ASA following the acquisition of New Nel Hydrogen Holding AS (merged into Nel Hydrogen Electrolyser AS in October 2018).

Nel's core business dates back to 1927 when Norsk Hydro installed the first small electrolyser 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 electrolyser technology to external customers.

The below table outlines a high-level overview of the Company's history under the Nel name. Section 6.3.1 to 6.3.13 below outlines key milestones under the Nel name in more detail, presenting the Company's development as a hydrogen technology company (the principal activity of the Company).

Year	Key milestones & events under the Nel name
2014- October	The Company entered into the hydrogen electrolysis sector through the acquisition of New Nel Hydrogen Holding AS and changed its name to Nel ASA
2015 - May	Nel acquired H2 Logic, a supplier of hydrogen fueling stations
2015 - August	Nel acquired RotoBoost H2 AS which holds all assets related to the RotoLyzer®
2015 - December	Jon André Løkke appointed CEO of Nel, effective 4 January 2016
2016 - March	Nel established a joint venture, Uno-X Hydrogen AS, owned by Uno-X, Nel and Praxair with an ownership stake of 41%, 39% and 20% respectively, with the intent of installing 20 hydrogen fueling stations, covering all the major cities in Norway by 2020
2016 - April	Nel launched their next generation hydrogen fueling station: the H2Station™
2016 - June	Bent Skisaker appointed new CFO of Nel, effective 1 September 2016
2017 - February	Nel entered into a framework contract for the supply, construction and maintenance of H2Station™ hydrogen fueling stations in California for Royal Dutch Shell Plc ("Shell") in a partnership with Toyota Motor Corp
2017 - April	Nel signed final joint venture agreement with Hexagon Composites ASA and PowerCell Sweden AB to establish a joint venture (JV) for the development of integrated hydrogen projects
2017 - April	Nel announced that it had entered into an agreement to acquire 100% of Proton OnSite (acquisition completed in June 2017)
2017 - June	Nel entered Korean hydrogen market through JV with Deokyang Co., Ltd. (took full ownership in June 2018 and renamed the company Nel Korea Co., Ltd.
2017 – November	Nel entered into an exclusive partnership with Nikola Motor Company – awarded initial purchase order for two demo stations. Was awarded a multi-billion NOK electrolyser and fueling framework contract in June 2018
2018 - February	Nel expanded its H2Station™ product range with new compressor and increased fueling capacity
2018 - June	Nel was awarded a multi-billion NOK electrolyser and fueling framework contract from Nikola Motor
2019 - February	Nel entered into a contract for delivery of a H2Station™ solution for fueling of heavy-duty vehicles in

2019 - March	Nel co-signed an agreement for the establishment of Hydrogen Energy Network (HyNet), a new Special Purpose Company and a joint venture between thirteen leading industrial companies
2019 - June	Nel, Ballard Power Systems Inc., Hexagon Composites ASA, Wrightbus Ltd., Ryse Hydrogen Ltd. and Everfuel Europe AS announced the establishment of H2Bus Consortium, an ambitious consortium to implement commercial fuel cell electric buses throughout Europe
2019 - December	Nel, H2 Energy, Greenstat and Akershus Energi announced the establishment of Green H2 Norway, that will establish hydrogen production facilities in Norway to supply hydrogen to Hyundai trucks which are expected in Norway from 2020
2020 – February	Kjell Christian Bjørnsen appointed CFO, effective 1 March 2020
2020 - June	Purchase order from Nikola for electrolysers related to the deployment of the world’s first 8 ton/day hydrogen fueling station
2020 - June	Purchase order for multiple hydrogen fueling stations from a large international company

6.3.1 Entering the hydrogen business – change of name from DiaGenic to Nel

Nel (formerly DiaGenic) historically developed diagnostic tests based on peripheral gene expression for early detection of Alzheimer’s disease, Parkinson’s disease and breast cancer. On 28 October 2013, the Company announced that its Board of Directors and management would be seeking to restructure the Company. The Board then initiated the process of giving notice to all staff, which was concluded in October 2013. On 25 February 2014, an extraordinary general meeting approved a rights issue. The proceeds were to be used to fund the evaluation and pursuit of growth and/or development opportunities in the Company’s existing business areas, as well as new opportunities in the biotech/pharmaceuticals sector and other market segments.

On 8 October 2014, the Company acquired 100% of the shares in New Nel Hydrogen Holding AS for a total consideration of NOK 120 million. The transaction was financed through NOK 40 million in cash and NOK 80 million in shares. The consideration shares issued were valued at NOK 0.65 per share. The purchase price allocation identified fair value adjustments on intangible assets of NOK 98.5 million, of which the following assets were identified: customer contracts of NOK 9.6 million, related customer relationships of NOK 33.0 million, technology of NOK 9 million, deferred tax on excess value amounts of NOK 13.9 million, and the remaining value of NOK 60.8 million allocated to goodwill.

The acquisition represented a change in strategic direction for the Company to include a new business area. The pharmaceutical activities remained as a separate business area within Nel. As of today the pharmaceutical activities are limited to having a license agreement with a third party. On 21 October 2014, the Company changed its name to Nel ASA and subsequently its ticker on Oslo Børs to NEL.

6.3.2 Bankruptcy and subsequent restructuring

New Nel Hydrogen (prior to being acquired by the Company) is based on Nel Hydrogen AS, which went bankrupt in June 2013. At the time of its bankruptcy, the company had incurred significant claims and liabilities associated with three major projects the company worked on at the time. The claims were far greater than the company was able to cover. In addition, it was found that the company had unlimited financial liability exposure going forward on two of the projects.

After the bankruptcy the assets were purchased out of the bankruptcy by New Nel Hydrogen, in consultation with the former owners (Ferncliff) of Nel Hydrogen together with Nel Hydrogen's bank DNB.

New Nel Hydrogen renegotiated the existing contracts and now believes the risk profile in their current projects to be acceptable and balanced. While the Nel Hydrogen group prior to the bankruptcy had about 40 employees, the New Nel Hydrogen group had in 2014 approximately 20 employees, but with the same capacity for delivery as the previous company.

6.3.3 Acquisition of H2 Logic A/S

On 31 May 2015, Nel acquired H2 Logic A/S for a total consideration of NOK 300 million which was settled in cash and shares, split by NOK 100 million and NOK 200 million respectively. The share consideration issued was valued at NOK 1.35 per share. The purchase price allocation identified fair value adjustments on intangible assets of NOK 286.6 million, of which the following assets were identified; customer relationships of NOK 2.7 million, technology of NOK 21.4 million, financial assets of NOK 6.2 million and deferred tax on the excess value amounts to NOK 6.0 million. The remaining value left a recognized goodwill of NOK 262.3 million

By acquiring H2 Logic (now named Nel Hydrogen A/S) Nel entered into a larger portion of the hydrogen value chain from hydrogen production using electrolysis through to the hydrogen fueling station end market. The acquisition represented a step forward in the energy carrier market with gained competence from H2 Logic within the hydrogen transport market.

6.3.4 Acquisition of RotoBoost H2 AS

On 13 August 2015, the Company acquired RotoBoost H2 AS for a conditioned acquisition price. The base purchase price was NOK 8.0 million, whereas the conditioned fulfilment of 2 specific conditions/milestones will increase the total consideration with respectively NOK 2.0 million and NOK 3.0 million to a total of NOK 13.0 million (as of the date of this Prospectus the conditions are not yet fulfilled). The acquisition was financed through cash payment. The transaction was closed and the shares were transferred to Nel on 20 September 2015.

The purchase price allocation identified fair value adjustments on intangible assets of NOK 2.2 million, of which NOK 2.2 million was allocated to technology, NOK 0.6 million was identified as deferred tax on the excess value, and the remaining value of NOK 0.6 million was allocated to goodwill.

The target company, RotoBoost H2 AS holds all assets required to the RotoLyzer® which is a pressurized, compact electrolyser, which utilizes a vertical, rotating cell stack, providing full operational flexibility while allowing for low production costs. The technology is patented, see section 6.12.

6.3.5 Nel establishes a joint venture: Uno-X Hydrogen AS

On 3 December 2015, Nel Fuel AS signed a Letter of Intent with Uno-X Gruppen AS, part of Reitangruppen AS, for the rollout of minimum 20 hydrogen fueling stations covering all the major cities in Norway within 2020. The companies established a joint venture Uno-X Hydrogen AS, owned by Uno-X and Nel Fuel AS with 51 % and 49 % respectively.

On 24 May 2016, it was announced that Uno-X Hydrogen AS had entered into an agreement with a Norwegian affiliate of Praxair, as a strategic alliance to install 20 hydrogen fueling stations, covering the major cities in Norway by 2020. Following the agreement, Praxair's Norwegian affiliate holds 20 % of Uno-X Hydrogen, with Uno-X Gruppen and Nel holding 41 % and 39 %, respectively. The joint venture will build a network of hydrogen fueling stations with hydrogen production, allowing fuel cell electric vehicles (FCEVs) to operate in and between all the major cities in Norway. The stations will be deployed in cities like Oslo, Bergen, Trondheim, Stavanger, and Kristiansand, along with corresponding corridor locations.

The first station opened in November 2016 in Sandvika. In December 2016 Nel was awarded a contract from the Uno-X Hydrogen to build a hydrogen fueling station in Bergen.

In April 2017 Nel Hydrogen Solutions received an additional purchase order from Uno-X Hydrogen AS for equipment to build a second hydrogen fueling station in in Bergen, Norway.

In June 2020, Nel assumed 100% ownership and renamed the entity to H2 Fuel Norway AS. The purpose of the company remains unchanged.

6.3.6 Nel establishes a joint venture: Hyon AS

On 19 January 2017, Nel ASA signed a Letter of Intent with Hexagon Composites ASA and PowerCell Sweden AB to establish a joint venture for the development of integrated hydrogen projects. The agreement was signed on 20 April 2017.

The Joint Venture is equally owned by Nel, Hexagon Composites ASA and PowerCell Sweden AB, and represents a one-stop-shop for customers wanting to utilize hydrogen technologies across the value chain: From renewable hydrogen production, to storage, distribution and dispensing, to generating electricity via fuel cells. The jointly-owned entity manages and develops the projects to ensure that technologies from the partners are effectively integrated into complete and optimal solutions for the customer.

6.3.7 Acquisition of Proton OnSite

On 28 April 2017, the Company announced that it had entered into an agreement to acquire 100% of Proton Energy Systems Inc. ("Proton OnSite") for an acquisition price of USD 70.0 million (NOK 585.2 million). The transaction was closed and the shares were transferred to Nel on 30 June 2017. The consideration for the shares in Proton Onsite consisted of 147,659,456 shares and 10,276,636 share options and a cash consideration of USD 20 million. Following the post-closing adjustment, which concluded in November 2017, the final number of consideration shares was adjusted to 146,138,713 shares.

The purchase price allocation identified fair value adjustments on intangible assets of NOK 468.6 million, of which NOK 19.5 million was allocated to customer contracts, NOK 59.0 million allocated to customer relationships and NOK 261.7 million allocated to technology, NOK 129.3 million was identified as deferred tax on the excess value, and the remaining value of NOK 257.7 million was allocated to goodwill.

Proton OnSite fully complements Nel, both in terms of technology and market outreach, and the combined entity will be able to offer the full specter of electrolysers in terms of capacity and technology. Proton OnSite and Nel is a strong strategic fit, with synergies related to sales and commercialization, product portfolio, R&D and best practices across the combined company.

6.3.8 Nel establishes a joint venture: Nel-Deokyang

On 30 June 2017, Nel ASA announced that they had entered into an agreement with Deokyang Co., Ltd. Koreas largest hydrogen supplier, to establish a joint venture (Nel-Deokyang Co., Ltd.) for the exclusive sales and marketing of Nel's H2Station™ hydrogen fueling stations in Korea.

In July/August 2018, Nel ASA took full ownership (100%) of the joint venture Nel-Deokyang Co., Ltd. and renamed it to Nel Korea Co., Ltd.

6.3.9 Nel enters into an exclusive partnership with Nikola Motor Company

On 15 November 2017, Nel ASA announced that they had entered into an exclusive partnership with Nikola Motor Company ("**Nikola**"). The Company received an initial purchase order for two demo fueling stations to provide hydrogen to Nikola's fleet of prototype hydrogen trucks. The purchase order amounting to more than USD 9 million was the initial part of an exclusive partnership aiming at developing low-cost renewable hydrogen production and fueling sites for the potential development of 16 large-scale sites with a capacity up to 32 tons of hydrogen per day.

In June 2018, Nel ASA announced a multi-billion NOK framework contract from Nikola. The award was for the delivery of 448 electrolysers and associated fueling equipment to Nikola as part of Nikola's development of a hydrogen station infrastructure in the US for truck and passenger vehicles. The contract included an initial order for a pre-engineering package of around USD 1.5 million, where Nel will develop a station design, including electrolysers specifically made for fast fueling of Nikola trucks.

Under the multi-billion NOK framework contract, to be deployed from 2020 through 2025, Nel will deliver up to 1 GW of electrolysis plus fueling equipment. Nel will continue to work, in collaboration with Nikola, to finalize the detailed station design and other technology elements to be deployed for the commercial stations. The exact timing of deliveries and volume ramp-up of electrolysers and associated fueling equipment will be agreed after the pre-engineering project is complete.

6.3.10 Nel enters into a contract for delivery of a H2Station™ solution

On 30 January 2019, Nel announced that they had entered into a contract for delivery of a H2Station™ solution for fueling of heavy-duty vehicles in the US. Nel also announced that the H2Station™ order had a total value of more than $6 million. The stations will serve a fleet of heavy-duty trucks from a major vehicle OEM operating in the Greater Los Angeles area.

On 22 February 2019, Nel ASA announced that they had entered into a contract for delivery of a H2Station™ solution for fueling of heavy-duty vehicles in California from EQUILON Enterprises LLC (d/b/a/ Shell Oil Products US). The contract was entered under the previously announced framework agreement between Nel and Shell Global Solutions International B.V.

6.3.11 Nel co-signs an agreement for the establishment of Hydrogen Energy Network (HyNet)

On 1 March 2019, Nel announced that they had co-signed an agreement for the establishment of Hydrogen Energy Network (HyNet), a new Special Purpose Company (SPC) and a joint venture (JV) between thirteen leading industrial companies. The target of HyNet is to expand the hydrogen fueling infrastructure in South Korea by installing 100 stations by 2022 and to operate them until 2029.

HyNet is a JV among thirteen companies with the major shareholders being Hyundai Motor Company, Korea Gas Corporation, and Air Liquide Korea. The company plans to build and operate hydrogen fueling stations in South Korea together with strategic investors and is financially supported by the Korean Ministry of Environment. The target of HyNet is primarily to expand the hydrogen fueling infrastructure in South Korea by installing 100 stations by 2022 and to operate them until 2029.

The board of HyNet consists of seven board members including Nel Korea with Simon Choi, Sales Director and VP, who was elected as a representative of the hydrogen refueling station equipment suppliers. Nel intends to sell H2Stations® both directly to the HyNet JV as well as directly to other customers. Nel will further evaluate to invest in HyNet depending on the number of possible hydrogen stations sales.

6.3.12 H2Bus Consortium established to commercialize fuel cell electric buses in Europe established

On 3 June 2019, Nel together with Ballard Power Systems Inc., Hexagon Composites ASA, Wrightbus Ltd., Ryse Hydrogen Ltd. and Everfuel Europe AS announced the establishment of H2Bus Consortium, an ambitious consortium to implement commercial fuel cell electric buses throughout Europe. The consortium will cooperate closely to execute on the previously announced H2Bus Europe project. The first phase of the project involves 600 fuel cell buses, and is supported by EUR 40 million from the EU’s Connecting Europe Facility. Nel electrolysers and Nel hydrogen stations will be deployed in Denmark, Latvia and the UK, with more European markets to follow.

Everfuel, incorporated by Nel, will own and operate the hydrogen value chain, and purchase equipment exclusively from Nel. Nel will remain a minority shareholder in the company.

6.3.13 Green H2 Norway established to supply hydrogen to Hyundai trucks

On 20 December 2019, Nel together with H2 Energy AS, Greenstat AS and Akershus Energi Infrastruktur AS announced the establishment of Green H2 Norway, a joint venture that will establish renewable hydrogen production facilities in Norway to supply hydrogen to Hyundai trucks which are expected in Norway from 2020. Green H2 Norway is equally owned by the parties, and will in dialogue with other potential partners as well as national authorities initiate the first project in 2020, which will include exploring sector coupling aspects of large-scale electrolysis based hydrogen production. Green H2 Norway is intended to be the exclusive supplier of renewable hydrogen for Hyundai trucks in Norway.

6.3.14 Purchase order for 85 MW alkaline electrolysers

The purchase order has a value in excess of USD $30 million, and the electrolysers will primarily be delivered from the new electrolyser mega-factory currently under development in Norway. This purchase order will support Nikola's five initial stations with 8 ton per day hydrogen production capacity. The remaining equipment will be covered by a separate purchase order that is expected to be finalized within the coming months.

6.3.15 Purchase order for multiple hydrogen fueling stations

On 30 June 2020, Nel announced a purchase order for multiple H2Station^{TM} units from a large international company. The value of the order is in excess of NOK 150 million, and the H2Station^{TM} modules which will be used for fueling of passenger vehicles in an existing market for Nel will be installed on multiple sites during 2021.

6.4 BUSINESS OBJECTIVES AND STRATEGY

Nel ASA is a global hydrogen technology company, delivering solutions to produce, store and distribute hydrogen from renewable energy. The Company serves industry, energy and gas companies with advanced hydrogen technologies, and offers solutions covering key elements in the value chain, , enabling industries to transition to green hydrogen, as well as providing fuel cell electric vehicles ("FCEVs") with refueling time and range comparable to conventional vehicles today, without the emissions.

6.4.1 Business strategy

Nel currently covers a large portion of the hydrogen value chain, from hydrogen production solutions based on water electrolysis, through to the hydrogen fueling station end market. By targeting a broader market and continuously improving its products, Nel aims to maintain and strengthen its position as a global manufacturer of electrolysers and hydrogen fueling stations, and to play an important role in the different markets for utilization of hydrogen on a global basis.

The Company's strategy is to grow its revenues in an attractive market that is expected to grow rapidly in the coming years. The Company has today invested in an indirect cost base, mainly related to overhead and administration, to support and position the Company for growth in the coming years. The Company anticipates that future growth in revenue will benefit from scale advantages on the indirect cost base, and hence contribute positively to profit margins. In addition, the Company foresees to benefit from cost improvements through larger scale production and general improvements and rationalizations in production. Hence, the Company anticipates to improve its profitability as it grows its revenue through improving gross margins and lower ratio of indirect costs in percent of revenue.

The following constitute the foundation for Nel's strategy in the respective segments going forward:

<u>Nel Hydrogen Electrolyser:</u>
Nel is already positioned in the traditional industrial markets for hydrogen, and has also made several deliveries to the new industrial markets. The Company has seen an increasing level of sales leads both in the traditional and new markets. Furthermore the Company is experiencing a significant increase in the interest related to large scale hydrogen production facilities in multi-megawatt to gigawatt scale, both related to industry and mobility applications.

Nel is continuously developing its product portfolio on both a technological basis and through standardization and cost reductions in an effort to enable the Company to offer even more competitive products in the future. Building on its already extensive range of alkaline and PEM electrolysers, Nel plans to continue developing and improving both technologies. Initiatives related to this include a next generation large scale, pressurized alkaline electrolyser, larger PEM stacks, and large-scale solutions which allow for significant cost reductions on a system level. The Company believes that the combination of reduced costs and large-scale solutions will enable Nel to penetrate new markets and increase competitiveness in existing markets, gradually replacing fossil-based solutions for hydrogen production that are currently in place.

The markets for hydrogen are in development, and it is particularly the markets for hydrogen as a fuel for mobility and the so-called "power-to-X" market, where X refers to the various applications for hydrogen. Here, low cost, renewable hydrogen can both replace fossil hydrogen and coal in industrial processes, as well as playing a role in decarbonizing other sectors, for example the natural gas grid. Although these markets are presently still in a nascent stage, they represent a potential which is several times larger than the present electrolyser market. Nel therefore places high priority on products and solutions that fit these markets. The growth in renewable energies and the shift from fossil to renewable fuels, is gaining momentum globally, and positively impacts the development of these markets. As intermittent renewable energy from e.g. wind and solar power will be the main source of electricity for hydrogen to these markets, this sets new demands for the flexibility on the electrolysers to "follow" the natural fluctuations in the resulting electricity generation.

Nel aims to apply its unique knowledge, experience and position within large scale hydrogen generators to the new markets for renewable hydrogen, both through further development and cost reductions of the alkaline atmospheric electrolysers, as well as a strengthened focus on pressurized electrolysers.

Nel covers all relevant sizes and technologies in the electrolysis market, i.e. atmospheric- and pressurized-alkaline and PEM electrolysers, and through the years Nel has built up a considerable network of sales agents, as well as a solid customer base across the world. Nel has delivered more than 800 alkaline and 2,700 PEM electrolysers, delivered to more than 80 countries worldwide.

Nel Hydrogen Fueling:
Nel aims to become a leading supplier of hydrogen (re)fueling stations ("HRS"), offering a complete solution from production of hydrogen to fueling of vehicles. Nel's fueling division has a global footprint, and has delivered more than 80 stations in 9 countries since 2003, and is continuously strengthening the portfolio of fueling solutions according to the market development,. Nel's target is to deliver fueling solutions that will enable hydrogen to outcompete fossil fuels for an increasing number of applications, and to become a preferred fuel alternative. Seeing particularly accelerating activity in the heavy-duty segment has encouraged Nel to step up technology developments, and to launch new products, better suited for heavy-duty applications. Nel plans to continue significant technology developments going forwards.

Nel Hydrogen Fueling has developed a proprietary cooling solution as well as an in-house developed compressor technology, maintaining the small and flexible footprint, making the station relevant, both for new, purpose-built hydrogen stations, as well as for retrofitting conventional gasoline stations with a fueling line for hydrogen. A high focus on technology development within Nel has also ensured that the HRS from Nel have been the first to comply with the international standards for fueling. These initiatives and Nel's launch of new generations of the H2Station™ are being timed with the global launch of hydrogen vehicles.

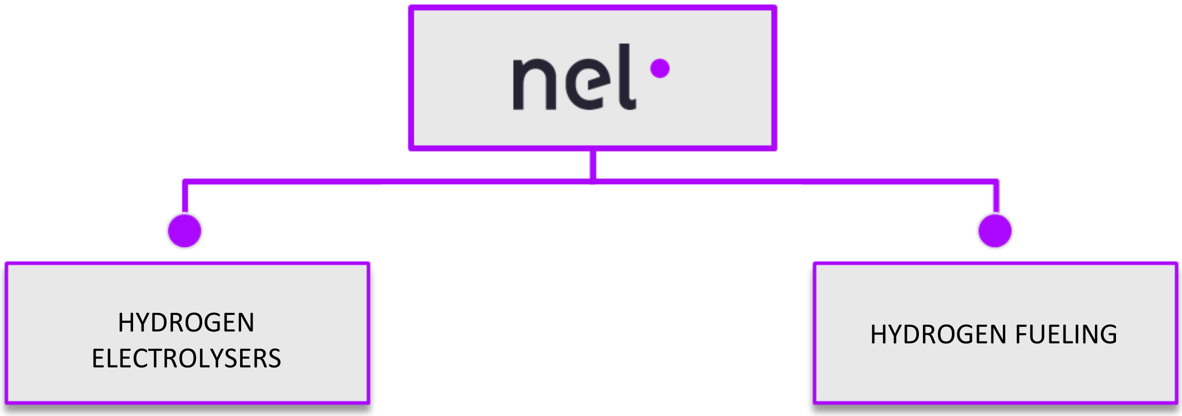
Additionally, in the current phase of the development of the Company and the market in which the Company operates, the Company is continuously evaluating and discussing with third parties opportunities such as investments, M&A opportunities and strategic co-operations with existing or potential customers, or combinations of the aforesaid. Such discussions may or may not materialize in firm commitments or contracts in the near or mid-term future. Examples of this include the establishment of several joint ventures in 2019, such as the H2Bus consortium that aims to commercialized fuel cell electric buses in Europe, HyNet in Korea that aims to expand the hydrogen fueling infrastructure in South Korea, and Green H2 Norway that aims to supply hydrogen to Hyundai trucks in Norway.

6.5 BUSINESS DESCRIPTION

6.5.1 Overview of current operations

As described in section 6.4, Nel is a global hydrogen technology company, delivering solutions to produce, store and distribute hydrogen from renewable energy.

The Company is organized into two business areas along the hydrogen value chain. Nel reorganized the organization from three to two business units in 2019 when it started reporting the former business unit Nel Hydrogen Solutions as an integrated part of the two operating business units. The following subsection provides a detailed description of Nel's two divisions: Nel Hydrogen Electrolyser and Nel Hydrogen Fueling.



6.5.2 Nel Hydrogen Electrolyser

Nel Hydrogen Electrolyser is a manufacturer of electrolysers, covering both alkaline and PEM technology globally. The business division dates back to 1927, when Norsk Hydro developed large-scale electrolyser plants, providing renewable hydrogen for use in ammonia production with fertilizer as the end-product. Since then, the electrolyser technology has been improved continuously, and Nel Hydrogen Electrolyser has accumulated unique experience and knowledge about hydrogen fueling stations and power-to-gas systems.

Historically, hydrogen has primarily been used as an input factor for a broad spectrum of industrial applications and products, such as ammonia, refineries, methanol, edible oil, chemicals, metallurgy, glass, electronics, generator cooling, polysilicon used in PV solar panels, and other industrial applications.

Looking ahead, Nel anticipates that hydrogen will increasingly be utilized as an energy carrier, both to maximize the utilization of renewable energy and, subsequently, as a sustainable fuel for zero-emission FCEVs. With the commercial introduction of FCEVs already taking place, Nel Hydrogen Electrolyser intends to supply the hydrogen fueling, energy storage and power-to-gas markets.

Water electrolysis ("electrolysis" for the purpose of this Prospectus) is the process of splitting water into hydrogen and oxygen using an electrical current. The inputs to this process are simply water and electrical power. Nel's Hydrogen Electrolyser division is responsible for delivery of complete hydrogen plants including both in-house electrolyser manufacturing and guidance to industrial customers who themselves perform the installation, before Nel takes part in the commissioning and start-up of the plant. Nel has a global reach through own sales representatives and an extensive agent network. Nel Hydrogen Electrolyser has delivered more than 800 alkaline and 2,700 PEM electrolysers, delivered to more than 80 countries worldwide.

Of the total global hydrogen market, only 1% of the hydrogen is generated via water electrolysis. The remaining 99% is primarily produced from fossil fuels, with natural gas reforming and coal gasification being the two most common methods. However, electrolysis is expected to grow in market share, mainly driven by the decreasing cost of renewable energy, increased share of intermittent (wind and solar) energy, decreasing cost of electrolysis, and an increasing focus on climate and air quality.

An increasing number of hydrogen projects, both within the sectors of mobility and industry are being initiated worldwide, and Nel Hydrogen Electrolyser expects this development to accelerate and grow in size. The Company views this development as particularly positive, as the market growth and trend towards larger projects is making Nel Hydrogen Electrolyser's portfolio of large-scale products increasingly relevant.

Nel Hydrogen Electrolyser currently has production facilities in Notodden, Norway, and in Wallingford, Connecticut, USA. In August 2019, Nel announced that the Company had secured a new location in Herøya Industrial Park for the planned expansion of manufacturing capacity of alkaline electrolysers. Nel plans to expand manufacturing capacity from around 40 MW/year to 500 MW/year for the first production line, and the location has capacity to expand to 2 GW/year on the current electrolyser platform. Nel has a global reach through its inhouse sales operation and network of agents across the globe.

Nel Hydrogen Electrolyser's A-series of electrolysers are widely respected for their robustness, reliability and energy efficiency. Further, with the products' flexibility, ease-of-use, high capacity and safety record added to the list, the solutions have in Nel's view set a benchmark for the industry. The atmospheric alkaline electrolysers from Nel are both delivered as stand-alone or integrated hydrogen production plants, as well as turn-key containerized solutions, for producing renewable hydrogen integrated with hydrogen fueling stations for cars, busses or other utility vehicles.

Nel is also developing the next generation alkaline electrolyser, and plans to have the first full scale prototype operating in 2022. The targets for the next generation electrolyser are: higher capacity than the current generation, higher pressure, as well as higher operational flexibility in order to more easily be integrated with renewable energy sources.

Nel's PEM electrolyser portfolio covers a wide range of electrolysers from kilowatt to megawatt scale solutions. The Company has over the last couple years undertaken a systematic cost reduction program for the PEM portfolio, and is currently developing larger stacks alongside other improvements, resulting in lower cost per capacity.

6.5.3 Nel Hydrogen Fueling

Nel Hydrogen Fueling is a manufacturer of hydrogen fueling stations. The Nel Hydrogen Fueling division's core product is the H2Station™™, a hydrogen fueling station that provides fuel cell electric vehicles (FCEV)s with comparable fast fueling and long range as conventional vehicles today. In addition, Nel Hydrogen Fueling develops and delivers fueling solutions on a range of other transport applications like fuel cell electric busses, trucks, forklifts as well as marine applications.
Nel has invested significantly in R&D since it began manufacturing hydrogen fueling stations in 2003, and today considers itself as one of the global leaders on hydrogen fueling stations for mobility applications. The H2Station™ manufacturing plant is in Herning, Denmark. It has capacity of 300 hydrogen stations per year, leaving room for significant growth.
The H2Station™ technology is now being installed in several European countries, as well as in California, US, and Korea, providing hydrogen fueling for FCEVs from major car manufacturers. In total Nel has delivered more than 80 stations in 9 countries since 2003.

Furthermore, Nel was among the first to achieve fast fueling of hydrogen in compliance with the SAE J2601 fueling standard, which is required by the major car manufacturers to ensure a safe and fast fueling of FCEVs. In 2018, Nel became the first company to achieve a UL certification for a hydrogen fuelling station product. The certification sets the new industrial norm and benchmark for safety level and legal compliance for hydrogen fuelling stations, and enables a faster and more streamlined installation and permitting process in the United States, one of the leading markets for HRS deployment.

Aside from providing fast fueling, H2Station™ technology has a long proven track-record of reliable operations, and the ambition is to keep a strong position and act as the preferred supplier of hydrogen fueling stations for international infrastructure operators such as oil, energy and gas companies.

Nel Hydrogen Fueling aims to become a leading supplier of cost competitive high-quality fueling stations solutions for all relevant applications within transportation. Nel's Hydrogen Fueling intends to continue to strengthen its position by regularly adding new products to the portfolio. These products should (i) be cost competitive, (ii) have high capacity, (iii) small in footprint and flexible in layout, (iv) robust with high uptime, (v) pre-certified with relevant certification, and (v) offer the lowest cost of ownership to the station operator.

6.5.4 Covid-19's impact on operations

The global economy has been experiencing a period of uncertainty since the recent outbreak of the Covid-19 virus, which was recognized as a pandemic by the World Health Organization in March 2020. The global outbreak of Covid-19, and the extraordinary health measures imposed as a result, has caused and may cause disruptions in the Company´s value chain. This will in turn negatively impact revenues and operations due to, inter alia, reduced production due to "stay home - stay safe" policy, delay in installation and commissioning due to travel restrictions, impacting revenue recognition, general temporary business slow down impacts customer dialogue and order bookings and/or uphold of fixed/indirect costs, designed to support a higher activity level, will impact short-term financial results when revenues are lower. As of the date of the Prospectus, it is too early to estimate the full effects.

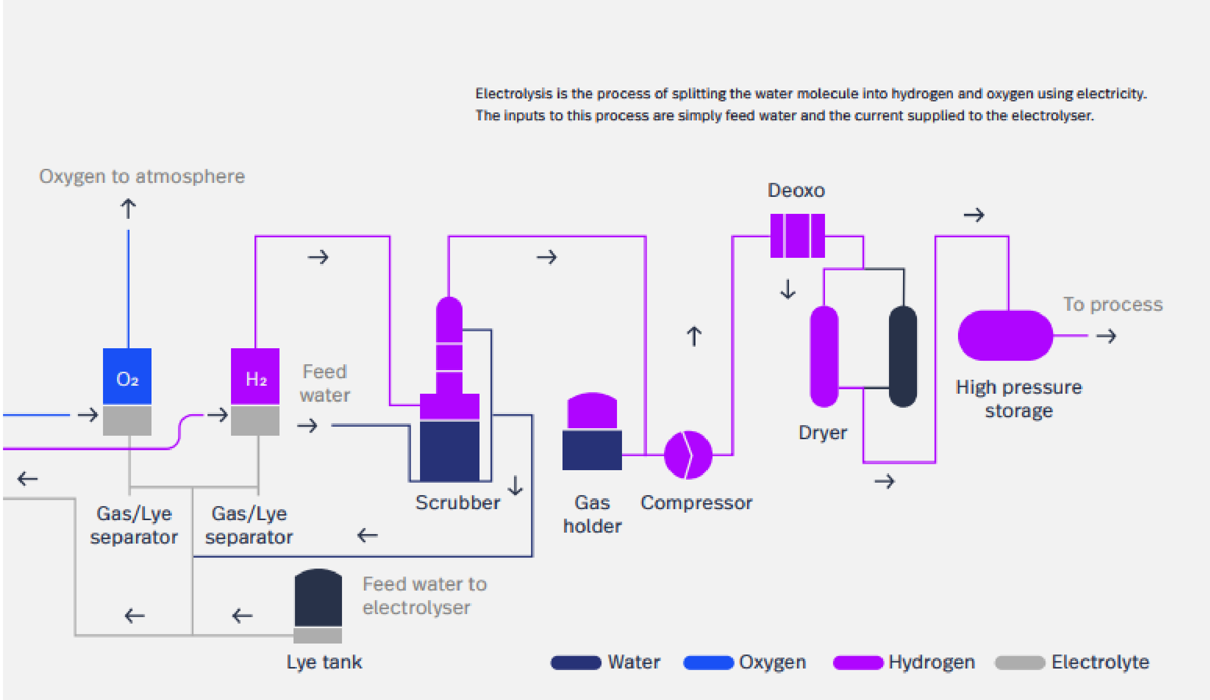
6.6 PROCESS DESCRIPTION AND LAYOUT

6.6.1 Nel Hydrogen Electrolyser

6.6.1.1. Alkaline electrolysis

Electrolysis takes place when an electric current flows through an electrolyte (water with 25% potassium hydroxide “KOH” concentration) from an anode to a cathode. Water molecules are instantly split into hydrogen and oxygen in a volume ratio of 2:1. The oxygen is usually released to the atmosphere, while the hydrogen will undergo further treatments, depending on the use for which it is intended. The below figure provides an illustration of the electrolysis process.

Alkaline electrolysis process diagram



Source: Nel ASA

Transformer and rectifier:
The transformer and rectifier are used to convert the alternating current (AC) high voltage supply into direct current (DC) input.

Electrolyser:
Hydrogen and oxygen are produced through electrolysis of water. The electrolyser is of the filter press type with bipolar electrodes separated by diaphragms. Hydrogen gas is generated at the cathode and the oxygen at the anode. The gases bubble up through the electrolyte to be conveyed by internal ducts into separation tanks at the front of the electrolyser.

Electrolyte system:
This module consists of two gas separators and the electrolyte recirculation system. In the separators the electrolyte is recovered and is then chilled and recycled into the cell block. The electrolyte, which consists of a 25% aqueous potassium hydroxide solution, acts as a catalyst to speed up the reaction and to remove evolved heat in the electrolyser.

Scrubber:
The scrubber serves three main functions: i) remove residual traces of electrolyte ii) cool down the hydrogen and iii) feed water tank.

Gas holder:

The gas holder is a buffer tank installed between the electrolyser and the compressor. If required, the hydrogen gas is compressed to the required level by one or more compressors. It compresses the gas from atmospheric pressure in the gas holder to the required pressure.

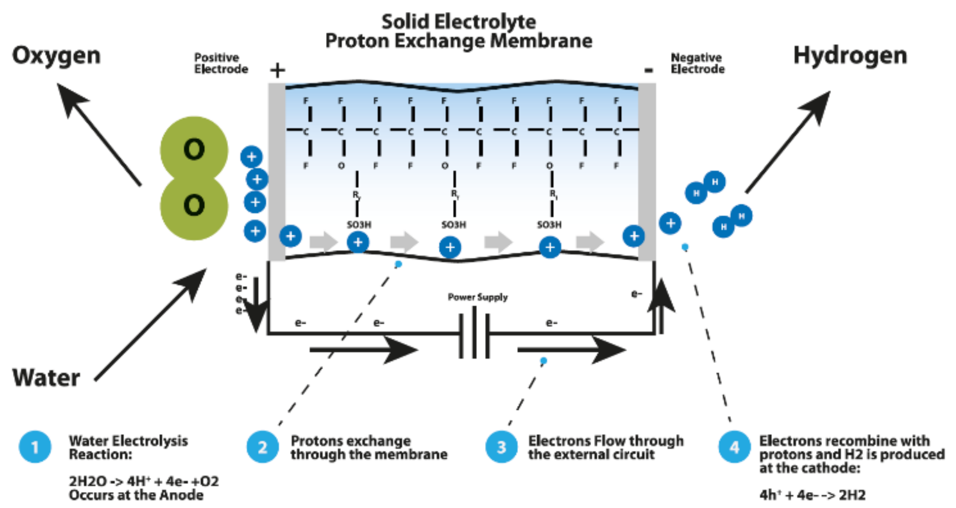
<u>Deoxidiser and dryer</u>:
From the gas scrubber, the hydrogen has a purity level of 99.9%. If a higher purity level is required, the gas can be further purified. The impurities consist almost entirely of oxygen and water (in addition to nitrogen). The oxygen and water are easily removed. The oxygen is removed by a catalytic recombination with hydrogen in a deoxidiser. The gas is dried by a twin absorption system consisting of two towers that are filled with a desiccant to absorb the water. One tower is in operation, while the other one is being regenerated. The result is very high purity hydrogen.

6.6.1.2. Proton Exchange Membrane (PEM) technology

Proton OnSite's hydrogen generators are electrochemical devices that convert water and electricity into hydrogen gas using a process known as PEM electrolysis. The core of a hydrogen generator is an electrolysis cell consisting of a solid electrolyte, also known as a proton exchange membrane. Catalyst material is bonded to both sides of the membrane, forming two electrodes. To generate hydrogen, water is introduced to one side of the membrane and voltage is applied to the electrodes. This process divides the water into protons, electrons and oxygen. The protons are drawn through the proton exchange membrane and recombined with the electrons at the opposite side of the membrane to form hydrogen. The oxygen is removed from the cells with the excess water flow. This process produces hydrogen with a high level of purity and at significant pressures.

A single electrolysis cell is typically integrated into a complete cell assembly that includes flow field structures that provide mechanical support, conduct current and provide a means to introduce water and remove gases. These cell assemblies are stacked and compressed between two end plates along with other support components to form a complete cell stack. The hydrogen production capability of a cell stack is approximately proportional to the area of each cell, the number of cells in the stack and the electric current supplied.

Proton Exchange Membrane process (PEM)



Source: Nel ASA

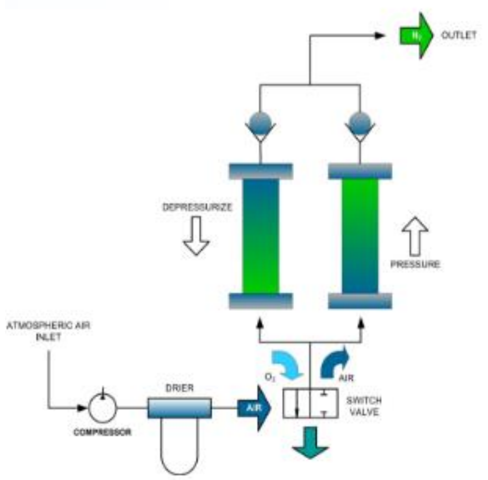
6.6.2 Pressure swing adsorption ("PSA") technology

Pressure swing adsorption is a widely-used technology for the purification of gases under pressure which takes advantage of a gases' molecular characteristics and affinity for an adsorbent material. This technology is applied in two different separation applications in Proton OnSite gas generation products.

The first is specific to the laboratory nitrogen generators where nitrogen is separated from air using carbon molecular sieve (CMS) packed beds. Alternating between both CMS columns, firstly O_2, moisture, CO_2, and other "contaminants" are adsorbed, allowing the pure nitrogen to flow into an accumulation tank at the outlet. See illustration below

PSA is also used in Proton OnSite's industrial hydrogen generation products to remove moisture from a hydrogen product stream. In this case the beds are packed with zeolite material which has an affinity for moisture. Like the process described for nitrogen, by alternating between two adsorbent filled vessels, one vessel being on line and removing moisture at high pressure, and the other off line releasing the trapped moisture at low pressure, it is possible to thoroughly dry and deliver the hydrogen for end use.

PSA process

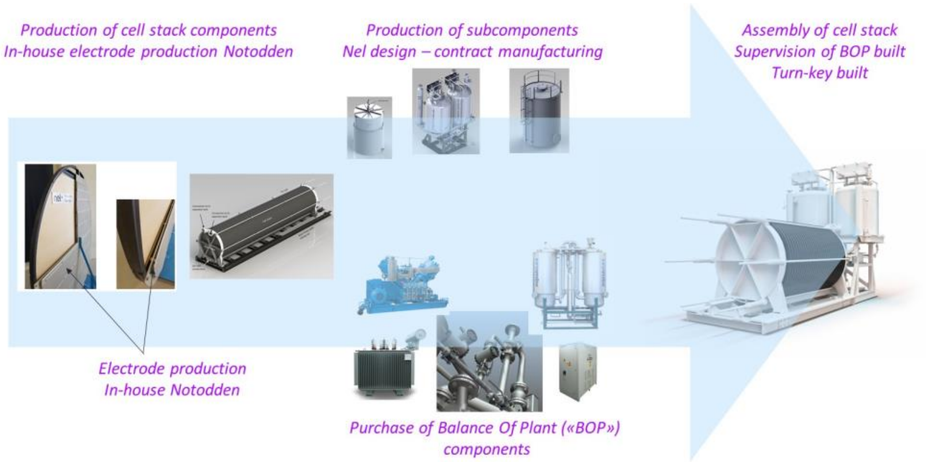


Source: Nel ASA

6.6.2.1. Nel Hydrogen Electrolyser process layout and value chain

The below figure provides an illustration of the production flow of alkaline electrolysis as an example.

Manufacturing – production flow



Source: Nel ASA

Nel's supply chain strategy is to ensure dual supply chains on all components. Nel currently has few components with single source, hence there are generally other components available on the market that can fulfil the same need, but these may not currently be qualified in terms of engineering. Also, Nel has design means to get around challenges related to engineering if the Company sees potential threats to the above illustrated supply chain.

6.6.3 Nel Hydrogen Fueling

6.6.3.1. *Hydrogen supply flexibility*

Hydrogen can be produced centrally or at the fueling station (on-site) from a range of energy sources, both fossil and renewable. This enables regions and countries to optimize the hydrogen supply to the energy sources, and make it domestically available and hence increase security of energy supply.

Hydrogen production from natural gas achieves higher energy efficiency over the entire supply chain compared with gasoline powered vehicles, whilst achieving zero tailpipe emissions[2]. Production based on electricity can, however, when based on renewables, enable a fully zero emission value chain. In addition, hydrogen production can be used to balance and store, and thus integrate larger shares of fluctuating renewable energy in power grids.

For markets where electricity is the preferred energy source for hydrogen production, Nel's electrolyser products can be offered together with H2Station™ from Nel.

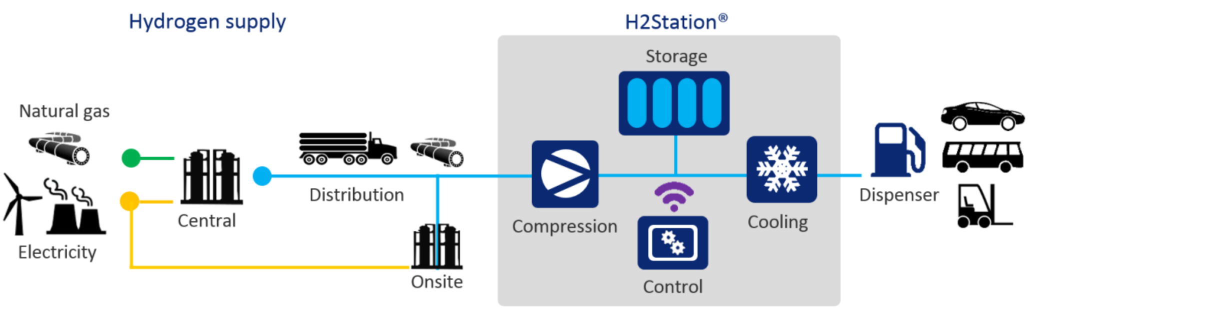
H2Station™ is designed to connect to any hydrogen supply mode (delivered or onsite). Inside the H2Station™ hydrogen is compressed and stored before being fueled into the vehicle. The core technology is the control and cooling systems as this ensures a fast, safe and complete fueling of the vehicle according to the SAE J2601 standard, which is required by the car manufacturers. In addition, the entire system and plant design is the key to achieve a stable and reliable system, ensuring a high availability for vehicle users. Nel has through its subsidiary Nel Hydrogen A/S filed and published patents covering various features in the fueling process (see section 6.12).

The fueling nozzle is a global industrial recognized standard, enabling fueling of any vehicle type. For cars a fueling pressure of 70MPa (700bar) is used by most car manufacturers to ensure a long range comparable to gasoline. For heavy duty vehicles, such as trucks, buses, as well as material handling vehicles such as forklifts, 35MPa (350bar) is the most often used pressure, but for long haul trucking, companies like Nikola Motor are utilizing 70MPa (700bar) pressure to maximise the range of their trucks.

6.6.3.2. *H2Station*™ process layout and value chain

The below figure provides an illustration of the H2Station™ process layout.

H2Station™ process layout



With regards to the value chain of Nel Hydrogen Fueling, Nel designs complete fueling stations and uses a mix of standard (off the shelf) components and Nel designed special components.

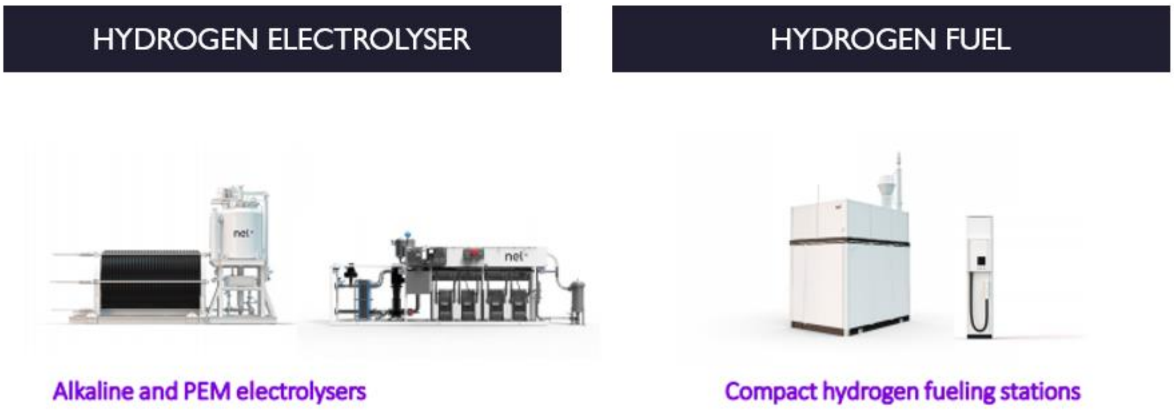
- In Nel's manufacturing there are no machining, welding or other specialized manufacturing processes. In addition to development the Nel's focus is purely on assembly and quality assurance of the assembly.
- The standard (off the shelf) components are based on catalog specifications, and in almost all cases dual sourcing is possible. Due to geometry design, tweaks may be necessary to be able to switch from one supplier to another.
- All special components are designed by Nel, where Nel holds the right to the drawings. This also means that Nel can change from one manufacturer to another as we have the design.
- Nel has vendors who build complete subsystems, but per Nel's specification.

[2] Only tail pipe emission from a Fuel Cell Electric Vehicle is water vapour

- Note that Nel themselves are not responsible for the operations of the H2Station^{TM} (but are only a provider of the equipment (i.e. dispenser etc.) to its customers.

6.7 PRODUCT OFFERING

The figure below sets out an overview of Nel's current products split by business segments.



6.7.1 Nel Hydrogen Electrolyser

The Nel Hydrogen Electrolyser segment's product offering consists of a range of electrolysers, covering both alkaline and PEM technology. The following sections describe the electrolysers that are currently in production. Additionally, other products are under development.

6.7.1.1. Atmospheric electrolyser: The A-range

One of Nel's main markets is atmospheric electrolysers. The Company's product line ("Nel A") consists of five separate electrolysers: Nel A150, Nel A300, Nel A485, Nel A1000 and Nel A3880. Each product has a different production capacity range, but is based on similar core technology. These electrolysers operate at atmospheric pressure, but are typically delivered with a compressor providing outlet pressure dependent on customer demand..

Nel's atmospheric electrolyser plants are delivered in separate modules and installation is performed at the customer's location. The product offering is an asbestos free solution.

Nel's A-series of electrolysers are based on proven technology with more than 500 deliveries worldwide. Nel's atmospheric electrolysers are used in a variety of applications including large scale traditional industry (requiring 50-500+ Nm^3/h), renewable industry (e.g. polysilicon production requiring 500+ Nm^3/h) and energy carrier applications such as synthetic fuel and utility scale energy storage (requiring 150-500+ Nm^3/h).

The benefits of Nel's atmospheric electrolysers include: i) reliable hydrogen supply, ii) high flexibility and iii) cost-efficient solutions.

i. Nel's A-series of electrolysers are based on decades of development and are able to deliver non-stop hydrogen supply for years without need for maintenance shut-down (a replacement of the cell stack would typically be required after approximately 7 to 10 years). On-site electrolyser production enables customers to control their own supply of hydrogen.

ii. Quick start-up and shut-down of the electrolyser plant allows for flexible hydrogen production according to the end user's demand. Nel's atmospheric electrolysers have a robust operational range and can be automatically adjusted to produce between 20% and 100% of the installed capacity. Because of their modular design, the Nel A-series can be pre-designed for future expansion of capacity.

iii. The Nel A-series of electrolysers use special catalytic coating that provides the most energy efficient electrolysers in the market, thereby reducing operating costs. Additionally, with Nel's PLC control system, the plant runs automatically and unattended, whereby only routine shift inspections are required.

6.7.1.2. Containerized electrolyser: The AC-series

In 2016 Nel launched a new containerized electrolyser; The AC-series, which compromise of two new configurations: Nel AC150 and Nel AC300. The new series offers a low-cost, turn-key solution, representing among the world’s smallest footprint for commercially available, containerized, high capacity electrolysers. The footprint of the C-series is approximately 115m^2, representing a footprint of ~25% of the closest comparable electrolyser in the market.

The products will have an output capacity of 150 and 300 Nm^3/hr respectively, which is equivalent to about 330 or 660 kg/day. The standard gas output pressure will be 200 bar, which makes these products ideal for producing renewable hydrogen integrated with hydrogen fueling stations for cars, busses or other utility vehicles.

6.7.1.3. PEM electrolyser offering

This section offers a brief description of Nel’s PEM electrolyser offering, which produces hydrogen using Proton Exchange Membrane (PEM) electrolysis.

G200, G400, G600, G600-HP

Hydrogen G200/G400/G600/G600-HP are bench-top generators that utilize a Proton Exchange Membrane (PEM) cell stack and desiccant dryer to produce ultra high purity (UHP) hydrogen for laboratory applications. These systems are capable of sensing demand and adjusting production rate, while maintaining quiet operation

G4800

Hydrogen G4800 laboratory-sized generator is designed for multiple GC FID and carrier gas applications. The G4800 is the only generator large enough to handle all carrier gas requirements. It utilizes Proton Exchange Membrane (PEM) cell stack and PSA technology to produce UHP hydrogen for laboratory applications.

S10, S20, S40

Hydrogen S-Series generators utilize a Proton Exchange Membrane (PEM) cell stack and PSA technology to produce ultra-high purity hydrogen for various applications; some of which include materials processing, generator cooling and semiconductor fabrication, meteorological balloon filling, etc. S-Series hydrogen generators produce the equivalent of four cylinders of better-than-UHP grade hydrogen every day, which help many industries eliminate costs associated with delivery and use of hydrogen.

H2, H4, H6

Hydrogen H-Series generators utilize Proton Exchange Membrane (PEM) cell stack and PSA technology to produce ultra-high purity hydrogen for various applications; some of which include materials processing, generator cooling and semiconductor fabrication, etc. These systems benefit hydrogen users by improving supply reliability and site safety, while also reducing hydrogen storage space.
The generators are modular, field-upgradeable and designed to compete with delivered hydrogen anywhere in the world. A single H6 unit will supply the equivalent of one and one-half jumbo tube trailers every month. Multiple H-systems may be combined for additional capacity at

no extra integration cost.

C10, C20, C30

Hydrogen C-Series generators utilize Proton Exchange Membrane (PEM) cell stack and PSA technology to produce ultra-high purity hydrogen for various applications; some of which include materials processing, semiconductor fabrication, hydrogenation, energy storage, fueling, etc. This series benefits hydrogen users by improving supply reliability and site safety, while also reducing hydrogen storage space.

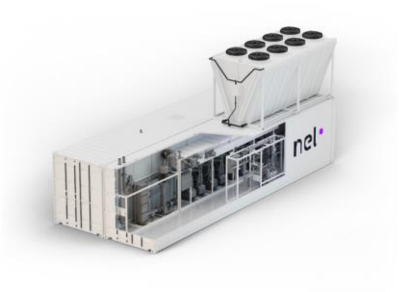
StableFlow Hydrogen Control System

The StableFlow™ Hydrogen Control System is a breakthrough product allowing power plants to actively control electric generator casing hydrogen purity, pressure and dew point. These systems can save most plants up to $1,000/yr/ MW of capacity in fuel costs.

M100, M200, M400

The M Series is an innovative, ground-breaking product that has the ability to integrate renewable sources of electricity generation, convert surplus electricity to produce hydrogen, and store that hydrogen for future use. The product is sized at a scale that can accept one or two megawatts (MWs) of power and produce almost 1,000 kilograms of hydrogen per day. That hydrogen can be injected into the natural gas grid (Power-to-Gas), used for biogas upgrading, fuel hydrogen fuel cell vehicles, and serve industrial applications. The modular and scalable M Series platform makes it an easy option for project managers looking for a solution that will satisfy their energy storage needs, whether at two MWs or larger

MC100, MC200, MC400 (M-series containerized)



The MC electrolyser series consists of the M-series platform in a containerized form for easy outdoor installations, providing a reliable and turnkey solution.

Nel ASA, through its subsidiary Proton OnSite additionally offer products related to nitrogen, air, dualgas and trigas production to the analytical laboratory market, which constitute a small portion of Proton OnSite's operations and sales.

6.7.2 Nel Hydrogen Fueling

6.7.2.1. Hydrogen fueling station: The H2Station®

The Nel H2Station™is a result of more than a decade of ongoing development and several generations of stations and has a capacity of 500 kg/day at 70MPa and 1500 kg/day at 35MPa, with a footprint of less than $10m^2$.

At the core of the H2Station™ is an in-house developed high pressure compressor which is more compact, has higher capacity and is more silent and flexible than most conventional compressors, specially designed for the strenuous operational demands of a hydrogen station. Nel has also developed a high capacity chiller, which also is a key element in any HRS.

The H2Station™ also features an in-house designed hydrogen dispenser, which is 1/3 the size of a gasoline dispenser. The dispenser can be located up to 50 meters away from the H2Station™ module, which enables flexible integration of hydrogen alongside other fueling products, even at very compact sites.

The H2Station™ can be supplied by centralized hydrogen production delivered by truck, as well as onsite production of hydrogen, enabling Nel to deliver a complete solution to the customer. The hydrogen supply can be made fully green by using an electrolyser from Nel.

The H2Station™ is assembled at the factory in Herning, Denmark and shipped in a standard container. It allows for a fast start of operation with minimal impact on the daily operation of the gas station site during installation. The H2Station™ can be packaged using standard or customized enclosure designs ensuring any desired visual appearance and integration with the surroundings on both Greenfields and Brownfields.

The station is designed for lean volume manufacturing at the world's largest factory for hydrogen fueling stations. When ramp-up and plant optimization is complete, the facility will have a name-plate production capacity of up to 300 H2Station™ modules per year.

The H2Station™ can be configured for fueling of multiple types of vehicles ranging from cars to heavy duty vehicles such as buses and trucks with either 70MPa or 35MPa. H2Station™ is designed for use in both Europe and USA and for lean volume manufacturing at the Nel factory in Denmark.

The Company also achieved the world's first UL system certification of a hydrogen fuel dispensing system station. The certification sets the new industrial norm and benchmark for safety level and legal compliance for hydrogen fueling stations and enables a faster and more streamlined installation and permitting process in the United States.

6.8 CUSTOMERS

6.8.1 Nel Hydrogen Electrolyser

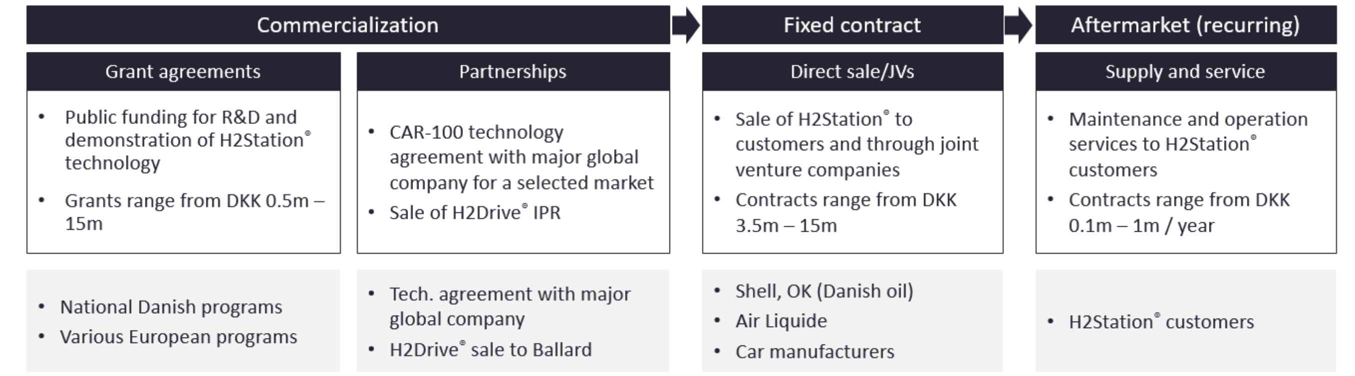
Nel has strong customer relations within a variety of industries. Nel's atmospheric electrolysers have been installed in more than 50 countries across the world, and PEM electrolysers in more than 75 countries. Nel's customers are typically industrial companies that require hydrogen as part of their process, or for the specific properties of hydrogen, e.g. for weather balloons.

The Company's customer base has historically been dominated by Nordic, Asian and European companies that require large scale electrolysers. These customers are concentrated in the industries described further in section 7.6.

6.8.2 Nel Hydrogen Fueling

The division has a diverse income model that includes different contractual relations with customers as outlined in the figure below.

Customer service contracts



6.9 GRANT AGREEMENTS

Nel is continuously securing grants from national and European public programs to support the Company's R&D and demonstration efforts. The majority of grants are awarded separately towards Nel's business divisions; Nel Hydrogen Electrolyser and Nel Hydrogen Fueling respectively.

Both Nel Hydrogen Electrolyser and Nel Hydrogen Fueling have had a continuous and growing pipeline of public grants. This means that several grant contracts are under execution, negotiation and planning at the same time. The grants received are primarily used for development of new and current technologies and products.

The below tables provide a more detailed outline of public grants received from 2015 through 2019. Note that grants received over multiple years are split equally between years.

Grantor/ type of grants	**Country**	**Income**	**Reduction of Cap. R&D**	**Amount**
2015		***(NOKt)***	***(NOKt)***	***(NOKt)***
FCH-JU	EU	10,074		10,074
Energistyrelsen (EUDP)	Denmark	716		716
Transnova / Enova	Norway		3,338	3,338
Energistyrelsen (EUDP)	Denmark		3,937	3,937
Det Strategiske Forskningsråd (DSF)	Denmark		808	808
Total		**10,790**	**8,083**	**18,874**
2016		***(NOKt)***	***(NOKt)***	***(NOKt)***
Various grants in Nel Hydrogen A/S	Denmark	896	1,700	2,596
HyBoost	Denmark	0	9 600	9,600
HyFAST EU	Denmark	15,799	0	15,799
H2ME1	Denmark	4,036	0	4,036
H2ME2	Denmark	0	5,970	5,970
Various grants in Hydrogen Electrolyser AS	Norway	300	0	300
Norsk Forskningsråd	Norway	75	0	75
Total		**21,106**	**17,270**	**38,377**
2017		***(NOKt)***	***(NOKt)***	***(NOKt)***
HyBoost	Denmark	307	0	307
HyBoost2	Denmark	1,001	1,895	2,896
HyFAST EU	Denmark	2,707	0	2,707
H2ME1	Denmark	-1,064	0	-1,064

H2ME2	Denmark	4,917	0	4,917
Various grants in Nel Hydrogen A/S	Denmark	2,739	1,131	3,870
Norsk Forskningsråd	Norway	0	5,535	5,535
Various grants in Hydrogen Electrolyser AS	Norway	0	253	253
US Department of Energy Research Grants	US	6,214	0	6,214
US Department of Defense Research Grants	US	929	0	929
Various grants in Proton OnSite	US	5,670	0	5,670
Total		**23,420**	**8,814**	**32,234**

2018		***(NOKt)***	***(NOKt)***	***(NOKt)***
Hyscale	Denmark	1,143	1,909	3,052
HyBoost2	Denmark	1,485	2,444	3,929
H2Cost2	Denmark	666	986	1,653
Cosmhyc	Denmark	1,461	0	1,461
H2ME2	Denmark	4,935	0	4,935
Norsk Forskningsråd	Norway	0	8,681	8,681
Grants from EU	Norway	0	1,044	1,044
US Department of Energy Research Grants	US	16,567	0	16,567
Various grants in Proton OnSite	US	4,106	0	4,106
Total		**30,363**	**15,064**	**45,427**

2019		***(NOKt)***	***(NOKt)***	***(NOKt)***
HyScale	Denmark	1,746	0	1,746
HyBoost2	Denmark	4,791	0	4,791
H2Cost2	Denmark	1,016	0	1,016
Biocat	Denmark	1,007	0	1,007
H2ME2	Denmark	5,144	0	5,144
Various grants in Nel Hydrogen A/S	Denmark	3,052	0	3,052
Norsk Forskningsråd	Norway	3,653	0	3,653
Grants from EU	Norway	2,285	0	2,285
Various grants in Hydrogen Electrolyser AS	Norway	748	0	748
US Department of Energy Research Grants	US	22,011	0	22,011
Various grants in Proton OnSite	US	3,375	0	3,375
Total		**48,827**	**0**	**48,827**

6.10 JOINT VENTURE AND OTHER AGREEMENTS

6.10.1 Joint ventures in Nel Hydrogen A/S

Nel Hydrogen A/S has had two joint venture agreements associated with the companies Copenhagen Hydrogen Network ("CHN") and Danish Hydrogen Fuel ("DHF") in order to facilitate for a roll-out of a country-wide hydrogen refueling station (HRS) network in Denmark.

With regards to CHN, the scope of the supply contracts for Nel Hydrogen A/S included five HRSs based on the H2Station™ including on-site hydrogen production. All five have been delivered and are in daily operation in across Denmark. The other JV partner in CHN, Air Liquide Danmark A/S ("AL"), is a global supplier of industrial gases, and took in, January 2018, full ownership of CHN.

With regards to DHF, the scope of the supply contracts for Nel Hydrogen A/S includes up to five HRSs based on the H2Station™ contract. Four H2Station™ have so far been delivered. The partner in DHF is OK Aa.m.b.a. Christian Nielsen Strandmøllen A/S ("CNS"). CNS is a supplier of industrial gas in Denmark and Sweden for almost 100 years and is operating the only hydrogen electrolysis production plant in Denmark (supplied by Nel). OK is an energy company in Denmark operating 670 conventional fueling stations, almost 1/3 of the entire Danish network.

6.10.2 H2Station™ CAR-100 technology agreement for Japanese market

On 10 July 2015, Nel Hydrogen A/S executed a binding technology transfer agreement with M Mitsubishi Kakoki Kaisha, Ltd. ("MKK") listed on the Tokyo stock exchange and a member of the Mitsubishi Group companies. The agreement includes a technology transfer and adaption of the H2Station™ CAR-100 product for the Japanese market. The technology is licensed from Nel Hydrogen A/S to MKK, and the Company has assisted in adapting the design for use in Japan.

6.10.3 Glomfjord Hydrogen AS

Established in Q2 2016. A joint venture between Nel ASA (37.72%%), Greenstat AS (37.72%) and Meløy Energi AS (24.56%) to invest in and build a large scale hydrogen production facility in Glomfjord, taking advantage of local, low-cost renewable hydro power, and sell hydrogen to customers in the surrounding region. Nel's ownership in Glomfjord Hydrogen AS is owned through its subsidiary Nel Fuel AS.

6.10.4 Framework contracts with Shell

A framework contract for the supply, construction and maintenance of H2Station™ hydrogen fueling stations in California for Royal Dutch Shell Plc in a partnership with Toyota Motor Corp. In this project, Shell will, through its partnership with Toyota Motor Corp., build seven fueling stations for hydrogen cars in California.

Nel has to this date, through the framework contract, been awarded one purchase order in March 2017 on H2Station™ equipment and services from Equilon Enterprises LLC (Royal Dutch Shell Plc,) as well as an additional purchase order in November 2017. Shell may issue additional purchase orders at a later stage. Note that under the framework contract Nel does not have an exclusive supply agreement with Shell.

Nel signed another framework agreement with Shell in December 2018, which broadened the scope to include heavy duty applications and a global focus, and received the two first orders under the new agreement in December 2018 and January 2019.

6.10.5 Hyon AS – a joint venture between Hexagon Composites ASA and PowerCell Sweden AB

An equally owned joint venture to pursue hydrogen opportunities. The parties aim at leveraging their respective capabilities and technologies to offer integrated solutions. The joint venture will initially focus on opportunities in the maritime and marine segments as well as within energy storage. See section 6.3.6 for further details.

6.10.6 Íslendska Vetnisfelagið – a joint venture on Iceland

A joint venture that owns and operates hydrogen fueling stations in Iceland. The joint venture was initiated in 2018. Skeljungúr owns 90% and Nel has a 10% ownership in the joint venture through its subsidiary Nel Fuel AS.

6.10.7 Exclusive agreement with Nikola Motor Company

On 15 November 2017 Nel ASA announced that they had entered into an exclusive partnership with Nikola Motor Company ("Nikola"). The Company received an initial purchase order for two demo fueling stations to provide hydrogen to Nikola's fleet of prototype hydrogen trucks. The purchase order amounting to more than USD 9 million was the initial part of an exclusive partnership aiming at developing low-cost renewable hydrogen production and fueling sites for the potential development of 16 large-scale sites with a capacity up to 32 tons of hydrogen per day.

In June 2018 Nel ASA announced a multi-billion NOK framework contract from Nikola. The award was for the delivery of 448 electrolysers and associated fueling equipment to Nikola as part of Nikola's development of a hydrogen station infrastructure in the US for truck and passenger vehicles. The contract included an initial order for a pre-engineering package of around USD 1.5 million, where Nel will develop a station design, including electrolysers specifically made for fast fueling of Nikola trucks.

Under the multi-billion NOK framework contract, to be deployed from 2020 through 2025, Nel will deliver up to 1 GW of electrolysis plus fueling equipment. Nel will continue to work, in collaboration with Nikola, to finalize the detailed station design and other technology elements to be deployed for the commercial stations. The exact timing of deliveries and volume ramp-up of electrolysers and associated fueling equipment will be agreed after the pre-engineering project is complete.

Nel acquired shares in Nikola for USD 5 million. The Nikola shares listed on Nasdaq on June 4, 2020. The shareholding in Nikola Corporation is subject to a lock-up expiring on November 30.

6.10.8 Agreement for the establishment of Hydrogen Energy Network

In March 2019, Nel ASA announced that they had co-signed an agreement for the establishment of Hydrogen Energy Network (HyNet), a new Special Purpose Company (SPC) and a joint venture (JV) between thirteen leading industrial companies. The target of HyNet is to expand the hydrogen fueling infrastructure in South Korea by installing 100 stations by 2022 and to operate them until 2029.

HyNet is a JV among thirteen companies with the major shareholders being Hyundai Motor Company, Korea Gas Corporation, and Air Liquide Korea. The company plans to build and operate hydrogen fueling stations in South Korea together with strategic investors and is financially supported by the Korean Ministry of Environment. The target of HyNet is primarily to expand the hydrogen fueling infrastructure in South Korea by installing 100 stations by 2022 and to operate them until 2029.

The Board of HyNet consists of seven board members including Nel Korea with Simon Choi, Sales Director and VP, who was elected as a representative of the hydrogen refueling station equipment suppliers. Nel intends to sell H2Stations® both directly to the HyNet JV as well as directly to other customers. Nel will further evaluate to invest in HyNet depending on the number of possible hydrogen stations sales.

6.10.9 H2Bus Consortium

On 3 June 2019, Nel together with Ballard Power Systems Inc., Hexagon Composites ASA, Wrightbus Ltd., Ryse Hydrogen Ltd. and Everfuel Europe AS announced the establishment of H2Bus Consortium, an ambitious consortium to implement commercial fuel cell electric buses throughout Europe. The consortium will cooperate closely to execute on the previously announced H2Bus Europe project.

6.10.10 Establishment of Green H2 Norway AS

In December 2019, a joint venture together with H2 Energy, Greenstat and Akershus Energi was announced Green H2 Norway will establish hydrogen production facilities in Norway to supply hydrogen to Hyundai trucks which are expected in Norway from 2020. Green H2 Norway is equally owned by the four involved parties, and will in dialogue with other potential partners as well as national authorities initiate the first project in 2020, which will include exploring sector coupling aspects of large-scale electrolysis based hydrogen production. Green H2 Norway is intended to be the exclusive supplier of hydrogen for Hyundai trucks in Norway.

6.11 MATERIAL CONTRACTS

Nel has not entered into any material contracts considered outside the ordinary course of business for the Company. For material agreements, deemed to be inside the ordinary course of business see sections 6.9 and 6.10 respectively for a description of the Company’s grant agreements and other partnership agreements. Additionally, all patents and R&D activity related to the Company is outlined in section 6.12 and 6.13 respectively.

6.12 PATENTS

The Company previously had a patent entitled ‘Diaphragm element for an electrolytic filter press assembly’ which provides protection in Canada, China, Germany, France, UK, India, Italy, Norway, Russia and South Africa. This is what Nel calls the “rubber frame” patent. It is exclusively for Nel’s atmospheric electrolysers and relates to the construction of the rubber-coated steel frame with molded diaphragm. This patent is important to Nel as it is one of the core technologies for Nel’s - series of electrolysers. This patent was based on the original Norsk Hydro patent from 1995, but expired in 2015 in Norway and 2016 in the other countries.

This is one of the key technologies used in Nel’s atmospheric electrolysers, and it offers advantages, both from manufacturing/production and operational perspectives. Although Nel has lost the sole rights to use this technology in the areas where it has sought protection, the Company deems it unlikely that there will or has been a loss of competitive advantage after the patents expired. The cost for a competitor to develop and test a corresponding technology will be substantial as it would involve both material and process development (neither of which have been published), and long-term trials. Proper qualification testing would be difficult since none of our competitors have high capacity atmospheric electrolysers which would be required for this.

In addition to the aforementioned patent, Nel has a patent application pending for the ‘Electrolyser Frame Concept, Method and Use’. This relates to the design which Nel used for the P-60, where the separator plates, lye channels etc. are molded into the rubber support, and there are no exposed metal parts when the stack is assembled. This requires the use of pressure elements to press the electrodes against the diaphragm (zero-gap configuration). The pressure element is included as part of the patent. This patent is based on Norwegian patent application NO20111048 from 2011 and is now granted in Europe (EP2734658), Japan (JP6093351), USA (US9556529) and Eurasia (EA032882). This patent is also important for Nel as it is the foundation for the construction of the pressurized electrolysers (though the patent does not specifically limit this type of construction to pressurized systems).

Through the acquisition of Rotoboost H2, Nel has obtained licenses for the following patents:

1. PCT/NO2006/000432. A device for production of Hydrogen. (expiry: 2026)
2. PCT/NO2006/000463. A rotating device. (expiry: 2027)
3. PCT/NO2008/000194. A device and method for production of Hydrogen (expiry: 2028)

PCT= Patent Cooperation Treaty, NO=Norwegian Industrial Property office (NIPO)

Apart from the above, Nel Hydrogen A/S has a total of 19 patent applications filed, of which 15 published on technology related to hydrogen fueling and compressors. The patent applications have been submitted based on the normal patent procedures in relevant jurisdictions. The standard patent process takes approximately 2 to 3 years depending on the patent authority. A patent expires 20 years from its filing date (21 years from its priority date if priority if fully used) no matter when during these 20 years the patent is granted.

On new technologies, several patent applications are in preparations and a pipeline of ideas are continuously under evaluation.

In connection with the acquisition of Proton OnSite in June 2017, Nel also assumed ownership of the company’s patents. Proton OnSite is subject to numerous pending- and grated patents dating back to the company’s incorporating in 1996. The company has patents registered under different jurisdictions, as outlined in the table below. As of the date of this Prospectus Proton OnSite has 39 registered-, 1 pending-, 2 published- and 2 granted patent by the European Patent Office, which are directly related to electrolysis.

	Patent Status			
	Registered	**Pending**	**Published**	**EPO Granted**
United States	24	1	0	-
India	1	0	0	-
China	2	0	1	-
European patent offices	12	0	0	2
Sum	**39**	**1**	**2**	**2**

In addition to the above-mentioned patents, Nel also have a design registration with regards to their compressor head. See description in the table below:

Design title	Publication number	Status			
		Priority / Filing date	**Latest possible expiration date**	**National phase/ Direct national (P) = Pending (G) = Granted**	**Early publication date**
Compressor head	DM/093 607 DM/094 378 D847210	21-11-2016	21-11-2041	EU (G) NO (G) US (G)	21-11-2016

6.13 RESEARCH AND DEVELOPMENT

Nel's research & development ("R&D") is related to both the electrolyser and fueling division. Their R&D primarily consists of developing new products and improving current technologies, in addition to manufacturing and IT equipment.

As an indication of the level of internal R&D expenses, Nel currently has 20 and 39 FTEs working directly with R&D in the electrolyser and fueling division, respectively. Note that of the 20 FTEs working with electrolyzing 14 engineers are dedicated to R&D in Proton OnSite, a wholly owned subsidiary of Nel ASA and 6 are dedicated to the R&D at Nel Hydrogen Electrolyser AS in Notodden, Norway

7. HYDROGEN MARKET OVERVIEW

7.1 INTRODUCTION

Hydrogen is used for a wide array of applications, but is in the commercial context primarily: i) an input factor in industrial processes, or ii) a fuel, and/or iii) used for other energy carrier/energy storage applications. As a manufacturer of water electrolysers for hydrogen production, Nel's primary end market has historically been the industry sector. However, the Company has also gained experience with hydrogen for energy applications, and is currently specialized within hydrogen electrolysers and hydrogen (re)fueling stations ("HRS").

The following sections start by summarizing the different methods for producing hydrogen, followed by overview of both applications of hydrogen (i.e. energy carrier applications and hydrogen as an input factor for industrial production) and lastly provide information about market size, forecast and key competitors.

7.2 METHODS FOR THE PRODUCTION OF HYDROGEN

Hydrogen generation is performed principally through three different techniques: electrolysis, reforming and gasification. Nel is a supplier of water electrolysers which commands the smallest portion of the total hydrogen market. However, electrolysis has significant advantages compared to the other production techniques and is expected to exhibit the highest growth rate of the three production methods going forward (see section 7.3 "Advantages of Electrolysis").

7.2.1 Electrolysis

For the purpose of this Prospectus, water electrolysis ("electrolysis") describes the process of using an electric current to split water into hydrogen and oxygen. Electrolysis is principally used in smaller applications and where gas infrastructure is not well established. Electrolysers have a typical capacity range from 10-485 Nm^3/h per cell stack, the core of the electrolyser, and are capable of producing the highest purity levels of any of the described production methods. Several stacks can be joined together in larger systems, out of which the largest Nel currently is supplying has a capacity of 3880 Nm^3/h per system, equal to around 18 MW. These systems can subsequently be arranged in a manner which opens up for hydrogen production facilities at any size. Since electricity is the main input factor, and thus the main cost of producing hydrogen from electrolysis, it has traditionally been more expensive than the alternative technologies with a typical cost of 6-7 USD/kg of hydrogen, compared to 1-3 USD/kg. But, due to higher fluctuations and generally lower electricity prices due to the increase in renewables, hydrogen from electrolysis is becoming increasingly cost competitive.

7.2.2 Reforming

Reforming describes the process of using natural gas which reacts with steam in the presence of a catalyst, yielding hydrogen and carbon dioxide. Hydrogen produced from reforming is typically transported via pipelines or manufactured in large on-site production units. Reforming yields medium purity hydrogen and often requires additional purification. Reforming is considered an inexpensive method for producing hydrogen and typically costs from 1-3 USD/kg of hydrogen depending on various input factors. Hydrogen manufacturing facilities using reforming have a typical capacity range from 300-100,000 Nm^3/h.

7.2.3 Gasification

Gasification describes the process by which coal reacts with steam and oxygen, yielding a mixture of hydrogen and carbon dioxide. The production method is considered to be the most inexpensive of the three technologies (typical cost of 1-2 USD/kg hydrogen) when the gasification is performed at large scale centralized facilities. The method produces the lowest purity hydrogen of the three described production methods. Installations using gasification technology are comparatively large and have a capacity range from 1,000-100,000 Nm^3/h.

7.3 ADVANTAGES OF ELECTROLYSIS

Electrolysers represent the sole technology for the production of carbon free hydrogen. Furthermore, electrolysis is the only technology capable of handling energy storage from fluctuating energy sources, such as wind and solar. The following section enumerates some of the advantages of electrolysis compared to reforming or gasification.

7.3.1 Superior environmental performance

The electrolysis process uses only water and electricity as input factors in the production of high purity hydrogen. No carbon dioxide emissions are created in the production process compared to gasification and reforming, both of which create carbon dioxide as a by-product in the production process. Electrolysis thus provides significant potential in the de-carbonization of the transportation sector, both through hydrogen as a fuel, and hydrogen from electrolysis as a component in synthetic and conventional fuel production.

7.3.2 Superior when limited infrastructure

Electrolysis is often the preferred alternative in areas with industrial growth that have limited natural gas or hydrogen infrastructure (i.e. India, South America and Russia). Hydrogen production plants based on electrolysis are very flexible with regards to scale of production, and each individual electrolyser typically comes at a capacity range of 10-485 Nm^3/h compared to 300-100,000 Nm^3/h and 1,000-100,000 Nm^3/h for reforming and gasification plants, respectively. Due to the smaller scale possible with electrolysis plants, the technology is often preferred in production processes that do not require the typical amount of hydrogen produced from a reforming or gasification plant.

7.3.3 Cost efficient solution under certain conditions

Electrolysis can be a cost effective solution due to a number of considerations. First, since electricity constitutes the majority of operating costs, electrolysis is inexpensive in areas with inexpensive electricity. Furthermore, this aspect of electrolysis means that the production technique is subject to limited input cost fluctuations. Second, electrolysis is supported by government funding for R&D projects aimed to reduce carbon emissions, thus reducing investment costs. Third, electrolysis is a cost-effective solution for smaller installations that require less hydrogen (with higher purity). Lastly, electrolysis may be subject to significant economies of scale in the event of large scale roll-out of electrolysers for energy carrier applications.

7.3.4 Energy storage from renewable energy

The strong growth in renewable energy production provides an appealing market potential for energy storage based on electrolysis. Especially the intermittency of renewable energy sources such as wind and solar create a demand for energy storage. Significant improvements in fuel cell technology enable efficient conversion back to electricity, be it in a stationary or transport application.

7.4 HYDROGEN AS AN ENERGY CARRIER

Hydrogen is, alongside with electricity, considered the most important energy carrier of the future. It can be produced from virtually anything and leaves no other emissions than pure water vapor when converted to electricity in a fuel cell. Hydrogen also maximizes the value of renewable energy, as it can be produced in periods of excess energy. This also has a grid stabilizing effect and enables a higher share of intermittent renewable energy for electricity production.

7.4.1 Hydrogen as a fuel

Hydrogen is an ideal fuel for vehicles, as it provides zero tail-pipe emissions while offering the same convenience as conventional vehicles have today, both with regards to range and fueling time. At the same time it offers the benefits of an electric drivetrain, giving a smooth and quiet drive, with fast acceleration. Hydrogen is efficiently converted to electricity in fuel cells with water as only emission (Fuel Cell Electric Vehicle / “FCEV”). Fuel cells are compact and scale easily without compromising on efficiency enabling suitability for all sizes of vehicles – and especially for the medium to large sized vehicles. For some large vehicles it is the only viable zero-emission fuel.

The ongoing introduction of FCEVs creates a market demand for the deployment of an infrastructure of hydrogen (re)fueling stations (HRS) and hydrogen production – the two markets addressed by Nel.

HRS can be installed both as stand-alone stations or integrated alongside other fuels at conventional fueling stations. The fueling process and nozzle, which connects to the vehicle is internationally standardized, and ensures fueling of more than 500 kilometer range in 3-5 minutes.

7.4.2 Energy storage & grid balancing

By transforming electricity to hydrogen through electrolysis, energy can be stored for later use. Alternatively, the hydrogen can be used to feed directly into existing natural gas pipelines, or go through a methanation process to produce synthetic methane.

Hydrogen's energy storage capabilities are particularly relevant for intermittent renewable energy sources such as wind and solar. The increased share of intermittent renewable electricity generation poses a challenge for both power producers and system operators. Due to intermittent electricity production, power producers are not able to fully utilize the generation potential of their plants, while system operators are finding it increasingly difficult to ensure grid stability and security of supply. Several countries have already experienced significant generation losses due to lack of flexibility in supply, which is also incurring costs on governments.

If the excess electricity is converted to hydrogen, the energy is conserved, and can be utilized for a great variety of applications at a later stage, and at different locations from where it was initially produced. Hydrogen energy storage increases the value of intermittent electricity generation for both producers and system operators due to the following considerations:

1. Improved utilization of generating assets and a high-value product in addition to electricity

2. Increase grid flexibility and ability to perform fast regulation services (voltage control and frequency regulation)

3. Ability to perform energy time arbitrage for producers, i.e. store the energy generated and make it available to the market when the producer is able to achieve a higher price

4. Reduced need for grid extensions

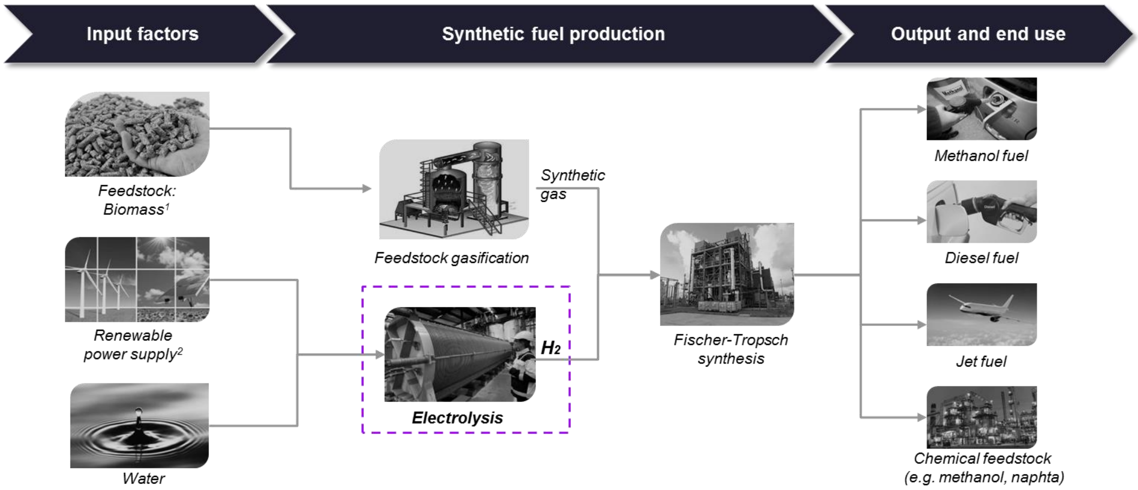
5. Improved security of supply

7.4.3 Synthetic fuel

Synthetic fuel produced using electrolysis represents a sustainable alternative to petroleum-derived fuel. Hydrogen can be used as an input factor together with carbon dioxide in production of synthetic gas, the key intermediate energy carrier in synthetic fuel production.

The following figure shows one way renewable synthetic fuel can be created using electrolysis.

Schematic overview – renewable synthetic fuel production from biomass



1) Alternative feed stocks such as coal or natural gas may be used as well in the production of synthetic fuel
2) As an input factor, the energy production need not be derived from a renewable energy source

7.4.4 Biofuel

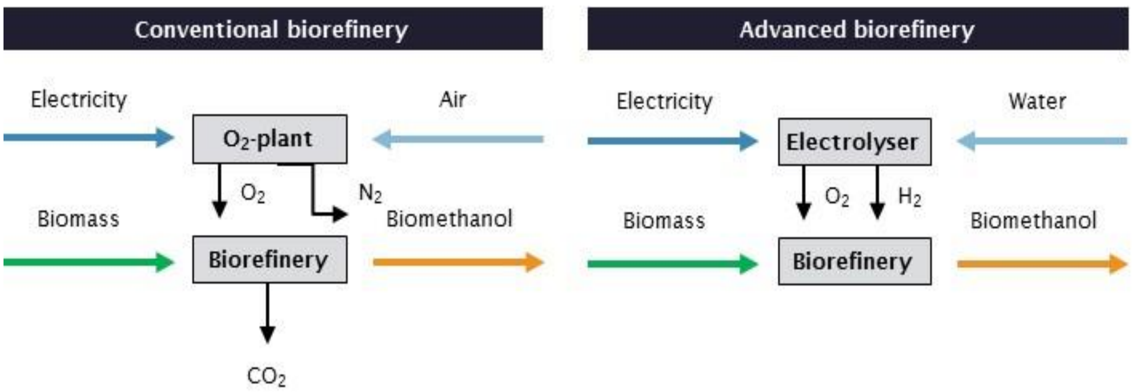
Biofuels (i.e. biomass converted into liquid fuel such as ethanol and biodiesel) constitute the majority share of synthetic fuel production. However, future growth rates are expected to be higher for coal-to-liquids and gas-to-liquids.

A biofuel is a hydrocarbon that can be made from organic matter in a short period of time, and represents an alternative to fossil fuels. The pollution is approximately equivalent to fossil fuels. With small upgrades, most engines can run on pure biofuel or a mixture of biofuel and conventional fuel. Ethanol is already found in most gasoline mixtures over the world, making up 10-15% on average. The balance between the use of biofuel and fossil fuels is determined by cost, availability and food supply. Focus on global warming, fragility of food supply and "greener" options have led to a decline in popularity of biofuels.

Hydrogen can be used as an input to thermochemical Biomethanol refineries. By adding hydrogen to the process, it is possible to shift the hydrogen to carbon ratio in the syngas, and thereby exploiting all the available carbon in the biomass feedstock. This process will generate no pollution. The Hydrogen is ideally produced through electrolysis as it also removes the need for an external O_2 plant.

The bellow figure illustrates the biorefinery process both with (i.e. advances refinery) and without (i.e. conventional) hydrogen as input.

Overview of biorefinery process



7.5 HYDROGEN AS AN INPUT FACTOR

7.5.1 Traditional industry

Hydrogen (produced via electrolysis) is used as an input factor in a number of industries. In such applications hydrogen is either used as a feedstock (for example within the petroleum industry to break down crude oil into fuel oil or as a component within food production such as margarine, cookies etc.), a protective atmosphere (where it is applied in several industries to prevent oxidation and to ensure an oxygen-free environment) or for cooling purposes (hydrogen functions as a cooling medium due to its heat absorption functionality for generators producing large amount of heat).

<u>Food industry / Edible Oils and Fats</u>:
Electrolysis is used for the hydrogenation of oils and fats to raise the melting point of the product. Hydrogen is widely used for the production of margarine and shortenings for the food industry, as well as production of soap and detergents. Oils and fats with low melting points can be converted into fats with higher melting points, which are more useful in the food industry. This process, called hydrogenation, is a chemical reaction in which unsaturated bonds (double bonds) between carbon atoms are reduced by attaching a hydrogen atom to each carbon atom. This is achieved by agitating the oil or fat together with gaseous hydrogen and a powdered catalyst (usually nickel) within a vessel at a specific temperature and pressure. A hydrogenation process is often operated as a batch process with peak consumption at the beginning of the process. Storage facilities are therefore often included in such plants to maximize production capacity. The amount of hydrogen required in hydrogenation applications depends on the initial degree of saturation of the feedstock and the required degree of saturation in the finished product.

<u>Steel industry / Metallurgy</u>:
Electrolysis is used in a number of specialty steel production processes. It is commonly used in annealing furnaces (heat treatment) that require protective atmosphere to avoid oxidation. The following applications describe how hydrogen is used in various metallurgy processes.

- Annealing: stainless steels, carbon steels and non-ferrous materials are annealed in order to trigger the relaxation of internal stresses and give a softer product. To avoid oxidation and/or decarburization during the process, a protective atmosphere is required in the furnace. When hydrogen is added as a reducing agent, the result is a clean and bright surface, whilst the presence of carbon species will enable the decarburization to be controlled. Depending on the metal and required properties, the atmosphere is comprised of between 5% (non-ferrous) and 100% (stainless steel) hydrogen.

- Neutral hardening: neutral hardening involves heating components above their phase transformation temperature and then quenching them in oil or salt baths, or in a specific gas quenching cell. This treatment results in a hard and durable martensitic or bainitic structure inside the components. A protective atmosphere with hydrogen is usually required to prevent oxidation or decarburization during the process.

- Sintering: sintered mechanical components are commonly produced in continuous furnaces. A protective reducing atmosphere with hydrogen is required in the cooling zone to prevent any oxidation and obtain a bright surface.

<u>Glass industry</u>:
The largest end user of hydrogen in the glass industry is the float glass industry, which makes use of hydrogen as a protective atmosphere. Other applications of hydrogen in the glass industry include; fused silica, industrial diamonds and light bulb sintering.

- Float gas: to produce sheets of flawless glazing for windows, doors, etc., a continuous ribbon of glass is “floated” on a bed of tin. In order to allow the irregularities in the glass to even out, the glass is held in a controlled atmosphere with a ratio of approximately 90% nitrogen to 10% hydrogen. The hydrogen in the controlled atmosphere acts as a scavenging agent to ensure an oxygen-free environment, since molten tin is highly sensitive to oxidation, even in trace quantities.

- Industrial diamonds (chemical vapor deposition): industrial diamonds are usually produced by energizing mixtures of hydrogen and hydrocarbon gases with heat or electrical energy in a deposition reactor. A region of ionized gas (plasma) drives the complex chemistry which causes diamond coatings to grow on objects placed in the reactor.

- Light bulb filaments: carbon-free tungsten filament manufacture employs a process involving the direct reduction of tungsten oxide with hydrogen, enabling it be drawn through a series of dies.

<u>Electronics</u>:
Nitrogen and hydrogen are used in the electronics industry to ensure the production atmosphere is free of moisture and other impurities. Hydrogen is used in the following applications in the electronics industry:

- Semiconductor and integrated circuit packaging: electronic packaging is the technology of taking an integrated circuit (IC) and creating the interface with which it connects to a printed circuit board (PCB) and communicates with other IC's. In the production of packages the presence of moisture and oxides can lead to reductions in yields. Nitrogen and hydrogen are used to ensure the atmosphere is free of moisture and other impurities.

- Epitaxy manufacturing: epitaxy, in particularly Metal Organic Chemical Vapor Deposition (MOCVD) or Metal-Organic Vapor Phase Epitaxy (MOVPE) is a widely used method for preparing epitaxial structures by depositing atoms on a wafer substrate. In a carrier gas of hydrogen and nitrogen, atoms are deposited by decomposing organic molecules (precursors) while they are passed over the hot substrate. Undesired remnants are removed or deposited on the walls of the reactor.

<u>Chemicals / Petrochemicals</u>:
Hydrogen is a key chemical building block in many chemical processes. It is used in the manufacture of ammonia, methanol, hydrogenated hydrocarbons, aldehydes, metal oxides reduction and hydrogen peroxide to name a few.

- Ammonia: ammonia is normally manufactured using the Haber-Bosch process in which nitrogen and hydrogen react over an iron catalyst.

- Methanol: synthetic gas (methanol) is produced mainly from natural gas, or alternatively from light petroleum products or coal. Methanol is formed when carbon monoxide and hydrogen react on a metal catalyst.

- Alcohols (aldehydes): synthetic alcohols are produced by the hydrogenation of aldehydes, carboxylic acids, esters and olefines.

- Metal oxides: metal ores of copper, lead, iron and nickel can be reduced using hydrogen in belt furnaces.

- Hydrogen peroxide: hydrogen peroxide is manufactured mainly by autoxidation using oxygen from the air or from an electrolyser and using hydrogen gas in the presence of a metal catalyst.

<u>Power industry</u>:
Friction in turbine generators produces large amounts of heat. Being the lightest element in the periodic table, hydrogen has a small molecule size, giving it low viscosity. This property makes it ideally suited as a cooling medium for large generators in power plants. The following applications describe how hydrogen is used in applications related to the power industry.

- High speed turbine generators: during operation, friction in power plant turbine generators produces large amounts of heat which must be dissipated in order for the generators to operate at maximum efficiency. In smaller generators air is used for cooling, but in larger plants hydrogen is often used. Friction in the generator windings can amount for 30-40% efficiency loss in a generator, and hydrogen helps keep this loss to a minimum.

- Nuclear power plants: hydrogen is used to react with oxygen in the cooling water system of boiling water nuclear reactors to suppress inter-granular stress corrosion cracking in the cooling system.

7.5.2 Renewable industry – polysilicon production

Hydrogen is used as a protective atmosphere in the production of polysilicon for the solar industry. Polysilicon is a material consisting of small silicon crystals, and is used for silicon ingots and wafer production for the solar cell industry. In the production of polysilicon via the Siemens process, large amounts of hydrogen are used to react with tri-chlorosilane gas to produce silicon.

7.6 MARKET SIZE AND FORECAST

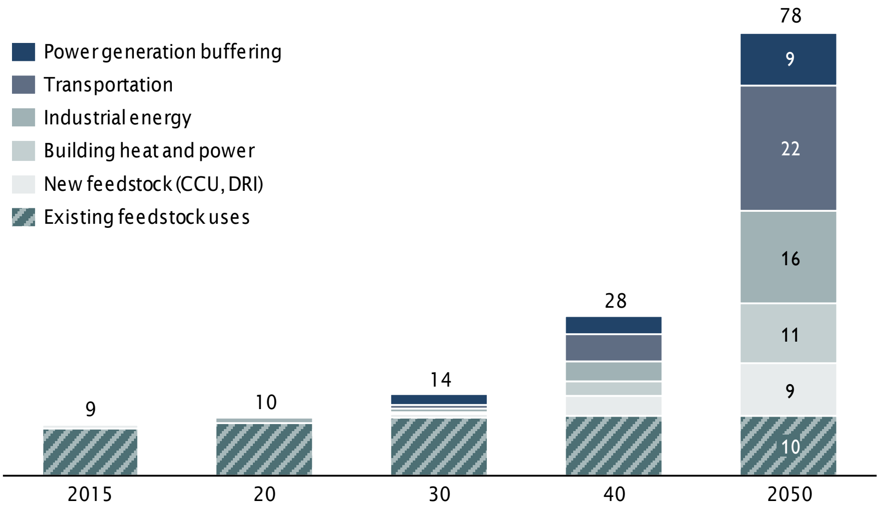
7.6.1 Introduction

The use of hydrogen has historically been driven by applications where hydrogen is used as an input factor. Increased interest in hydrogen as an energy carrier is an important driver in the mid-to-long-term. Demand for hydrogen is expected to increase due to the commercialization of fuel cell technology and related hydrogen-based energy storage applications.

Markets and Markets (Hydrogen Generation Market by Generation, Application, Technology, Storage, and Region - Global Forecast to 2023) additionally reports that the hydrogen generation market is expected to grow from an estimated USD 135.5 billion in 2018 to USD 199.1 billion by 2023, at a CAGR of 8.0%. Factors such as government regulations for desulfurization of petroleum products, decreasing crude oil quality, and the search for cleaner fuels underpin the global market for hydrogen-related solutions.

Furthermore, the Hydrogen Council, consisting of senior executives of 18 companies in different industries, with support from McKinsey & Co, published a report in November 2017 stating the potential for the hydrogen demand to increase 10-fold by 2050. Based on current market values at USD 115 billion the total market could reach USD 1,500 billion (all else equal). The graph below illustrates the high potential for growing hydrogen as a supplier of energy. The council estimates that application of hydrogen at such a scale would create a revenue potential of more than USD 2.5 trillion per year.

Global energy supplied with hydrogen, EJ[1)]



1) 1 EJ is provided by 7 million tons or 78 billion cubic meters of gaseous hydrogen. It is equivalent to 990 billion British thermal units, 278 TWh of electricity, and roughly 170 million barrels of oil or 290 billion cubic feet of natural gas.
Source: Hydrogen Council

The Hydrogen Council published another report in January 2020, in which the cost perspectives of hydrogen are analyzed. The report found that hydrogen is already "surprisingly competitive" as a low-carbon option. Applications that are found to already be competitive include trucks, trains, taxi fleets, long-range passanger vehicles and buses.

The following sections aims to provide an overview of historical sales of electrolysers and hydrogen fueling stations, as well as a tentative forecast of the two markets.

7.6.2 Electrolyser market

The market for hydrogen used in energy carrier applications presents an attractive growth opportunity for electrolyser producers. However, the market is subject to significant uncertainty as several of the markets are in nascent stages.

According to Future Market Insight the hydrogen electrolyser market was estimated to account for a market value of USD 213.1 million by the end of 2018. The market is anticipated to reach a value of more than USD 426.3 million by the end of 2028, representing a CAGR of 7.2% throughout the forecast period from 2017 to 2027. Key growth drivers include the rise in requirements for hydrogen from the hydro processing industry as well as the growing environmental requirements where hydrogen is being considered as an alternative clean fuel.

Nel is well positioned for growth in the electrolyser market, with medium to large scale electrolysers having the largest growth projections going forward. Nel is today at the forefront within these segments with the atmospheric Alkaline electrolysers (100-500 Nm^3/h), pressurized PEM electrolysers (1 – 400 Nm^3/h) and new electrolyser technologies, such as the Rotolyzer, as well as pressurized, large scale alkaline and PEM electrolysers.

7.6.3 Hydrogen fuel

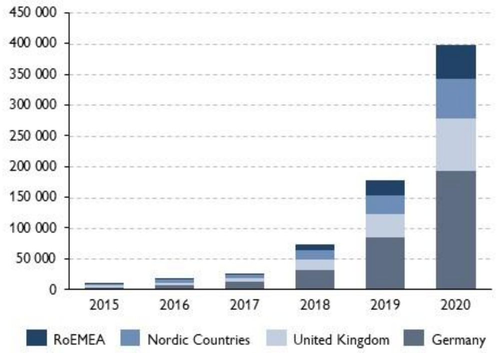
Hydrogen can be used to fuel the next generation vehicle platforms. There is strong interest by automakers, governmental agencies and consumers in the commercialization of fuel cell electric vehicles ("FCEVs"). The FCEV technology has gone through several decades of development and rigorous testing in several regions around the world.

When Hyundai, as the first car manufacturer in the world launched their FCEV for commercial sales in 2014, it was first launched in Norway and Denmark, where the pre-commercial prototype vehicles had been tested since 2011. Since then, in addition to Hyundai several car manufactures including Mercedes Benz, Toyota, Honda, BMW, Nissan, Daimler, GM, Audi and Volkswagen have launched or announced launch of FCEVs. All major remaining car manufacturers are active on development of FCEVs and are expected to commence market launch onwards 2020. A good example of a large car manufacturer with a clear FCEV strategy is Toyota which displayed its concept for the second generation Mirai at the Tokyo Motor show in 2019, with planned launch in Japan and North America in 2020.

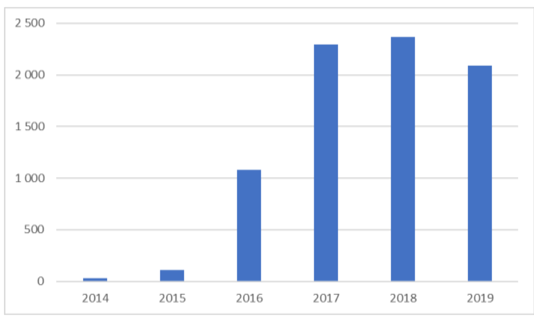
The Company deems current market environment to be especially attractive for the development of the FCEVs due to what the Company calls for "fossil parity", that is renewable hydrogen becoming cost competitive compared to gasoline. The Company sees that several of the major markets have reached or will reach fossil parity in the coming years due to substantial cost reductions for renewables and hydrogen technologies, and sees a future where renewable hydrogen out-performs gasoline on a cost basis.

The below table exhibits the growth expected for FCEV's in Europe and the historical FCEV sales in California, US. As a result of the California Energy Commission decision to use USD 20 million per year in funding of HRS for 10 years, the region has experiences a large increase in FCEV sales in recent years. Navigant research expects the FCEV market in both Europe and the US to experience strong growth from 2020 and onwards.

Fuel cell vehicle sales revenue by country - EMEA



Fuel cell vehicle sales (units) – California, US



Source: Statista, Projected fuel cell vehicle sales revenue in the EMEA region between 2015 and 2020, by major country (in 1,000

Source: Cafcp.org, Number of total FCEV sales data from HybridCars.com and Carsalesbase.com. Stations in development is

U.S. dollars)	*based on CA Energy Commission funding announcements. The number may change*

The ongoing commencing of large scale roll-out of FCEVs by the major car manufacturers is creating a growing demand for hydrogen infrastructure covering both production (i.e. of electrolysers) and hydrogen fueling stations. Target markets are those where major car manufacturers are deploying FCEVs firstly, among others USA (California), Europe (Germany, UK and Scandinavia)) and Japan. As vehicle manufacturing volume is increasing, the number of regional markets is expected to increase. That means new markets in new states in the USA, more countries in Europe and developed regions in Asia.

For the initial target markets, national initiatives formed by public and private stakeholders are planning to commence a coordinated roll-out of hydrogen infrastructure to meet the demand from FCEVs. Besides HRS location planning, the efforts also include considerations on financing mechanisms that combine public and private investments.

The following section provides a shortly elaborated description of each initial target market, the associated national initiative and market potential.

H2Mobility Germany:
H2 Mobility Germany adjusted their strategy and applied much shorter timeframes for the next steps. The next targets H2M is communicating is to reach the 100 stations in 2020 and to ramp up to 140 stations in the next two years (until 2022), focusing on regional demand. Funding for a majority of the 40 stations is already secured.
UK H2Mobility:
The public private initiative was launched in 2012, inspired by the similar German initiative. In 2013 the results of the initial FCEV and HRS planning was launched, which aimed for a continuous roll-out of up to 1.6 million FCEVs and 1,150 HRS's across the UK onwards 2030. As of March 2020, 14 HRS were operational with plans for an additional five stations.

Japan:
In January 2011, a group of 13 Japanese companies, including oil- and gas companies together with car manufacturers, announced that they aimed to build 100 hydrogen fueling stations in key metropolitan areas in Japan within 2015, coinciding with the commercial launch of FCEVs. The initiative is supported by the national government entity METI, who has supported the infrastructure build-up financially. Japan currently has more than 100 HRS's installed, with a target of 160 and 320 hydrogen fueling stations by 2020 and 2025 respectively.

Korea:
Late 2016 the Korean government announced national plans to expand the network from 10 in 2016 to 100 stations by 2020 and announced early 2018 a target of 310 stations by 2022.

California/USA:
California Energy Commission supports hydrogen infrastructure deployments in California through grant funding opportunities, with the current one being USD ~116 million, triggering a similar investment from private retail companies . The support scheme is scheduled to continue until at least 100 stations have been established. So far, around 55 stations have been funded, out of which 40 are in operation.

Heavy duty transportation applications:

There has also been an increased focus for hydrogen in heavy duty transport applications, and numerous companies have announced, and some have also initiated demonstration projects. Such companies include Nikola Motor Company (Nikola), Toyota Motor Company (Toyota), and Hyundai Motor Company (Hyundai).

Nikola aims to launch a range of zero emission trucks for the long-haul market in 2020, mainly hydrogen powered. Nikola is backed by many prominent investors and has received more than 12,000 pre-orders including Anheuser-Busch, which has placed an order for up to 800 hydrogen-electric powered semi-trucks.

Similarly, Toyota, which is already a global player in the FCEVs market, has tested several generations of heavy-duty, zero-emission, hydrogen fuel cell trucks, and recently announced that they will test a fleet of 10 trucks in the Los Angeles area from 2020. This move is another evidence of the increasing trend in the heavy duty vehicle sector.

In Switzerland Hyundai will deliver a fleet of 1000 hydrogen fuel cell trucks, starting late 2019. Nel has signed a framework contract to supply electrolysers which will produce green hydrogen which will be used as fuel for the trucks in Switzerland.

Other heavy duty transport applications include busses, trains and ocean going vessels. There are hydrogen bus initiatives in all active hydrogen regions globally, and numerous bus manufacturers have launched several generations of hydrogen buses. The next generation hydrogen buses are expected to provide a total cost of ownership similar to today's diesel buses. The Company expects this to be a strong market catalyst in the near term. In 2016 the French railway manufacturer Alstom launched the world's first hydrogen train. Alstom was granted approval by German Railway offices in July 2018, and began commercial service of the train in October 2018. They are currently working on developing a complete fleet of hydrogen trains in various regions in Germany, and similar initiatives are proposed in other countries. In the maritime sector several demonstration projects from speed going passenger boats, to car ferries, and container ships have been initiated, and Nel expects to see several projects realised in the coming few years, and its joint venture Hyon is already involved in several of them.

7.6.4 EU Hydrogen Strategy

In July 2020, the European Commission published the EU Hydrogen Strategy for a climate neutral Europe which includes several publications and documents. The strategy emphasizes development of renewable hydrogen as a key priority for the EU, and sets forth several paths to promote hydrogen in Europe, including creation of sustainable industrial value chains, promote research and innovation in clean hydrogen technologies and boost demand for clean hydrogen.

The strategy entails three phases to push towards an European hydrogen eco-system step-by-step:

In the first phase from 2020 to 2024, the strategic objective is to install at least 6 GW of renewable hydrogen electrolysers in the EU and produce up to 1 million tonnes of renewable hydrogen. To achieve this goal, manufacturing of large scale electrolysers needs to be scaled up, according to the publication.

The second phase from 2025 to 2030 includes installing at least 40 GW of renewable hydrogen electrolysers and the production of up to 10 million tonnes of renewable hydrogen as a way to integrate hydrogen as an intrinsic part of an integrated energy system.

In the third phase from 2030 and onwards, the goal is that renewable hydrogen technologies have reached maturity and that they can be deployed at large scale to reach all hard-to-decarbonise sectors where other alternatives might not be feasible or have higher costs.

The strategy document estimates that investments in electrolysers from now to 2030 could range between EUR 24 and 42 billion.

7.7 COMPETITIVE OVERVIEW

7.7.1 Electrolyser market

The current market for electrolysers consists of a various number of players, with presence in different application areas including Power to Gas, Hydrogen Fueling and Industrials. Certain major players (including Hydrogenics) are present in all areas.

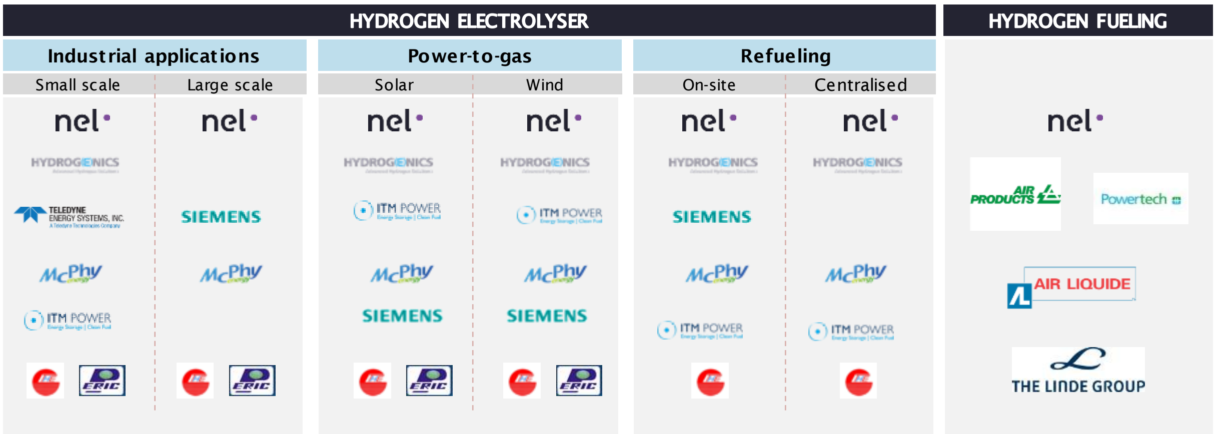
Furthermore, the companies differ in their offering of electrolysis technologies. Current technologies offered on the market include atmospheric- and pressurized alkaline electrolysers, as well as pressurized PEM electrolysers. Nel currently offers both atmospheric alkaline electrolysers and pressurized PEM–technology, thus representing an important player in the space.

7.7.2 Hydrogen fuel market

The current market for hydrogen fueling stations is represented by a few players. However, with increasing growth in FCEVs and high focus on environmental solutions, it is likely that the number of suppliers will increase in the near future.

The following table provides an overview of the key players in the hydrogen electrolyser market split by application, in addition to an overview the current suppliers of hydrogen fueling stations. The companies represented in the hydrogen electrolyser market below are the following: Nel, Hydrogenics, PERIC, McPhy Energy, ITM Power, Siemens, Teledyne Energy Systems and THE.

The companies currently represented in the hydrogen fueling market below are Linde, Air Products, Air Liquide and Powertech.



Note: 1) Refers to the market which offers electrolyser for the hydrogen fueling industry; 2) Refers to the market which produce and offer hydrogen fueling stations; Source: Nel ASA

8. NEL ASA FINANCIAL INFORMATION

The following financial information is presented in this Prospectus:

i) Audited financial information for the years ended 31 December 2019, 2018 and 2017; and
ii) Unaudited financial information for the three-month period ended 30 June 2020 and 2019.

Additionally, the Company's unaudited financial information for the six month period ended 30 June 2019 and 2020 is incorporated by reference to this Prospectus as further described in section 16.

As a result of the acquisitions of Proton OnSite in 2017, the Company's historical financial information is not representative for the full range of the Company's operations going forward.

- The Proton OnSite acquisition closed on 30 June 2017, hence Proton OnSite has been consolidated into Group balance sheet figures as from the second quarter 2017 and fully consolidated in all Group figures as from third quarter 2017.

Annual, year to date and quarterly financial statements presented below have been prepared in accordance with International Financial Reporting Standards as adopted by EU. Annual financial statements 2019, 2018 and 2017 are audited in accordance with auditing standards and practices generally accepted in Norway. Interim financial statements for the three-month period ended 30 June of 2020 and 2019 have been prepared in accordance with applicable accounting standards, but have not been audited. In the Company's opinion the financial information gives a true and fair view of the financial position of the Company.

Details of the Company's consolidated financial statements and explanatory notes are incorporated by reference to this Prospectus as further described in section 15.

8.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. The IFRS principles have been applied consistent with those of previous financial years.

Please see the annual report for 2019 pages 39 through 50 for the Company's accounting policies, incorporated by reference to this Prospectus.

Note that as of 1 January 2018, IFRS 15, "Revenue from contracts with customer" was adopted, and thus reflected in the annual reports for 2018 and 2019, as well as the interim figures for 2019 and 2020. The effect of the implementation and a description of the accounting policy is described in the annual report for 2019 on page 46, incorporated by reference to this Prospectus.

IFRS 16 Leases was implemented 1 January 2019 with the modified retrospective approach. Hence, the comparative figures for 2018 have not been adjusted. IFRS 16 requires a lessee to account for lease contracts by recognizing a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The implementation of IFRS 16 has mainly affected the accounting for office leases and to a smaller extent leases for service cars in the group. With the transition to IFRS 16, right-of-use assets of NOK 36.0 million and lease liabilities of NOK 39.7 million were recognized as of 1 January 2019.

8.2 HISTORICAL FINANCIAL INFORMATION

The following financial information has been derived from the Company's audited financial statements as of, and for each of the three years ended 31 December 2019, 2018 and 2017, and from the three-month period ended 30 June 2020 and 2019.

The selected financial information set forth below should be read in conjunction with the Company's published financial statements and its accompanying notes.

8.2.1 Statement of comprehensive income

The Company's income statements for the three years ended 31 December 2019, 2018 and 2017, and for the three-month period ended 30 June 2020 and 2019.

NOK 1,000	Three months ended 30 June 2020 (IAS 34)	Three months ended 30 June 2019 (IAS 34)	Six months ended 30 June 2020 (IAS 34)	Six months ended 30 June 2019 (IAS 34)	2019 (IFRS)	2018 (IFRS)	2017 (IFRS)
Revenue from contracts with customers	137,591	116,208	254,373	230,045	519,051	453,187	275,006
Other operating income	10,964	6,334	20,709	14,902	50,657	35,861	27,214
Total revenue and operating income	**148,555**	**122,542**	**275,082**	**244,947**	**569,707**	**489,049**	**302,220**
Cost of goods sold	86,895	68,673	163,192	144,531	342,374	298,545	163,638
Personnel expenses..................................	79,437	58,368	155,942	111,872	243,194	182,726	130,021
Depreciation and amortisation	23,355	18,098	45,707	35,290	75,500	64,470	39,762
Other operating expenses..........................	30,895	68,131	69,182	96,007	162,234	139,369	85,961
Total operating expenses.........................	**220,582**	**213,270**	**434,023**	**387,700**	**823,302**	**685,110**	**419,382**
Operating loss	**-72,026**	**-90,728**	**-158,941**	**-142,752**	**-253,595**	**-196,061**	**-117,162**
Finance income	701,490	1,511	714,416	3,594	12,643	4,818	6,973
Finance cost..	-35,111	4,395	34,012	-6,269	-6,501	-1,529	-7,183
Share of loss from associates and joint ventures	-25	1,073	-399	-2,441	-29,786	-4,731	-7,074
Pre-tax income (loss)	**594,328**	**-94,685**	**589,088**	**-147,868**	**-277,238**	**-197,503**	**-124,447**
Tax expense (-income)	-2,108	-1,854	-4,117	-3,696	-7,529	-8,676	-72,000
Net income (loss).....................................	**596,436**	**-92,831**	**593,205**	**-144,172**	**-269,710**	**-188,827**	**-52,447**
Currency translation differences	-49,823	-1,900	82,242	-19,789	3.137	31,356	18,237
Cash flow hedges, effective portion of changes in fair value	-1,235	-179	-7,825	-814	-2,388	0	0
Cash flow hedges, reclassified to income statement	-1,695	262	4,661	385	1,602	0	0
Total comprehensive income...................	**543,684**	**-94,648**	**672,284**	**-164,389**	**-267,359**	**-157,471**	**-34,210**
Basic earnings per share	0.45	-0.08	0.45	-0.12	-0.22	-0.18	-0.06
Diluted earnings per share	0.44	-0.08	0.44	-0.12	-0.22	-0.18	-0.06

Source: The Company's Q2 2020 and Q2 2019 interim financial reports and annual reports 2019, 2018 and 2017.

8.2.2 Statement of financial position

Set out below is the Company's statement of financial position for the three years ended 31 December 2019, 2018 and 2017, and as of 30 June 2020

NOK 1,000	**30.06.2020 (IAS 34)**	**31.12.2019** (IFRS)	**31.12.2018** (IFRS)	**31.12.2017** (IFRS)
ASSETS				
Technology......................................	512,109	451,736	422,040	377,677
Customer relationships....................	55,009	57,185	69,151	78,329
Customer contracts..........................	0	0	0	9,575
Goodwill	669,243	609,154	608,837	591,735
Total intangible assets...................	**1,236,362**	**1,118,075**	**1,100,029**	**1,057,317**
Land buildings and equipment	228,423	171.829	135,383	96,198

Right of use assets	81,624	84,341	0	0
Total tangible fixed assets	**310,048**	**256,170**	**135,383**	**96,198**
Other non-current assets	44,426	**66,089**	**72,333**	**27,026**
Total non-current assets	**1,590,836**	**1,440,334**	**1,307,746**	**1,180,541**
Inventories	259,512	205,234	134,804	138,723
Trade receivables	154,444	183,333	108,659	96,791
Other current assets.........................	835,886	38,688	35,233	53,768
Contract assets	46,588	37,103	8,212	0
Cash and cash equivalents...............	2,566,068	525,982	349,747	295,000
Total current assets.......................	3,862,497	990,340	**636,655**	**584,282**
Total assets	**5,453,333**	**2,430,673**	**1,944,401**	**1,764,823**
EQUITY AND LIABILITIES				
Share capital....................................	280,279	244,421	222,710	199,743
Share premium/ paid-in equity	4,277,297	2,089,418	1,585,570	1,289,233
Treasury shares	-14	-14	-12	-4,405
Retained earnings............................	62,880	-575,112	-309,432	-94,373
Other capital reserves......................	130,727	51,649	50,196	19,188
Total equity....................................	**4,751,169**	**1,846,618**	**1,578,978**	**1,409,387**
Deferred tax	65,696	63,343	69,481	68,273
Long-term debt	32,688	30.577	32,859	6,538
Lease liabilities	80,295	79,121	0	0
Other non-current liabilities	101,013	70,605	63,890	66,752
Total non-current liabilities	**279,693**	**243,646**	**166,230**	**141,563**
Trade payables	75,090	92,197	69,473	64,857
Lease liabilities	13,158	12,066	0	0
Contract liabilities	149,519	147,481	68,640	102,636
Other current liabilities	184,705	88,666	61,080	46,381
Total current liabilities	**422,471**	**340,409**	**199,193**	**213,874**
Total liabilities...............................	**702,164**	**584,055**	**365,423**	**355,437**
Total equity and liabilities	**5,453,333**	**2,430,673**	**1,944,401**	**1,764,823**

Source: The Company's Q2 2020 interim financial report annual reports 2019, 2018 and 2017.

8.2.3 Cash flow statement

The table below summarizes the Company's statement of cash flow for the three years ended 31 December 2019, 2018 and 2017, and for the three months period ended 30 June 2020 and 2019.

	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
NOK 1,000	2020 (IAS 34)	2019 (IAS 34)	2020 (IAS 34)	2019 (IAS 34)	2019 (IFRS)	2018 (IFRS)	2017 (IFRS)
Cash flow from operating activities							
Pre-tax income (loss)	594,328	-94,685	598,088	-147,868	-277,238	-197,503	-124,447
Depreciation and amortization	23,355	18,097	45,707	35,289	75,500	64,470	35,968
Change in net working capital	-5,263	-41,130	12,110	-34,919	-71,637	-7,220	-22,408
Other adjustments[1]	-666,479	35,994	-709,755	34,315	64,147	-7,220	-22,408
Net cash flow from operating activities	**-54,060**	**-81,723**	**-62,849**	**-113,183**	**-209,228**	**-142,820**	**-113,018**
Cash flow from investing activities							
Investments intangible and intangible assets	44,317	-22,433	-91,466	-43,569	-118,862	-94,513	-71,898
Cash outflow investments in other financial assets……………………………… ………….	0	0	-12,998	0	-7.849	-42,131	0
Purchases of other investments	0	0	-56,638	0			
Cash outflow loan given to associates company/JV	0	-5,000	0	-5,000	-5,975	-9,796	-198
Acquisition of associated companies	-267	0	-267	0	-3,085	-3,478	-8,624
Acquisition of subsidiaries	0	0	0	0	0	-6,883	-169,220
Sale of subsidiaries	0	0	0	0	1,653	0	0
Acquisition of subsidiaries cash balance acquired	26,022	0	26,022	0	0	13,342	30,669
Net cash flow from investing activities	**-18,562**	**-27,433**	**-135,347**	**-48,569**	**-134,118**	**-143,458**	**-219,272**
Cash flow from financing activities							
Interest paid	-1,115	-1.789	-2,354	-1,949	-4,715	-704	-311
Interest received	2,884	1978	7,021	3,443	9,515	3,271	2,442
Gross cash flow from share issue	1,444,825	69,815	2,291,838	532,555	545,984	332,259	428,033
Transaction costs connected to share issues	-39,850	-3,642	-68,102	-19,506	-20,426	-12,954	-23,623
Proceeds from new loan	16,395	0	16,395	0	0	27,280	0
Payment of lease liabilities	-2,720	-1,859	-5,276	-3,559	-8,163	0	0
Instalments of long term liabilities	-658	-926	-1,287	-1,356	-2,700	-8,378	-4,719
Net cash flow from financing activities	**1,419,762**	**63,576**	**2,238,237**	**509,627**	**519,496**	**340,773**	**401,823**
Net change in cash and cash equivalents	1,344,710	-45,564	2,040,086	347,904	176,235	54,747	69,533
Cash flow in the beginning of the period	1,221,358	743,216	525,982	349,747	349,747	295,000	225,467
Cash and cash equivalents end period	**2,566,068**	**697,651**	**2,566,068**	**697,651**	**525,982**	**349,747**	**295,000**

Source: The Company's Q2 2020 and Q2 2019 interim financial reports and annual reports 2019, 2018 and 2017.
Note: 1) Q2 2020 includes 32.2 MNOK in unrealised currency exchange loss related to internal loans and a positive fair value adjustment of the shareholding in Nikola Corporation of NOK 675.6 million (USD 67.53 per share as of June 30, 2020). The Nikola shares have a lock-up until 30 November 2020.

8.2.4 Statement of changes in equity

The table below shows the audited reconciliation of equity as of 31 December 2019, 2018 and 2017.

NOK 1,000	Number of shares	Share capital	Share premium	Other reserve	Treasury shares	Currency conversion effects	Other equity	Total equity
Equity at 01.01.2017.......................	**683,678,252**	**136,736**	**608,213**	**11,116**	**-1,377**	**603**	**-84,071**	**671,219**
Increase of capital 2017	315,036,700	63,007	681,020					744,027
Acquisition of Proton OnSite							17,049	17,049
Treasury shares					-3,028			-3,028
Options and share program				8,072			9,213	17,285
Other changes							-2,957	-2,957
Retained earnings.............................							-52,447	-52,447
Currency translation difference						18,237		18,237
Equity at 31.12.2017.......................	**998,714,952**	**199,743**	**1,289,233**	**19,188**	**-4,405**	**18,840**	**-113,213**	**1,409,387**
Opening balance adjustments (IFRS 15)							-3,037	-3,037
Increase of capital 2018	114,836,430	22,967	296,337					319,305
Options and share program				10,746	4,124		-4,124	10,746
Other changes				12	268		-232	49
Retained earnings							-188,827	-188,827
Other currency translation difference						31,356		31,356
Equity at 31.12.2018	**1,113,551,382**	**222,710**	**1,585,570**	**29,946**	**-13**	**50,196**	**-309,433**	**1,578,978**
Increase of capital 2019	**108,551,401**	**21,710**	**503,848**					**525,558**
Options and share program				6,310	-2		2	6,310
Other changes							4,028	4,028
Retained earnings.............................							-269,710	-269,710
Currency translation difference						2,240		2,240
Hedging reserve						-786		-786
Equity at 31.12.2019	**1,222,102,783**	**244,421**	**2,089,418**	**36,256**	**-14**	**51,649**	**-575,112**	**1,846,618**

Source: The Company's annual reports 2019, 2018 and 2017

The table below shows the unaudited reconciliation of equity as of 1 January 2020 and 30 June 2020.

NOK 1,000	Number of shares	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total equity
Equity at 01.01.2020.......................	**1,222,102,783**	**244,421**	**2,089,418**	**-14**	**51,649**	**-538,855**	**1,846,618**
Increase of capital H1 2020..............	**179 292 705**	**35,859**	**2,187,878**				2,223,737
Options and share program						3,117	3,177
Other changes						5,414	5,414
Retained earnings.............................						593 205	593,205
Currency translation difference					82,242		
Hedging reserve					-3,163		
Equity at 30.06.2020.......................	**1,401,395,488**	**280,279**	**4,277,297**	**-14**	**130,727**	**62,880**	**4,751,169**

Source: The Company's Q2 2020 report.

8.3 SEGMENT REPORTING

Nel operates within two business segments, Nel Hydrogen Fueling and Nel Hydrogen Electrolyser.

Through the subsidiary Nel Hydrogen A/S based in Herning, Denmark, Nel offers H2Stations® for fast fueling of fuel cell electric vehicles as well as services in relation to the supply of these stations. Through its subsidiary Nel Hydrogen AS based in Notodden, Norway, Nel offers hydrogen plants based on water electrolysis alkaline technology for use in various industries. Through its subsidiary Proton Energy Systems Inc., USA, which was acquired in 2017, Nel offers hydrogen plants based on water electrolysis PEM technology for use in various industries.

The identification of segments in Nel is made based on the different products the division offers, as well as geographical areas the divisions operate in.

The executive management group is the chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

8.3.1 The three-month period ended 30 June 2020 and 2019

The following tables provide an overview of Nel's income statement, total assets and total liabilities broken down by operating segment.

i) Three-month period ended 30 June 2020 and 2019:

NOK million

External revenues (by customer segment)	Nel Hydrogen Fueling		Nel Hydrogen Electrolyser		Other / Eliminations[1)]		Consolidated	
	Q2 20	**Q2 19**	**Q2 20**	**Q2 19**	**Q2 20**	**Q2 19**	**Q2 20**	**Q2 19**
Total revenue	79.3	58.0	69.2	64.5	0.0	0.0	148.6	122.5
EBITDA	-13.2	-46.5	-20.3	-12.8	-15.2	-13.3	-48.7	-72.6
Total assets[2)]	**949.1**	**705.4**	**1,311**	**980.3**	**3,193.1**	**734.1**	**5,453.3**	**2,419.9**

1)Other and eliminations comprises of parent company and elimination of intercompany transactions.
2)Total assets per segment includes excess values on intangible assets derived from the consolidation of the financial statements.
Source: The Company's Q2 2020 and Q2 2020 interim financial report

8.3.2 Fiscal year 2019 segment reporting

The following table provides an overview of Nel's income statement, total assets and total liabilities broken down by operating segment for the fiscal year ended 31 December 2019.

NOK 1,000

External revenues (by customer location)	Nel Hydrogen Fueling	Nel Hydrogen Electrolyser	Other / Eliminations[1)]	Consolidated
Europe	84,597	76,062	-34	160,625
North America	93,273	167,715	0	260,988
Asia	61,700	39,053	0	100,753
Middle East	0	9,341	0	9,341
Africa	0	24,546	0	24,546
South America	0	7,242	0	7,242
Oceania	2,821	3,391	0	6,212
Total revenue and operating income	**242,390**	**327,350**	**-34**	**569,707**
Total operating expenses	348,763	392,201	82,338	-823,302
Operating loss	**-106,372**	**-64,851**	**-82,372**	**-253,595**

Net financial items	-31,881	-15,761	23,998	-23,644
Tax expense	0	0	-7,529	-7,529
Profit (loss) after tax	**-138,253**	**-80,612**	**-50,845**	**-269,710**
Total assets	**472,980**	**582,685**	**1,375,008**	**2,430,673**
Total liabilities	**482,160**	**621,997**	**-520,102**	**584,055**

1) Other and eliminations comprises excess values on intangible assets and related depreciation and tax expense (income) derived from the consolidation of the financial statements not allocated to the business segments. In addition, it comprises elimination of intercompany transactions and balances.

Source: The Company's annual report 2019.

8.4 AUDITOR

The Company's independent auditor has since November 11, 2000 has been Ernst & Young AS with company registration number 976 389 387 and business address Dronning Eufemias Gate 6, 0191 Oslo, Norway. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants.

Ernst & Young AS has audited the Company's annual financial statements since 2000.The Auditor's reports on the Financial Statements for 2019, 2018 and 2017 are included together with the Financial Statements as incorporated by reference hereto, see section 15.

8.5 INVESTMENTS

8.5.1 Historical investments

During 2018 Nel has invested approximately NOK 7 million in a new production line at Notodden, in addition to investments related to the above-mentioned Herning building. A new factory building, close to the current production facility has been purchased for approximately NOK 14 million.

In 2018, the company completed its investment related to the Herning facility with total investments within the original budget. The building was officially opened in September 2018.

The Company used parts of the proceeds from the June 2018 share issue to invest USD 5 million in Nikola Corporation's as part of their C-round financing. The purpose of the investment is to further strengthen the partnership and collaboration between Nel and Nikola. In August and November 2018, Nikola announced that they had secured USD 100 million and USD 105 million investment (pre-money valuation of USD 1.1 billion), respectively, in the current C -round financing. Including Nel's investment, Nikola secured in total USD 210 million in the C-round financing. Nikola was listed on NASDAQ in New York on 3 June, 2020.

In 2019 Nel invested NOK 51 million in tangible assets and NOK 69 million in intangible assets. Tangible asset investments included NOK 28 million in improvements in manufacturing facilities and equipment in Norway, including preparations for a potential new facility at Herøya.

Other investments included NOK 7.8 million in HyNet in Korea and NOK 5 million in a loan given to the Uno X Hydrogen joint venture (now H2 Fuel Norway).

8.5.2 Investments in progress

Nel is in progress with investments related to the contemplated growth of its operations. A major investment in progress is the improvement of current, and development of new technologies both related to electrolysers and hydrogen fueling stations. Nel expects the level of investments and R&D cost in the near future to reflect the Company's growth expectations and to see a step-up in capacity and technological position before levelling out (i.e. start to decrease in relation to top-line growth).

A prioritized investment and technology direction for the Group is the development of a pressurized alkaline technology platform. Products from this platform are customized to target large capacity electrolysers connected to low-cost renewable energy sources. CAPEX reduction is driven by low-cost automated cell stack manufacturing and efficiency gain is driven by advanced electrodes and diaphragm. The technology platform opens up new market segments for Nel and provides an ideal solution for hydrogen fueling stations where space is limited, or integration with renewable energy sources.

The RotoLyzer®, a pressurized very compact electrolyser which utilizes a spinning cell stack design to provide full operational dynamics and flexibility, will still be under development and testing in 2020. Nel will pursue this technology and initiate long-lifetime tests, under the assumption that improved design is verified (including performance/business case).

Prototype cells for the larger PEM cell stack have continued to show stable performance and component procurement has ramped up in preparation for additional stack builds. The first full scale stack will be built in the coming months and will be tested in parallel with ongoing production preparation and ramp up. The system design is also well underway with the first builds and product release expected this year.

Nel continues to see the market of Heavy Duty transportation move fast towards Hydrogen. Therefore in the fueling division there will be a significant investment in HDV equipment like high capacity station modules and dispensers. This is to server Nikola as well as other customers beyond Nikola who have a need for large capacity dispensing capability (>60kg dispensed in 10 min). There will be ongoing investments in factory /laboratory also to be able to accommodate HD fueling equipment.

In August 2018, Nel announced their decision to expand manufacturing capacity of alkaline electrolyzes in order to accommodate the Nikola order announced on 28 June 2019. Nel explored several options related to constructing the manufacturing and announced on 28 August 2019 that the Company had secured a new location in Herøya Industrial Park in Norway for the planned expansion of manufacturing capacity of alkaline electrolyzes. The initial target production will be 360 MW/year, but the new Herøya location has the benefit of a potential to expand the capacity to more than 1 GW/year in the future.

The above-mentioned investments represent the major investments in Nel, however there are uncertainty with regards to the scope as this depends on i.a. adoption rates by customers. Nel finances its investments with equity.

8.5.3 Principal future investments

Future investments include the companies' R&D investments and ongoing investment in equipment and tools to improve HSE, quality and cost.

With regards to Nel’s most recent signed agreements including the consortium for Alstom hydrogen trains (see section **Error! Reference source not found.**), the establishment of Hydrogen Energy Network (HyNet) (see section 6.10.8), the H2Bus Consortium (see section 6.3.12), and the establishment of Green H2 Norway AS (see section 6.10.13), the magnitude of these projects are uncertain, thus Nel cannot specify the size of potential investments.

With regards to HyNet, the project will potentially involve investments which will gradually increase along the allocation of station sales to Nel. As stated in section 6.10.8, Nel will further evaluate to invest in HyNet depending on the number of possible hydrogen stations sales.

There is uncertainty with regards to the magnitude and scope of the future investments, depending on e.g. governmental policies, technology development and adoption rates of hydrogen-based solutions. Nel intends to continue to use equity to finance its investments also in the future.

8.6 TANGIBLE FIXED ASSETS

Nel’s tangible fixed assets comprise of the tangible fixed assets associated with Nel Hydrogen Electrolyser AS, Nel Hydrogen A/S and Proton OnSite.

Tangible fixed assets amounted to NOK 310.0 million as of 30 June 2020. Buildings and equipment accounted for NOK 228.4 million of the Company’s total tangible fixed assets. Right-of-use assets (i.e. leased assets) amounted to NOK 81.6 million.

8.6.1 Environmental issues

Nel’s operations are subject to numerous environmental requirements, including the Norwegian Pollution Act of 13 March 1981. Such laws and regulations govern, among other matters, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations are becoming increasingly stringent (and may contain “strict liability”), and the cost of compliance with these requirements can be expected to increase over time.

Nel’s electrolyser production depends on various discharge permits granted by various authorities. The Company has the discharge permits and other environmental permits that are required for its operations. From time to time, breaches of the allowed emission limits set out in such permits may occur. If such limits of the relevant permits should be exceeded, this may have a significant effect on Nel’s operations and result, as Nel may be ordered to temporarily halt production, be subject to fines and/or be ordered to undertake corrective measures.

Nel cannot predict the impact of new or changed laws or regulations relating to health, safety, the environment or other concerns or changes in the ways that such laws or regulations are administered, interpreted or enforced. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that any of these requirements impose substantial costs or constrain Nel’s ability to expand or change its processes, Nel’s business, prospects, financial results and results of operations could suffer. Any breach of such requirements could in addition result in fines or other substantial costs and/or constraint Nel’s ability to operate its production plant, which could have a significant adverse effect on its business, prospects, financial results and results of operations.

8.7 CAPITALISATION AND INDEBTEDNESS

The following tables below set forth information about the Company’s unaudited capitalization and indebtedness as of 30 June 2020. The tables should be read together with the financial statements and the notes related hereto, as well as the information included in section 8. The information provided in the capitalization and indebtedness statements below is extracted from the unaudited condensed interim financial statements for the second quarter 2020.

The table below set forth the Company’s unaudited capitalization as of 30 June 2020.

NOK 1,000	**30.06.2020** unaudited
Shareholders’ equity	
Share capital	280,279
Share premium	4,277,297
Other components of equity	130,727
Treasury shares	-14
Retained earnings	62,880
Total equity (A)	**4,751,169**
Indebtedness	
Guaranteed	0
Secured[1)]	1,907
Unguaranteed / unsecured	420,564
Total current debt	**422,471**

Guaranteed	0
Secured[1)]	30,573
Unguaranteed / unsecured[2)]	249,120
Total non-current debt	279,693
Total indebtedness (B)	702,164
Total capitalisation (A+B)	5,453,333

1) Secured debt comprises the loans from Nykredit, which are all secured in the buildings at Herning
2) Includes other unsecured long-term liabilities and NOK 65.6 related to deferred tax liabilities
See section 8.9 for further information on the secured and unsecured debt

The table below set forth the Company's unaudited net indebtedness as of 30 June 2020.

NOK 1,000	**30.06.20** unaudited
A. Cash	2,566,068
B. Cash equivalents	0
C. Tradable securities	0
D. Liquidity (A+B+C)	**2,566,068**
E. Current financial receivables	154,444
F. Current bank debt	1,907
G. Current portion of non-current debt[1)]	15,320
H. Other current financial debt	0
I. Current financial debt (F+G+H)	**17,227**
J. Net current financial indebtedness (I-E-D)	**-2,703,285**
K. Non-current bank loans[2)]	30,570
L. Bonds issued	0
M. Other non-current loans	102,775
N. Non-current financial indebtedness (K+L+M)	**133,345**
O. Net financial indebtedness (J+N)	**-2,569,940**

1) Comprise of the current portion of non-current debt of NOK 1.91 million related to the Nykredit loans (secured in the buildings at Herning), NOK 0.21 million of the unsecured loan from Innovasjon Norge and NOK 13.20 million of lease liabilities
2) Comprise of secured loans from Nykredit, which are all secured in the buildings at Herning.
See section 8.9 for further information on the secured and unsecured debt

8.8 LIQUIDITY AND CAPITAL RESOURCES

8.8.1 Sources and use of cash

The Company's capital resources are primarily derived from:
i) the subsequent offering on 23 January 2015 whereby the Company raised gross proceeds of NOK 13 million;
ii) the private placement on 2 June 2015 whereby the Company raised gross proceeds of 69.3 million;
iii) the subsequent offering on 8 July 2015 whereby the Company raised gross proceeds of 30 million;
iv) the private placement on 14 August 2015 whereby the company raised gross proceeds of NOK 67.5 million;

v) the private placement on 15 June 2016 under the incentive scheme whereby the company raised gross proceeds of NOK 7.6 million;
vi) the private placement on 27 February 2017 whereby the Company raised gross proceeds of NOK 176.7 million;
vii) the private placement on 1 June 2017 under the employee share option program whereby the company raised gross proceeds of NOK 2.0 million;
viii) the private placement on 11 July 2017 under the employee share option program whereby the company raised gross proceeds of NOK 4.3 million;
ix) the private placement on 27 September 2017 whereby the Company raised gross proceeds of NOK 220 million;
x) the subsequent offering on 27 September 2017 whereby the Company raised gross proceeds of NOK 197.8 million;
xi) the private placement on 28 June 2018 whereby the Company raised gross proceeds of NOK 281 million;
xii) the subsequent offering on 19 September 2018 whereby the Company raised gross proceeds of NOK 46.8 million;
xiii) the private placement on 30 January 2019 whereby the Company raised gross proceeds of NOK 463 million;
xiv) the subsequent offering on 9 April 2019 whereby the Company raised gross proceeds of NOK 68.1 million;
xv) the private placement on 21 Janaury 2020 whereby the Company raised gross proceeds of NOK 845.5 million;
xvi) the subsequent offering on 7 April 2020 whereby the Company raised gross proceeds of NOK 126.8 million;
xvii) the private placement on 15 June 2020 whereby the Company raised gross proceeds of NOK 1,300 million.

Cash and cash equivalents comprised the following as of 30 June 2020:

NOK 1,000	**30.06.2020** (IAS 34)	**31.12.2019** (IFRS)
Cash and cash equivalents	2,566,068	525,982
Total cash and cash equivalents	**2,566,068**	**525,982**

The cash at banks is held in Norwegian kroner, with very limited amounts in other currencies such as EUR, USD and DKK

Besides debt and interest payments, Nel primarily uses cash to fund its operations seasonal working capital swings, maintenance and expansion investments related to support and expand the business operations.

8.9 DEBT STRUCTURE

As of 30 June 2020 the Company had current liabilities of NOK 422.5 million consisting of the following:

NOK 1,000	**30.06.2020** (IAS 34)	**31.12.2019** (IFRS)
Trade payables	75,090	92,197
Lease liabilities	13,158	12,066
Contract liabilities	149,519	147,481
Other current liabilities	184,705	88,666
Total current liabilities	**422,471**	**340,409**

The following table outlines the interest payments and maturity schedule for all interest-bearing securities held by Nel as of 30 June 2020.

NOK 1,000	Nel Hydrogen Electrolyser AS loan from Innovasjon Norge	Nel Hydrogen A/S mortgage (1) loan from Nykredit	Nel Hydrogen A/S mortgage (2) loan from Nykredit	Nel Hydrogen A/S mortgage (3) loan from Nykredit	Nel Hydrogen A/S mortgage (4) loan from Nykredit
Principal amount	2,500	9,414	2,197	21,878	7,292
Amount outstanding	208	6,437	1,677	19,145	5,220
Nominal interest	4.82%	1.18%	0.48%	0.53%	0.41%
Contract date	Jul. 2013	Feb. 2009	Feb.2018	Feb.2018	Feb.2018
Duration (years)	7	20	10	20	20
Maturity	2020	2038	2028	2038	2038

Maturity analysis for long term loans:

NOK 1,000	2020	2021	2022	2023<	Total
Innovasjon Norge	208	0	0	0	208
Nykredit (loan 1-4)	968	1,945	1,952	27,615	32,480
Lease liabilities	6,520	12,490	15,689	58,754	93,453
Estimated interest cost[1]	323	559	522	4,069	5,473
Total long terms loans	7,811	14,994	18,163	90,438	131,406

[1)] Based on prevailing debt instalment agreements

8.10 WORKING CAPITAL

The Company is of the opinion that the working capital available is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this prospectus.

8.11 COMPANY POLICIES REGARDING CAPITAL STRUCTURE AND LIQUIDITY MANAGEMENT

The Company's objective is to manage the capital structure to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company sets the size of capital in proportion to business strategy, risk and financial market conditions. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions, perceived risk associated with product development and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of new share issue, dividends paid to shareholders, return capital to shareholders, and sell assets to reduce debt or increase the debt by taking up loans.

Nel monitors its risk for lack of capital up against Nel's planned activities. Nel will, if necessary, attempt to raise capital through private placements, debt financing, partnerships, and strategic alliances or from other sources. Nel secures larger net exposures from contracts in foreign currency by entering forward currency contracts. The key financial risks Nel is exposed to are related to interest rate risk, liquidity risk, currency risk and credit risk.

8.12 TREND INFORMATION

Policy measures to support emission free technology such as fuel cell vehicles, for example through political means such as reduction of taxes and duties on specific technologies, may have positive effect on the Group either directly or indirectly through an increase in the demand for the Group's products.

According to Hydrogen Council's report "Path to hydrogen competitiveness: A cost perspective" (source: https://hydrogencouncil.com/wp-content/uploads/2020/01/Path-to-Hydrogen-Competitiveness_Full-Study-

1.pdf), policy and economic forces and converging to create unprecedented momentum in the hydrogen sector. 18 governments, whose economies account for 70% of global GDP, have developed detailed strategies for deploying hydrogen energy solutions. An example of such initiatives is the recent announcement from the Clean Energy Ministerial (a coalition of several governments) to target global deployment of 10 million fuel cell electric vehicles by 2030.

There has also been an increased focus for hydrogen in heavy duty transport applications, and numerous companies have announced, and some have also initiated demonstration projects. Such companies include Nikola Motor Company (Nikola), Toyota Motor Company (Toyota), and Hyundai Motor Company (Hyundai).

Nikola aims to launch a range of zero emission trucks for the long-haul market, mainly hydrogen powered. Nikola is backed by many prominent investors and has received more than 14,000 pre-orders, including from Anheuser-Busch, which has placed an order for up to 800 hydrogen-electric powered semi-trucks. Nel has received a framework contract from Nikola to supply 448 electrolysers (1000 MW) and fueling equipment for the initial hydrogen infrastructure, which will serve the fleet of hydrogen trucks from Nikola. As of first half of 2020, the first purchase orders from Nikola have been received.

Similarly, Toyota, which is already a global player in the FCEVs market, has tested several generations of heavy-duty, zero-emission, hydrogen fuel cell trucks, and has announced that they will test a fleet of 10 trucks in the Los Angeles area from 2020. This move is another evidence of the increasing trend in the heavy duty vehicle sector.

The Company has in the past received public grants for both the Nel Hydrogen Electrolyser and Nel Hydrogen Fueling parts of the business to support R&D investments, prototype development and other initiatives to develop the Company's business and environmental friendly hydrogen technology. Therefore, governmental subsidies have had a material effect on the Company's operations and are expected to continue to do so in the foreseeable future. For further information regarding public grants please see section 6.9.

Nel has experienced an increasing demand for large scale electrolysers, and has decided to significantly increase its manufacturing capacity by securing a new location in Herøya Industrial Park in Norway. As the hydrogen technology develops, it is expected that costs can be reduced, however Nel has not seen a significant trend in prices since the end of the last financial year.

Other than what has been described in this section and in section 6.5.4 relating to Covid-19, the Company is not aware of trends in production, sales and inventory, costs and selling prices since the end of the last financial year to the date of this Prospectus, or trends, uncertainties, demands, commitments or events that could have a material effect on Nel's prospects for the current financial year.

8.13 SIGNIFICANT CHANGES IN NEL'S FINANCIAL POSITION

There have been no significant changes in the financial or trading position of Nel since 30 June 2020. There have been no significant changes in the financial performance of Nel since 30 June 2020.

9. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

9.1 BOARD OF DIRECTORS

9.1.1 Overview

In accordance with Norwegian law, the board of directors of the Company (the Board) is responsible for administering the Company's affairs and ensuring that the Company's operations are organized in a satisfactory manner.

The Company's articles of association provide that the Board shall consist of a minimum of three and a maximum of seven members. As of the date of this Prospectus, the Company's Board consists of the following:

Name of director	Director since	Current term expires	Business address:
Ole Enger, Chair of the Board	15 May 2017	Annual general meeting in 2021	Karenslyst allé 20, PB: 199 Skøyen 0212 Oslo
Beatriz Malo de Molina	15 May 2017	Annual general meeting in 2021	Karenslyst allé 20, PB: 199 Skøyen 0212 Oslo
Finn Jebsen	15 May 2017	Annual general meeting in 2021	Engebrets vei 5, 0275 Oslo
Hanne Blume	15 May 2019	Annual general meeting in 2021	TDC NET A/S, Teglholmsgade 1, 0900 København C
Charlotta Falvin	13 May 2020	Annual general meeting in 2021	Karenslyst allé 20, PB: 199 Skøyen 0212 Oslo
Tom Røtjer	13 May 2020	Annual general meeting in 2021	Karenslyst allé 20, PB: 199 Skøyen 0212 Oslo

9.1.2 Brief biographies of the Board members

Ole Enger, Chair of the Board

Mr. Enger (born 1948) has worked as CEO in Nordsilmel, Elkem, SAPA, REC, REC Solar and he has been in the executive management of Norsk Hydro and Orkla. Ole Enger has an educational background from Norwegian University for Environment and Life Sciences, NHH (Norwegian School of Econimics) and IMDE Business School. He has board experience as both chairman and board member of a number of private and listed companies. Mr. Enger is a Norwegian citizen and lives in Oslo.

Current directorships and senior management position	Vistin Pharma ASA (Chair of the Board), Norsk Gjenvinning Norge AS (Chair of the Board), BetonmastHæhre (Chair of the Board), Ole-Invest AS (Chair of the Board), Oso Hotwater Group AS (Chair of the Board), Nel ASA (Chair of the Board)
Previous directorships and senior management positions last five years	REC Solar ASA (Chair of the Board), REC (CEO), University of Oslo (Board member), Norske Skog ASA (Board member), Rec Wafer Norway AS (Chair of the Board), Borregaard A/S (Chair of the Board), Kværner (Board member)

Beatriz Malo de Molina, Board member
Ms. Malo de Molina (born 1972) has worked as Senior Vice President and Head of M&A at Orkla ASA and has previously held positions at Kistefos Private Equity and McKinsey & Co in Oslo, Goldman, Sachs & Co in London, Frankfurt, New York City and Mexico City and Ernst & Young's financial advisory department in New York City. She graduated from Georgetown University in Washington D.C., attended the Haupt- und Wirtschaftsuniversität in Vienna, Austria and holds a Master's degree in Philosophy from UiO (University of Oslo). Ms Malo de Molina has board experience from listed and private companies both in Norway and internationally, including chairmanship positions. Ms. Malo de Molina is a Spanish Citizen and is now a permanent resident of Norway.

Current directorships and senior management position	Oslo Philanthropic Exchange AS (board member), Metellus AS (deputy board member), Crux Advisers AS (Board Member), Nel ASA (board member)
Previous directorships and senior management positions last five years	Oslo Philanthropic Exchange AS (Chair of the Board), Pareto Securities, Investinor (board member and Audit Committee), Nordic Semiconductor (board member and Audit Committee), Energy Nest (board member), Orkla ASA (Senior Vice President, Head of Mergers & Acquisition, Treasury Committee member), Kistefos Private Equity (Investment Director), Agasti Holding (board member and Audit Committee), Jotun Bedriftsforsamling (member), Sapa Heat Transfer/Gränges (board member), Advanzia Bank S.A (Chair of the Board); Springfondet (board member); Alliance Venture (board member); Protia A.S. (board member); yA Bank (Director & Compensation Committee Member), Atex Group Ltd. (board member)

Finn Jebsen, Board member
Mr. Jebsen (born 1950) has worked for Mars Inc. in the US and Norway and later for 25 years at Orkla ASA, where he held positions as Business Development Manager, CFO, EVP of Financial Investment Division, EVP of Branded Consumer Goods Division, and CEO. From 2005 he has been working as a professional board member and chairman of several private and listed companies. Mr. Jebsen holds a Master's Degree in Business from NHH (Norwegian School of Economics) and an MBA from UCLA. Mr. Jebsen is a Norwegian citizen and lives in Oslo.

Current directorships and senior management position	Kavli Holding AS (Chair of the Board), Awilhelmsen AS (board member and Chair of Board Compensation Committee), Future Technology AS (board member), Norfund (board member), FSCC AS (board member), Nel ASA (board member)
Previous directorships and senior management positions last five years	Norsk Hydro ASA (board member and Chair of Board Audit Committee), Kongsberg Gruppen ASA (Chair of the Board, and Chair of Board Compensation Committee)

Hanne Blume, Board member
Ms. Blume (born 1968) is the CHRO in TDC Net and has previously held the position as CHRO in Ørsted and DONG Energy, vice president in QHSE and different management positions in the energy sector. Ms. Blume holds a master's degree in Business administration and commercial law from Aarhus School of Business and Oregon State University. She has management and board experience from both listed and private companies. Ms. Blume is a Danish citizen and resides in Juelsminde in Denmark.

Current directorships and senior management position	TDC Net (CHRO), DSB (Board member), Nel ASA (Board member)
Previous directorships and senior management positions last five years	CHRO (Ørsted/DONG Energy), Insero Group (Chairman of the Board), UC SYD (Board member)

Charlotta Falvin, Board member
Ms. Falvin (born 1966) has held various management positions in the tech industry, including e.g COO of Axis AB and CEO of TAT The Astonishing Tribe AB, with a focus on international business development and organizational growth. Since 2011, she works as a professional board member in primarily public companies in

the tech sector of the Swedish stock exchange, but also in academia, banking and regional incubators for startups. Charlotta Falvin holds a Master of Science in Business Administration and Economics from Lund University in Sweden. She is a Swedish citizen, residing in southern Sweden.

Current directorships and senior management position	Fasiro (Chair of the Board), Malmö Ground AB (Chair of the Board), Skåne Startups AB (Chair of the Board), Faculty of Engineering at Lund University (Chair of the Board), Regional board of Svenska Handelsbanken AB (Chair of the Board), Tobii AB (Board member), Boule Diagnostics AB (Board member), Invisio AB (Board member), Net Insight AB (Board member), Bure Equtiy AB (Board member), Minc AB (Board member)
Previous directorships and senior management positions last five years	Axis AB (Board member), Doro AB (Board member), (Ideon Open AB (Board member), CLX Communications AB (Board member), Chamber of Industry and Commerce, southern Sweden (Board member)

Tom Røtjer
Mr. Røtjer (born 1953). Former Head of Projects at Norsk Hydro ASA, where he held a number of management positions from 1980 to 2018. He was member of Corporate Management Board of Norsk Hydro from 2007-2012. He is currently a board member of Aibel AS and Hæhre & Isachsen Gruppen AS. He has held previous board positions in Det norske oljeselskap ASA (Aker BP ASA), Qatalum Ltd. Qatar, and Green Energy Geothermal Ltd. Mr. Røtjer holds a master’s degree in Mechanical Engineering from the University of Trondheim, Norway. He is a Norwegian citizen and resides in Oslo.

Current directorships and senior management position	Hæhre & Isachsen Gruppen AS (Board member), Aibel AS (Board member)
Previous directorships and senior management positions last five years	Norsk Hydro ASA (SVP, Head of Projects), Det norske oljeselskap ASA (Board member), Qatalum Ltd. (Board member), Green Energy Geothermal Ltd. (Board member)

9.2 EXECUTIVE MANAGEMENT

9.2.1 Overview

The table below sets forth the members of the Executive Management as of the date of this Prospectus.

Name	Position	Business address:
Jon André Løkke	Chief Executive Officer	Karenslyst allé 20, 0278 Oslo, Norway
Kjell Christian Bjørnsen	Chief Financial Officer	Karenslyst allé 20, 0278 Oslo, Norway
Bjørn Simonsen	VP Investor Relations & Corporate Communications	Karenslyst allé 20, 0278 Oslo, Norway
Anders Søreng	Chief Technology Officer	10 Technology Drive, Wallingford, CT USA
Filip Smeets	SVP Nel Electrolyser Division	Heddalsveien 11, 3674 Notodden
David T. Bow	SVP Corporate Business Development	10 Technology Drive, Wallingford, CT USA
Jørn Rosenlund	SVP Nel Hydrogen Fueling	Industriparken 348, 7400 Herning, Denmark
Raluca Leordeanu	VP Business Development	Karenslyst allé 20, 0278 Oslo, Norway
Hans H. Hide	SVP Projects	Karenslyst allé 20, 0278 Oslo, Norway
Stein Ove Erdal	VP Legal and General Counsel	Karenslyst allé 20, 0278 Oslo, Norway

On 11 December 2015, Jon Andrè Løkke was appointed CEO of Nel and Lars Christian Stugaard was appointed CFO effective 4 January 2016. Bjørn Simonsen, Director of Market Development and Public Relations was also appointed to the executive management.

In May 2016, Anders Søreng joined Nel’s executive management as CTO. In June 2016 Nel expanded its management team with Mikael Sloth (Director of Business Development), Jørn Rosenlund (Manager of Nel

Hydrogen Fueling), Jacob Krogsgaard (Manager of Nel Hydrogen Solutions) and Lars Markus Solheim (SVP Nel Hydrogen Electrolyser). Bent Skiaker was appointed new CFO effective as of 1 September 2016.

Following the Company's acquisition of Proton OnSite, David T. Bow was in August 2017 appointed SVP Sales and Marketing and Anders Søreng took up the position as SVP Nel Hydrogen Electrolyser after Lars Markus Solheim. Mr. Søreng also continued as the CTO of Nel.

Furthermore, in August 2018, Raluca Leordeanu took over the position as VP of Business Development from Mikael Sloth. Hans H. Hide joined as SVP Projects in March 2019, while Stein Ove Erdal took the position as VP Legal and General Counsel in May 2019. Filip Smeets joined Nel as SVP of Nel Electrolyser Division in February 2020. Furthermore, it was on 4 February 2020 announced that Kjell Christian Bjørnsen was appointed new CFO effective as of 1 March 2020, when he took over for Bent Skisaker.

9.2.2 Brief biographies of the Executive Management

Jon André Løkke, Chief Executive Officer

Jon André Løkke was appointed Chief Executive Officer (CEO) January 2016. Mr. Løkke comes from the position as CEO of Norsk Titanium AS, developing and industrializing 3D printing technology for the production of titanium components for the aerospace and other industries. He has ten years' experience from the REC Group, including positions as senior vice president in REC Wafer, investor relations officer in REC ASA and CFO in REC ASA. Mr. Løkke has also worked for the ABB Group and holds an International MBA degree from Glasgow University and a Bachelor degree in business and economics from Southampton University.

Current directorships and senior management position	Nel ASA (CEO), Maskinen AS (Chair of the Board), Ludens AS (Chair of the Board),, Proton Energy Systems Inc.(board member), Nel Hydrogen A/S (board member), Nel Hydrogen Inc.(board member), , Glomfjord Hydrogen AS (Chair of the Board), Nel Hydrogen Electrolyser AS (Chair of the Board), Nel Fuel AS (Chair of the Board), Green H2 Lillestrøm AS (Chair of the Board), Green H2 Norway AS (Chair of the Board)
Previous directorships and senior management positions last five years	Norsk Titanium AS (CEO), , Tempo AS (board member), Ludens II AS (CEO and Chair of the Board), NTI MH AS (board member)

Kjell Christian Bjørnsen, Chief Financial Officer

Kjell Christian Bjørnsen joined Nel in March 2020. Mr. Bjørnsen came from a position as Chief Financial Officer (CFO) of the Kavli Group, and has prior to that held positions within business development, strategy and finance in several global industrial companies, including the CFO position of REC ASA. Mr. Bjørnsen holds a MSc in Chemical Engineering from the Norwegian University of Science and Technology (NTNU).

Current directorships and senior management position	Nel ASA (CFO), Nel Fuel AS (board member), H2 Fuel Norway AS (board member)
Previous directorships and senior management positions last five years	Kavli Holding AS (CFO). Board member in subsidiaries of Kavli Holding AS (O. Kavli AB, Kavli AS, Q-Meieriene AS, Kavli Norge AS, Verso Oy

Bjørn Simonsen, VP, Investor Relations and Corporate Communications

Bjørn Simonsen joined Nel in 2014. With more than 10 years' experience from the hydrogen sector, he began his career as a research engineer at Institute for Energy Technology (IFE), followed by key positions in the Norwegian hydrogen arena, including Secretary General of the Norwegian Hydrogen Association. He holds a M.Sc. in Process Engineering from the Norwegian University of Science and Technology (NTNU).

Current directorships and senior management position	Nel ASA (VP Investor Relations & Corporate Communication), Hyon AS (board member), H2 Fuel Norway AS (Chair of the board), Simonsen Invest (Chair of the Board), Norwegian Hydrogen Association (board member)
Previous directorships and senior management positions last five years	Hyme AS (managing director), Norwegian Hydrogen Association (Secretary General)

Anders Søreng, Chief Technology Officer

Anders Søreng joined Nel in 2016. He has previously served as Senior Vice President in REC Solar, where he held various management positions since 2008. Mr. Søreng has recently worked as SVP & CTO of Norsk Titanium and holds a PhD from the Norwegian University of Science and Technology (NTNU).

Current directorships and senior management position	Nel ASA (CTO), Nel US, Inc. (board member)
Previous directorships and senior management positions last five years	Norsk Titanium AS (Senior Vice President Technology Center and CTO)

Filip Smeets, SVP Nel Electrolyser Division

Filip Smeets was appointed SVP Nel Electrolyser Division in February 2020. Mr. Smeets has been in the electrolyser industry for more than 10 years and comes from a position as Managing Director for Hydrogenics in Belgium where he was responsible for all Hydrogenics electrolyser activities. Prior to that he held senior positions in several global industrial companies such as Cabot Corporation and Cytec Industries. Mr. Smeets holds a Master degree in Chemistry from the University of Antwerp, Belgium.

Current directorships and senior management position	Nel Hydrogen Electrolyser AS (SVP Nel Electrolyser Division)
Previous directorships and senior management positions last five years	Hydrogenics (Managing Director - OSG)

David T. Bow, SVP Corporate Business Development

David Bow was appointed SVP Corporate Business Development in January of 2019 and joined Nel ASA as SVP of Sales and Marketing in August 2017. Prior to Nel he worked at Proton OnSite from 2014, where he held the title Senior Vice President of Sales and Marketing. He held the position as Senior Vice President of Global Commercial Development in Cosa+Xenatu Corporation. Mr. Bow holds an Executive Finance-Executive Master of Business Administration program form Kellogg School of Management, Northwestern University, Chicago.

Current directorships and senior management position	Nel ASA (SVP Corporate Business Development)
Previous directorships and senior management positions last five years	Proton OnSite (Senior VP of Sales, Service and Marketing), (Cosa + Xenatur, Corporation (Senior VP Global Commercial Development), Dionex Corporation (VP of Sales, Services and Marketing)

Jørn Rosenlund, SVP Nel Hydrogen Fueling

Jørn Rosenlund was appointed as SVP Nel Hydrogen Fueling in 2016. Previously he held a position as COO in H2 Logic. Mr. Rosenlund has a background of 15 years in senior management positions on operations and supply chain management in EagleBurgmann (2013-2015) and Danfoss (2000-2013) with several years working in Denmark USA, Canada and Germany.

Current directorships and senior management position	Nel ASA (SVP Nel Hydrogen Fueling)
Previous directorships and senior management positions last five years	Nel Hydrogen A/S (COO), EagleBurgmann (supply chain management), Danfoss (supply chain management)

Raluca Leordeanu, VP Business Development

Raluca Leordeanu joined Nel ASA as VP Business Development effective August 2018. She previously held various leadership positions, including VP Corporate Strategy and Planning at Norsk Titanium AS, a startup in Titanium 3D printing for Aerospace. She has an international experience from McKinsey & Co, where she worked mainly on Renewables and Strategy advising companies on four continents. Mrs. Leordeanu holds a Master of European Business Law from Lund University.

Current directorships and senior management position	Nel (VP Business Development), Sunrise Invest AS (Chair of the Board)
Previous directorships and senior management positions last five years	Tooler AS (Chair of the Board), Norsk Titanium AS (VP Corporate Strategy and Planning)

Hans H. Hide, SVP Projects

Hans H.Hide joined Nel in March 2019. Mr. Hide has since 2012 held management positions in some of Kvaerner's largest projects within the oil and gas sector. He has previously served as Project Portfolio Manager ALSTOM, and as Vice president Projects in REC, where he also held several management positions in the projects covering REC's expansion program within Solar and Silicon.

Current directorships and senior management position	Nel ASA (SVP Projects)
Previous directorships and senior management positions last five years	Kvaerner (Project Director), ALSTOM (Project Portfolio Manager), REC (VP Projects)

Stein Ove Erdal, VP Legal and General Counsel

Stein Ove Erdal joined Nel ASA as Vice President Legal and General Counsel in May 2019. Erdal has extensive experience from the oil/gas/energy and offshore industry, both as lawyer and as an in-house lawyer and comes from a position as an Associate General Counsel in Nexans Norway AS where he worked for nine years with complex offshore EPCI and EPC projects. He also has experience from working as a lawyer in the oil and gas division of Arntzen de Besche, as a deputy judge and as a defence counsel. Erdal holds a Cand. Jur. (Qualifying law degree) from the University of Oslo.

Current directorships and senior management position	Nel ASA (VP Legal and General Counsel)
Previous directorships and senior management positions last five years	Nexans Norway AS (Associate General Counsel)

9.3 CONFLICT OF INTERESTS, FAMILY RELATIONSHIP

There are currently no other potential conflicts of interests between any duties to the Company and private interest or other duties of the Board or the senior management, except as described below. Furthermore, there are no family relations between any of the Company’s board members or management.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any member of the administrative, management, supervisory bodies or executive management has been selected as a member of the administrative, management or supervisory bodies or member of senior management.

9.4 DETAILS OF ANY CONVICTIONS FOR FRAUDULENT OFFENCES, BANKRUPTCY ETC.

During the last five years preceding the date of this Prospectus, no members of the Company's Board or the executive management have any convictions in relation to indictable offences or convictions in relations to fraudulent offence, have received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company. No member of the Company's Board or the executive management have been declared bankrupt or been involved with bankruptcy, receiverships or liquidations in his or her capacity as a founder, board member, director or manager of a company during the last five years preceding the date of this Prospectus.

9.5 REMUNERATION AND BENEFITS

9.5.1 Remuneration of the Board

The table below sets out the remuneration to be paid to the current Board of Directors for the period from the annual general meeting of 2020 to the annual meeting in 2021:

Name	**Board fee** (NOK)
Ole Enger (Chair of the Board)	570,000
Hanne Blume	310,000
Charlotta Falvin	310,000
Finn Jebsen	310,000
Beatriz Malo de Molina	310,000
Tom Røtjer	310,000
Total	**2,120,000**

9.5.2 Remuneration of the Executive Management

The Board prepares guidelines on the remuneration of the Company's senior management. The guidelines on the remuneration of senior management must be submitted to the general meeting. The Board of Directors considers that the remuneration paid to senior management reflects market practice and that the remuneration packages do not include any unreasonable terms, for example in connection with resignation or termination of principal future investments employment.

Incentive schemes for the CEO and other employees are set out in the notes to the annual accounts. The incentive schemes cover all non-temporary employees, and have been submitted in detail for the general meeting's approval.

The table below sets out the remuneration to leading personnel in 2019.

Name	**Title**	**Salary** (NOKt)	**Bonus** (NOKt)	**Pension expense** (NOKt)	**Other remuneration** (NOKt)	**Total** (NOKt)
Jon André Løkke	CEO	2,720	788	171	549	4,226
Bent Skisaker	CFO (until March 2020)	2,124	150	171	549	2,993
Bjørn Simonsen	VP Investor Relations & Corporate Communications	1,404	0	171	549	2,124
Anders Søreng	Chief Technology Officer	2,292	0	77	1,939	4,309
David T. Bow	SVP Corporate Business Development	1,944	0	41	3,413	5,397
Jørn Rosenlund	SVP Nel Hydrogen Fueling	1,806	0	145	1,306	3,256
Jacob Krogsgaard	SVP Nel Hydrogen Solutions (until August 2019)	2,247	0	183	0	2,430
Raluca Leordeanu	VP Business Development	1,203	0	171	0	1,374
Hans Hide	SVP Projects	1,308	0	171	300	1,779
Stein Ove Erdal	VP Legal and General Counsel	830	0	171	0	1,001
Total		17,878	938	1,472	8,604	28,889

Kjell Christian Bjørnsen, CFO, and Filip Smeets, SVP Nel Electrolyser Division, joined the Company in 2020, and did not receive compensation in 2019.

9.5.3 Termination benefits

Term of notice is 6 months for all leading employees, except for the SVP Corporate Business Development, SCP Electrolyser, VP Business Development and the VP investor relations who have 3 months. The CEO has waived the protection rights under law with respect to termination of his service contract and thus has a right to 6 months severance pay in the event of termination. The SVP fueling has 3 months severance pay, the SVP Electrolyser has 6 months severance pay, and the SVP Corporate Business Development has 12 months severance pay.

9.5.4 Share option plan

In December 2015, in connection with the announcement of Nel's new CEO Jon André Løkke, the Board of Nel ASA proposed that Mr. Løkke was to participate in a share option scheme and be granted 6 million share options exercisable 24 months after commencement of employment at an exercise price based on the listed share price of the Nel Share at commencement plus 20%. On 30 August 2016, the Board resolved to amend the terms of the share options, so that the options shall be exercisable 24 months after 1 April 2016, and that the exercise price shall be NOK 3.00 per share. All other terms of the options remained un-amended.

On 17 February 2016, the Board of Nel ASA proposed the implementation of a share incentive program for the employees of Nel ASA. The Incentive Program will be a recurrent program, subject to approval by the Board. Allocation of shares under the Incentive Program will be made by the Board, and the annual amount of shares granted shall not in any year exceed a total of 0.5% of the outstanding Shares of the Company.

The share option program is groupwide and includes all employees in the group. All options have only service-time based vesting conditions. Vesting requires the option holder still to be an employee in the Company. The share-based payment is equity-settled. Each option, when exercised, will give the right to acquire one share in the Company. The options are granted without consideration.

Options granted July 2018:
A total of 11.8 million share options were granted. Pursuant to the vesting schedule, 40% of the options will vest one year after the day of grant, and 60% of the options will vest two years after the day of grant. The exercise price is equal NOK 3.05 per share (set equal to the average market price 5 days before grant), increasing 3% per annum until expiry. Gains per instrument is capped at NOK 5.00 maximum per share option. The options that have not been exercised will lapse four years after the date of grant.

Options granted July 2019:
A total of 11.1 million share options were granted. Pursuant to the vesting schedule, 40% of the options will vest one year after the day of grant, and 60% of the options will vest two years after the day of grant. The exercise price is equal NOK 7.8 per share based on the average price of the Nel ASA share price the five trading days before grant date (NOK 7.22) and including an 8% premium. Gains per instrument is capped at NOK 5.00 maximum per share option. The options that have not been exercised will lapse four years after the date of grant.

Options granted July 2020:
A total of 12.8 million share options were granted. Pursuant to the vesting schedule, 40% of the options will vest two year after the day of grant, and 60% of the options will vest three years after the day of grant. The exercise price is equal NOK 21.72 per share based on the average price of the Nel ASA share price the five trading days before grant date (NOK 20.11) and including an 8% premium. Gain per instrument is capped at NOK 5.00 maximum per share option. The options that have not been exercised will lapse 4 years after the date of grant.

The table below provides an overview of options by employees (thousands) as of the date of this Prospectus per vested dates

Name	2019	2020	2021	2022	2023	Total
Filip Smeets	0	0	0	192.3	128.2	**320.6**
Kjell Christian Bjørnsen	0	0	0	192.3	128.2	**320.6**
David Bow	0	0	123.2	367.2	121.6	**612.0**
Bjørn Simonsen	0	0	116.0	304.4	195.6	**616.0**
Anders Søreng	0	0	123.2	308.8	186.0	**618.0**
Raluca Teodora Leordeanu	0	0	128.8	320.4	190.8	**640.0**
Jørn Rosenlund	0	0	125.6	316.4	192.0	**634.0**

Hans Hide	0	0	120.0	306.4	189.6	**616.0**
Stein Ove Erdal	0	0	120.0	320.0	210.0	**650.0**
Other Employees	12.0	390.0	3,257.4	8,857.2	5,956.6	**18,472.9**
Total	**12.0**	**390.0**	**4,114.2**	**11,485.4**	**7,498.6**	**23,500.1**

9.6 CORPORATE GOVERNANCE

9.6.1 Corporate governance principles

The Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "**Code**") is intended to strengthen confidence in listed companies and thereby promote the best possible value creation over time, for the benefit of shareholders, employees and other stakeholders. Observance of the recommendations is based on the "comply or explain" principle. Nel's Board and management have resolved to follow the recommendations of the Code to the extent deemed reasonable in view of the Company's size. At the date of this Prospectus, the Company has no deviations from the recommendations of the Code.

Nel has introduced a set of corporate values, and the Board has adopted ethical guidelines. The guidelines provide that the Company's Board and employees should follow a high ethical standard in carrying out their work and duties. Although Nel's guidelines discuss the Company's dealings with various interest groups, the Company has not established guidelines dealing specifically with social responsibility.

9.6.2 Nomination committee

In accordance with Nel ASA's articles of association, the general meeting has established a nomination committee comprising three members. These must be shareholders or representatives of shareholders. The nomination committee evaluates and proposes board members to the general meeting, and makes recommendations on director remuneration. No board members or representatives of Company management are members of the nomination committee.

Nomination committee members are elected for a one-year term. At the annual general meeting on 13 May 2020, the following persons were elected to the nomination committee and serve until the 2021 annual general meeting:

- Leif Eriksrød (Chair)
- Jesper Boisen
- Torkel Aaberg

Remuneration to the nomination committee from May 2020 to the annual general meeting in 2021 was resolved by the general meeting on 13 May 2020. The annual general meeting set the remuneration to NOK 20,000 for the chairperson and NOK 15,000 to each of the other members of the nomination committee.

9.6.3 Audit and remuneration committee

The Company has established an audit committee consisting of Finn Jebsen and Beatriz Malo de Molina. The Board's audit committee is appointed by the Board of Nel ASA and is a sub-committee of the Board. The audit committee shall on behalf of the Board supervise the financial reporting process to ensure the integrity of the financial statements. For such purpose, the audit committee shall monitor the Company's internal supervisory/control routines and risk management system, the Company's routines regarding compliance with laws and regulations affecting the financial reporting, the Company's external audit process, and shall also prepare recommendations concerning the election of the external auditor. The primary function of the audit committee is to prepare matters for consideration by the Board, to support the Board in its supervisory responsibilities and to ensure that the Company's requirements relating to financial reporting in connection with its listing on the stock exchange are complied with.

The Board has considered establishing a remuneration committee. Thorough and independent assessment of the remuneration of senior management has been ensured by matters being considered by all the board members, with all members being considered independent of the day-to-day management. The Board evaluates its composition and the Board's work at least once a year. The evaluation also covers the way in which the Board functions, both individually and as a group, in relation to the objectives that have been set for its work. The evaluation report is presented to the nomination committee annually.

Remuneration to the audit committee from May 2020 to the annual general meeting in 2021 was resolved by the annual general meeting on 13 May 2020. The annual general meeting set the remuneration to NOK 75,000 for the chairperson and NOK 40,000 to the other members of the audit committee.

9.6.4 Corporate governance compliance

The Company's Board and management have resolved as a main principle to follow the recommendations of the Norwegian Corporate Governance Code to the extent not considered unreasonable due the company size. The Norwegian Code of Practice for Corporate Governance can be found on www.nues.no. Nel will provide explanations of non-compliance of the Code if not fully implemented.

9.7 EMPLOYEES

9.7.1 Number of employees

As of 30 June 2020, Nel has 361 employees of which i) 176 employees are related to Nel Hydrogen Electrolyser, whereof 98 are located in the US and 78 are located in Norway, ii) 173 employees are related to the Nel Hydrogen Fueling, whereof 139 are located in Denmark, 20 in the US and 14 in South Korea, iii) 12 employees are related to the administration and executive management. The latter 12 employees are the only employees in Nel ASA.

At year end in 2019 and 2018 the corresponding numbers of total employees in Nel were 318 and 239, respectively.

9.8 PENSIONS AND OTHER OBLIGATIONS

9.8.1 Pensions

The Company is obliged by law to have a pension plan. The Company's pension plan meets the law requirements.

The Company has defined contribution pension scheme for its employees. This scheme is funded through payments to insurance companies. A defined contribution plan is one under which Nel pays fixed contributions to a separate legal entity. Nel has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

9.8.2 Loans and guarantees

The Company has no outstanding loans or guarantees to any member of the executive management.

9.9 SHAREHOLDINGS

9.9.1 Board of Directors

The table below presents the overview of Shares and options owned by the Board as of the date of this Prospectus:

	Number of Shares	Number of options
Ole Enger...	149,462	0
Beatriz Malo de Molina	0	0
Finn Jebsen	310,620[1]	0
Hanne Blume	0	0
Charlotte Falvin	0	0
Tom Røtjer	0	0

(1) Consisting of shares held through Fateburet AS;

9.9.2 Executive Management

The table below presents the overview of Shares and options owned by the Executive Management as of the date of this Prospectus. Note that at the date of this Prospectus, a stock option exercise by employees is in process, whereby employees have exercised options but not yet received shares.

	Number of Shares	Number of options
Jon André Løkke.............................	2,700,634[1]	0
Kjell Christian Bjørnsen	0	320,571
Bjørn Simonsen	1,516,138[2]	616,000
Anders Søreng	331,899[3]	618,000
Filip Smeets	0	320,571
David T. Bow	355,287	612,000
Jørn Rosenlund	300,000	634,000
Raluca Leordeanu	0	640,000
Hans H. Hide	0	616,000
Stein Ove Erdal...............................	0	650,000

(1) Includes shares held through Ludens AS (142 000) controlled by the Company's CEO Mr. Løkke and related parties
(2) Includes shares held through Simonsen Invest AS, a company controlled by the Company's VP for Market Development and Public Relations Mr. Simonsen
(3) Through A.S. Consulting Gjøvik AS

9.9.3 Lock-up agreements

There are as of the date of this Prospectus no lock-up agreements for the Company's shares.

10. SHARE CAPITAL

10.1 OVERVIEW

The following description includes certain information concerning the Company's share capital, a brief description of certain provisions contained in the Company's articles of association as they are in effect at the date of this Prospectus and a brief description of certain applicable Norwegian law, hereunder the Public Limited Companies Act and the Securities Trading Act. The summary does not purport to be complete and is qualified in its entirety by the Company's articles of association and Norwegian law. Any change in the articles of association is subject to approval by a general meeting of the Company's shareholders.

10.2 SHARE CAPITAL HISTORY

The following table sets out the development of the Company's share capital since February 2015 and until the date of this Prospectus. The Company's current share capital is NOK 281,506,698.60 divided into 1,407,433,488 ordinary Shares, each with a par value of NOK 0.20. All the Shares are validly issued and fully paid.

Date	Type of change	Share capital (NOK)	Issue price (NOK)	Par value per share (NOK)	Issued shares	Total shares
Feb. 2015	Share issue	79,785,820	1.30	0.20	10,000,000	398,929,104
Jun. 2015	Share issue	90,046,191	1.35	0.20	51,301,852	450,230,956
Jun. 2015	Consideration Shares	119,675,821	1.35	0.20	148,148,148	598,379,104
Jul. 2015	Share issue	124,120,265	1.35	0.20	22,222,222	620,601,326
Jul. 2015	Share issue	130,120,265	2.25	0.20	30,000,000	650,601,326
Dec. 2015	Share issue	136,120,265	3.70	0.20	30,000,000	680,601,326
Jun. 2016	Share issue – Incentive scheme	136,735,650	2.476	0.20	3,076,926	683,678,252
Feb. 2017	Share issue	149,731,650	2.72	0.20	64,980,000	748,658,252
Jun. 2017	Share issue – Incentive scheme	150,079,486	0.20	0.20	1,739,180	750,397,432
Jun. 2017	Share issue – Incentive scheme	150,235,244	2.103	0.20	778,787	751,176,219
Jun. 2017	Consideration share	179,767,135	2.72	0.20	147,659,456	898,835,675
Jul. 2017	Share issue – Incentive scheme	180,142,990	2.289	0.20	1,879,277	900,714,952
Sep. 2017	Share issue	197,742,990	2.50	0.20	88,000,000	988,714,952
Nov. 2017	Share issue	199,742,990	2.50	0.20	10,000,000	998,714,952
Jun. 2018	Share issue – Incentive scheme	200,682,613	0.20	0.20	4,698,111	1,003,413,063
Jul. 2018	Share issue	218,682,613	3.12	0.20	90,000,000	1,093,413,063
Jul. 2018	Share issue – Incentive scheme	219,710,276	0.724	0.20	5,138,319	1,098,551,382
Sep. 2018	Share issue	222,710,276	3.12	0.20	15,000,000	1,113,551,382
Jan. 2019	Share issue	239,691,588	5.45	0.20	84,906,560	1,198,457,942
Apr. 2019	Share issue – Obligation towards former employee	240,389,761	0.484	0.20	3,490,864	1,201,948,806
Apr. 2019	Share issue	242,889,761	5.45	0.20	12,500,000	1,214,448,806
Jun. 2019	Share issue – Incentive scheme	243,418,266	0.20	0,20	2,642,524	1,217,091,330
Jul. 2019	Share issue – Incentive scheme	243,475,381	1.917	0.20	285,576	1,217,376,906
Sep. 2019	Share issue – Incentive scheme	244,354,166	2.977[1)]	0.2	4.393.877	1,221,770,783
Nov. 2019	Share issue – Incentive scheme	244,420,557	3.14	0.2	332,000	1,222,102,783
Jan. 2020	Share issue	262,220,557	9.50	0.2	89,000,000	1,311,102,783
Mar. 2020	Share issue – Incentive scheme	262,316,957	3.14	0.2	482,000	1,311,584,783
Apr. 2020	Share issue	264,986,957	9.50	0.2	13,350,000	1,324,934,783
May. 2020	Share issue – Incentive scheme	266,186,957	3.00	0.2	6,000,000	1,330,934,783
Jun. 2020	Share issue	280,279,098	18.45	0.2	70,460,705	1,401,395,488
Aug. 2020	Share issue – Incentive scheme	281,506,698	3.23[2)]	0.2	6,048,000	1,407,433,488

1): Average strike price (David Bow 666,341 shares at NOK 2.062, and the remaining at NOK 3.14)
2): Average strike price (564,000 at NOK 3.14 and the remaining at NOK 3.24)

10.3 OWN SHARES

As of the date of this Prospectus the Company holds 396,287 treasury shares which are owned through Nel ASA. At the annual general meeting held on 13 May 2020, the following resolution was proposed and approved:

"The Board is granted authorization to acquire shares in Nel ASA on behalf of the Company for one or more of the following purposes:

i) in connection with the Company's incentive program for its employees, and/or
ii) to increase return on investment for the Company's shareholders.

The authorization covers purchase(s) of shares for a total nominal value not exceeding 10% of the share capital at any given time, cf. sections 9-2 and 9-3 of the Public Limited Liability Companies Act. Shares may be acquired at a price per share of minimum NOK 0.10 and maximum NOK 100. These limitations shall be adjusted in the event of share consolidation, share splits and similar transactions. The shares shall be acquired through ordinary purchase on the stock exchange.

The Board's authorization is valid until the annual general meeting in 2021, but shall in any event expire at the latest 15 months from the date of this general meeting. The decision shall be notified to and registered by the Norwegian Register of Business Enterprises prior to acquiring any shares pursuant to this authorization.

This authorization replaces the authorization to acquire own shares granted by the annual general meeting on 15 May 2019."

10.4 SHAREHOLDER AGREEMENTS

The Company is not aware of its shareholders having entered into any shareholders agreements.

10.5 STOCK EXCHANGE LISTING, SHARE REGISTRAR AND SECURITIES NUMBER

Nel ASA is a Norwegian public limited liability company and the Shares are issued pursuant to the Norwegian Public Limited Companies Act.

The Shares are listed on Oslo Børs under the ticker symbol "NEL". The Shares belong to the OBX liquidity category and they are registered in the Norwegian Central Securities Depository (VPS). The Company's registrar is DNB Bank ASA. The Shares carry the securities number ISIN NO0010081235. All Shares hold the same rights, and each Share gives one voting right.

10.6 OUTSTANDING AUTHORIZATIONS

The general meeting held on 13 May 2020 approved the following resolution:
"The Board is granted authorization to increase the share capital with up to NOK 26,498,695 through one or several share capital increases.

The authorization may be used for one or more of the following purposes:

(i) for issuance of shares in connection with the Company's incentive plan for employees; and/or
(ii) to provide the Company with financial flexibility, including in connection with investments, mergers and acquisitions.

Price and conditions for subscription will be determined by the Board on issuance, according to the Company's needs and the shares' market value at the time. Shares may be issued in exchange for cash settlement or contribution in kind, including in connection with mergers, and the authorization gives the right to incur specific obligations on behalf of the Company, cf. section 10-2 of the Norwegian Public Limited Companies Act.

The existing shareholders' preferential rights to subscribe for shares may be waived by the Board in connection with the effectuation of this authorization.

This authorization is valid until the Annual General Meeting in 2021, but shall in any event expire at the latest on 30 June 2021.

The Board is at the same time given authorization to make the necessary amendments to the articles of association on execution of the authorization. This authorization replaces the authorization to increase the share capital granted by the extraordinary general meeting on 28 March 2019."

As of the date of this prospectus, the Company has increased the share capital by NOK 14,092,141through the Private Placement in June 2020.

10.7 CONVERTIBLE INSTRUMENTS AND WARRANTS

The Company has granted options to employees as part of an incentive program. The incentive program is described in section 9.5.4.

10.8 DIVIDEND POLICY

Under the Company's strategy, dividends are not currently part of the plan for this stage of the business development process.

The Company has not paid any dividend for the financial years 2019, 2018 or 2017.

10.9 SHAREHOLDERS

The table below sets out the Company's 20 largest shareholders as reflected in VPS as of 28 August 2020.

Name	Number of shares	Percentage (%)
CLEARSTREAM BANKING S.A.	613 543 758	43.8 %
FOLKETRYGDFONDET	29 458 393	2.1 %
JPMorgan Chase Bank, N.A., London	21 918 520	1.6 %
SIX SIS AG	20 984 936	1.5 %
The Bank of New York Mellon SA/NV	20 349 025	1.5 %
UBS Switzerland AG	18 898 033	1.3 %
Nordnet Bank AB	18 636 824	1.3 %
State Street Bank and Trust Comp	18 392 594	1.3 %
Avanza Bank AB	12 780 317	0.9 %
State Street Bank and Trust Comp	12 773 300	0.9 %
JPMorgan Chase Bank, N.A., London	12 253 563	0.9 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	10 053 671	0.7 %
NORDNET LIVSFORSIKRING AS	9 904 399	0.7 %
KLP AKSJENORGE INDEKS	9 338 792	0.7 %
JPMorgan Chase Bank, N.A., London	8 798 283	0.6 %
STOREBRAND NORGE I VERDIPAPIRFOND	7 888 942	0.6 %
Nordea Bank Abp	7 330 845	0.5 %
VERDIPAPIRFONDET STOREBRAND	7 180 741	0.5 %
J.P. Morgan Bank Luxembourg S.A.	6 962 954	0.5 %
Danske Bank A/S	6 890 616	0.5 %

As of the date of this Prospectus, the following shareholder owns or controls more than 5% of the issued share capital in the Company:

- Clearstream Banking S.A. (43.8%), which is a nominee account

As at the date of this Prospectus, Clearstream Banking S.A. has in principle negative control of the Company due to its 43.8% shareholding in the Company. However, Clearstream Banking S.A. is a nominee account. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law (unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings), nor are any persons who are designated in the register as holding such Shares as nominees. Reference is made to Section **Error! Reference source not found.** "Voting rights" for more information about voting rights for beneficial owners.

As far as the Company is aware of, there is no other natural or legal person other than those mentioned above, which directly or indirectly has a shareholding in the Company which is notifiable under Norwegian law.

To the knowledge of the Company, no person, entity or group directly or indirectly controls the issuer to such extent that special measures are considered necessary to ensure abuse of such control.

Following completion of the Subsequent Offering, the Company is not aware of any persons or entities who, directly or indirectly, joint or severally, will exercise or could exercise control over the Company other than Clearstream Banking S.A. (nominee account) as illustrated above. The Company is not aware of any other arrangements which may at a subsequent date result in a change of control in the Company.

The shares have not been subject to any public takeover bids.

11. REGULATORY DISCLOSURES

Companies listed on Oslo Børs are subject to disclosure requirements under the Norwegian Securities Trading Act. Below is a summary of certain disclosures made by the Company under its ticker code "NEL" on www.newsweb.no in the preceding 12 months prior to the date of this Prospectus. For a complete overview of all the notices published by the Company in the 12 preceding months prior to the Prospectus, reference is made to www.newsweb.no.

Financial information

Date	Title	Description
26.08.2020	Second quarter 2020 financial results	Publication of Q2 2020 financial results
07.05.2020	First quarter 2020 financial results	Publication of Q1 2020 financial results
22.04.2020	Annual Report 2019	Publication of annual report for 2019
05.03.2020	Fourth quarter 2019 financial results	Publication of Q4 2019 financial results
07.11.2019	Third quarter 2019 results	Publication of Q3 2019 financial results

Share capital information

Date	Title	Description
01.09.2020	Share capital increase registered	Share capital increase of 6,048,000 shares
18.06.2020	Share capital increase registered	Share capital increase of 70,460,705 new shares
15.06.2020	Private placement successfully completed	Raised NOK 1,300 million in gross proceeds
15.06.2020	Contemplated private placement	Offering to raise proceeds up to NOK 1,300 million
22.05.2020	Share capital increase registered	Share capital increase by 6,000,000 new shares
18.05.2020	Issue of shares pursuant to exercise of employee share options	6,000,000 shares issued to Jon Andre Løkke following exercise of options
20.04.2020	Share capital increase registered	Share capital increase by 13,350,000 new shares
08.04.2020	Final results of the subsequent offering	Announced that the subsequent offering has been oversubscribed and that 13,350,000 new shares had been allocated
31.03.2020	Commencement of subsequent offering	Announced the commencement of the subscription period for a subsequent offering of up to 13,350,000 new shares
30.03.2002	Approval and publication of prospectus	The FSA of Norway approved a prospectus prepared by Nel in connection with the subsequent offering carried out in April 2020
16.03.2020	Share capital registered	Share capital increase of 482,000 news shares following exercise of employee options
23.01.2020	Share capital increase registered	Share capital increase of 89,000,000 new shares registered
21.01.2020	Private placement successfully completed	Raised approximately NOK 846 million in gross proceeds
21.01.2020	Contemplated private placement	Offering up to 89 million new shares
28.11.2019	Share capital increase registered	Share capital increased by 332,000 new shares following exercise of employee options
18.09.2019	Share capital increase registered	Share capital increased by 4,393,877 new shares following exercise of options

Management and board composition information

Date	Title	Description
04.02.2020	Kjell Christian Bjørnsen appointed CFO	Announced the appointment of Kjell Christian Bjørnsen as Chief Financial Officer, effective 1 March 2020
10.01.2020	Resignation of board member	Hanne S. Holen resigned from the board with immediate effect as a consequence of a pending change of employer

Additional disclosed information

Date	Title	Description
31.08.2020	Final result of exercise of employee share options	Announced the final outcome of the employee share option exercise
28.08.2020	Exercise of employee share options and issue of shares	Employees have exercised a total of 6,048,000 options
27.07.2020	Awarded grant to develop a novel electrolyser stack to enable lower cost hydrogen generation	Nel has been awarded a USD 4.4 million grant by the Department of Energy (DOE) for development of advanced components and manufacturing methods to enable low cost hydrogen from electrolysis.
02.07.2020	Nel awarded grant for further cost and efficiency improvements of next generation alkaline electrolyser	Nel has been awarded a grant from the Research Council of Norway for a research project which seeks to further improve the efficiency and cost of Nel's next generation, pressurized alkaline electrolyser platform.

30.06.2020	Receives purchase order for multiple hydrogen fueling stations	Nel has received a purchase order for multiple H2StationT units from a large international company.
10.06.2020	Receives purchase order for a 2.5 MW PEM electrolyser in Europe	Nel has received a purchase order for a containerized 2.5 megawatt Proton PEM® electrolyzer from a customer in Europe.
08.06.2020	Receives purchase orders for three additional hydrogen fueling stations in Korea	Nel has received a purchase order from Hydrogen Energy Network Co., Ltd. (HyNet) for three additional H2Station™ hydrogen fueling stations in Korea.
04.06.2020	Update on 3 June 2020 PO announcement	The PO has today been approved.
03.06.2020	Receives purchase order from Nikola	Nel has received a purchase order from Nikola Corporation, a global leader in zero-emissions transportation and infrastructure solutions, for 85 megawatt alkaline electrolysers related to the deployment of the world's first 8 ton/day hydrogen fueling stations.
21.04.2020	Enters into framework agreement for delivery of electrolysers in France	Nel has entered into a framework agreement for the delivery of up to 60 megawatt of electrolysers to Lhyfe Labs SAS (Lhyfe) in France.
31.03.2020	Receives purchase order for U.K. Navy PEM electrolyser stacks	Nel has received a purchase order for PEM electrolyser cell stacks from United Technologies´ Collins Aerospace Division, at a value of approximately USD 1.6 million.
31.03.2020	Awarded grant to develop a novel electrolyser stack to enable lower cost hydrogen generation	Nel has been awarded a USD 1.85 million grant by Department of Energy for development of a novel electrolyser cell stack approach to enable higher efficiency, low cost hydrogen generation.
26.03.2020	Operational update #2 from Nel ASA in relation to COVID-19	Nel has received approval to resume operations as the Wallingford facility as it has been defined as “essential manufacturing business”. The Company still expects revenues and operations to be negatively impacted by disruptions in the value chain and extraordinary health measures in the various locations due to COVID-19.
22.03.2020	Operational update from Nel ASA in relation to COVID-19	Update on measures to ensuring safety of employees and customers, as well as continued operation in relation to COVID-19. Activities at the Wallingford facility temporarily suspended following a state of Connecticut executive order.
04.03.2020	Enters into strategic collaboration agreement with Kvaerner	Announced a strategic collaboration with Kvaerner on specific hydrogen projects and standardisation of solutions for large scale hydrogen production plants.
27.02.2020	Received purchase order for a 1 MW containerized PEM electrolyzer in the US	Purchase order (PO) for a 1 MW containerized PEM electrolyser from Trillium Transportations Fuels, LLC.
28.12.2019	Received purchase order to H2Station ® fueling station solution for taxis in Copenhagen	PO for the delivery of a H2Station ® from Everfuel Europe A/S
20.12.2019	Received purchase order for two H2Station ® fueling station solution for taxis in Copenhagen	PO for delivery of two H2Station ® units, contract value approx. EUR 2 million
20.12.2019	Establishes joint venture to supply green hydrogen to Hyundai trucks in Norway	Establishes Green H2 Norway to serve Hyundai hydrogen trucks
18.12.2019	Everfuel awarded grant for the establishment of a large-scale hydrogen production facility in Denmark	Everfuel Europe A/S awarded in excess of EUR 6 million from the Danish Energy Agency
17.12.2019	Received purchase order for multiple H2Station™ units in the Netherlands	PO from OrangeGas for multiple H2Station™ for light duty fuel cell electric vehicles
09.12.2019	Nel received purchase order for a 3.5 MW electrolyser from ENGIE	PO for a 3.5 MW electrolyser from ENGIE
04.12.2019	Received purchase order for two additional hydrogen fueling stations in Korea	PO from HyNet for two additional H2Station™ hydrogen fueling stations in Korea
26.09.2019	Awarded grant for development of an advanced pilot production line for electrolysers	Awarded NOK 9.25 million from Enova

12. SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW

The following is a summary of certain information relating to the Shares and certain shareholder matters, including the Company's articles of association and a summary of applicable Norwegian corporate and securities law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's articles of association and Norwegian law.

Under Norwegian law, all shares are to provide equal rights in a company. However, Norwegian law permits a company's articles of association to provide for different types of shares (e.g., several classes of shares). In such case, a company's articles of association must specify the different rights, preferences and privileges of the classes of shares and the total par value of each class of shares. The Company's articles of association provide for a single class of shares with equal rights, including rights to dividends.

There are no restrictions affecting the right of Norwegian or non-Norwegian residents or citizens to own the Shares. The Company's articles of association do not contain any provisions restricting the transferability of Shares.

12.1 THE GENERAL MEETING OF SHAREHOLDERS

The Company's shareholders exercise supreme authority in the Company through the general meeting. A shareholder may attend the general meeting either in person or by proxy. The Company is required to include a proxy form with notices of general meetings.

In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. Pursuant to article 8 of the Company's articles of association, the following business must be dealt with and decided at the annual general meeting:

1. The Directors' Report.
2. Approval of the Annual Accounts and Annual Report.
3. Determination of the fees to the Board and the auditor.
4. Application of the profit or covering of the loss in accordance with the approved accounts, as well as payment of a dividend.
5. Election of the Board and, if appropriate, the auditor.
6. Other matters that by statute or the articles of association fall to be considered by the general meeting.

Norwegian law requires that written notice of general meetings is sent to all shareholders whose addresses are known at least 21 days prior to the date of the meeting, unless the Company's articles of association stipulate a longer period. The Company's articles of association do not include any provisions on this subject. Pursuant to article 12 of the Company's articles of association, documents concerning matters to be considered at the general meeting are not required to be sent to the shareholders, provided that the documents are made available for the shareholders at the Company's website. The same applies for documents which according to law shall be included in or attached to the notice of the general meeting. A shareholder is entitled to request that documents concerning matters to be handled at the general meeting are sent to him/her.

Any shareholder is entitled to have an issue discussed at a scheduled general meeting if such shareholder provides the Board with notice of the issue within seven days prior to the deadline for the notice to the general meeting, along with a proposal to a draft resolution or a justification for the matter having been put on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

In addition to the annual general meeting, extraordinary general meetings of shareholders may be held if deemed necessary by the Board. An extraordinary general meeting shall also be convened for the consideration of specific matters at the written request of the Company's auditor or shareholders representing a total of at least 5% of the share capital.

12.2 VOTING RIGHTS

The articles of association of the Company do not set forth additional conditions with regard to changing the rights of shareholders than required by the Norwegian Public Limited Companies Act.

Each Share carries the right to one vote at the Company's general meetings. No voting rights can be exercised with respect to treasury Shares held by the Company.

Decisions that the general meeting is entitled to make under Norwegian law or the Company's articles of association are in general made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes cast are elected.

Certain decisions, including but not limited to increase or reduction of the Company's share capital, approval of a merger or demerger, and amendment of the Company's articles of association, require the approval of at least two-thirds of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the meeting.

Decisions that would (i) reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the Shares through introduction of a consent requirement, of a right of first refusal upon transfers, or of a requirement that shareholders must have certain qualifications, require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's articles of association. Certain other types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's articles of association.

There are no quorum requirements at general meetings.

In general, in order to be entitled to vote, a shareholder must be registered as the owner of Shares in the Company's share register in the VPS or, in the case of a share transfer, report and show evidence of the shareholder's share acquisition to the Company prior to the general meeting. Beneficial owners of Shares that are registered in the name of a nominee (e.g., through brokers, dealers or other third parties) are generally not entitled to vote under Norwegian law (unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings), nor are any persons who are designated in the register as holding such Shares as nominees. The Company cannot guarantee that such beneficial owners of Shares will receive the notice for a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners. Further, beneficial owners of Shares that are registered in a nominee account may not be able to exercise other shareholder rights under the Norwegian Public Limited Companies Act (such as e.g. the entitlement to participate in a rights offering) as readily as shareholders whose Shares are registered in their own names with the VPS. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote for nominee registered Shares.

12.3 ADDITIONAL ISSUANCES AND PREFERENTIAL RIGHTS

If the Company issues any new shares the Company's articles of association must be amended, which requires a two-thirds majority of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the general meeting. In connection with an increase in the Company's share capital by a subscription for Shares against cash contributions, Norwegian law provides the Company's shareholders with a preferential right to subscribe for the new shares on a pro rata basis in accordance with their then-current shareholdings in the Company. The preferential rights may be waived by the general meeting by the same majority vote as required for amendments to the Company's articles of association.

The general meeting may, with a two-thirds majority vote as described above, authorize the Board to issue new shares. Such authorization may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the share capital at the time the authorization is registered with the Norwegian Register of Business Enterprises. The preferential right to subscribe for Shares against consideration in cash may be set aside by the Board only if the authorization includes such possibility for the Board.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and by transfer from funds that are allowed to be used to distribute dividend cf. section 12.5 below. Any bonus issues may be affected either by issuing Shares or by increasing the par value of the shares outstanding. If the increase in share capital is to take place by new shares being issued, these new shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

12.4 MINORITY RIGHTS

Norwegian law contains a number of protections for minority shareholders, including but not limited to those described in this and preceding paragraphs. Any shareholder may petition the courts to declare a decision of the Board or general meeting of shareholders invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the company itself. In certain circumstances shareholders may require the courts to dissolve the company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

12.5 LEGAL CONSTRAINTS ON THE DISTRIBUTION OF DIVIDENDS

Dividends in respect of a fiscal year, if any, will be declared at the Company's annual general meeting in the following year. Under Norwegian law, dividends may be paid in respect of a fiscal year for which audited financial statements have been approved by a majority vote at the annual general meeting, and any proposal to pay a dividend must be recommended by the Company's Board and approved by its shareholders at a general meeting. The shareholders at the Company's annual general meeting may vote to reduce, but may not adopt a resolution to increase, the dividend proposed or accepted by the Company's Board. Dividends declared and approved in this manner accrue to those shareholders who were shareholders at the time the resolution was adopted, unless otherwise stated in the resolution.

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides several constraints on the distribution of dividends:

- Pursuant to section 8-1 of the Norwegian Public Limited Companies Act the Company may only distribute dividend to the extent that the Company's net assets following the distribution covers (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealized gains. From the amount that may be distributed, a deduction shall be made for the aggregate nominal value of treasury shares that the Company has purchased for ownership or as security before the balance date. Deductions shall also be made for credit and collateral etc. according to sections 8-7 to 8-10 from before the balance date which pursuant to these provisions shall lie within the scope of the funds the company may distribute as dividend. No deduction shall, however, be made for credit and collateral etc. that is reimbursed or settled before the time of decision, or credit to a shareholder to the extent that the credit is settled by a netting in the dividend. Transactions after year end which according to law requires free equity, reduce the dividend basis.

- The calculation of the distributable equity shall be made on the basis of the balance sheet in the approved annual accounts for the last fiscal year, however so that the registered share capital as of the date of the resolution to distribute dividend shall apply. Following the approval of the annual accounts for the last fiscal year, the general meeting may also authorize the Board to declare dividend on the basis of the Company's annual accounts.

- Dividend may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

- Dividend may only be distributed to the extent that the Company after the distribution has a sound equity and liquidity.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Further, said Act contains no dividend restrictions or specific procedures for non-Norwegian resident shareholders. For a description of withholding tax on dividends that is applicable to non-Norwegian residents, see section 14.1.3.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval. However, all payments to and from Norway shall be registered with the Norwegian Currency Registry. Such registration is made by the entity performing the transaction. Further, each physical transfer of payments in currency shall be notified to the Norwegian customs. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made through a licensed bank.

12.6 DISCLOSURE OBLIGATIONS

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which is the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

The disclosure obligation also requires an investor to disclose agreements giving an investor voting rights over another party's shares if the total holding of shares and voting rights cross any of the mentioned thresholds.

12.7 MANDATORY TAKEOVER BIDS, SQUEEZE OUT, ETC.

The Norwegian Securities Trading Act requires any person, entity or consolidated group who becomes the owner of Shares representing more than 1/3 of the voting rights of the Company to, within four weeks, make an unconditional general offer for the purchase of the remaining Shares in the Company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of Shares which, aggregated with the party's own shareholding, represent more than 1/3 of the voting rights in the Company, and Oslo Børs decides that acquiring such rights must be regarded as effectively being an acquisition of the Shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the Shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a starting point, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

In the mandatory offer, all shareholders shall be treated equally and the price to be paid per share shall be at least as high as the highest price paid or agreed by the acquirer during the last six months prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the Norwegian Securities Trading Act states that the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. The offer must be made in cash or contain a cash alternative at least equal in value to any non-cash offer. Pursuant to the Norwegian Securities Trading Act section 6-6, a repeated bid obligation applies when passing 40% and 50% of the votes of the Company.

In the event of a failure to make a mandatory offer or to sell the portion of the Shares that exceeds the threshold within four weeks, Oslo Børs may force the acquirer to sell the Shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the Company, such as voting at a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group who has passed any of the above-mentioned relevant thresholds for a mandatory offer without triggering such an obligation due to an applicable exemption, and who has therefore not previously made an offer for the remaining Shares in the Company in accordance with the mandatory offer rules, is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of Shares in the Company (subsequent offer obligation).

12.8 COMPULSORY ACQUISITION

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, provided the following three conditions are fulfilled, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders will be deemed to have accepted the offered price after the expiry of the specified deadline.

12.9 LIABILITY OF DIRECTORS

Members of the Board owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Each member of the Board may be held liable by the Company for any damage they negligently or willfully cause the Company. Norwegian law permits the general meeting to exempt any such person from liability towards the Company, but such exemption is not binding unless substantially correct and complete information relating to the grounds for any liability claim was provided at the general meeting when the decision was made. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a general meeting with a majority below that required to amend the Company's articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility, but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by a majority required to amend the articles of association, the minority shareholders cannot pursue the claim in the Company's name.

12.10 INDEMNIFICATION OF DIRECTORS

Neither Norwegian law nor the Company's articles of association contain any provision concerning indemnification by the Company of the Board. The members of the Board are, as part of an insurance coverage, covered against certain liabilities that they may incur in their capacity as such.

12.11 DISTRIBUTION OF ASSETS ON LIQUIDATION

Under Norwegian law, a company may be wound-up by a resolution of the company's shareholders in a general meeting passed by the same majority as required to amend the articles of association. The Shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

12.12 RIGHTS OF REDEMPTION AND REPURCHASE OF SHARES

The share capital may be reduced by decreasing the par value of the Shares or by redemption of issued Shares. Such a decision requires the same majority as required to amend the articles of association. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

A Norwegian company may purchase its own shares if an authorization for the board of directors of the company to this effect has been given by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and Shares represented at the meeting. The aggregate par value of treasury shares so acquired and held by the company must not exceed 10% of the company's share capital, and treasury shares may only be acquired if the company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting cannot be given for a period exceeding two years.

12.13 ARTICLES OF ASSOCIATION

The memorandum and articles of association of Nel ASA as last amended on 15 June 2020 are as follows (office translation):

§ 1 The Company's name is Nel ASA. The company is a public limited liability company.

§ 2 The Company's registered office is in the Municipality of Oslo.

§ 3 The Company's business is to conduct business, invest in and/or own rights in biotech/pharmaceuticals, production and sale of hydrogen plants, or other areas.

§ 4 The Company's share capital is NOK 280,279,097.60 divided into 1,401,395,488 shares each with a par value of NOK 0.20. The company's shares shall be registered in the Norwegian Registry of Securities (VPS).

§ 5 The Company's Board shall consist of 3-7 members. The Chairman of the Board shall be elected by the general meeting. The Board may have a deputy chairman who is elected by the Board. The Board is to be elected for one year at a time. Board members may be re-elected. In the event of votes being tied in the Board, the Chairman shall have a casting vote.

§ 6 Documents shall be signed on behalf of the Company by one board member together with the general manager, or by two Board members jointly. The Board may appoint authorized signatories.

§ 7 The annual general meeting shall be held by the end of June each year. Not less than 21 days written notice of the annual general meeting shall be given. The notice shall specify the matters to be considered.

General meetings shall be chaired by the Chairman of the Board if no other chairman is chosen.

Each share shall carry 1 vote at general meetings. Shareholders may be represented by proxies authorised in writing.

§ 8 The annual general meeting shall consider:

1. The Directors' Report.
2. Approval of the annual accounts and annual report.
3. Determination of the fees to the Board and the auditor.
4. Application of the profit or covering of the loss in accordance with the approved accounts, as well as payment of a dividend.
5. Election of the Board and, if appropriate, the auditor.
6. Other matters that by statute or the Articles fall to be considered by the general meeting.

§ 9 Extraordinary general meetings shall be held when the Board considers it necessary, or when shareholders representing at least 5 % of the share capital so require.

Extraordinary general meetings must be convened on not less than 21 days' notice.

An extraordinary general meeting may only consider the matters stated in the notice of meeting.

§ 10 Shareholders who will attend a general meeting shall give notice of this to the company no later than 2 business days before the general meeting is to be held.

§ 11 The Company shall have a Nomination Committee elected by the general meeting. The Nomination Committee shall have between three to five members. The members of the Committee, including the leader, shall be elected by the general Meeting. The Nomination Committee shall prepare and make proposals to the general meeting with regards to board candidates. The Committee shall also make recommendations regarding remuneration to Board Members. The general meeting may decide to adopt rules regarding the mandate of operation for the Nomination Committee.

§ 12 Documents concerning matters to be considered at the general meeting are not required to be sent to the shareholders if the documents are made available for the shareholders at the company's websites. This also applies for documents which pursuant to law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless require that documents concerning matters to be considered at the general meeting are sent to him/her.

§ 13 The shareholders shall be allowed to cast their vote in writing in matters on the agenda for general meetings in a period preceding general meetings, including by the use of electronic means, to the extent the Board of Directors finds adequate methods for authenticating the sender and in accordance with the provisions of the Public Limited Liability Companies Act.

12.14 INSIDER TRADING

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

12.15 INFORMATION, CONTROL AND SURVEILLANCE

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

12.16 THE VPS AND TRANSFER OF SHARES

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway'), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

12.17 FOREIGN EXCHANGE CONTROLS

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

13. LEGAL MATTERS

13.1 LEGAL, GOVERNMENTAL OR ARBITRATION PROCEEDINGS

Equipment delivered in 2017 by a Nel subsidiary was involved in a 2018 workplace accident which caused personal injury to one Nel employee. In 2019, the injured sued the owner of the equipment and two other parties claiming damages. The owner of the equipment subsequently served third party complaints on Nel's subsidiary as manufacturer of the equipment, and on one other party. Against Nel's subsidiary, the third party complaint alleges use of unsuitable parts, failure to provide proper training, and failure to properly warn of the dangers of the equipment. On the basis of extensive investigations into the matter, Nel maintains that the cause of the incident was improper installation and modifications carried out by the original defendants in the action, and that the manufacturer cannot be held liable.

Other than the case referred to above, neither the Company nor any member of the Group, is or has been, during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

13.2 RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions since the date of the last financial statement.

14. NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation (**resident or Norwegian shareholders**) and holders that are not residents of Norway for such purposes (**non-resident or foreign shareholders**).*

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

14.1 TAXATION OF DIVIDENDS

14.1.1 Resident corporate shareholders

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the Norwegian participation exemption (Nw.: *fritaksmetoden*). However, 3% of such dividends are taxable as ordinary income at a current rate of 22% (for 2020), implying that dividends distributed from the Company to resident Norwegian corporate shareholders are effectively taxed at a rate of 0.66%.

14.1.2 Resident personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22% (for 2020) to the extent the dividends exceed a statutory tax-free allowance (Nw.: *skjermingsfradrag*). The tax basis is upward adjusted with a factor of 1.44 before taxation, implying that dividends exceeding the tax-free allowance are effectively taxed at a rate of 31.68%.

The tax-free allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills (Nw: *statskasseveklser*) with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends or capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis for the calculation of allowance the following years.

Norwegian personal shareholders may hold Shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Dividends received on Shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit, will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. Norwegian personal shareholders will still be entitled to a calculated tax free allowance. Please refer to section 14.2.2 for further information in respect of Norwegian share saving accounts.

14.1.3 Non-resident corporate shareholders

Dividends distributed from the Company to non-resident shareholders are in general subject to Norwegian withholding tax at a rate of currently 25%, unless otherwise provided for in an applicable tax treaty or the recipient is tax resident within the European Economic Area (the EEA) (ref. section 14.1.5 below for more information on the EEA exemption).

Non-resident corporate shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax deducted. The same will apply to non-resident corporate shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All non-resident corporate shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. The documentation must be provided to either the nominee or the account operator (VPS).

The withholding obligation in respect of dividends distributed to non-resident corporate shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

If foreign corporate shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian corporate shareholders.

Foreign corporate shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

14.1.4 Non-resident personal shareholders

Dividends distributed from the Company to non-resident personal shareholders are in general subject to Norwegian withholding tax at a rate of currently 25%, unless otherwise provided for in an applicable tax treaty. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation. For foreign personal shareholders which are tax resident within the European Economic Area (the EEA), please refer to section 14.1.5 below.

If foreign personal shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian personal shareholders.

Foreign personal shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax deducted.

All non-resident personal shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS).

Non-resident personal shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

14.1.5 Shareholders tax resident within the EEA

Dividends distributed from the Company to personal shareholders tax-resident within the EEA are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25% after deduction of the tax-free allowance. Any excess allowance may be carried forward, cf. section 14.1.2.

Non-resident personal shareholders which are tax-resident within the EEA may hold their Shares through a Norwegian share saving account. Dividends received on and gains derived upon the realization of Shares held through a share saving account by a non-resident personal shareholder resident in the EEA for tax purposes will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the non-resident personal shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains upon realization of Shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on Shares held through a saving account, cf. above, lies with the account operator.

Dividends distributed from the Company to corporate shareholders tax resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the Shares and is genuinely established and performs genuine economic business activities within the EEA.

14.2 TAXATION UPON REALISATION OF SHARES

14.2.1 Resident corporate shareholders

For Norwegian corporate shareholders capital gains upon realization of Shares are generally exempt from tax. Losses are not deductible. Special exit rules apply for resident corporate shareholders that cease to be tax resident in Norway.

14.2.2 Resident personal Shareholders

For Norwegian personal shareholders capital gains upon realization of Shares are taxable as ordinary income in the year of realization, and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized. The tax rate for ordinary income is currently 22% (for 2020). The tax basis is adjusted upwards with a factor of 1.44 before taxation/deduction, implying an effective taxation at a rate of 31.68%.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused tax free allowance on a Share (see above) may be set off against capital gains on the same Share, but will not lead to or increase a deductible loss. I.e. any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set off against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the FIFO-principle) when calculating a taxable gain or loss.

Special exit tax rules apply for resident personal shareholders that cease to be tax resident in Norway.

Norwegian personal shareholders may hold Shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Gains derived upon the realization of Shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian personal shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian personal shareholders will be entitled to a calculated tax free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see section 14.1.2 above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on Shares held through the account.

14.2.3 Non-resident shareholders

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax.

14.3 RIGHT TO SUBSCRIBE FOR SHARES

The right to subscribe for Shares is not subject to Norwegian taxation. Costs related to subscription for Shares will be added to the cost price of the Shares.

Please note that subscription rights will not be comprised by the Norwegian share saving account scheme.

14.4 NET WEALTH TAX

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation at a current rate of 0.85% of the value assessed. The Shares will be included in the net wealth with 65% of their listed value as of 1 January in the assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 65%).

Non-resident shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held by an individual in connection with business activities carried out or managed from Norway.

14.5 STAMP DUTY / TRANSFER TAX

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

14.6 THE COMPANY’S RESPONSIBILITY FOR THE WITHHOLDING OF TAXES

The Company is responsible for and assumes the obligation to deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

15. ADDITIONAL INFORMATION

15.1 DOCUMENTS ON DISPLAY

The following documents (or copies thereof) will be available for inspection for the life of this Prospectus on the Company's homepage www.nelhydrogen.com:

- The Company's Memorandum and Articles of Association
- The Company's Certificate of Incorporation
- The Company's audited financial statements for the years ended, 31 December 2019, 2018 and 2017
- Interim financial statements for the Company for Q2 2020 and 2019
- Interim financial statements for the Company for Q1 2020 and 2019

15.2 DOCUMENTS INCORPORATED BY REFERENCE

The information incorporated by reference in this Prospectus should be read in connection with the cross reference list as set out in the table below. Except as provided in this section, no other information is incorporated by reference into this Prospectus.

Section in Prospectus	Incorporated by reference	Reference document and link
8.2	The Company's financial statement for the year ended 31 December 2017	http://nelhydrogen.com/assets/uploads/2016/08/Nel-annual-report-2017.pdf
8.2	The Company's financial statement for the year ended 31 December 2018	https://nelhydrogen.com/wp-content/uploads/2019/08/Nel-ASA-Annual-Report-2018.pdf
8.2	The Company's financial statement for the year ended 31 December 2019	https://nelhydrogen.com/wp-content/uploads/2020/04/NEL_a%CC%8Arsrapport_2019.pdf
8.2	The Company's interim financial statement for Q2 2019	https://nelhydrogen.com/wp-content/uploads/2019/10/Nel-Q2-2019-report.pdf
8.2	The Company's interim financial statement for Q1 2019	https://nelhydrogen.com/wp-content/uploads/2019/10/Q1-2019-Interim-Report.pdf
8.2	The Company's interim financial statement for Q2 2020	https://nelhydrogen.com/wp-content/uploads/2020/08/Nel-ASA-Q2-2020-interim-report.pdf
8.2	The Company's interim financial statement for Q1 2020	https://nelhydrogen.com/wp-content/uploads/2020/05/Q1-2020.pdf

15.3 STATEMENT REGARDING SOURCES

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16. SELLING AND TRANSFER RESTRICTIONS

16.1 GENERAL

The grant of Subscription Rights and/or issue of Offer Shares, upon exercise of Subscription Rights, and the offer of unsubscribed Offer Shares to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Eligible Shareholders should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to exercise Subscription Rights or subscribe for Offer Shares.

The Company does not intend to take any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an Eligible Shareholder receives a copy of this Prospectus in any territory other than Norway, the Eligible Shareholder may not treat this Prospectus as constituting an invitation or offer to it, nor should the Eligible Shareholder in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that Eligible Shareholder, the Subscription Rights or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an Eligible Shareholder receives a copy of this Prospectus, the Eligible Shareholder should not distribute or send the same, or Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the Eligible Shareholder forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the Eligible Shareholder should direct the recipient's attention to the contents of this section 16.1.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Subscription Rights and Offer Shares being granted or offered, may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Member States of the EEA that have not implemented the Prospectus Regulation, Australia, Canada, Switzerland, Hong Kong, Japan, the United States, the United Kingdom or any other jurisdiction in which it would not be permissible to offer the Subscription Rights and/or the Offer Shares (the "Ineligible Jurisdictions"); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Subscription Rights to an account of an Ineligible Shareholder or other person in an Ineligible Jurisdiction or a citizen of an Ineligible Jurisdiction (referred to as "Ineligible Persons") does not constitute an offer to such persons of the Subscription Rights or the Offer Shares. Ineligible Persons may not exercise Subscription Rights.

If an Eligible Shareholder exercises Subscription Rights to obtain Offer Shares or trades or otherwise deals in the Offer Shares, that Eligible Shareholder will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

(i) the Eligible Shareholder is not located in an Ineligible Jurisdiction;
(ii) the Eligible Shareholder is not an Ineligible Person;
(iii) the Eligible Shareholder is not acting, and has not acted, for the account or benefit of an Ineligible Person;
(iv) the Eligible Shareholder is located outside the United States and any person for whose account or benefit it is acting on a non-discretionary basis is located outside the United States and, upon acquiring Offer Shares, the Eligible Shareholder and any such person will be located outside the United States;
(v) the Eligible Shareholder has reviewed and will comply with the restrictions in relation to the Offer Shares in certain jurisdictions as set out below;
(vi) the Eligible Shareholder understands that the Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act; and
(vii) the Eligible Shareholder may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company and any persons acting on behalf of the Company, including the Managers, will rely upon the Eligible Shareholder's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject the Eligible Shareholder to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an Eligible Shareholder (including, without limitation, its respective nominees and trustees) is outside Norway and wishes to exercise or otherwise deal in or subscribe for Subscription Rights and/or Offer Shares, the Eligible Shareholder must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section 16.1 is intended as a general overview only. If any person is in any doubt as to whether it is eligible to receive Subscription Rights and/or subscribe for, or purchase or sell, Offer Shares, that person should consult its professional adviser without delay.

Subscription Rights will initially be credited to financial intermediaries for the accounts of shareholders who hold Shares registered through a financial intermediary on the Record Date. Subject to certain exceptions, financial intermediaries, which include brokers, custodians and nominees, may not exercise any Subscription Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of Subscription Rights to provide certifications to that effect.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Subsequent Offering in or into any Ineligible Jurisdiction or to any Ineligible Persons. Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and Offer Shares will not be delivered to an addressee in any Ineligible Jurisdiction. The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Subscription Rights and Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is acting on a non-discretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, at its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, neither the Company nor the Managers accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting or refusing the holder’s exercise of Subscription Rights.

No action has been or will be taken by the Managers to permit the possession of this Prospectus (or any other offering or publicity materials or subscription(s) or subscription form(s) relating to the Subsequent Offering) in any jurisdiction where such distribution may lead to a breach of any law or regulatory requirement.

Neither the Company nor the Managers, nor any of their respective representatives, are making any representation to any offeree, subscriber or recipient of Subscription Rights and/or Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or recipient under the laws applicable to such offeree, subscriber or recipient. Each Eligible Shareholder should consult its own advisers before subscribing for Offer Shares. Eligible Shareholders are required to make their independent assessment of the legal, tax, business, financial and other consequences of a subscription for Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

16.2 SELLING RESTRICTIONS

16.2.1 United States

The Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States. There will be no public offer of the Offer Shares in the United States. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above may be deemed to be invalid.

The Offer Shares are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act. Any offering of the Offer Shares by the Company to be made in the United States will be made only to a limited number of “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to an exemption from registration under the U.S. Securities Act who have executed and returned an U.S. investor letter to the Company prior to exercising their Subscription Rights. Prospective recipients are hereby notified that sellers of the Offer Shares may be relying on certain exemptions from the U.S. Securities Act.

Accordingly, this document will not be sent to any shareholder with a registered address in the United States. In addition, the Company and the Managers reserve the right to reject any instruction sent by or on behalf of any account holder with a registered address in the United States in respect of the Subscription Rights and/or the Offer Shares.

Until 40 days after the commencement of the Subsequent Offering, any offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Subsequent Offering) may violate the registration requirements of the U.S. Securities Act.

The Offer Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Offer Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Each person to which Offer Shares are distributed, offered or sold in the United States, by its subscription for Offer Shares, will be deemed to have represented and agreed, on its behalf and on behalf of any Eligible Shareholders accounts for which it is subscribing for Offer Shares, as the case may be, that:

(i) it is a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act, and that it has executed and returned an Eligible Shareholder letter to the Company prior to exercising their Subscription Rights; and
(ii) the Offer Shares have not been offered to it by the Company by means of any form of “general solicitation” or “general advertising” (within the meaning of Regulation D under the U.S. Securities Act).

Each person to whom Offer Shares are distributed, offered or sold outside the United States will be deemed, by its subscription for Offer Shares or purchase of Offer Shares, to have represented and agreed, on its behalf and on behalf of any Eligible Shareholders accounts for which it is subscribing for Offer Shares or Offer Shares, as the case may be, that:

(i) it is acquiring the Offer Shares from the Company or the Managers in an "offshore transaction" as defined in Regulation S under the U.S. Securities Act; and
(ii) the Offer Shares have not been offered to it by the Company or the Managers by means of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act.

16.2.2 European Economic Area (EEA)

In relation to each Member State of the EEA other than Norway, which has implemented the Prospectus Regulation (each a “**Relevant Member State**”), delivery of Subscription Rights and/or an offer of Offer Shares which are the subject of the Subsequent Offering contemplated by this Prospectus may not be made to the public in that Relevant Member State, except that delivery of Subscription Rights and/or an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Regulation, provided that such exemptions have been implemented in that Relevant Member State:

(i) to legal entities which are qualified investors as defined in the Prospectus Regulation;
(ii) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Managers for any such offer; or
(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company or any Managers to publish a Prospectus pursuant to the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable investors to decide to subscribe for any Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Member State and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (and amendments thereto to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.

The EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

16.2.3 United Kingdom

The Managers have represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the UK Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of the Subscription Rights or Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Subscription Rights and Offer Shares in, from or otherwise involving the United Kingdom.

16.2.4 Australia

This Prospectus is not a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the "Australian Corporations Act"), has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act.

Accordingly:

(i) the offer of the Offer Shares in Australia may only be made to persons who are "sophisticated Eligible Shareholders" (within the meaning of section 708(8) of the Australian Corporations Act) or to "professional Eligible Shareholders" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708(8) of the Australian Corporations Act, so that it is lawful to offer, or invite applications for, the Subscription Rights and Offer Shares without disclosure to persons under Chapter 6D of the Australian Corporations Act; and
(ii) this Prospectus may only be made available in Australia to persons as set forth in clause (a) above.

If any person acquire Subscription Rights or Offer Shares, then such person (i) represent and warrant that it is a person to whom an offer of securities can be made without a disclosure document in accordance with subsections 708(8) or (11) of the Australian Corporations Act and (ii) agree not to sell or offer for sale any Offer Shares in Australia within 12 months after their issue to the offeree or invitee under this Prospectus, except in circumstances where disclosure under Chapter 6D would not be required under the Australian Corporations Act.

No person receiving a copy of this Prospectus and/or receiving a credit of Subscription Rights to an account in VPS with a bank or financial institution in Australia may treat the same as constituting an invitation or offer to such person.

16.2.5 Canada

Neither the Subscription Rights nor the Offer Shares have been or will be qualified by a prospectus for sale to the public in Canada under applicable Canadian securities laws, and accordingly, any offer or sale of the Subscription Rights or Offer Shares in Canada must be made pursuant to an exemption from the applicable prospectus and registration requirements, and otherwise in compliance with applicable Canadian laws.

16.2.6 Hong Kong

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Persons are advised to exercise caution in relation to the Subsequent Offering. If any person is in any doubt regarding any of the contents of this Prospectus, it should obtain independent professional advice. This Prospectus does not constitute an offer or sale in Hong Kong of any Subscription Rights or the Offer Shares and no person may offer or sell in Hong Kong, by means of this Prospectus other than to (a) professional Eligible Shareholders within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) ("SFO") and any rules made under the SFO ("professional Eligible Shareholders") or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance of Hong Kong (Cap. 32) ("CO") or which do not constitute an offer or invitation to the public for the purposes of the CO or the SFO. No person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Offer Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to those Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to such professional investors.

Existing shareholders agree not to offer or sell in Hong Kong any Offer Shares other than (a) to professional Eligible Shareholders; or (b) in other circumstances which do not result in the document offering for sale the Offer Shares being a "prospectus" as defined in the CO or which do not constitute an offer to the public within the meaning of the CO or the SFO. Existing shareholders also agree not to issue or have in their possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Offer Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional Eligible Shareholders.

16.2.7 Japan

The Subsequent Offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan. Accordingly, each Manager has represented, warranted and agreed that the Offer Shares to which it each subscribes will be subscribed by it as principal and that, in connection with the offering made hereby, it will not, directly or indirectly, offer any Subscription Rights or Offer Shares in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law of Japan and other relevant laws and regulations of Japan.

16.2.8 Switzerland

This Prospectus is not being publicly distributed in Switzerland. Each copy of this document is addressed to a specifically named recipient and may not be passed on to third parties. The Subscription Rights or Offer Shares are not being offered to the public in or from Switzerland, and neither this document, nor any other offering material in relation to the Subscription Rights or the Offer Shares may be distributed in connection with any such public offering.

16.3 TRANSFER RESTRICTIONS

16.3.1 United States

Neither the Subscription Rights nor the Offer Shares have been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

16.3.2 European Economic Area (EEA)

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor within the meaning of Articles 2(e) of the Prospectus Regulation; and
b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

17. DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

Term	Definition
AL	Air Liquide Danmark A/S
Board	The board of directors of the Company
BOP	Balance of plant
Carnegie	Carnegie AS
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHN	Copenhagen Hydrogen Network A/S
CNS	Christian Nielsen Strandmøllen A/S
CO	This Prospectus does not constitute an offer or sale in Hong Kong of the Offer Shares and no person may offer or sell in Hong Kong, by means of this Prospectus other than in which the Prospectus do not result in the document being a “prospectus” as defined in the Companies Ordinance of Hong Kong (Cap. 32)
Code	The Norwegian Code of Practice for Corporate Governance dated 17 October 2018
Commission Regulation (EC) No 809/2004	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, as amended from time to time
Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45, as amended from time to time (Nw.: *Allmennaksjeloven*)
Company	Nel ASA
C-round financing	Nikola Motor Company’s two stage series C funding round of USD 205 million
DHF	Danish Hydrogen Fuel A/S
DKK	Danish Kroner, the lawful currency of the of the Kingdom of Denmark.
EEA	European Economic Area
EGM	Extraordinary General Meeting
Electrolysis	Water electrolysis
EU	European Union
EUDP	Energistyrelsen
EUR	Euro, the single currency of the European Union member states participating in the European Monetary Union
Existing Shareholders	Holders of the Company's shares as of 15 June 2020, as registered in VPS as of 17 June 2020
FCEV	Fuel cell electric vehicle
FCH-JU	The Fuel Cells and Hydrogen Joint Undertaking
FCV	Fuel cell vehicle
Forward-looking statements	Projections and expectations regarding Nel’s future financial position, business strategy, plans and objectives
Group	Company and its subsidiaries
HRS	Hydrogen (re)fueling stations
HWorld	HWorld Real Estate LLC
IFRS	International Financial Reporting Standards
ISIN	Securities number in the Norwegian Central Securities Depository (VPS)
Managers	Arctic Securities AS, Carnegie AS and SpareBank 1 Markets
MKK	M Mitsubishi Kakoki Kaisha, Ltd.
Name plate capacity	The maximum amount of electric energy that a generator can produce under specific conditions, as rated by the manufacturer
Nel A	Nel A-series product line
Nel ASA / Nel	The Company whose registration number is 979 938 799
Nel-Deokyang Co., Ltd	Agreement with Deokyang Co., Ltd. Koreas largest hydrogen supplier, to establish a joint venture. The Company was in July/ August 2018 renamed Nel Korea Co., Ltd.
Nel Hydrogen group of companies	The subsidiaries of New Nel Hydrogen Holdings AS
Nikola	Nikola Motor Company
Nm^3/h	Normal cubic meters per hour, a measure of flow
NOK	Norwegian Kroner, the lawful currency of the Kingdom of Norway.
Non-resident Shareholders	Shareholders that are not residents of Norway
Northern Power Systems	Northern Power Systems, Inc.

Norwegian Public Limited Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45, as amended from time to time (Nw.: *Allmennaksjeloven*)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of June 29, 2007 no. 75
Offer Price	Subscription price of NOK 18.45 per Offer Share
Offer Shares	Up to 10,840,109 shares in connection with the Subsequent Offering
Oslo Børs	Oslo Børs ASA (the Oslo Stock Exchange)
PEM	Proton Exchange Membrane
Private Placement	The private placement of 70,460,705 new shares at a price of NOK 18.45
Private Placement Shares	70,460,705 new shares issued in connection with a private placement completed on 15 June 2020
Prospectus	This Prospectus dated 9 September 2020
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended from time to time
Proton OnSite	Proton Energy Systems, Inc.
PSA	Pressure swing adsorption
R&D	Research and Development
Registrar	DNB Bank ASA Issuer Services
Resident Shareholders	Shareholders that are residents of Norway for purposes of Norwegian taxation
Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 as amended from time to time (Nw.: *Verdipapirhandelloven*)
Seller Debt Payoff Amount	Amounts owed by Proton OnSite to its previous shareholder as of closing
Senior Executives	Chief Executive Officer and other senior executives of Nel ASA
Shareholder	A holder of a Share
Shares	The ordinary shares in the capital of Nel, each with a par value of NOK 0.20, including the Private Placement Shares and the Offer Shares.
Shell	Royal Dutch Shell Plc
SFO	This Prospectus does not constitute an offer or sale in Hong Kong of the Offer Shares and no person may offer or sell in Hong Kong, by means of this Prospectus other to professional Eligible Shareholders within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571)
Sophisticated Eligible Shareholders	Persons who are within the meaning of section 708(8) of the Australian Corporations Act.
SPA	Share Purchase Agreement
SpareBank 1 Markets	SpareBank 1 Markets AS
Subsequent Offering	An offering up to 10,840,109 Offer Shares in the Company with a nominal value of NOK 0.20 each at a subscription price of NOK 18.45
Subscription Period	Subscription period commences on 10 September 2020 and expires on 21 September 2020 at 16:30 CET
Subscription Rights	Non-tradable subscription rights that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering
SunHydro	SunHydro LLC
US	United States of America
USD	United States Dollars, the lawful currency of the United States of America.
VPS	The Norwegian Central Securities Depository, which organizes the Norwegian paperless securities registration system (Nw.: *Verdipapirsentralen*)
VPS account	An account with VPS for the registration of holdings of securities

Nel ASA
Karrenlyst allé 20
NO-0278 Oslo
Norway

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Haakon VII´s gate 5
P.O. Box 1833 Vika
N-0123 Oslo, Norway
Tel.: +47 21 01 30 40
E-mail: subscription@arctic.com

Carnegie AS
Fjordalléen 16, Aker Brygge
PO Box 684 Sentrum
NO-0106 Oslo, Norway
Tel: +47 22 00 93 60
E-mail: subscriptions@carnegie.no

SpareBank 1 Markets
Olav Vs gate 5
PO Box 1398 Vika
NO-0114 Oslo, Norway
Tel: +47 24 14 74 00
E-mail: subscription@sb1markets.no

APPENDIX A: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

NEL ASA

SUBSEQUENT OFFERING SEPTEMBER 2020

In order for investors to be certain to participate in the Subsequent Offering, Subscription Forms must be received no later than on **21 September 2020 at 16:30 CET**. The subscriber bears the risk of any delay in the postal communication, busy facsimiles and data problems preventing orders from being received by the Managers.

SUBSCRIPTION FORM

Norwegian subscribers domiciled in Norway can subscribe for shares at www.arctic.com, www.carnegie.no, and www.sb1markets.no

Properly completed Subscription Forms can in addition be submitted to the Managers through the email addresses set out below:

Arctic Securities AS	Carnegie AS	SpareBank 1 Markets
Tel: + 47 21 01 30 40	Tel: + 47 22 00 93 00	Tel: +47 24 14 74 00
E-mail: subscription@arctic.com	E-mail: subscriptions@carnegie.no	E-mail: subscription@sb1markets.no

General information: The terms and conditions for the Subsequent Offering in Nel ASA (the "Company") of up to **10,840,109** offer shares (the "Offer Shares") are set out in the prospectus date 9 September 2020 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form. In case of any discrepancies between the Subscription Form and the Prospectus, the Prospectus shall prevail. All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange's information system under the Company's ticker "NEL".

Subscription Period: The subscription period is from and including 10 September 2020 to 16:30 CET on 21 September 2020 (the "Subscription Period"). Neither the Company nor the Managers may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. It is not sufficient for the Subscription Form to be postmarked within the deadline. The Managers have discretion to refuse any improperly completed, delivered or executed Subscription Forms or any subscription which may be unlawful. Subscription Forms that are received too late or are incomplete or erroneous are therefore likely to be rejected without any notice to the subscriber. The Managers have the right to disregard the application, without any liability towards the subscriber, if a LEI or NID number or any other compulsory information requested in the Subscription Form is not populated. If a LEI number or other compulsory information is not populated by the subscriber, the Managers also reserves the right to obtain such information through publicly available sources and use such number to complete the Subscription Form. The subscription for Offer Shares is irrevocable and binding upon execution of a Subscription Form or the registration of a subscription through the VPS online subscription system, and may not be withdrawn, cancelled or modified once it has been received by the Managers. Multiple subscriptions are allowed.

Subscription Price: The subscription price for one (1) Offer Share is NOK 18.45.

Right to subscribe: The Subscription Rights will be issued to the Company's shareholders as of close of trading on 15 June 2020 (as registered in VPS on 17 June 2020, pursuant to the VPS' standard two days settlement procedure) (the "Record Date") (i) who were not allocated shares in the Private Placement completed 15 June, and (ii) who are not resident in a jurisdiction where such offering would be unlawful or (for jurisdictions other than Norway) would require any prospectus, filing, registration or similar action ("Eligible Shareholders"). Each Eligible Shareholder will be granted **0.00832** non-transferable Subscription Rights for each share owned as of the Record Date. Subscription Rights not used to subscribe for the Offer Shares (in full or partly) will lapse without any compensation upon expiry of the Subscription Period and will consequently be of no value. The number of Subscription Rights allocated to each Eligible Shareholder will be rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable law, give the right to subscribe for and be allotted Offer Shares at the Subscription Price in the Subsequent Offering.

Allocation: The allocation criteria are set out in the Prospectus. Over-subscription will be permitted. Subscription without subscription rights will not be permitted. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact the subscriber's obligation to pay for the number of Offer Shares allocated. All Subscribers being allotted Offer Shares receive notification online in VPS confirming the number of Offer Shares allotted to the Subscriber and the corresponding subscription amount. This notification is expected to be given on or about 22 September 2020. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 10:00 CET on 22 September 2020. Subscribers who do not have access to investor services through their VPS account manager may contact the Managers from 10:00 CET on 22 September 2020 to obtain information about the number of Offer Shares allocated to them.

Payment: The payment for the Offer Shares falls due on 28 September 2020 (the "Payment Date"). By signing the Subscription Form or registering a subscription through the VPS online subscription system, each subscriber having a Norwegian bank account, provides the Managers with a one-time irrevocable authorisation to debit the bank account specified by the subscriber below for payment of the allotted Offer Shares for transfer to the Managers. The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorised to debit such account once, but reserve the right to make up to three attempts to debit the Subscribers' accounts if there are insufficient funds on the account on previous debit dates. The authorisation will be valid for up to seven working days after the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date and should contact the Managers in this respect for further details and instructions. Should any subscriber have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account	**Number of Subscription Rights**	**Number of Offer Shares subscribed (incl. over-subscription):**	**(For broker: Consecutive no.)**
1 SUBSCRIPTION RIGHT GIVES THE RIGHT TO BE ALLOCATED 1 OFFER SHARE		Σx **Subscription price per Offer Share** *NOK 18.45*	**Total Subscription amount to be paid** **NOK**

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: NO0010878036

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED)

My Norwegian bank account to be debited for the consideration for shares allotted (number of shares allotted x subscription price).	(Norwegian bank account no. 11 digits)

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above and (ii) grant each of the Managers (or someone appointed by them) acting jointly or separately to take all actions required to purchase and/or subscribe for Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Subscription Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) grant each of the Managers an authorisation to debit (by direct or manual debiting as described above) the specified bank account for the payment of the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to subscribe for and purchase Offer Shares under the terms set forth therein.

Place and date Must be dated in the Subscription Period	**Binding signature** The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached

INFORMATION ABOUT THE SUBSCRIBER (all fields must be completed)

VPS account number		In the case of changes in registered information, the account operator must be contacted. Your account manager is:
First name		
Surname/company		
Street address (for private: home address):		
Post code/district/country		
Personal ID number/Organization number		
Legal Entity Identifier ("LEI") /National Client Identifier ("NID")		
Norwegian Bank Account for dividends		
Nationality		
Daytime telephone number		
E-mail address		

ADDITIONAL INFORMATION FOR THE SUBSCRIBER

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive ("**MiFID**") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect the Managers must categorize all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Managers will be categorized as non-professional clients. Subscribers can, by written request to the Managers, ask to be categorized as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorization, the subscriber may contact one of the Managers. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the financial risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to section 16 "Selling and Transfer Restrictions" of the Prospectus. The making or acceptance of the Subsequent Offering to or by persons who have registered addresses outside Norway or who are residents in, or citizens of, countries outside Norway, may be affected by the laws of the relevant jurisdiction. The Company is not taking any action to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction other than Norway. Receiption of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person outside Norway wishing to subscribe for Offer Shares under the Subsequent Offering to fully observe the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territorries. The Subscription Rights and Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. The Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan or Switzerland and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan or Switzerland except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Australia, Canada, Hong Kong, Japan or Switzerland. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the United States, Australia, Canada, Hong Kong, Japan or Switzerland. Exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions and those set out in the Prospectus may be deemed to be invalid. By subscribing for Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for Offer Shares, have complied with the above selling restrictions. Persons effecting subscriptions on behalf of any person located in the United States will be responsible for confirming that such person, or anyone acting on its behalf, has executed an investor letter in the form to be provded by the Managers upon request.

Execution Only: The Managers will treat the Subscription Form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of each of the the Managers as well as between the Managers and the other entities in the Managers's group. This may entail that other employees of the Managers or the Managers' groups may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Managers will not have access to in their capacity as Managers for the Subsequent Offering.

Information Barriers: The Managers are securities firms that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers' respective corporate finance departments are kept confidential, the Managers' other activities, including equity research and stock broking, are separated from the Managers' corporate finance department by information barriers. The subscriber acknowledges that the Managers' analysis and stock broking activity may act in conflict with the subscriber's interests with regard to transactions of the Shares, including the Offer Shares, as a consequence of such information barriers.

Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers with the Managers must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares.

Data protection: As data controllers, each of the Managers process personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each of the Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data is disclosed to the Managers.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
c) The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
d) In case of withdrawal of the authorization for direct debiting, the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
e) The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue and missing payments: Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 no. 100, currently 9.50% per annum. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act and at the discretion of the Managers, not be delivered to the subscriber. The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.