



BALLARD®

 **HCW**
H.C. WAINWRIGHT & CO.

Investor Presentation

September 2018

Nasdaq & TSX ticker: BLDP



Forward-Looking Statements

This presentation contains forward-looking statements concerning future events or developments, including the closing of the announced transaction with Weichai, performance of the joint venture, anticipated product development efforts and product performance, customer benefits, market demand for our products and growth projections, estimated revenue, gross margin, cash operating costs, adjusted EBITDA, product cost reductions, liquidity, customer value propositions, and expected sales and product shipments. These forward-looking statements reflect Ballard's current expectations as contemplated under section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any such forward-looking statements are based on Ballard's assumptions relating to our financial forecasts and expectations regarding our product development efforts, manufacturing capacity, and market demand.

These forward-looking statements involve risks and uncertainties that may cause our actual results to be materially different, including, general economic and regulatory changes, detrimental reliance on third parties, successfully achieving our business plans and achieving and sustaining profitability. For a detailed discussion of these and other risk factors that could affect Ballard's future performance, please refer to our most recent Annual Information Form. Readers should not place undue reliance on Ballard's forward-looking statements and Ballard assumes no obligation to update or release any revisions to these forward looking statements, other than as required under applicable legislation.

All amounts are consolidated to include Ballard Power Systems Europe A/S and Protonex Technology Corporation results and are in U.S. dollars, unless otherwise noted.

Public Market Metrics

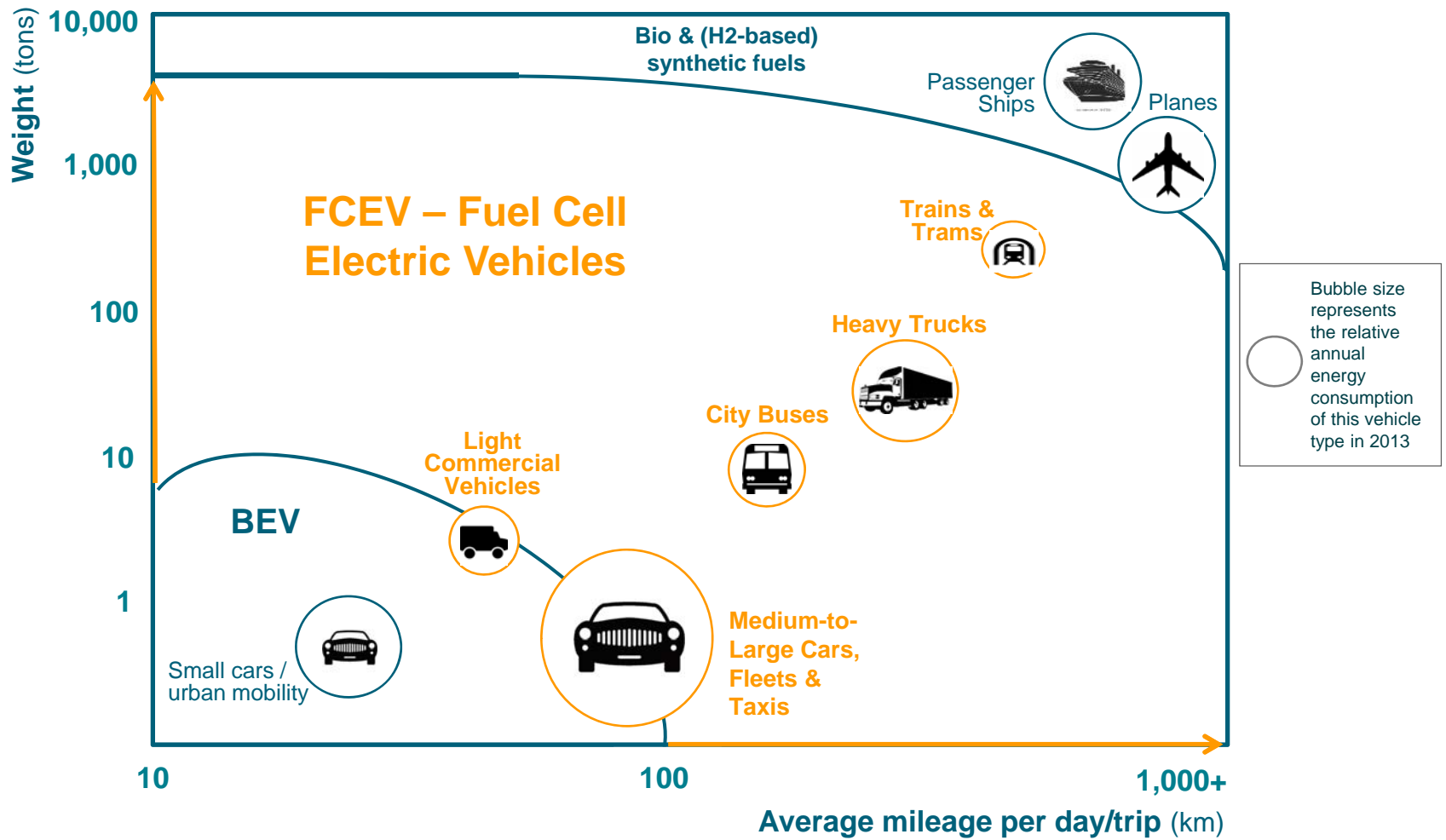
	NASDAQ	TSX
Ticker Symbol	BLDP	BLDP
Share Price*	USD\$3.54	C\$4.66
Market Cap*	US\$624M	C\$833M
Avg. Daily Volume* (3-month average)	727k	159k

** As of August 31, 2018 market close*

CONVERGENCE OF MEGATRENDS –

- 1) Decarbonization
 - *CO₂/ GHG reduction*
- 2) Air quality improvement
- 3) Electrification of propulsion systems

Why PEM Fuel Cells?



Source: McKinsey & Company, "Hydrogen Scaling Up" for Hydrogen Council, November 2017, p. 31

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Why Ballard?

- **39** years of PEM fuel cell experience
- **25** years listed on TSX
- **23** years listed on NASDAQ
- **600** employees
- **2,000** patents & applications
- **320** MW fuel cell products shipped
- **3M** MEAs manufactured
- **3,000** stationary systems delivered
- **12M** km's of bus revenue service
- **30,000+** hours of stack operation on buses



*Ballard HQ facility
Vancouver, B.C., Canada*

POWER PRODUCTS

Delivering high value, clean energy products that reduce customers' costs and risks

BAE SYSTEMS



TECHNOLOGY SOLUTIONS

Solving difficult technical and business challenges in customer's PEM fuel cell programs



Cross-Leveragable Growth Platforms

Next-Generation Products

- Next-generation products will deliver significant improvements in performance and cost → further strengthening commercial value proposition

Next-Generation Motive Power Products



- +33% power density
- >2x planned operating lifetime
- Greater:
 - freeze start capability
 - tolerance to low humidity
 - tolerance to high temp.

LCS Fuel Cell Stack

(image of prototype)



- 40% lower volume
- 30% lower weight
- 50% fewer components
- >2x planned operating lifetime
- Simplified BOP and integration
- **Significant cost reduction, at volume**

Next-Gen Power Modules

(image of prototype)

- Recently announced transaction creates high value platform for China market penetration of Ballard's next-generation motive power products.....



Strategic Collaboration With Weichai Power Co., Ltd.

Structure	<ul style="list-style-type: none">• BLDP signed strategic collaboration agreement with Weichai on August 29, 2018<ul style="list-style-type: none">• Weichai to acquire 19.9% interest in Ballard• US\$90 million to BLDP for exclusive transfer of LCS stack and LCS-based module technology for bus, commercial truck and forklifts in China• BLDP and Weichai to establish China JV as strategic platform for China bus, commercial truck and forklifts• Weichai to supply a minimum of 2,000 fuel cell modules for commercial vehicles in China by 2021 (largest planned commercial FCEV deployment to date globally)• Zhongshan Broad-Ocean Motor Co., Ltd. (“B-O”) to exercise participation right to maintain 9.9% interest
Equity Investments	<ul style="list-style-type: none">• ~US\$183 million total proceeds<ul style="list-style-type: none">• Weichai: ~US\$163 million for 19.9% interest, priced at US\$3.54 per share (15% premium to 30-day VWAP)• B-O: ~US\$20 million to maintain 9.9% interest, priced at US\$3.54 per share• Strong alignment with Ballard shareholders
Weichai Investor Rights Agreement	<ul style="list-style-type: none">• BLDP Board representation: 2 seats (provided ownership is at least 15%); Board size to increase from 7 to 9• Standstill: 2-years; Lock-up: 2-years• Voting arrangements: Right to make a superior proposal in the event of 3rd-party offer to acquire BLDP; otherwise must vote in accordance with Board recommendation
Joint Venture	<ul style="list-style-type: none">• Initial JV ownership: Weichai (51%); Ballard (49%)<ul style="list-style-type: none">• JV Board representation: Weichai (3 seats); BLDP (2 seats)• BLDP to be exclusive supplier of MEAs to JV and retain exclusive rights to technology outside China• BLDP in discussions to transfer 10% interest in JV to B-O (correspondingly reducing BLDP ownership to 39%)
Closing	<ul style="list-style-type: none">• Expected to close Q4 2018• Subject to completion of definitive agreements, regulatory approvals and other customary closing conditions

Weichai Power – Background



¥152 billion revenue in 2017
(~US\$23 billion)

617,000+ engines
manufactured in 2017

149,000+ heavy duty trucks
manufactured in 2017

200,000+ forklift trucks
manufactured in 2017

74,000+ employees

**Leading automotive and
equipment manufacturer**

- Leading global manufacturer of diesel engines, powertrains and axles for Heavy Duty Motive
- Headquartered in Weifang, Shandong Province, China
- Listed on Hong Kong (HK2338) and Shenzhen (SZ000338) stock exchanges
- Group investments in leading OEMs including Zhongtong Bus, AsiaStar Bus and KION Group (material handling)
- Strategic focus on new energy business segment
 - Established a technology innovation center in Germany to focus on research and development of cutting-edge technologies
 - Strategic partnership with Bosch to establish fuel-cell powered vehicle technology innovation and industry chain
 - Strategic partnership with Westport to develop high-pressure HDI natural gas engines

Transaction Rationale

Strong Strategic Partner

- Weichai is a leading Chinese automotive and equipment manufacturer, producing more than 617,000 engines, 149,000 heavy duty trucks and 200,000 forklift trucks in 2017
- Weichai has a strategic focus on the new energy business segment

Validation of FCEV Value Proposition & Ballard Business

- Equity investment by Weichai validates FCEV value proposition for Heavy Duty Motive; endorses BLDP's strong competitive position & leading fuel cell technology
- 2,000 unit fuel cell deployment validates attractiveness of China opportunity

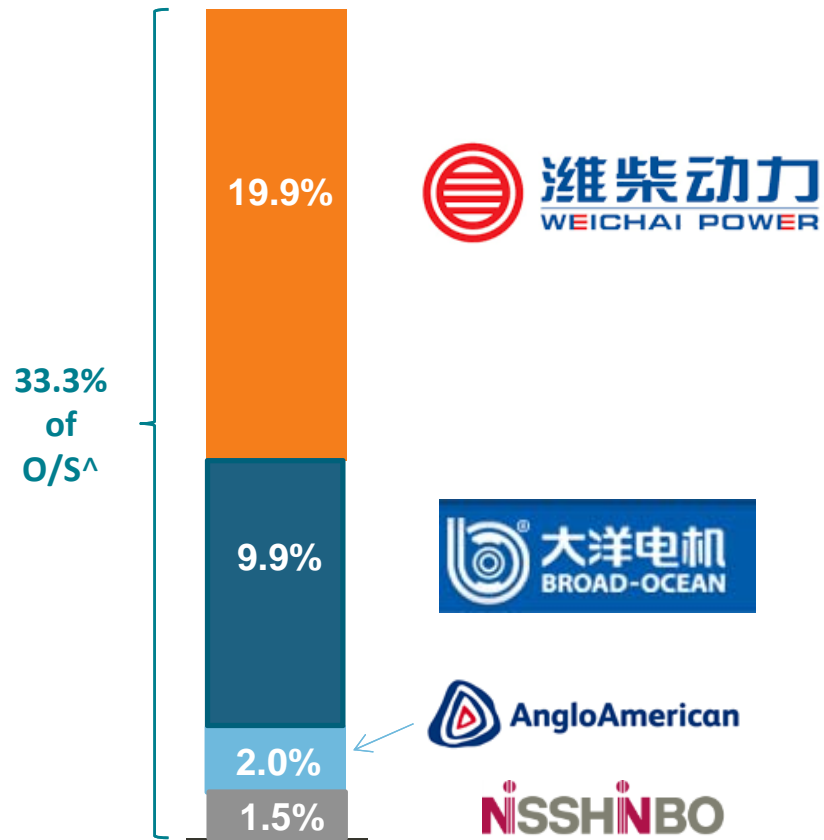
Positioned for Future Growth in China and Globally

- JV positioned to be leading fuel cell platform in China for Heavy Duty Motive
- BLDP has significant ownership in China JV
- BLDP will be the exclusive provider of high value MEAs
- BLDP retains exclusive right to next-generation technology outside China

Enhanced Financial Position

- Substantial addition to Ballard's cash position (~US\$183 million) to fund technology & product development, JV requirements and opportunistic M&A
- \$90 million technology transfer to JV unlocks significant value

Strategic Shareholders (Post-Transaction)



[^] Total O/S post-transaction ~230.9M shares

Agreement to Divest Power Manager Assets

- **Agreement announced August 31, 2018 to divest non-core Power Manager assets to Revision Military Ltd.**
 - Expected to close within 60 days
- **Divested for up to \$16 million**
 - Upfront consideration of \$4.75 million (subject to working capital adjustment); *and*
 - Up to an additional \$11.25 million in cash based on achievement of specific sales objectives over 12-month earn-out period
- **Ballard paid ~\$17.5 million in shares and cash to buy Protonex in 2015**
 - To diversify fuel cell exposure, included non-core businesses – Power Manager and SOFC (divested in January 2018) – as well as Unmanned Vehicle business



Squad Power Manager

No longer aligned with core business, given renewed market interest in Heavy Duty Motive applications



Technology Solutions Growth Platform

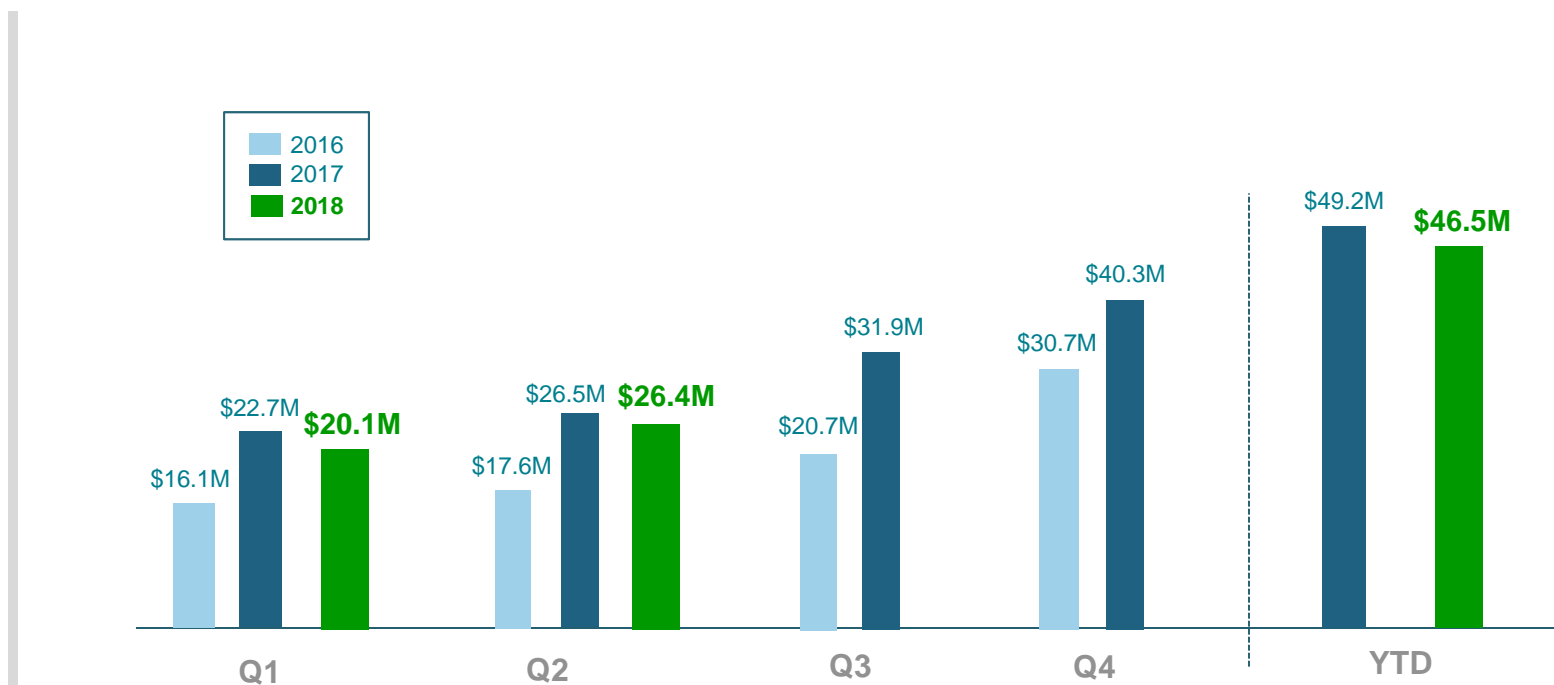
Mission: help customers solve difficult technical & business challenges in fuel cell programs thru delivery of custom, bundled technology solutions

Customers: Volkswagen AG & Audi AG; multiple other global auto OEMs; aerospace & other sectors

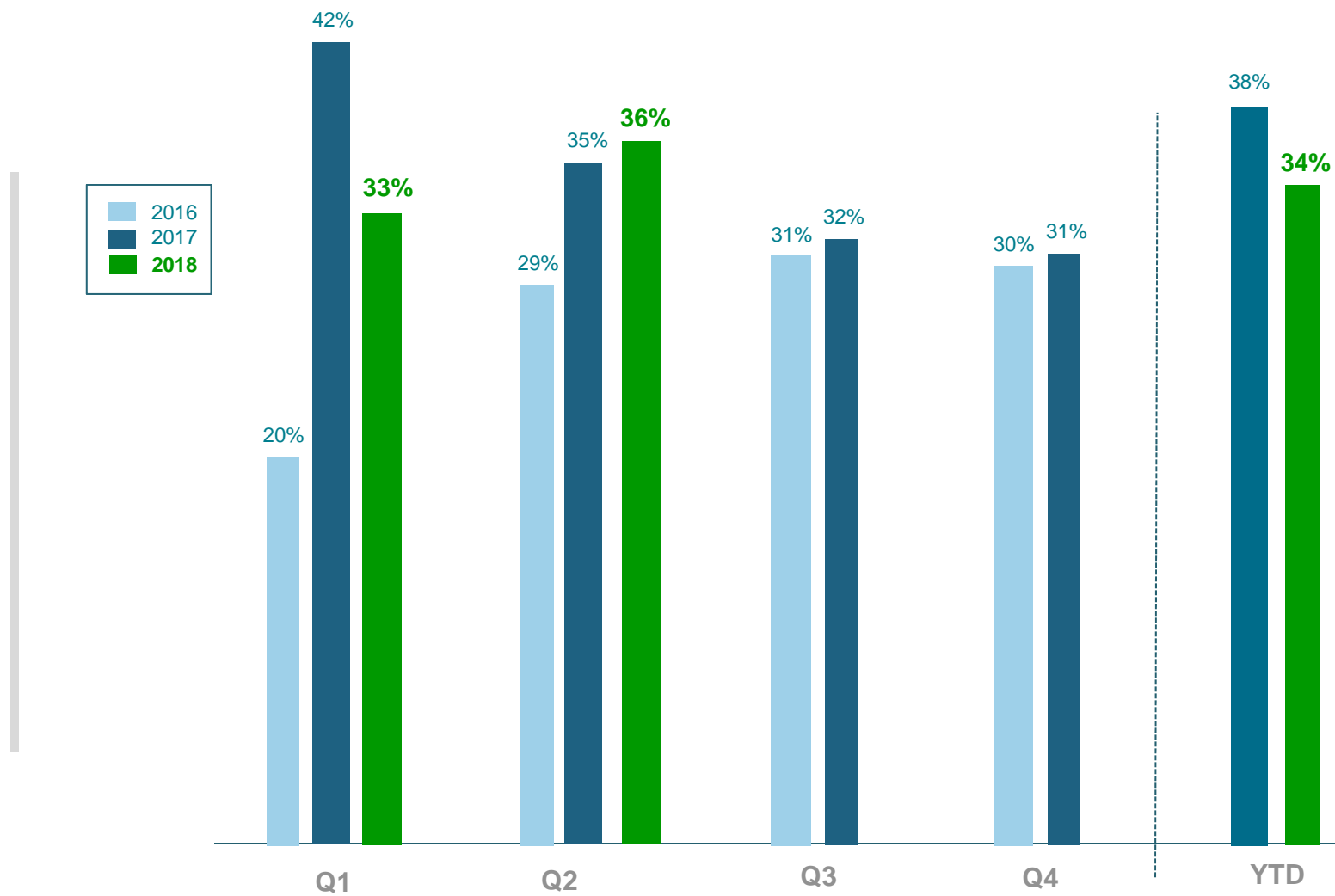
HyMotion Program Extension: Q2 agreement to extend long-term program with Audi from March 2019 to August 2022; value of \$62-100M



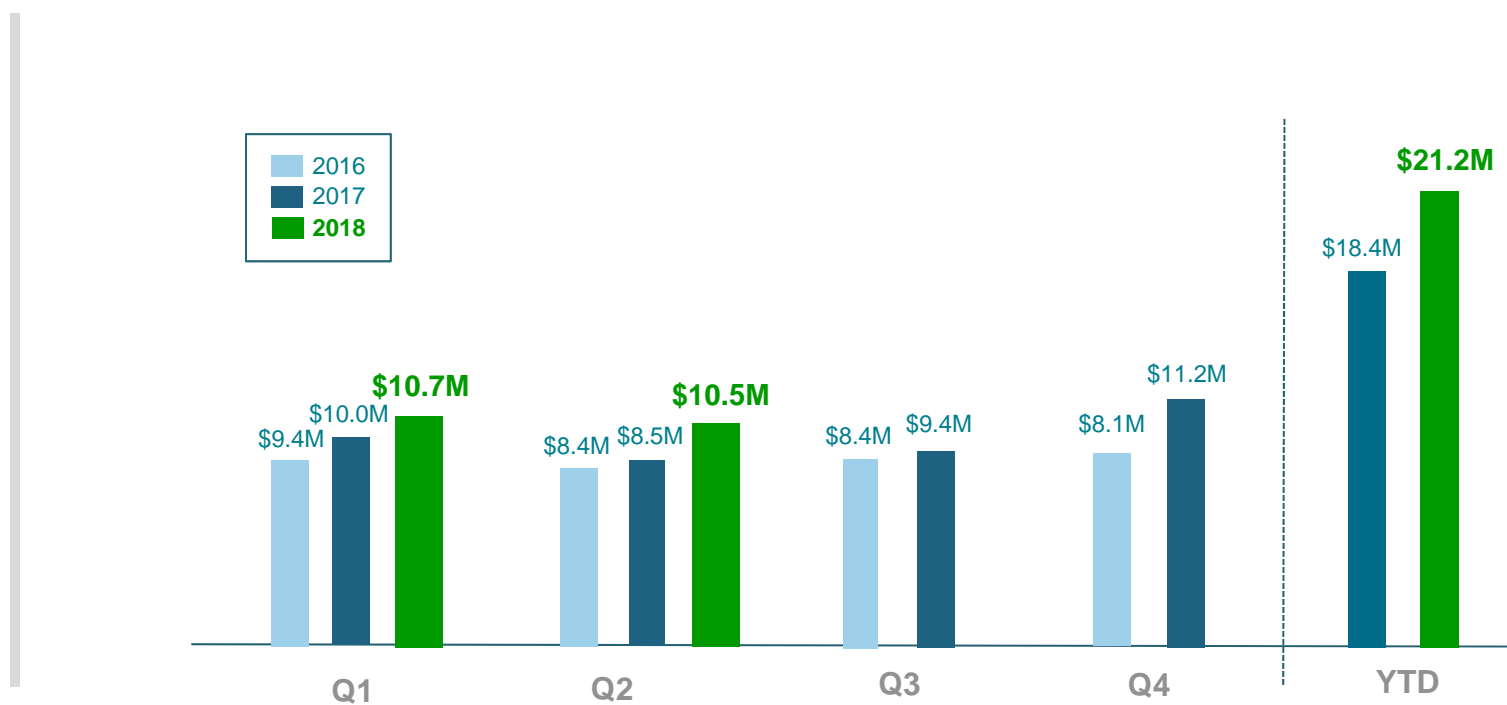
Total Revenue



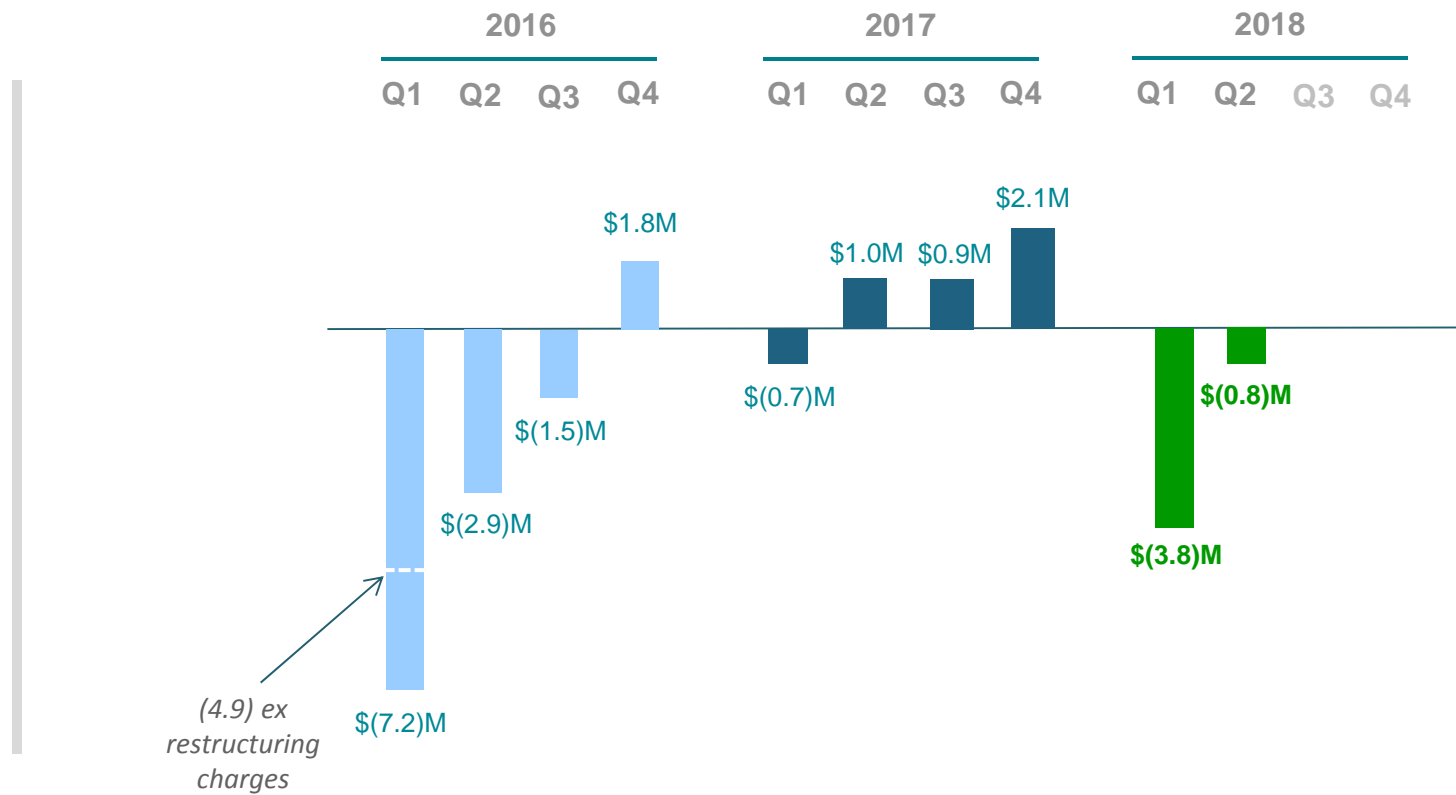
Gross Margin



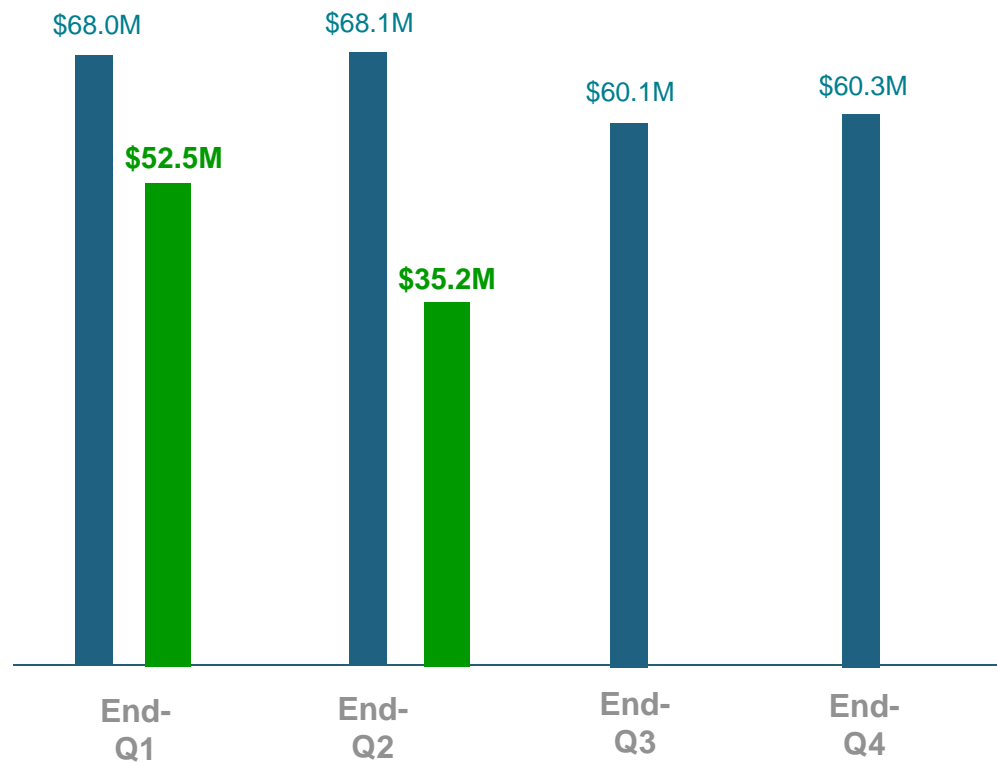
Cash Operating Cost Base



Adjusted EBITDA



CASH RESERVES



Order Backlog

**End-Q2 2018: Order Backlog¹ of \$283.3M
and 12-Month Order Book² of \$96.0M**

ORDER BACKLOG	Order Backlog at End-Q1 2017	Orders Received in Q2 2018	Orders Delivered in Q2 2018	Order Backlog at End-Q2 2018
Total Fuel Cell Products & Services	\$222.0M	\$87.7M	\$26.4M	\$283.3M

¹ **Order Backlog** = aggregate value of orders received

² **12-Month Order Book** = aggregate value of that portion of Order Backlog expected to be delivered in the subsequent 12-month period

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