

NASDAQ: BLDP | TSX: BLDP

Q1 2017 Results

Conference Call

May 2, 2017



BALLARD POWER SYSTEMS

PUTTING FUEL CELLS TO **WORK**

The Power of Fuel Cells, Simply Delivered

BALLARD[®]

WWW.BALLARD.COM

Conference Call Participants



Randy MacEwen
President & CEO



Tony Guglielmin
CFO

Forward-Looking Statements

The logo for Ballard, featuring the word "BALLARD" in a bold, blue, sans-serif font with a registered trademark symbol (®) to the upper right.

This presentation contains forward-looking statements, including: estimated revenue; cash operating costs; gross margins; product cost reductions; adjusted EBITDA; liquidity; market size and growth projections; 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.

Q1 2017 Overview

The logo for Ballard, featuring the word "BALLARD" in a bold, blue, sans-serif font with a registered trademark symbol (®) to the upper right.

- **Delivered significant progress against 2017 financial performance objectives in Q1 –**
 - +39% year-on-year revenue growth
 - +22-points in Gross Margin, to 42%
 - (\$0.7)M Adjusted EBITDA
 - \$68.0M cash reserves at end-Q1

Power Products Update

Heavy Duty Motive in China

BALLARD[®]

- **Closed definitive agreement with Broad-Ocean** 
 - Technology transfer, licensing and supply agreements for assembly & sale of FCveloCity[®] engines in 3 regions
 - \$25M revenue to Ballard over 5-years, including \$12M Technology Solutions revenue
- **Signed ESA with Broad-Ocean for 200 FCveloCity[®] engines from Vancouver facility for demonstration of fuel cell buses & commercial vehicles, with \$11M value**
- **Signed initial ESA with Zhuhai Yinlong Energy Group for 10 FCveloCity[®] 30kW engines to power Beijing buses**

Power Products Update

Heavy Duty Motive in China (Cont'd)

The Ballard logo is displayed in a bold, blue, sans-serif font. The word "BALLARD" is in all caps, followed by a registered trademark symbol (®).

- **Continued growth in Heavy Duty Motive fuel cell market demand**
 - Broad-Ocean planning to deploy 16,000 fuel cell vehicles
 - Cities of Foshan & Yunfu may increase scope of fuel cell bus program
 - CRRC Sifang announced deal for 8 fuel cell-powered trams to be deployed on a Foshan route
- **Ballard opened first operations office in China**
- **Ballard board members and executive team had a productive trip to China in April**

Power Products Update

Heavy Duty Motive in ROW

BALLARD[®]

- **Ballard joined Fuel Cell Electric Bus Commercialization Consortium (FCEBCC)**

- Large-scale funded program to deploy 20 New Flyer fuel cell buses in California
- 10 buses with AC Transit and 10 buses with OCTA



Orange County Transit Authority (OCTA) fuel cell bus

- **Joint Initiative for hydrogen Vehicles across Europe (JIVE) program formally launched in Q1**

- To deploy 144 fuel cell buses in 10 European regions and cities
- Initial contracts with several cities expected this year
- Ballard OEM partners expected to provide significant number of JIVE buses

Power Products Update

Portable Power (Protonex)

BALLARD[®]

- **Awaiting Milestone C in Army Program of Record for Small Unit Power portfolio**
 - SPM Power Manager is part of this portfolio
 - Continue to expect this milestone in 2017
 - Achieved EAR99 classification, which enables fulfillment of orders in foreign jurisdictions without an export license

- **Successful flight tests of fuel cell propulsion system for UAVs**
 - Flight testing at end-2016 with a major aerospace customer
 - Q1 flight tests in Boeing Insitu's ScanEagle UAV – fuel cell system met all requirements



Squad Power Manager – SPM 622



Boeing Insitu ScanEagle UAV

Technology Solutions Update

BALLARD®

- **Q1 revenue generated from 35 Technology Solutions projects**
 - 5 new projects in the quarter including work related to Broad-Ocean contracts in China
- **Subsequent to Q1, announced follow-on MEA development program contract with unnamed global automotive OEM**
- **Pipeline remains strong**
 - On-track for solid top-line growth in 2017



Audi's H-tron Quattro concept vehicle



**Unnamed Global
Auto OEMs**

Appointment of Chief Commercial Officer

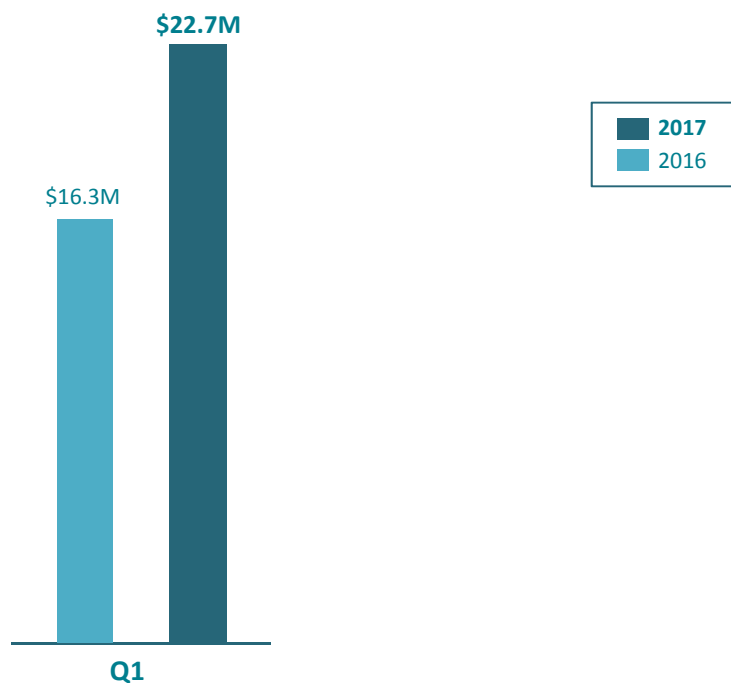
The logo for Ballard, featuring the word "BALLARD" in a bold, blue, sans-serif font with a registered trademark symbol (®) to the upper right.

- **Rob Campbell has extensive clean energy experience and outstanding executive leadership skills**
 - Reporting to CEO
 - Responsible for global business development, sales, marketing, product line management, after-sales service for Heavy Duty Motive, Material Handling, Backup Power
 - Experience with clean energy products and solutions in Japan, China, Europe, U.S., India

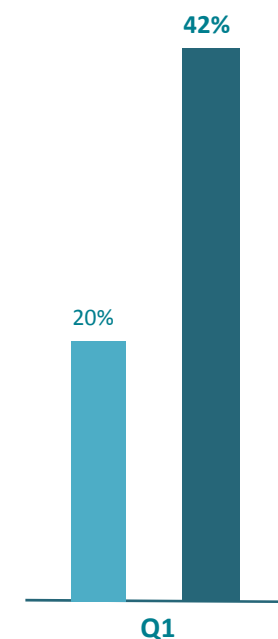
Q1 2017 Revenue and Gross Margin

BALLARD®

REVENUE



GROSS MARGIN



- **Q1 2017 Revenue +39% to \$22.7M**

- +9% Power Products, to \$11.1M
 - +120% Heavy Duty Motive to \$7.2M
 - -53% Portable Power to \$1.2M
 - -46% Material Handling to \$2.2M
 - +64% Backup Power to \$0.5M
- +90% Technology Solutions to \$11.5M

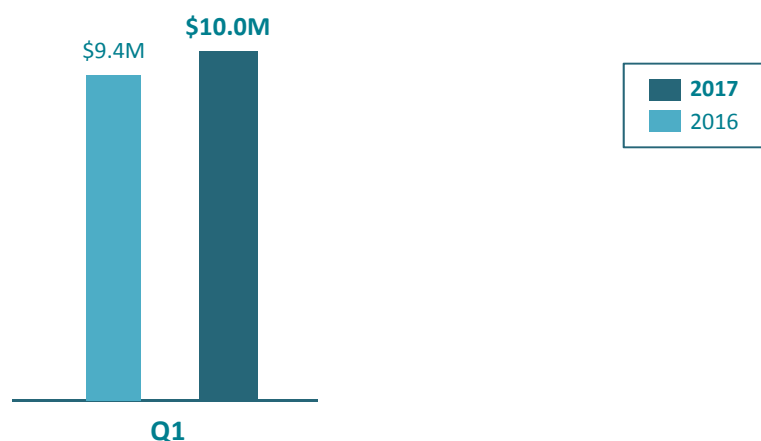
- **Q1 2017 Gross Margin +22-pts to 42% due to:**

- Shift in product mix toward higher margin Heavy Duty Motive and Technology Solutions plus greater production overhead absorption from higher volumes

Q1 2017 Cash Operating Cost Base and Adjusted EBITDA

BALLARD®

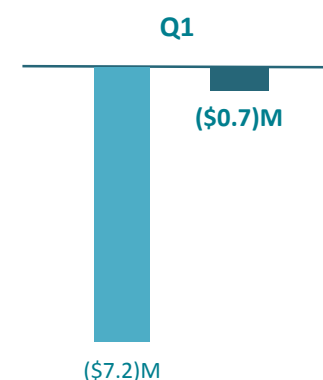
CASH OPERATING COST BASE *



- **Q1 2017 Cash Operating Costs +6% to \$10.0M due to:**
 - Higher product development activities and investment in China platform;
 - Partially offset by 2016 cost reductions resulting from sale of methanol Backup Power assets

** Measures operating expenses excluding stock-based compensation expense, depreciation and amortization, impairment losses or recoveries on trade receivables, restructuring charges, acquisition costs and financing charges*

ADJUSTED EBITDA



- **Q1 2017:**
 - Adjusted EBITDA improved 91% to (\$0.7)M
 - Net Loss improved 71% to (\$2.9)M
 - EPS improved 67% to (\$0.02)

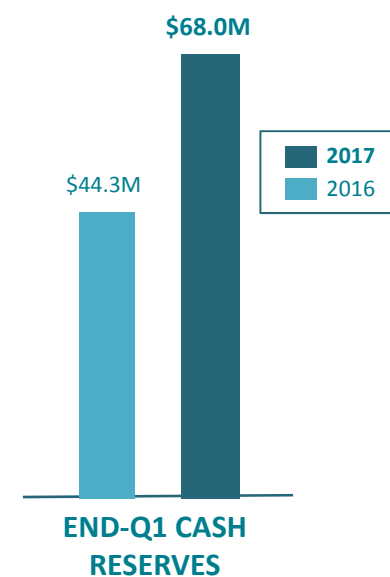
Measures EBITDA adjusted for stock-based compensation expense, transactional gains and losses, asset impairment charges, finance and other income and acquisition costs

Liquidity

BALLARD®

- Q1 2017 Cash Used By Operating Activities improved 59% to (\$3.1)M

- End-Q1 2017 cash reserves of \$68.0M, +54% from end-Q1 2016



Q1 2017 Conference Call

BALLARD[®]

Q & A

NASDAQ: BLDP | TSX: BLDP

Q1 2017 Results

Conference Call

May 2, 2017



BALLARD POWER SYSTEMS

PUTTING FUEL CELLS TO **WORK**

The Power of Fuel Cells, Simply Delivered

BALLARD[®]

WWW.BALLARD.COM