

## Nel ASA: Second quarter 2018 financial results

**(Oslo, 23 August 2018) Nel ASA (“Nel”) reported revenues of NOK 135.8 million in the second quarter of 2018, up from NOK 39.1 million in the corresponding quarter last year, and an adjusted EBITDA of NOK -8.8 million. The company announced the construction of the world’s largest electrolyzer manufacturing plant, fully automated and able to deliver the most efficient electrolyzers at a game changing price. The total development will have a name plate capacity of 360 MW/year, approximately ten times the current annual production capacity, and the new facility will accommodate the multi-billion NOK order from Nikola Motors Company (Nikola).**

“The second quarter was an important period for Nel, where we continued the growth journey and entered into the multi-billion contract from Nikola. In addition, we did pre-engineering of what will be of the world’s largest electrolyzer manufacturing plant. The new facility will be fully automated and designed according to lean manufacturing principles, capable of making the most efficient electrolyzers at a cost the world has never seen before. The expansion will also fully support the ambitions of Nikola and even accommodate other customers that want to make a significant change to their business model,” says Jon André Løkke, Chief Executive Officer of Nel.

In the second quarter of 2018, Nel reported revenues of NOK 135.8 million, compared to NOK 39.1 million in the same quarter of 2017, representing more than a tripling in revenues. The underlying organic revenue growth was around 61 percent, excluding the acquisition of Proton Onsite (Proton), and 52 percent on a like-for-like basis. The increased cost level follows the integration of Proton, increased business development activities and considerable growth initiatives. When adjusting for ramp-up costs, non-recurring items and non-cash share option costs, the EBITDA ended at NOK -8.8 million. The cash balance at the end of the second quarter ended at NOK 478.7 million, and the equity ratio was 83 percent.

During 2018, the Notodden facility has been expanded from a production capacity of 25 to 40 MW/year, through debottlenecking and optimizing the existing plant. After the first stage expansion, Nel has been awarded a contract for the delivery of 448 electrolyzers to Nikola as part of Nikola’s development of a hydrogen station infrastructure in the US for trucks and passenger vehicles. When fully expanded, optimized and ramped up, the total Notodden facility will be able to deliver up to 360 MW worth of electrolyzers per year at a five-shift operation, representing more than 160 A485 units per year.

The expansion is fully aligned with the Nikola roadmap and will be formally initiated during the second half of 2018. The facility will be operational early 2020, and ramp-up will be aligned to customer requirements. The expansion of the Notodden facility represents investments of approximately NOK 150 million and will add 30 - 40 new employees.

“The initiated factory expansion at Notodden will accommodate deliveries to Nikola and other customers, and the company is well funded to support this strategy and expansion. However, the ongoing growth initiatives and other non-recurring costs will have a negative impact on the company’s ability to deliver a positive EBITDA in the short-term,” Løkke concludes.

Nel will host a presentation at 08:00 CET at Hotel Continental in Oslo on 23 August 2018. A live webcast of the presentation will also be available on the company’s website and at <http://webtv.hegnar.no/presentation.php?webcastId=92032306>.

The second quarter 2018 report and presentation will be made available through [www.newsweb.no](http://www.newsweb.no) and [www.nelhydrogen.com](http://www.nelhydrogen.com).

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**About Nel ASA | [www.nelhydrogen.com](http://www.nelhydrogen.com)**

Nel is a global, dedicated hydrogen company, delivering optimal solutions to produce, store and distribute hydrogen from renewable energy. We serve industries, energy and gas companies with leading hydrogen technology. Since its origins in 1927, Nel has a proud history of development and continual improvement of hydrogen plants. Our hydrogen solutions cover the entire value chain from hydrogen production technologies to manufacturing of hydrogen fueling stations, providing all fuel cell electric vehicles with the same fast fueling and long range as conventional vehicles today.