

## Nel ASA: Fourth Quarter 2017 Results

**(Oslo, 16 February 2018) Nel ASA (“Nel”) reported revenues in the fourth quarter of 2017 of NOK 111.9 million, up from NOK 50.6 million in the fourth quarter of 2016. The company entered into an exclusive partnership with Nikola Motor Company (“Nikola”) during the quarter and is evaluating a possible 10x capacity expansion to accommodate mega-scale orders and to maintain a leading cost position.**

“Looking back at 2017, I am pleased to see that the ambitions we set out to significantly accelerate the market activities have succeeded. We ended the year with an all-time high order backlog of NOK 465 million and have entered into exciting partnerships with companies such as H2V Product and Nikola Motor. We expect to continue our market development efforts in 2018, while moving into a mode of execution. This includes preparing for significant capacity expansions to accommodate large orders and to continue to build the organization,” says Jon André Løkke, Chief Executive Officer of Nel.

In the fourth quarter of 2017, Nel reported revenues of NOK 111.9 million, compared to NOK 50.6 million in the same quarter of 2016, representing a revenue growth of 120 percent. The underlying organic revenue growth for the full year was around 40 percent, excluding Proton Onsite. The high activity level within business development, investments and preparations for production ramp-up continued as planned. Also in the fourth quarter, the EBITDA was negatively affected by certain costs and ended at NOK -11.1 million, when adjusting for ramp-up costs and non-recurring items of NOK 10.9 million, in addition to non-cash share option costs of NOK 5.7 million. Following new US tax rules, the reported net profit ended at a positive NOK 22.7 million for the quarter.

The net cash balance at the end of the fourth quarter increased from NOK 85.6 million to NOK 295.0 million, as a result of positive net cash flow from operations of NOK 2.7 million and the private placement, including a subsequent offering, of 98,000,000 new shares at a price of NOK 2.50 per share.

During the fourth quarter, Nel entered into exclusive partnership agreement with Nikola for development of mega-scale hydrogen fueling stations for the potential construction of the world’s largest hydrogen network, consisting of 14 large-scale sites with a capacity up to 32 tons of hydrogen per day. The initial part of the partnership includes building two demo-stations for hydrogen fueling, which will serve the Nikola prototype fleet. The initial purchase order has a value of USD 3.6 million and delivery of the demo stations is intended to start in the second half of 2018.

“We were very pleased to announce the partnership with Nikola. This joint endeavor will leverage Nel’s highly scalable electrolyzers and targets to reduce the cost of renewable hydrogen to achieve price parity with fossil fuels. The network will be jointly developed and scaled into the world’s most efficient hydrogen production and fueling sites,” says Løkke.

Nel’s order backlog further increased to approximately NOK 465 million in the quarter. Following the Nikola partnership, in addition to the previously announced framework agreement with H2V Product, a subsidiary of Alain Samson owned SAMFI-INVEST Group, Nel is currently evaluating a 10x expansion of the production capacity at Notodden, Norway from 25MW to 250MW.

“We are evaluating a capacity expansion that will reduce our costs by more than 30% by developing a fully automated, large-scale production line at Notodden. Driving down cost will not only allow us to maintain a leading cost position, but also enable us to offer renewable hydrogen projects that are fully competitive with fossil alternatives,” says Jon André Løkke, and adds that the initial capacity increase and debottlenecking from 25MW to 40 MW is about to be completed at minimal cost.

Nel will host a presentation at 08:00 CET at Hotel Continental in Oslo on February 16, 2018. A live webcast of the call will also be available on the company's website, [www.nelhydrogen.com/webcast](http://www.nelhydrogen.com/webcast), and on <http://webtv.hegnar.no/presentation.php?webcastId=77872733>

The fourth quarter 2017 report and presentation will be made available through [www.newsweb.no](http://www.newsweb.no) (Ticker: NEL) and [www.nelhydrogen.com](http://www.nelhydrogen.com)

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**For further information, please contact:**

Jon André Løkke, CEO, Nel ASA, +47 907 44 949

Bent Skisaker, CFO, Nel ASA, +47 468 21 693

**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 foundation 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.