

Nel ASA: First Quarter 2019 Results

(Oslo, May 8, 2019) Nel ASA ("Nel") reported revenues in the first quarter of 2019 of NOK 122.4 million, up from NOK 112.5 million in the first quarter of 2018, representing a growth of 9%. Nel has received several important purchase orders ("PO's") during 2019, has an all-time high pipeline and reiterates the strong market outlook.

"Nel has a solid order intake so far in 2019, reflecting the attractive market opportunities provided by our leading technology across segments. The order for a 4.5 MW alkaline electrolyzer solution from Hybrit is an important example on how we're working to develop next generation electrolyzer technology for industrial applications. The solution will be used for a pilot which aim is to create a fossil free steel production for the future. Coupled with our focus on ongoing technology development to accommodate the fast-growing heavy-duty segment, we are well positioned for what lies ahead for new and existing hydrogen markets," says Jon André Løkke, Chief Executive Officer of Nel.

In the first quarter of 2019, Nel reported revenues of NOK 122.4 million, compared to NOK 112.5 million in the same quarter of 2018. The Fueling segment experienced a positive development during the quarter with a growth of 40 percent. The adjusted EBITDA ended at NOK -20.1 million (-15.8), adjusted for non-recurring and other ramp-up costs of NOK 14.7 million.

The reported EBIT was NOK -52.0 million (-31.9) and the cash balance ended at NOK 743.2 million at the end of the first quarter following the successful private placement of 84 906 560 new shares. The net proceeds will be used for continued investment in development, innovation and technology, in addition to improve Nel's positioning to benefit from markets with high activity and growth momentum. The cash balance does not include the NOK 68 million in gross proceeds from the subsequent offering.

Nel has received several purchase orders in 2019. The order backlog ended at NOK 406 million at the end of the quarter and Nel has added close to NOK 200 million in new orders primo May 2019. After the closing of the quarter, Nel received a purchase order for a 4.5 MW alkaline electrolyzer solution from Hybrit Development AB, a joint venture owned by SSAB, LKAB and Vattenfall. The steel industry is currently one of the highest carbon emitting industries, accounting for up to 7% of global CO₂-emissions. If successful, the Hybrit project can lead to a reduction of Sweden's CO₂ emissions by 10% and will consume approximately 15 TWh of fossil-free electricity.

"Being chosen to supply electrolyzers to the first phase of the Hybrit project is a true honor. It's encouraging to see the partners behind Hybrit leading the way in the effort to decarbonize the steel industry; one of the most CO₂-intensive industries globally today. The market potential is massive and the total potential for CO₂-free steel is around 3x that of ammonia. Nel holds the pole-position for these future markets", says Løkke and concludes:

"The interest in hydrogen solutions continues to be at all-time-high with large opportunities ahead and we're constantly optimizing between current business and longer-term strategic positioning. We reiterate our strong market outlook by maintaining a leadership position with a global presence, cost leadership and a preferred-partner status for industry participants."

Nel will host a presentation at 08:00 CET at Hotel Continental in Oslo on May 8, 2019. A live webcast of the call will also be available on the company's website, www.nelhydrogen.com/webcast, and on <https://webtv.hegnar.no/presentation.php?webcastId=97815232>.

The first quarter 2019 report and presentation are enclosed and available through www.newsweb.no (Ticker: NEL) and www.nelhydrogen.com

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About Nel ASA | 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 origin in 1927 as part of Norsk Hydro, Nel has a proud history of development and continuous 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.