

Nel ASA: Second quarter 2019 results

(Oslo, August 28, 2019) Nel ASA (“Nel”) reported revenues in the second quarter of 2019 of NOK 122.5 million (135.8), in line with company outlook, and an all-time high order backlog of NOK 568 million at the end of the quarter. Nel booked a provision of NOK 35 million to cover estimated cost, net of estimated insurance coverage, related to the incident at the Kjørbo hydrogen station, and is on-track getting stations back in operations. Nel reiterates the strong market outlook.

“Nel ended the quarter with an all-time high order backlog and a solid pipeline of prospects, reflecting the market opportunities provided by our leading technology across segments. The revenues in the second quarter was in line with the company outlook and our order intake provides a solid foundation for the second half of the year and beyond”, says Jon André Løkke, Chief Executive Officer of Nel.

In the second quarter of 2019, Nel reported revenues of NOK 122.5 million, in line with company outlook, compared to NOK 135.8 million in the same quarter of 2018. The adjusted EBITDA ended at NOK -26.3 million, adjusted for non-recurring and other ramp-up costs, in addition to a provision of NOK 35 million, net of estimated insurance coverage, related to the incident at the Kjørbo hydrogen station, located outside of Oslo, Norway.

“Nel has an unwavering ambition: No incidents at sites with our technology. The Kjørbo incident was extremely serious and we deployed our full resources to resolve the situation. The root cause of the incident was identified as an assembly error of a specific plug in a hydrogen tank in the high-pressure storage unit. Following the identification of the root cause, Nel initiated an inspection and integrity verification program for the high-pressure storage units with similar plugs. We are happy to announce that stations in Korea, Denmark, and largely in the U.S., are back in operation, while we are progressing well with the verification program in Europe“, says Løkke.

The reported EBITDA, including the provision for the Kjørbo incident was NOK -72.6 million (-20.6), EBIT was NOK -90.7 million (-37.2) and the cash balance ended at NOK 697.7 million at the end of the second following the successful subsequent offering of 12.5 million new shares. The net proceeds from the subsequent offering 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.

Nel has received several important purchase orders in the second quarter and the order backlog ended at an all-time high NOK 568 million at the end of the quarter. After the closing of the quarter, Nel has among others announced a purchase order for two hydrogen fueling stations from HyNet, a special purpose company established to roll-out 100 hydrogen fueling stations in Korea by 2022. The value of the purchase order is EUR 2.7 million.

“Korea has a national target of more than 300 hydrogen stations by 2022 and we are encouraged by having received a total of ten purchase orders so far in 2019. We're happy that the efforts we have put in through several years of good dialogue, good partnerships and establishing a local presence in Korea, is bearing fruit. We can safely say we have had a breakthrough in this dynamic and important market, and I'm very proud of what our team has accomplished so far“, Løkke concludes.

Nel will host a presentation at 08:00 CET at Hotel Continental in Oslo on August 28, 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=98043164>.

The second 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.