

Nel ASA: Contemplated private placement

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA, JAPAN OR THE UNITED STATES DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA, JAPAN OR THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER OF ANY OF THE SECURITIES DESCRIBED HEREIN.

(Oslo, 21 January 2020) Nel ASA ("Nel" or the "Company") has retained Arctic Securities AS, Carnegie AS and SpareBank 1 Markets AS as joint bookrunners (together the "Managers") to advise on and effect an undocumented private placement of new shares directed towards Norwegian and international investors after the close of Oslo Stock Exchange today (the "Private Placement").

Nel is one of the leading players within green hydrogen as a technologies manufacturer of electrolyzers and hydrogen fueling stations. The Company experiences continued strong trends in the hydrogen market, with fast-growing interest in green hydrogen as the rapid fall in the cost of renewable energy (e.g. solar and wind power) eventually drives down the cost of renewable hydrogen to levels that can outcompete natural-gas based fossil hydrogen. The high activity and interest is i.a. evidenced by large industry- and energy companies increasingly engaging in green hydrogen projects. The activity of Nel's competitors is also growing, with selected competitors receiving capital injections from large industrial companies during 2019. In order to maintain and improve its position, the Company believes it needs to step up the activity level even faster than it previously envisioned. In addition, projects grow in order of magnitude and Nel sees the need to have a strong balance sheet and financial position in order to take on and successfully deliver on future projects.

In the Private Placement, the Company is offering up to 89 million new shares, representing up to approximately 7.3% of the outstanding capital of the Company. The price in the Private Placement will be determined through an accelerated bookbuilding process. The minimum application and allocation amount has been set to the NOK equivalent of EUR 100,000. The Company may however, at its sole discretion, allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations are available.

The net proceeds from the Private Placement will be used for:

- Maintain and strengthen market position through accelerated investments in technology and organization to take advantage of the attractive market opportunities
 - Strengthening investment in development and innovation across segments and technologies to stay on the technological forefront
 - Continue to develop the organization, both within management systems, engineering, project execution, production and process improvement

- Additional focus on people and safety
- Strengthening the balance sheet and financial position to satisfy counterparty requirements on large scale projects
 - Ability to satisfy contractual obligations
 - Ability to provide required bonds/guarantees
- The proceeds will also fund additional working capital in response to increased order volumes and contract sizes, as well as general corporate purposes

The bookbuilding period for the Transaction opens today at 16:30 CET and closes 22 January 2020 at 08:00 CET. The Managers and the Company may, however, at any time resolve to close or extend the bookbuilding period, or cancel the Private Placement, at their sole discretion and on short notice.

The new shares to be issued in connection with the Private Placement will be issued based on a Board authorisation granted by the Company's general meeting held 28 March 2019. Allocated shares are expected to be settled on or around 24 January 2020 through a delivery versus payment transaction on a regular t+2 basis. However, the new shares will not be tradable before the new capital is registered by the Norwegian Register of Business Enterprises, expected on or about 23 January 2020, based on a pre-payment agreement with the Managers.

The Company has considered the Private Placement in light of the equal treatment obligations under the Norwegian Securities Trading Act and Oslo Børs' Circular no. 2/2014 and is of the opinion that the waiver of the preferential rights inherent in a private placement is considered necessary in the interest of time and successful completion. However, subject to completion of the Private Placement, the Board of Directors of the Company will consider to carry out a subsequent offering directed towards existing shareholders in the Company as of the end of trading today, 21 January 2020 (and as registered in the VPS as of the end of 23 January 2020) who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action who were not allocated shares in the Private Placement (the "Subsequent Offering"). The subscription price in a potential Subsequent Offering will be equal to the subscription price in the Private Placement. Taking into consideration the time, costs and expected terms of alternative methods of the securing the desired funding, as well as the subsequent offering considered, the Board of Directors has concluded that the conclusion of the Private Placement on acceptable terms at this time is in the common interest of the shareholders of the Company.

More information, included risks associated with the investment, see attached company presentation.

ENDS

For additional information, please contact:

Bent Skisaker, CFO, +47 468 21 693

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. Our roots date back to 1927, and since then, we have had a proud history of development and continual improvement of our hydrogen plants. Today, our hydrogen solutions cover the entire value chain: from hydrogen production technologies to hydrogen fueling stations, enabling industries to transition to green hydrogen, and fuel cell electric vehicles with the same fast fueling and long range as fossil-fueled vehicles today.

Important Notices

This document is not an offer to sell or a solicitation of offers to purchase or subscribe for shares. Copies of this document may not be sent to jurisdictions, or distributed in or sent from jurisdictions, in which this is barred or prohibited by law. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful absent registration, or an exemption from registration or qualification under the securities laws of any jurisdiction.

This document is not for publication or distribution in, directly or indirectly, Australia, Canada, Japan, the United States or any other jurisdiction in which such release, publication or distribution would be unlawful, and it does not constitute an offer or invitation to subscribe for or purchase any securities in such countries or in any other jurisdiction. In particular, the document and the information contained herein should not be distributed or otherwise transmitted into the United States or to publications with a general circulation in the United States of America.

This document is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration with the United States Securities and Exchange Commission or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Company does not intend to register any part of the offering in the United States or to conduct a public offering in the United States of the shares to which this document relates.

The Managers are acting for the Company in connection with the Private Placement and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Private Placement or any transaction or arrangement referred to in this press release.

This announcement and any materials distributed in connection with this announcement may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect Nel's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

This information is subject to a duty of disclosure pursuant to Section 5-12 of the Norwegian Securities Trading Act.
