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# Nel ASA: Second quarter 2023 financial results

(July 18 - 2023, Oslo, Norway) Nel ASA (Nel, OSE:NEL) reported record-high quarterly revenues of NOK 475 million in the second quarter of 2023, up 159% from NOK 183 million in the same quarter of 2022. Order intake was NOK 428 million, up 81% year-on-year, positively impacted by the large fueling contract for 16 stations to be deployed in the US. At the end of the second quarter, the order backlog was at NOK 2 964 million, up 106% from Q2 2022. The cash balance was NOK 4 122 million at quarter end.

## Quarterly highlights

- Nel ASA (Nel) reported revenue and income in the second quarter 2023 of NOK 475 million, up 159% from the second quarter 2022 (Q2 2022: 183). All segments, Fueling, PEM electrolyzers and alkaline electrolyzers experienced strong growth compared to the same quarter last year.
- Order intake in the quarter amounted to NOK 428 million (54% from electrolyser), up 81% from the same quarter last year (Q2 2022: 236).
- At quarter end, Nel had an order backlog of NOK 2 964 million (83% related to electrolyser), up 106% from the second quarter of 2022, and in line with the previous quarter.
- EBITDA of NOK -138 million (Q2 2022: -197) driven by high losses in Fueling, low margins on electrolyser projects signed in 2020/2021 and increased personnel expenses to prepare for large-scale project execution.
- Net loss of NOK -342 million (Q2 2022: -275), mainly related to loss from operations and a net negative unrealised fair value adjustment from shareholdings of NOK -198 million. The same quarter last year had a net negative unrealised fair value adjustment from shareholdings of NOK -97 million.
- Cash balance of NOK 4 122 million (Q2 2022: 3 646).
- Subsequent to the quarter,
  - Received purchase order from Bondalti with a value of approximately EUR 11 million.
  - Received purchase order from Hyd'Occ with a value of approximately EUR 9 million.
  - Granted USD 5.6 million in funding from the U.S. Department of Defense.

The Electrolyser division reported a significant 202% increase in revenue compared to the same quarter last year, which was one of the first quarters of deliveries from Herøya. As volumes have increased, alkaline revenues have shown a substantial growth of 383% from the same period last year, while PEM was up 78% for the same period.

"We continue to see positive developments due to increased production volumes and revenues from contracts with significantly improved terms," says Håkon Volldal, CEO of Nel.

Electrolyser projects are becoming increasingly larger and order intake is therefore expected to vary between quarters. However, overall demand is growing, and customers are increasingly looking towards suppliers with available capacity and a track record for delivering reliable, high-quality equipment.

"Our pipeline, consisting of increasingly larger projects, continues to mature. With size comes complexity, which we are confident will play out favourably for Nel as the need for competence and experience increases accordingly" says Håkon Volldal.

Nel will continue to add production capacity in-line with market demand. Michigan, US, was in the second quarter selected as the home state for Nel's new electrolyser Gigafactory. The company is looking to build up to 4 GW of production capacity (in phases), split between PEM and alkaline. No final investment decision has been made yet.

For the Fueling division, revenues remained low in the second quarter due to limited order intake in previous quarters. However, the division received a record-big purchase order for 16 fueling stations to be deployed in California, US, driving the order backlog to NOK 493 million.

"The record size fueling contract from a quality US energy company is a testament to the positive development following the strategic changes made in our Fueling division, focusing on a few high-quality clients with a significant pipeline of projects" says Nel's CEO, Håkon Vøllidal.

The second quarter 2023 report and presentation are enclosed and available on [www.newsweb.no](http://www.newsweb.no) (Ticker: NEL) and [www.nelhydrogen.com](http://www.nelhydrogen.com). The presentation will be a virtual event only, followed by a Q&A session. The live presentation can be accessed on the company's website [www.nelhydrogen.com](http://www.nelhydrogen.com) or by following this [link](#). A recording of the presentation will be publicly available following the event.

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

Nel has a history tracing back to 1927 and is today a leading pure play hydrogen technology company with a global presence. The company specializes in electrolyser technology for production of renewable hydrogen, and hydrogen fueling equipment for road-going vehicles. Nel's product offerings are key enablers for a green hydrogen economy, making it possible to decarbonize various industries such as transportation, refining, steel, and ammonia.

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