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Nel ASA: First quarter 2024 financial results

(April 17, 2024 - Oslo, Norway) Nel ASA (Nel, OSE:NEL) reported revenues of NOK 387 million in the first quarter of 2024, up 14% from NOK 341 million in the same quarter of 2023. Order intake was NOK 459 million, down 2% from NOK 467 million the previous year. At the end of the first quarter, the order backlog was NOK 2437 million, down 1% from the previous quarter. The cash balance was NOK 3 260 million at quarter end.

Quarterly highlights

- Nel ASA (Nel) reported revenue in the first quarter 2024 of NOK 387 million, up 14% from the first quarter 2023 (Q1 2023: 341). Revenue was positively impacted by payments related to the renegotiation of the Nikola supply agreement and negatively impacted by a lack of major milestones on alkaline electrolyser customer projects in the quarter.
- EBITDA in the quarter was NOK -16 million (Q1 2023: -121). The quarter included a positive impact of NOK 96 million from renegotiation of Nikola supply agreement.
- Net loss was NOK -22 million (Q1 2023: -192). The improvement from the same quarter last year was mainly explained by the improved EBITDA and the same quarter last year included NOK -69 million fair value adjustment from shareholdings in Everfuel.
- Order intake in the quarter amounted to NOK 459 million (87% from electrolyser), in line with the corresponding quarter last year (Q1 2023: 467).
- Order backlog was NOK 2 437 million (87% related to electrolyser) at the end of the quarter, down 13% from the first quarter of 2023 and down 1% from previous quarter.
- Cash balance was NOK 3 260 million at quarter end (Q1 2023: 4 621).
- Subsequent to the quarter:
 - April 4th: Nel awarded up to USD 41 million in investment tax credits from DoE, bringing the total support for a Michigan expansion up to about USD 170 million

The first quarter 2024 results show that the company is on the right path towards a positive EBITDA, and the Alkaline electrolyser division achieved an important milestone reaching a positive EBITDA of NOK 106 million. The good results can partly be explained by Nel's renegotiated supply agreement with Nikola.

"Our revenues and EBITDA continue to improve, showing that the business model works with scale," says Nel's President and CEO, Håkon Volldal.

In February, Nel announced that Fortescue had taken over Phoenix Hydrogen Hub from Nikola, including electrolyser stacks already delivered by Nel.

"I am happy we managed to renew our relationship with Nikola and that we are partnering up with Fortescue on their Phoenix Hydrogen Hub, which will become one of North America's largest electrolyser systems," he says.

In March, Nel was awarded USD 75 million from the US Department of Energy (DoE) and the State of Michigan to fund its planned electrolyser facility in Plymouth Charter Township, a suburb of Detroit, Michigan. After the first quarter of 2024, Nel was awarded an additional USD 41 million in investment tax credits as part of the Qualifying Advanced Energy Project Tax Credit program. In total, Nel has secured close to USD 170 million in accumulated support from the State of Michigan and the Department of Energy for its planned Michigan facility.

“The support we secured this quarter increases the attractiveness of investing and expanding our capacity and capability in the US,” says Nel’s President and CEO, Håkon Volldal.

The expansions of Nel’s existing electrolyser manufacturing facilities at Herøya and Wallingford are also moving ahead according to plan.

“We have a large pipeline of prospective projects that continues to mature, and we are ready and well positioned to scale up production capacity significantly as soon as the demand picks up,” says Volldal.

As communicated in the previous quarterly presentation, Nel has initiated a process to explore and prepare for a potential spin-off and separate listing of its Fueling division. These preparations are moving forward according to plan.

The first quarter 2024 report and presentation are enclosed and available on newsweb.no (Ticker: NEL) and nelhydrogen.com. The presentation will be a virtual event only, followed by a Q&A session, and can be accessed on the company’s website www.nelhydrogen.com/quarterly-presentation/ or by following this [link](#). A recording of the presentation will be made publicly available following the event.

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About Nel ASA | 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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