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Nel ASA: Second quarter 2020 financial results

(Oslo, 26 August 2020) Nel ASA (Nel) reported revenues of NOK 148.6 million in the second quarter of 2020, up from NOK 122.5 million in the same quarter of 2019 and an adjusted EBITDA of negative NOK 22.3 million. The order backlog grew 75% to over NOK one billion and the company holds more than NOK 2.5 billion in cash. Nel reiterates the long-term outlook.

“We are relatively happy with the second quarter revenue growth and an all-time high order intake, despite the Covid-19 situation. The markets in which we operate continue to show high activity and growth momentum, in addition to good governmental interest for developing green energy infrastructure and industries post Covid-19. It seems like renewable hydrogen will play a vital role in The Green Deal that should contribute to Europe becoming the first carbon neutral continent in the world, and Nel aims to leverage on these opportunities going forward,” says Jon André Løkke, Chief Executive Officer of Nel.

Nel reported revenues in the second quarter of 2020 of NOK 148.6 million (122.5), up 21% from the corresponding quarter in 2019 and the adjusted EBITDA ended at NOK -22.3 million, adjusted for non-recurring and other ramp-up costs. The reported EBIT was NOK -72.0 million (-90.7), while the pre-tax income ended at NOK 594.3 million (-94.7) following the listing of Nikola Corporation (Nikola) and the corresponding positive fair value adjustment of Nel’s shareholding in Nikola. The backlog grew 75% to approximately NOK one billion.

During the second quarter of 2020, Nel completed a successful subsequent offering of gross NOK 127 million and completed a successful private placement raising NOK 1.3 billion, bringing the cash position to exceed NOK 2.5 billion.

“Nel targets to have a strong financing to execute on our strategic plans. The private placement and subsequent offering were both oversubscribed, showing a solid backing from our shareholders. We want to maintain and strengthen our leading position in a growing market through accelerated investments in technology and organization, and experience an increased importance of being a financially strong counterpart, especially for larger contracts,” Løkke comments.

Nel remains committed to the growth strategy, including the electrolyser manufacturing scale-up project at Herøya, Norway, where pre-engineering studies have revealed a potential for the nameplate capacity per production line to be around 500 MW/year compared to previous target at 360 MW/year, enabling a total potential of around 2 GW/year at the facility. Nel has also taken on additional employees and costs to prepare for future growth during the quarter and holds the workforce largely intact to maintain the momentum when the Covid-19 situation normalizes.

“The pandemic will most likely continue to negatively impact the general business environment for the rest of this year, but the Covid-19 situation also accelerates the adoption of green hydrogen and industrial hydrogen applications across Europe, and we are now preparing for that, both in terms of manufacturing capacity and organisation. We remain confident in the long-term potential for the industry and reiterate the strong outlook,” Løkke concludes.

EBITDA and other alternative performance measures (APMs) are defined and reconciled to the IFRS financial statements as a part of the APM section of the second quarter and half year 2020 report on page 22, as well as in the accompanying presentation page 6.

The second quarter and half year 2020 report and presentation are enclosed and available through www.newsweb.no (Ticker: NEL) and www.nelhydrogen.com. Nel will host an open investor presentation 08:00 CET at Skøyen Atrium, Askekroken 11, Oslo, Norway, and the presentation will be broadcasted live at www.nelhydrogen.com and can also be streamed at https://channel.royalcast.com/webcast/hegnarmedia/20200826_1. The presenter will be Jon André Løkke, CEO, and the presentation will be held in English.

Please register by email to OsloOffice@nelhydrogen.com for participation at the presentation at Skøyen Atrium. Due to Covid-19 restrictions, number of participants will be limited.

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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. Our roots date back to 1927, and since then we have had a proud history of development and continuous improvement of hydrogen technologies. Today, our solutions cover the entire value chain: from hydrogen production technologies to hydrogen fueling stations, enabling industries to transition to green hydrogen, and providing fuel cell electric vehicles with the same fast fueling and long range as fossil-fueled vehicle, without emissions.