

Nel ASA: Third quarter 2020 financial results

(Oslo, 5 November 2020) Nel ASA (Nel) reported revenues of NOK 147.7 million in the third quarter of 2020, slightly down from NOK 148.9 million in the same quarter of 2019 and an EBITDA of negative NOK 42.1 million. The order backlog ended at approximately NOK 940 million and the company holds approximately NOK 2.5 billion in cash. Nel reiterates the strong long-term outlook.

"The markets in which we operate continue to show high activity and strong growth momentum, in addition to significant governmental interest for developing green energy infrastructure and industries post Covid-19. While our short-term operations, production and installations are affected by the pandemic, with the financial performance in the third quarter in line with our outlook, the adoption of green hydrogen and industrial hydrogen applications continues to accelerate. Nel continues to build the organization and capabilities to leverage on these opportunities going forward," says Jon André Løkke, Chief Executive Officer of Nel.

Nel reported revenues in the third quarter of 2020 of NOK 147.7 million (148.9) with an EBITDA of NOK -42.1 million. The reported EBIT was NOK -116.3 million (-48.4), while the pre-tax loss ended at NOK -628.6 million (-34.3) following a negative fair value adjustment of Nel's shareholding in Nikola Corporation of NOK 513.3 million. The backlog was approximately NOK 940 million at the end of the quarter, up 60% from the end of the third quarter last year, and the company holds NOK 2.5 billion in cash.

"Nel targets to have a strong financial position to execute on our strategic plans. 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 projects," Løkke comments.

After the closing of the quarter, Everfuel successfully completed a private placement with gross proceeds of NOK 290 million, valuing Everfuel to NOK 1 610.4 million at the offer price of NOK 22. Everfuel was subsequently listed on Merkur Markets and Nel has a shareholding of 16.86% of the company after the private placement. Nel also announced a letter of intent (LoI) with Statkraft for the delivery of 40 - 50 MW of alkaline electrolyzers to support green steel production by Celsa at Mo Industripark in Norway, and announced that Nel has been selected by Iberdrola as a preferred supplier for a 20 MW PEM system to support green fertilizer project in Spain.

"Through our electrolyser scale-up program we have not only identified ways to manufacture our alkaline electrolyzers more efficiently, we have also identified a number of measures which can be implemented to improve the electrolyser performance even beyond today's industry leading standard. We have also worked on larger scale solutions for our PEM platform, and there is no better way of demonstrating such improvements than through realizing actual large-scale projects," says Jon André Løkke, and concludes:

"Nel remains committed to our growth strategy and has taken on additional employees and costs to prepare for future growth. Nel holds the workforce largely intact to maintain the momentum when the Covid-19 situation normalizes. We remain confident in the long-term potential for the industry and reiterate the strong outlook."

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 third quarter 2020 report on page 25.

The third quarter 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 Hotel Continental, Stortingsgaten 24/26, Oslo, Norway, and the presentation will be broadcasted live at www.nelhydrogen.com and can also be streamed at https://channel.royalcast.com/hegnarmedia/#!/hegnar-media/20201105_1. The presenter will be Jon André Løkke, CEO, and the presentation will be held in English.

Due to Covid-19 restrictions, the number of participants that can attend the physical presentation will be limited. If you would like to attend the physical presentation in person, registration is still possible by email to OsloOffice@nelhydrogen.com.

An online question and answer-session aimed at the analyst community will be held on 5 November at 15:30 CET at <https://bit.ly/35CCosW>.

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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.