

## Nel ASA: First quarter 2021 financial results

(Oslo, 4 May 2021) Nel ASA (Nel) reported revenues of NOK 156.9 million in the first quarter of 2021, up 24% from NOK 126.5 million in the same quarter of 2020. EBITDA is negative NOK 74.3 million (Q1 2020: -64.6) incl. one-offs and ramp-up cost. The order backlog ended at a record NOK 1085 million, up more than 80%, while the cash balance ended at NOK 3.25 billion. Nel reiterates the strong long-term outlook.

“The first quarter marks the start of an important year for the Nel and the industry, as we are moving from ambition to deliveries. While our short-term operations, production, and installations are affected by the pandemic, the Q1 financial performance is in line with the outlook, and we continue to deliver on our strategy. The Herøya expansion project is progressing according to plan, and the announced EPC-partnerships are enabling Nel to strengthen the delivery and execution capabilities of large-scale, complex projects globally. These are important elements that will enable us to deliver on the announced 2025 cost target for green hydrogen production at USD 1.5/kg.” says Jon André Løkke, Chief Executive Officer of Nel.

Nel reported revenues in the first quarter 2021 of NOK 156.9 million, up 24% from NOK 126.5 million. compared to the same quarter in 2020, and an EBITDA of negative NOK 74.3 million (-64.6). Nel no longer reporting adjusted EBITDA separately, however, still incur one-offs and ramp-up related costs. The reported operating loss was NOK -98.2 million (-86.9), while the pre-tax loss ended at NOK 579.9 million (-5.2), following a negative fair value adjustment related to the shareholding in Everfuel. The backlog ended at a record level of NOK 1085 million, up more than 80% since first quarter last year. During the first quarter of 2021, Nel completed a successful private placement of 49.5 million new shares at a price of NOK 24.75, raising NOK 1.25 billion in gross proceeds. The net cash balance at the end of first quarter 2021 was NOK 3.25 billion.

“Nel has a strong financial position and a solid balance sheet to execute on our strategic plans. This allows us to continue to invest in technology and people to strengthen our leadership position in a rapidly growing market, and to be a trusted counterparty as projects are becoming larger and more complex,” Løkke comments.

A key element to deliver on the cost target of USD 1.5/kg is the expansion of the electrolysis production to accommodate large-scale projects by constructing a fully automated manufacturing facility at Herøya, Norway. The construction process is on track, with more than 33,000 manhours completed and with zero HSE incidents. Test production of the first 500 MW production line will commence in the second quarter of 2021, with start of commercial ramp-up in the third quarter 2021.

During the first quarter, Nel has continued to deliver on the strategy to be an independent player with a strong partnership strategy. The announced frame agreements with EPC companies Wood and Aibel significantly strengthens Nel’s global delivery and execution capabilities for large scale, complex projects across the world. The MoU signed with Haldor Topsoe enables the companies to take out synergies and offer end-to-end green ammonia and methanol solutions to customers. Nel is also developing its product offering by tailoring to different renewable energy sources and is announcing a collaboration with leading solar company, First Solar, to develop integrated PV-hydrogen plants. The combination of these partnerships enables Nel to deliver across the entire green hydrogen value chain.

“We remain confident in the long-term potential of the green hydrogen industry and reiterate the strong growth outlook. 2021 will be an exciting year for the industry as we are expecting to see the first 100MW+

projects, and we remain confident that Nel is well suited to capitalise on these opportunities with our proven track record, market leading position, and global delivery and execution muscle," 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 first quarter 2021 report on page 23.

The first quarter 2021 report and presentation are enclosed and available through [www.newsweb.no](http://www.newsweb.no) (Ticker: NEL) and [www.nelhydrogen.com](http://www.nelhydrogen.com). Nel will host a live presentation at 08.00 CET and the event can be streamed at <https://nelhydrogen.com/quarterly-presentation/> or [https://channel.royal-cast.com/landingpage/hegnarmedia/20210504\\_1/](https://channel.royal-cast.com/landingpage/hegnarmedia/20210504_1/).

The presenters will be Chief Executive Officer Jon André Løkke and Chief Financial Officer Kjell Christian Bjørnsen.

ENDS

For further information, please contact:

Kjell Christian Bjørnsen, CFO, +47 917 02 097

Ida Marie Fjellheim, Investor Relations, +47 905 09 291

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

\*Assumptions: Nel analysis based on electricity of 20 \$/MWh, >8% cost of capital, cost of land, civil works, installation, commissioning, building water etc., lifetime 20 years incl. O&M cost, at 30 bar.