

Nel ASA: Fourth Quarter 2018 Results

(Oslo, February 27, 2019) Nel ASA (“Nel”) reported revenues in the fourth quarter of 2018 of NOK 124.9 million, up from NOK 115.6 million in the fourth quarter of 2017, representing a growth of 8%. The figures are in line with the guidance and trading update provided in connection with the announcement regarding the contemplated private placement on January 30, 2019. Nel received several purchase orders during the quarter, has an all-time high pipeline and reiterates its strong market outlook.

“The fourth quarter reflects Nel’s focus on staying at the technological forefront across segments and our ambition moving forward to take advantage of attractive market opportunities. The green fertilizer project with Yara is just one example of how we’re working to develop next generation electrolyzer technology for industrial applications, such as ammonia and refineries. Coupled with our focus on ongoing technology development to accommodate an exciting and fast-growing heavy-duty segment, we are well positioned for what lies ahead for new and existing hydrogen markets,” says Jon André Løkke, Chief Executive Officer of Nel.

In the fourth quarter of 2018, Nel reported revenues of NOK 124.9 million, compared to NOK 115.6 million in the same quarter of 2017, in line with the guidance and trading update released together with the announcement regarding the contemplated private placement on January 30, 2019. The Fueling and Solutions segments experienced a positive development during the quarter, while the Electrolyser segment was negatively impacted by certain project delays. The adjusted EBITDA ended at NOK -18.3 million (-23.9), adjusted for non-recurring and other ramp-up costs of NOK 23.6 million. The reported EBIT was NOK -60.7 million (-43.5). The order backlog amounted to NOK 350 million.

After the closing of the quarter, Nel entered into a contract of more than USD 6 million with Shell for the delivery of a H2Station® solution for fueling of heavy-duty vehicles (HDV) in the U.S. Nel also received notice on bid winner for two hydrogen fueling stations in South Korea with a proposed value of EUR 2.8 million. Further, Nel was awarded a purchase order for a 2 MW PEM electrolyser, and entered into a 30 MW framework contract in Switzerland with Hydrospider AG, an affiliated company of H2 Energy.

“Freight activities are projected to grow significantly in the coming years. With hydrogen being the most promising zero emission fuel for heavy trucks, we’re now gearing up our efforts and technology towards offering solutions that can accommodate growth in this segment. The trend is underlined by the high market activity we’re experiencing,” says Løkke.

The net cash balance at the end of the quarter ended at NOK 349.7 million, excluding the NOK 462.7 million in gross proceeds from the January 2019 share issue. The net proceeds will be used for continued investment in development and innovation across segments and technologies and to improve Nel’s positioning to benefit from markets with high activity and growth momentum.

“The activity within hydrogen across the globe has never been higher. We are all hands-on-deck to the meet the vast opportunities ahead, leveraging the fast-growing HDV opportunities and developing the next-generation electrolyzer, and constantly balancing between current business and longer-term strategic positioning. We target to maintain a leadership position with a global presence, cost leadership, and preferred-partner status for industry participants,” Løkke concludes.

Nel will host a presentation at 08:00 CET at Hotel Continental in Oslo on February 27, 2019. A live webcast will also be available on the company’s website, www.nelhydrogen.com/webcast, and on <http://webtv.hegnar.no/presentation.php?webcastId=97605448>.

The fourth quarter 2018 report and presentation are enclosed and available through www.newsweb.no (Ticker: NEL) and www.nelhydrogen.com

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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. Since its origin in 1927 as part of Norsk Hydro, Nel has a proud history of development and continuous improvement of hydrogen plants. Our hydrogen solutions cover the entire value chain from hydrogen production technologies to manufacturing of hydrogen fueling stations, providing all fuel cell electric vehicles with the same fast fueling and long range as conventional vehicles today.