



OSE-FILING

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Nel ASA: Receives purchase order for 20MW alkaline electrolyser from Ovako

(Oslo, 25 November 2021) Nel Hydrogen Electrolyser AS, a division of Nel ASA (Nel, OSE: NEL), has received a purchase order for a 20MW alkaline water electrolyser from Ovako, a leading European manufacturer of engineering steel. The electrolyser will be installed at Ovako's existing plant in Hofors, Sweden, the first plant in the world to use hydrogen to heat steel prior to rolling and hot forming. The fossil-free hydrogen will replace the use of fossil propane gas currently used in heating furnaces at the site.

"We are very excited to announce the delivery of electrolyser equipment to Ovako, and this groundbreaking project. There is huge potential in reducing CO₂-emissions from steel-heating processes through the use of green hydrogen, there are numerous similar sites with equally large potential for decarbonization across Europe and the rest of the world. We look forward to working with Ovako and its partners to further develop fossil-free steel production in all the sites where this will be relevant" says Jon André Løkke, CEO at Nel.

Nel has received a purchase order for a 20MW alkaline electrolyser system from Ovako, a leading European manufacturer of engineering steel. The purchase order has a contract value of approximately EUR 11 million and the equipment is expected to be delivered at the end of 2022, with the first hydrogen production in 2023. The electrolyser will produce oxygen and hydrogen to be used in Ovako's steel-heating process and is a major step towards zero-carbon emission steel production. The conversion to hydrogen will enable Ovako to reduce its CO₂ emissions for steel production in Hofors by 50 percent from already low levels.

"In June we announced our collaboration with the Volvo Group, Hitachi Energy, H2 Green Steel and Nel Hydrogen with the purpose to invest in fossil-free hydrogen in Hofors. An investment that also got the support from the Swedish Energy Agency. We are now very pleased to have reached this important milestone of the project. The electrolyser technology will enable us to eliminate CO₂ for heating steel before rolling", says Rickard Qvarfort, President Business unit Hofors.

Ovako is a leading European manufacturer of engineering steel for customers e.g. in the bearing, transportation and manufacturing industries, and is a subsidiary of Sanyo Special Steel and part of the Nippon Steel Corporation Group. The company has geographical presence in Europe, North America and Asia, and a steel product line that includes niche products and customized solutions. The carbon footprint of Ovako's steel products is a full 80 percent lower than the global average.

Reference is made to the press release from June 22, 2021: [Nel ASA: Joins hydrogen initiative with leading players to enable fossil-free steel rolling/milling.](#)

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For further information, please contact:

Jon André Løkke, CEO, +47 907 44 949

Kjell Christian Bjørnsen, CFO, +47 917 02 097

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 vehicles - without the emissions.