nel

Nel ASA

Q1 2024 report

Contents

Highlights

- Nel ASA (Nel) reported revenue in the first quarter 2024 of NOK 387 million, up 14% from the first quarter 2023 (Q1 2023: 341). Revenue was positively impacted by payments related to the renegotiation of the Nikola supply agreement and negatively impacted by a lack of major milestones on alkaline electrolyser customer projects in the quarter.
- EBITDA in the quarter was NOK -16 million (Q1 2023: -121). The quarter included a positive impact of NOK 96 million from renegotiation of Nikola supply agreement.
- Net loss was NOK -22 million (Q1 2023: -192). The improvement from same quarter last year was mainly explained by the improved EBITDA and the same quarter last year included NOK -69 million fair value adjustment from shareholdings in Everfuel.
- Order intake in the quarter amounted to NOK 459 million (87% from electrolyser), in line with the corresponding quarter last year (Q1 2023: 467).
- Order backlog was NOK 2 437 million (87% related to electrolyser) at the end of the quarter, down 13% from the first quarter of 2023 and down 1% from previous quarter.
- Cash balance was NOK 3 260 million at quarter end (Q1 2023: 4 621).
- Subsequent to the quarter,
    - April 4th: Nel awarded up to USD 41 million in investment tax credits from DoE, bringing the total support for a Michigan expansion up to about USD 170 million.

Key figures

(Amounts in NOK million)	Q1 2024	Q1 2023[1]	2023[1]
Revenue	387	341	1 681
EBITDA	-16	-121	-474
Operating loss	-74	-175	-700
Pre-tax income (loss) [1]	-24	-194	-873
Net income (loss) [1]	-22	-192	-855
Net cash flow from operating activities	-62	-29	-670
Cash balance end of period	3 260	4 621	3 363
Order intake	459	467	1 430
Order backlog	2 437	2 801	2 458

1) Pre-tax income (loss) and Net income (loss) in Q1 and full year 2023 include fair value adjustments of shareholdings in Everfuel A/S, Hydrogen Energy Network (HyNet) and Hyon AS. This quarter includes no fair value adjustments from mentioned shareholdings. Same quarter 2023 and full year 2023 includes impact of NOK -76 million and NOK -342 million, respectively.

Key press releases during the quarter and subsequent events

Nel Alkaline and PEM Electrolyser

- The US Department of Energy (DoE) and the state of Michigan have awarded a collective USD 75 million in cash incentives and grants for Nel's next electrolyser production facility in Michigan.
- Nel has been awarded up to USD 41 million in investment tax credits for its planned manufacturing expansion in Michigan as part of the Qualifying Advanced Energy Project Tax Credit (48C) program. The tax credits come in addition to other grants communicated earlier. Nel has secured close to USD 170 million in accumulated support for its planned Michigan facility.

Nel Alkaline Electrolyser

Electrolyser received purchase orders for:

  - An alkaline electrolyser in South Korea producing hydrogen for energy transition. Value approximately EUR 5 million.
- Nel realigned the relationship with Nikola and will support Fortescue on its 80 MW Phoenix hydrogen hub, for a total consideration of about USD 20 million.

Nel PEM Electrolyser

- Nel and partners receive about USD 90 million in funding from Department of Energy (DoE) for seven research and development projects. Nel is the leading partner on one of the projects. About 10% of the work under the R&D programs will be undertaken by Nel.

Nel Hydrogen Fueling

- Nel was made aware that Iwatani Corporation of America has filed a lawsuit with claims for damages towards Nel and certain of its subsidiaries for delivery of fueling equipment and services. Nel strongly reject the allegations made in the lawsuit and will vigorously oppose the allegations and the lawsuit.

Corporate

- Nel has initiated a process to explore a potential spin-off and separate listing of its Fueling division with the intention of creating two independent pure-play companies .

The complete list of press releases is available at Nel's web site
Press releases | Nel Hydrogen

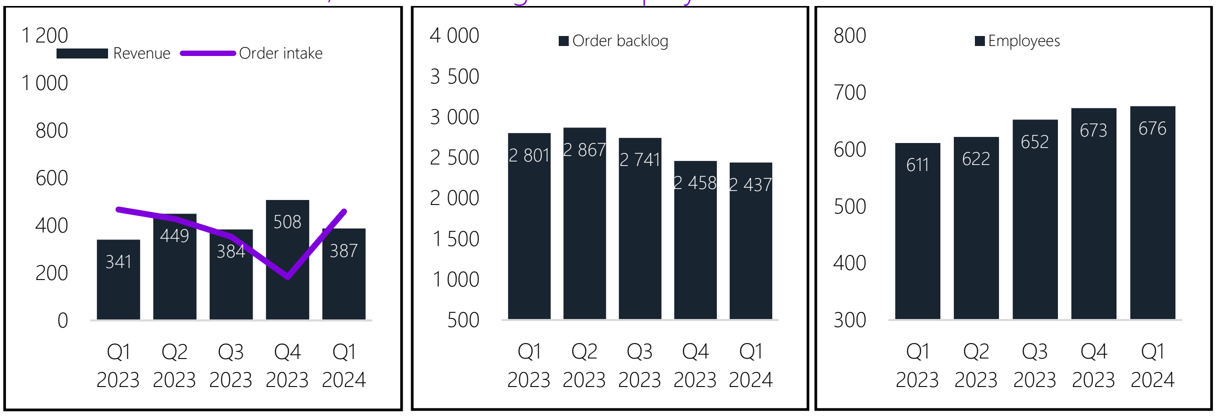
Financial development

Group

Key figures

(Amounts in NOK million)	Q1 2024	Q1 2023	Change	2023
Revenue	387	341	14 %	1 681
EBITDA	-16	-121		-474
Order intake	459	467	-2 %	1 430
Order backlog	2 437	2 801	-13 %	2 458
Employees	676	611	11 %	673
Total assets	7 751	8 492	-9 %	7 857

Revenue & Order intake, order backlog and employees



Nel reported 14% increase in revenue compared to the first quarter last year. The Alkaline electrolyser segment increased 20%, PEM electrolyser decreased 33% and Fueling increased 45%. Overall, the Alkaline and PEM electrolyser segment generated 71% (Q1 2023: 78%) of total revenue in the quarter.

Nel is committed to building the organizational and production capacity in line with market growth, while simultaneously delivering on larger and more complex projects. This continues to negatively impact the company's profitability. Nel is still in the process of improving its project execution protocols, partnership frameworks, and other systems that are important to Nel's operational efficiency. While the company has made notable improvements, further developments are necessary to increase profitability. Despite being the company with the most experience in this field, both Fueling and Electrolyser face the execution challenges of this next stage in the company's industrialization.

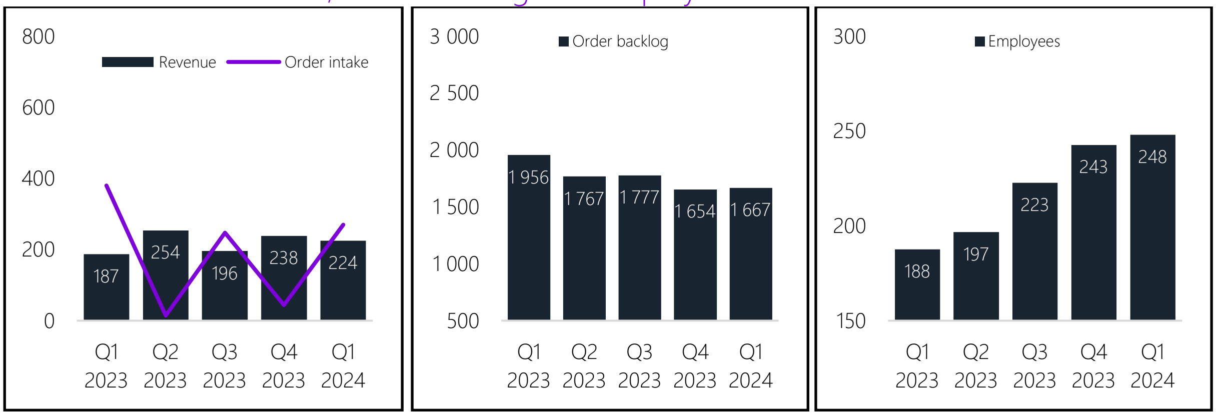
The company's electrolyser strategy on large projects is to narrow the scope and concentrate on stacks and balance-of-stack equipment. To handle the scope Nel does not cover, Nel is partnering with world-class EPC companies. Similarly, Nel's Fueling division has narrowed its technology focus to the core development necessary for high-capacity fueling stations targeting the heavy-duty transportation segment.

Nel Alkaline Electrolyser

Key figures

(Amounts in NOK million)	Q1 2024	Q1 2023	Change	2023
Revenue	224	187	20 %	876
EBITDA	106	-11		-29
Order intake	270	380	-29 %	686
Order backlog	1 667	1 956	-15 %	1 654
Employees	248	188	32 %	243
Total assets	2 097	1 330	58 %	2 028

Revenue & Order intake, order backlog and employees



Nel Alkaline Electrolyser reported a 20% increase in revenue compared to first quarter last year. Revenue and EBITDA this quarter include NOK 54 million from renegotiation of the Nikola supply agreement. Production of electrolyser equipment at Herøya in Norway was according to plan. Revenue recognition on product deliveries depend on reaching contract milestones with customers, of which there were few of significance in the quarter. As a result of this, Alkaline Electrolyser inventory increased NOK 141 million in the quarter.

Order backlog for Alkaline Electrolyser ended at NOK 1 667 million, down NOK 13 million from the previous quarter. In recent quarters, Nel has secured several paid front-end engineering and development studies for projects above 100 MW. Order intake will vary significantly between quarters depending on the progress in turning these pre-studies into firm equipment orders.

Bringing new technologies to the market in the form of industrial projects of increasing size and complexity is challenging. Nel intends to continue improving its efficiency and margins in project execution over time but recognizes that significant investments in people and systems will continue to be required.

The 500MW expansion program for the Herøya facility remains on plan available for production Q2 2024. Utilization of the Herøya production capacity will be adjusted to market demand.

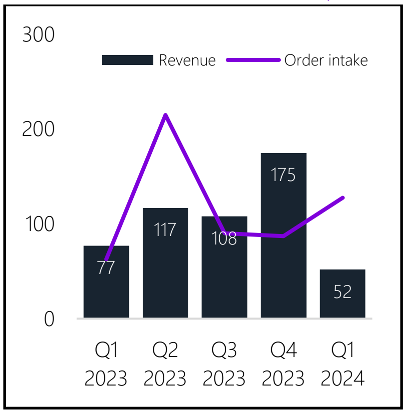
The product development for a next-generation pressurized alkaline electrolyser is progressing according to plan with full-size electrode testing ongoing at Nel's test center in Notodden, Norway.

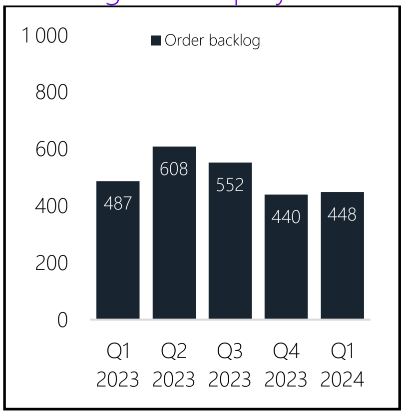
Nel PEM Electrolyser

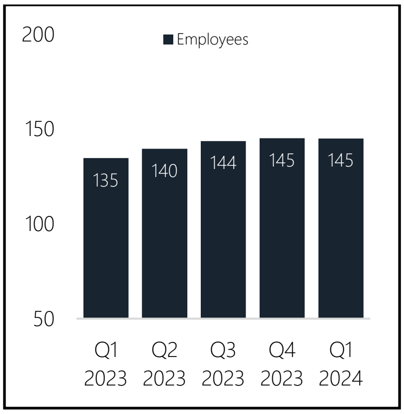
Key figures

(Amounts in NOK million)	Q1 2024	Q1 2023	Change	2023
Revenue	52	77	-33 %	477
EBITDA	-43	-23		-130
Order intake	128	63	104 %	454
Order backlog	448	487	-8 %	440
Employees	145	135	8 %	145
Total assets	1 637	1 346	22 %	1 591

Revenue & Order intake, order backlog and employees







Nel PEM Electrolyser reported a 33% decrease in revenue compared to the same quarter last year. Reduced sales of smaller products for industrial applications and timing of project revenue were the main reasons for the decline.

The PEM segment reported an order backlog of NOK 448 million, down NOK 39 million from the previous quarter caused by low order intake. Bringing new technologies to the market in the form of industrial projects of increasing size and complexity is challenging. Nel intends to continue improving its efficiency and margins in project execution over time but recognizes that significant investments in people and systems will continue to be required.

The expansion program for the Wallingford facility aiming at increasing capacity from 50MW to 500MW remained on plan. Increased capacity will allow for continued growth in order intake and revenues. Utilization of the Wallingford production capacity will be adjusted to market demand.

During the first quarter Nel and partners received approximately USD 90 million in funding from the U.S. Department of Energy (DoE) for seven research and development projects. Nel is the leading partner on one of the projects. About 10% of the total work required under the R&D programs will be undertaken by Nel, and the majority of the work is expected to be carried out over the next three years. The DoE funding will support research that is important for the long-term competitiveness of the hydrogen industry generally and of Nel in particular.

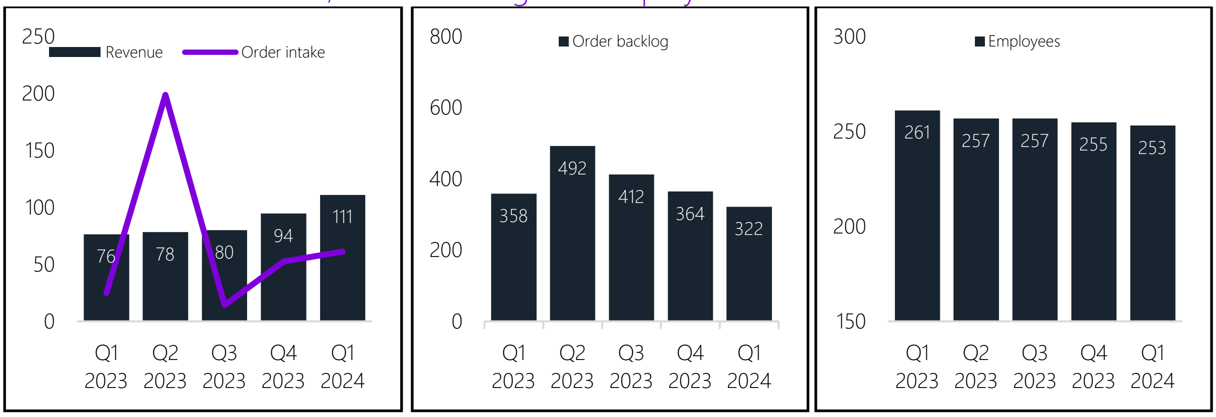
Product development for a next-generation PEM electrolyser in collaboration with GM is also progressing according to plan.

Nel Hydrogen Fueling

Key figures

(Amounts in NOK million)	Q1 2024	Q1 2023	Change	2023
Revenue	111	76	45 %	329
EBITDA	-47	-57		-202
Order intake	61	25	150 %	290
Order backlog	322	358	-10 %	364
Employees	253	261	-3 %	255
Total assets	757	846	-10 %	811

Revenue & Order intake, order backlog and employees



The Fueling business reported a 45% increase in revenue compared to first quarter amid renegotiation of the Nikola supply agreement, which added NOK 42 million to revenue and EBITDA in the quarter. Low order intake in past quarters has limited the revenue recognised and underlying growth in the quarter.

A hydrogen fueling station is a complex and relatively new technology. The hydrogen industry, including Nel, is still working to mature the technology as well as investing in service and maintenance, robustness, and reliability. Nel will continue to incur costs related to these activities going forward, but sees that its efforts to reduce such costs are taking effect.

Nel continues to secure orders for its current product specification while scaling up core technology components to the specification necessary for high-capacity fueling stations targeting the heavy-duty transportation segment.

Finance

(Amounts in NOK million)	Q1 2024	Q1 2023	2023
Finance income			
Interest income	38	32	168
Change in fair value financial instruments	0	1	1
Other	2	1	7
Interest income and other finance income	40	33	176
Finance costs			
Interest expense	-5	-5	-18
Net foreign exchange gain (loss)	17	30	16
Change in fair value financial instruments	-3	-77	-343
Other	0	0	-1
Interest expense and other finance costs	10	-52	-345
Net finance income (cost)	50	-20	-169

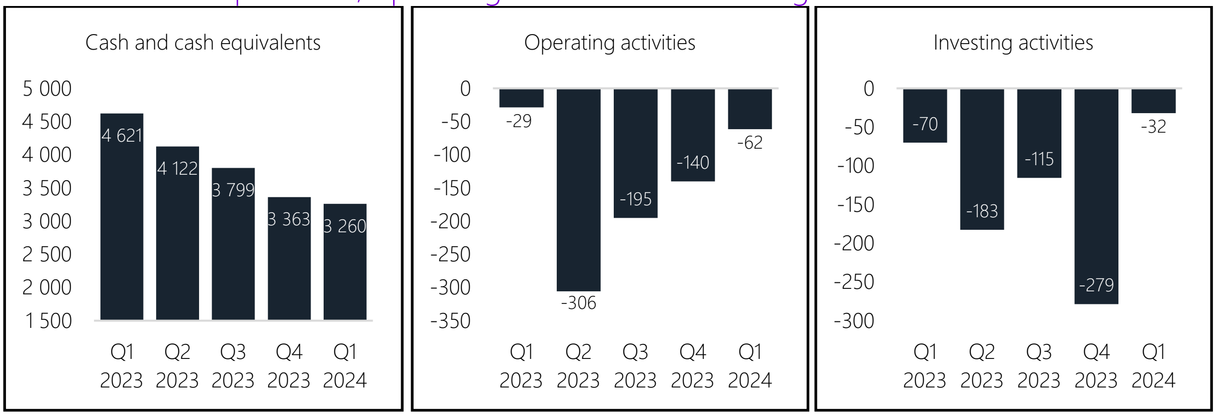
Nel reported finance income of NOK 40 million (Q1 2023: 33) in the quarter, mainly driven by interest income of NOK 38 million (Q1 2023: 32) from cash and cash equivalents. The increase in interest income can be attributed to the increased NOK interest rate in particular.

Finance costs in the quarter were NOK 10 million compared to NOK -52 million in the same quarter last year. The change in fair value of shareholdings had a net negative effect of NOK -3 million this quarter compared to same quarter last year of net NOK -76 million. First quarter 2024 included NOK 12 million (Q1 2023: 30) in currency exchange gain resulting from revaluing internal loans, caused by a weaker NOK against USD, DKK and EUR.

Cash

(Amounts in NOK million)	Q1 2024	Q1 2023	Change	2023
Net cash flow from operating activities	-62	-29		-670
Net cash flow from investing activities	-32	-70		-647
Net cash flow from financing activities	-11	1 575		1 542
Foreign currency effects on cash	1	6		0
Net change in cash	-103	1 483		225
Cash and cash equivalents OB	3 363	3 139	7 %	3 139
Cash and cash equivalents	3 260	4 621	-29 %	3 363

Cash and cash equivalents, operating activities and investing activities



Cash flow from operating activities was negative as Nel continues to pursue its growth strategy, investing in an expanded organization to address the volume and complexity of global project tenders and execution activity. Changes in net working capital decreased cash by NOK -122 million (Q1 2023: 22) in the quarter. Since Nel has a limited set of large-scale projects, temporary mismatches between cash inflows and outflows on individual projects has a significant effect on working capital.

The purchase of property, plant and equipment totalled NOK 113 million (Q1 2023: 77) in the quarter. The accumulated amount of expenditures for Herøya Line 2 (500MW) Alkaline expansion and 500MW PEM expansion in Wallingford in the course of construction is NOK 483 million as of 31 March 2024. The total contractual commitments beyond March 2024 for the expansions are NOK 207 million.

The investing activities in the first quarter 2024 included net NOK -1 million (Q1 2023: 17) in changes to restricted bank deposits and collateral for bank guarantees with a maturity longer than three months at the date of purchase. In addition, the investing activity this quarter includes the cash collection from the sale of shareholdings in Everfuel of NOK 117.

Other investment activities in the quarter included capitalised internal development of next generation electrolysers and fueling stations for a total of NOK 35 million (Q1 2023: 33).

Foreign currency effect on cash was limited as Nel holds a significant portion of cash in NOK, which is also the presentation currency of Nel.

Risks and uncertainty

Nel is exposed to significant risk and uncertainty factors, which may affect some or all of the group's activities. Nel is exposed to operational, financial, market and climate-related risk. These risks could occur individually or simultaneously. There are no significant changes in the risks and uncertainty factors described in our Annual Report 2023.

Outlook

External and internal analyses support a market view that multiple gigawatts of electrolyser projects will reach final investment decision before 2025. Industrial applications represent the most promising near-term opportunities. Projects are expected to commence first in mature markets, before large greenfield installations integrated with renewable energy sources gradually are expected to become another important market segment. The current level of interest rates and raw material prices have made renewable energy more expensive, potentially negatively influencing the near- to mid-term market outlook. In combination with financial incentives for Nel's customers taking longer than expected to materialize, this has led to order intake in recent quarters being lower than expected as the market momentum slowed down in the second half of 2023.

Nel is in a good position to maintain a leading position in electrolysers. A proven track record and automated production capabilities are important differentiating factors. Based on a large and growing pipeline of opportunities, Nel has the ambition to win several new large-scale orders in the coming periods. Higher revenue in combination with more efficient execution is expected to yield greater profitability in the Electrolyser business. This positive market outlook drives Nel's continued investments in engineering, project management, project execution, and related disciplines, which negatively affect current results. Larger projects are more complex and require more work in all phases from planning through execution. Order intake is therefore likely to vary significantly from quarter to quarter and the order backlog is subject to risks, including delays and cancellations.

In Fueling, the current market dynamics and outlook are different than in Electrolyser. The long-term market outlook is positive, but short-term demand continues to be challenging as the market is transitioning from low-capacity to high-capacity filling applications. Nel has high-quality energy companies on its customer list that believe that many of tomorrow's heavy-duty vehicles will be powered by green hydrogen. Margins in the Fueling division are improving as quality costs related to the installed base decrease. Nel has implemented and will continue to implement strategic actions to improve the performance and profitability of this division.

Nel continues to explore and prepare for a potential spin-off and separate listing of the Nel Hydrogen Fueling division. The spin-off is being considered as a potential step in enhancing value in both divisions, from an industrial and financial perspective.

Oslo, 17 April 2024

The Board of Directors

Ole Enger Chair (Electronically signed)	Beatriz Malo de Molina Board member (Electronically signed)	Charlotta Falvin Board member (Electronically signed)
Arvid Moss Board member (Electronically signed)	Hanne Blume Board member (Electronically signed)	Tom Røtjer Board member (Electronically signed)
Jens Bjørn Staff Board member (Electronically signed)	Håkon Volldal CEO (Electronically signed)	

Condensed interim financial statements

Consolidated statement of comprehensive income (unaudited)

(Amounts in NOK thousands)	Note	Q1 2024	Q1 2023	2023
Revenue and income				
Revenue from contracts with customers	3	387 201	340 770	1 681 070
Other income		21 867	18 122	92 006
Total revenue and income		409 068	358 892	1 773 076
Operating expenses				
Raw materials		93 822	168 098	856 926
Personnel expenses		219 596	187 043	821 303
Depreciation, amortisation and impairment	4, 5	58 427	54 166	225 785
Other operating expenses		111 240	124 396	568 566
Total operating expenses		483 085	533 703	2 472 580
Operating loss		-74 017	-174 811	-699 504
Finance income		39 999	32 964	175 505
Finance cost		9 796	-52 495	-344 821
Share of loss from associates and joint ventures		0	0	-3 714
Net financial items		49 795	-19 531	-173 030
Pre-tax income (loss)		-24 222	-194 342	-872 534
Tax expense (income)		-2 199	-2 146	-17 338
Net income (loss)		-22 023	-192 196	-855 196
Items that are or may subsequently be reclassified to income statement:				
Currency translation differences		76 612	51 406	-1 253
Cash flow hedges, effective portion of changes in fair value		-42 737	-44 803	-18 504
Cash flow hedges, reclassified		11 866	15 552	34 417
Other comprehensive income		45 741	22 155	14 660
Total comprehensive income		23 718	-170 041	-840 536
Basic EPS (figures in NOK) [1]		-0.01	-0.12	-0.52
Diluted EPS (figures in NOK) [1]		-0.01	-0.12	-0.52
Weighted average number of outstanding shares (million)		1 671	1 593	1 652

1) Basic and diluted earnings per share are computed using the weighted average number of ordinary shares outstanding.

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

Consolidated statement of financial position (unaudited)

(Amounts in NOK thousands)	Note	31.03.2024	31.12.2023
ASSETS			
Intangible assets	4	1 069 379	1 015 046
Property, plant and equipment	5	1 418 030	1 305 678
Other non-current assets		164 919	159 359
Total non-current assets		2 652 328	2 480 083
Inventories		880 133	703 990
Trade receivables	6	673 841	812 407
Contract assets		30 152	49 767
Other current assets		254 322	447 342
Cash and cash equivalents		3 259 999	3 363 431
Total current assets		5 098 447	5 376 937
TOTAL ASSETS		7 750 775	7 857 020
EQUITY AND LIABILITIES			
Shareholders' equity		6 222 204	6 197 736
Total equity		6 222 204	6 197 736
Deferred tax liability		38 494	38 436
Long-term debt		22 937	22 458
Lease liabilities		200 512	199 136
Other non-current liabilities		74 108	71 103
Total non-current liabilities		336 051	331 133
Trade payables		161 911	204 863
Lease liabilities		41 153	38 067
Contract liabilities		654 224	715 288
Other current liabilities		335 232	369 933
Total current liabilities		1 192 520	1 328 151
Total liabilities		1 528 571	1 659 284
TOTAL EQUITY AND LIABILITIES		7 750 775	7 857 020

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

Consolidated statement of cash flows (unaudited)

(Amounts in NOK thousands)	Q1 2024	Q1 2023	2023
Cash flow from operating activities			
Pre-tax income (loss) [1]	-24 222	-194 342	-872 534
Depreciation, amortisation and impairment	58 427	54 166	225 785
Change in net working capital [2]	-121 978	22 436	-458 396
Other adjustments [3]	26 241	89 218	435 477
Net cash flow from operating activities	-61 532	-28 522	-669 668
Cash flow from investment activities			
Purchases of property, plant and equipment	-112 910	-76 877	-573 589
Payments for capitalised technology	-35 015	-32 591	-166 242
Purchases of other investments [4]	-13 780	-29 648	-92 219
Investments in associates and joint ventures	0	0	-973
Proceeds from sales of other investments [4]	129 555	69 009	186 211
Net cash flow from investing activities	-32 150	-70 107	-646 812
Cash flow from financing activities			
Interest paid [5]	-4 150	-3 735	-15 461
Gross cash flow from share issues	0	1 609 200	1 609 200
Transaction costs connected to share issues	0	-23 579	-24 696
Payment of lease liabilities	-6 515	-5 918	-25 773
Payment of non-current liabilities	-379	-511	-1 533
Net cash flow from financing activities	-11 044	1 575 457	1 541 737
Foreign currency effects on cash	1 294	5 835	-376
Net change in cash and cash equivalents	-103 432	1 482 663	224 881
Cash and cash equivalents beginning of period	3 363 431	3 138 550	3 138 550
Cash and cash equivalents	3 259 999	4 621 213	3 363 431

1) Q1 2024 includes interests received of NOK 38 (32) million.
2) Change in net working capital comprises changes in inventories, trade receivables, contract assets, contract liabilities and trade payables.
3) The first quarter 2024 includes a fair value adjustment of financial instruments of NOK -3 million. The net fair value adjustment was NOK -76 million in the first quarter 2023.
4) Other investments comprise short-term shares and restricted bank deposits and collateral for bank guarantees with a maturity longer than three months at the date of purchase.
5) Interest paid includes interest expense on lease liabilities.

Consolidated statement of changes in equity (unaudited)

(Amounts in NOK thousands)	Share capital	Share premium	Treasury shares	Other component of equity	Retained earnings	Total equity
Equity as of 31.12.2022	312 665	7 098 186	-84	119 878	-2 081 037	5 449 608
Net loss					-855 196	-855 196
Currency translation differences				-1 253		-1 253
Hedging reserve				15 913		15 913
Capital increase	21 600	1 562 904				1 584 504
Options and share program					4 160	4 160
Equity as of 31.12.2023	334 265	8 661 090	-84	134 538	-2 932 073	6 197 736
Net loss					-22 023	-22 023
Currency translation differences				76 612		76 612
Hedging reserve				-30 871		-30 871
Capital increase						0
Options and share program					750	750
Equity as of 31.03.2024	334 265	8 661 090	-84	180 279	-2 953 346	6 222 204

Notes to the interim financial statements

Note 1 Organisation and basis for preparation

Corporate information

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-fuelled vehicles - without the emissions. The group has two divisions: Nel Hydrogen Electrolyser and Nel Hydrogen Fueling.

Nel (org. no 979 938 799) was formed in 1998 and is a Norwegian public limited company listed on the Oslo Stock Exchange. The group's head office is in Karenslyst allé 49, N-0278 Oslo, Norway.

Basis for preparation

The financial information is prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). This financial information should be read together with the annual report for the year ended 31 December 2023 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those used in the preparation of the group's annual consolidated financial statements for the year ended 31 December 2023.

As a result of rounding differences, numbers or percentages may not add up to the total.

Note 2 Significant estimates, judgements and assumptions

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the condensed interim financial statements:

Judgements
- Revenue recognition
- Deferred tax asset
- Development costs
- Leases, incremental borrowing rates and lease terms

Assumptions and estimation uncertainty
- Revenue recognition
- Share-based payments
- Impairment of goodwill and intangible assets
- Expected credit loss assessment

The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to the annual report of 2023 for more details related to key judgements and estimation.

Note 3 Segments

Nel identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments. This standard requires Nel to identify its segments according to the organisation and reporting structure used by management. See Nel's Annual Report 2023 note 2.3 Segment information for a description of Nel's management model and segments, including a description of Nel's segment measures and accounting principles used for segment reporting. Nel has since the publication of the Annual Report been exploring and preparing for a potential separate listing of what is currently Nel Hydrogen Fueling. The segment will continue to be reported as part of Nel's operations until a final decision about a separate listing has been reached. Based on the growth of the company, Nel has reevaluated its segment reporting and is now reporting its previous Electrolyser segment as two separate segments.

The executive management group is the chief operating decision maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Nel operates within three operating segments, Nel Alkaline Electrolyser, Nel PEM Electrolyser and Nel Hydrogen Fueling.

Billing of goods and services between operating segments are effected on an arm's length basis.

The following table includes information about Nel's operating segments.

(Amounts in NOK thousands)	Q1 2024	Q1 2023	Change	2023
Revenue				
Nel Alkaline Electrolyser	224 463	187 439	20 %	875 632
Nel PEM Electrolyser	51 867	77 060	-33 %	476 703
Nel Hydrogen Fueling	110 871	76 272	45 %	328 735
Total	387 201	340 770	14 %	1 681 070
EBITDA				
Nel Alkaline Electrolyser	106 209	-11 446		-28 814
Nel PEM Electrolyser	-43 058	-22 823		-129 772
Nel Hydrogen Fueling	-47 342	-57 491		-201 890
Corporate 1)	-31 399	-28 885		-113 243
Total	-15 590	-120 645		-473 719
Investments 2)				
Nel Alkaline Electrolyser	108 314	88 080	23 %	439 098
Nel PEM Electrolyser	26 369	11 802	123 %	251 811
Nel Hydrogen Fueling	13 242	9 586	38 %	48 921
Total	147 925	109 468	35 %	739 830
Total assets 3)				
Nel Alkaline Electrolyser	2 096 663	1 330 319	58 %	2 028 033
Nel PEM Electrolyser	1 636 513	1 346 499	22 %	1 591 380
Nel Hydrogen Fueling	757 087	845 800	-10 %	811 094
Corporate	3 260 512	4 969 174	-34 %	3 426 513
Total	7 750 775	8 491 792	-9 %	7 857 020

1) Corporate comprises parent company and other holding companies.
2) Investments comprise intangible assets, property, plant and equipment, associates and joint ventures and equity instruments.
3) Total assets per segment includes excess values on intangible assets derived from the consolidation of the financial statements.

Property, plant and equipment by geographical area

(Amounts in NOK thousands)	31.03.2024	31.03.2023	Change	31.12.2023	Change
Norway	979 847	627 830	56 %	906 172	8 %
Denmark	117 378	118 739	-1 %	114 157	3 %
USA	318 636	113 439	181 %	282 856	13 %
South Korea	2 169	3 123	-31 %	2 493	-13 %
Total	1 418 030	863 131	64 %	1 305 678	9 %

Note 4 Intangible assets

(Amounts in NOK thousands)	Goodwill	Technology	Customer relationship	Total
Carrying value of 01.01.2024	375 305	631 521	8 220	1 015 046
Additions	0	35 015	0	35 015
Amortisation	0	-10 680	-3 564	-14 244
Currency translation differences	19 403	13 921	238	33 562
Carrying value as of 31.03.2024	394 708	669 777	4 894	1 069 379

Intangible assets are reviewed each quarter for impairment indicators, including market changes, technological development, order backlog and other changes that might potentially reduce the value of the assets. For goodwill, impairment tests are performed annually at year-end, and if impairment indicators are identified.

Goodwill is tested using the ‘value in use’ approach determined by discounting expected future cash flows. If the impairment test reveals that an asset's carrying amount is higher than its value in use, an impairment loss will be recognised.

Impairment tests are performed on three Cash Generating Units (CGUs). Goodwill and intangible assets are related to CGU Electrolyser Norway, CGU Electrolyser US and CGU Fueling.

Note 5 Property, plant and equipment

Property, plant and equipment comprise owned and leased assets

(Amounts in NOK thousands)	Land, buildings and equipment	Right-of-use assets	Total
Carrying value of 01.01.2024	1 105 049	200 629	1 305 678
Additions	112 910	3 368	116 278
Remeasurements	0	4 305	4 305
Depreciation	-35 641	-8 542	-44 183
Currency translation differences	32 674	3 278	35 952
Carrying value as of 31.03.2024	1 214 992	203 038	1 418 030

Note 6 Trade receivables

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers at the end of this quarter.

(Amounts in NOK thousands)	Weighted average loss rate[1)]	Gross carrying amount[2)]	Loss allowance
Current (not past due)	0.1 %	89 295	89
1-30 days past due	0.2 %	42 077	84
31-60 days past due	0.5 %	9 550	48
61-90 days past due	2.0 %	38 758	787
91 days to one year past due	7.6 %	491 714	37 471
More than one year past due	10.0 %	45 473	4 547
Carrying value as of 31.03.2024	6.0 %	716 868	43 027

1) Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by a factor to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and Nel's view of economic conditions over the expected lives of the receivables.

2) About 65% of the net trade receivables past due are related to one customer. This quarter includes no revenue from this customer. Nel has security for unpaid receivables from this customer in the sold goods and can reclaim as inventory items in the event of default.

Alternative Performance Measures

Nel discloses alternative performance measures (APMs) in addition to those normally required by IFRS. This is based on the group's experience that APMs are frequently used by analysts, investors and other parties as supplemental information.

The purpose of APMs is to provide an enhanced insight into the operations, financing and future prospect of the group. Management also uses these measures internally to drive performance in terms of monitoring operating performance and long-term target setting. APMs are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the group where relevant.

Financial APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Nel's financial APMs

EBITDA: is defined as earnings before interest, tax, depreciation, amortisation and impairment. EBITDA corresponds to operating profit/(loss) plus depreciation, amortisation and impairment.

EBITDA margin: is defined as EBITDA divided by revenue and income.

Equity ratio: is defined as total equity divided by total assets.

Order intake: is defined as firm purchase orders with agreed price, volume, timing, terms and conditions entered within a given period. The order intake includes both contracts and change orders. For service contracts and contracts with uncertain transaction price, the order intake is based on estimated revenue. The measure does not include potential change orders.

Order backlog: is order intake where revenue is yet to be recognised.

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