



# Nel ASA

Q1 2025 report

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## Highlights

- Revenue from contracts with customers in the first quarter 2025 was NOK 155 million, a 44% reduction compared to the first quarter 2024 (Q1 2024: 276).
- Total revenue and income in the first quarter 2025 was 175 million (Q1 2024: 297)
- EBITDA in the quarter was NOK -115 million (Q1 2024: 32).
- Net income (loss) was NOK -179 million (Q1 2024: 39). The development was mainly explained by decreased EBIT of NOK -174 million, and in addition NOK 43 million decreased net financial items.
- Order intake in the quarter amounted to NOK 311 million, a 22% decrease from the corresponding quarter last year (Q1 2024: 398).
- Order backlog was NOK 1 460 million at the end of the quarter, down 31% from the first quarter of 2024 and down 10% from the previous quarter.
- Cash balance was NOK 2 059 million at quarter end (Q1 2024: 3 260).

## Key figures

(Amounts in NOK million)	Q1 2025	Q1 2024 <sup>1)</sup> restated	2024
Revenue	155	276	1 390
EBITDA	-115	32	-173
Operating loss	-187	-13	-389
Pre-tax income (loss)	-180	37	-264
Net income (loss)	-179	39	-258
Net cash flow from operating activities	-58	-37	-83
Cash balance end of period	2 059	3 260	1 876
Order intake	311	398	977
Order backlog	1 460	2 115	1 614

1) Key figures are presented for continuing operation. Comparable amounts Q1 2024 excludes discontinued operation.

## Key press releases during the quarter and subsequent events

### Nel Alkaline Electrolyser

- Initiated a process to adjust capacity to market demand by reducing the workforce and temporarily halting production at the Alkaline production facility in Herøya, Norway.

### Nel PEM Electrolyser

- Received a purchase order for approx. USD 7 million from steel producer in the US.
- Received a purchase order for one 2.5 containerized PEM unit in Scotland.
- Received a purchase order for approx. USD 6 million to be used by the U.S. Navy.
- Awarded additional USD 29 million in tax credits from the 48C program funded by the Inflation Reduction Act for manufacturing expansion in Michigan, US.

### Corporate

- Signed EPC collaboration agreement and conducted a 353 MNOK private placement with Samsung E&A.

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 2025	Q1 2024 restated	Change	2024
Revenue	155	276	-44%	1 390
EBITDA	-115	32		-173
Order intake	311	398	-22%	977
Order backlog	1 460	2 115	-31%	1 614
Employees	394	423	-7%	409
Total assets	6 332	6 994	-9%	6 304

#### Revenue & Order intake, order backlog and employees



Nel reported a decrease of 44% in revenue compared to first quarter last year. Alkaline revenues declined by 69% quarter on quarter, PEM revenues increased by 64%. The alkaline segment had few project milestones in this quarter, while the PEM segment increased revenue from containerized electrolysers compared to same quarter last year.

Having sufficient scale is key to winning new orders and reaching profitability. Nel has therefore over the last years invested in increased production and organizational capacity. However, due to the current industry sentiment, final investment decisions on large target customer projects have been pushed to the coming quarters and existing orders delayed or become at risk of cancellation. Consequently, during the quarter, management announced and began implementing cost reduction and capacity adjustment measures. These measures include a temporary shut-down of the Herøya facility. As a result of implementation time, including notice periods for terminations and temporary lay-offs, the cost reduction measures will reduce the cost base gradually over the first half 2025.

## Nel Alkaline Electrolyser

### Key figures

(Amounts in NOK million)	Q1 2025	Q1 2024	Change	2024
Revenue	70	224	-69%	1 009
EBITDA	-52	106		127
Order intake	21	270	-92%	577
Order backlog	965	1 667	-42%	1 290
Employees	220	248	-11%	229
Total assets	2 396	2 097	14%	2 508

### Revenue & Order intake, order backlog and employees



Nel Alkaline Electrolyser reported a 69% decrease in revenue compared to first quarter last year. Revenue and EBITDA in the same quarter last year included NOK 54 million from renegotiation of the Nikola supply agreement. In total, EBITDA decreased by NOK 158 million compared to first quarter 2024. This quarter included NOK 23 million in research and development expenses compared to 21 MNOK in Q1 2024.

The order backlog for Alkaline Electrolyser ended at NOK 965 million. This was down NOK 325 million from the end of Q4-24. In addition to low order intake in the past quarter, the reduction is also significantly impacted by approx. NOK 250 million being removed from the order backlog given a customer's expected default. The note on Alternative Performance Measures quantifies the risk in and distribution over time of the backlog. Nel has secured paid front-end engineering and development studies for projects above 100 MW. These activities lay the foundation for future order intake of firm equipment orders.

Nel's cost structure and the utilization of the Herøya production capacity are being adjusted to market demand. However, increased fixed costs from higher production capacity will continue to negatively influence results until more orders have been secured.

At the end of 2024, net assets of 362 million related to one customer with overdue invoices were recognized. On 15 January 2025, the parties agreed that Nel would take possession of the collateral as consideration for the receivables. The collateral value, which is recognized as payment, offsets all of the receivables from this customer. The transaction therefore reduced trade receivables and increased inventory items in the quarter of approximately NOK 362 million.

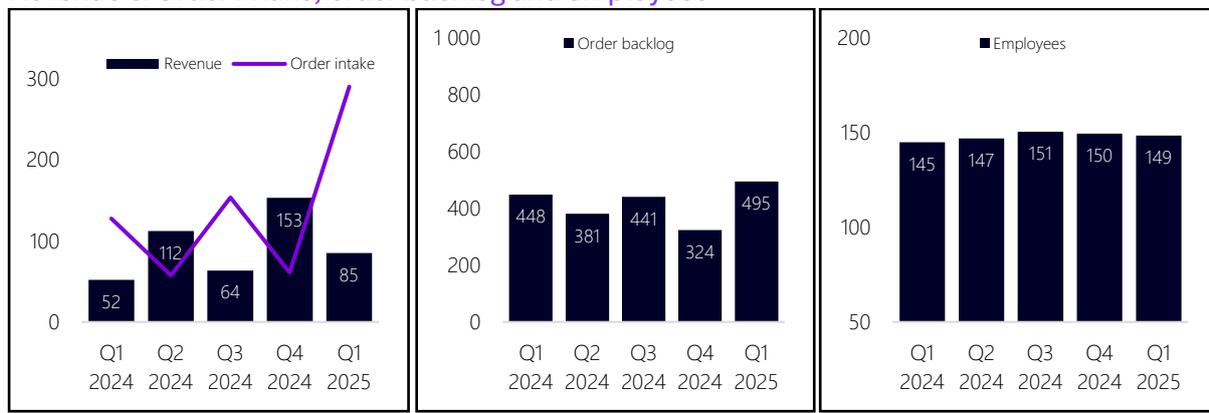
Product development for the next-generation pressurized alkaline electrolyser continues to progress well with full-size electrode testing ongoing at Nel's test center in Notodden, Norway, and a prototype plant under construction. Nel believes this technology platform will become competitive on a levelized cost of hydrogen (LCOH) basis compared to alternative solutions currently available in the market.

## Nel PEM Electrolyser

### Key figures

(Amounts in NOK million)	Q1 2025	Q1 2024	Change	2024
Revenue	85	52	64%	381
EBITDA	-31	-43		-165
Order intake	290	128	127%	400
Order backlog	495	448	11%	324
Employees	149	145	2%	150
Total assets	1 650	1 637	1%	1 755

### Revenue & Order intake, order backlog and employees



Nel PEM Electrolyser reported 64% increase in revenue compared to the same quarter last year. The increased revenue in this quarter is driven by containerized electrolyzers.

The reported EBITDA of NOK -31 million has improved by NOK 12 million compared to same quarter last year, positively impacted by the increased revenue. This quarter included NOK 22 million in research and development expenses compared to 30 MNOK in Q1 2024. Product and project margins are in general up compared to previous quarters due to more favourable terms and conditions and better execution of production and delivery projects.

The PEM segment reported an order backlog of NOK 495 million, up NOK 171 million from the previous quarter mainly driven by strong order intake in the quarter.

The expansion program for the Wallingford facility, which aims at increasing annual capacity from 50MW to 500MW, remained on plan and is close to completion. Increased capacity allows Nel to be a credible provider for large-scale PEM solutions.

Product development for a next-generation PEM electrolyser in collaboration with General Motors is progressing according to plan. A smaller scale test electrolyser with significantly lower material cost and improved energy efficiency is being built.

## Finance

(Amounts in NOK million)	Q1 2025	Q1 2024 restated	2024
<b>Finance income</b>			
Interest income	21	38	128
Change in fair value financial instruments	0	0	0
Other	3	0	4
<b>Interest income and other finance income</b>	<b>23</b>	<b>38</b>	<b>132</b>
<b>Finance costs</b>			
Interest expense	-4	-4	-16
Net foreign exchange gain (loss)	-6	17	14
Change in fair value financial instruments	-10	-3	-3
Other	0	1	-1
<b>Interest expense and other finance costs</b>	<b>-21</b>	<b>11</b>	<b>-7</b>
<b>Net finance income (cost)</b>	<b>3</b>	<b>50</b>	<b>125</b>

Nel reported finance income of NOK 23 million (Q1 2024: 38) in the quarter, mainly driven by interest income of NOK 21 million (Q1 2024: 38) from cash and cash equivalents. The decrease in interest income can be attributed to the lower cash amount in the period.

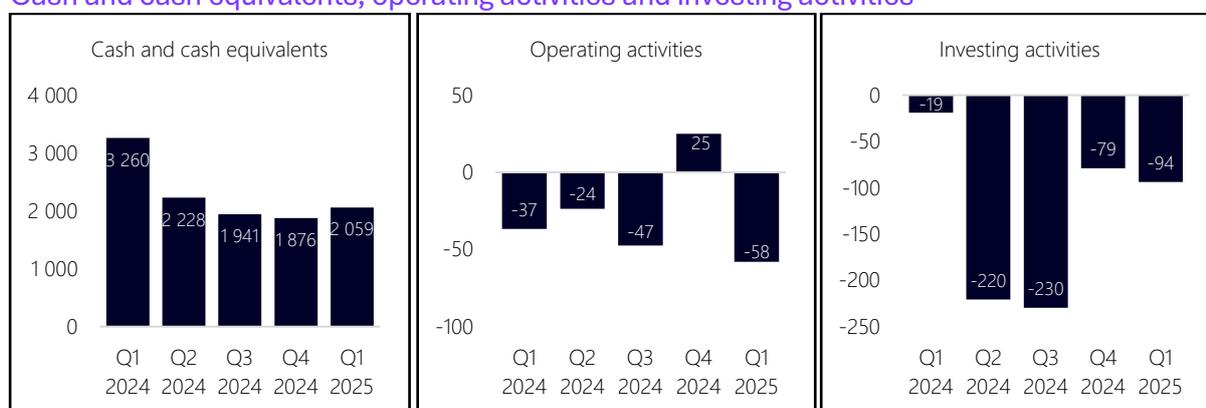
Finance costs in the quarter were NOK -21 million compared to NOK 11 million in the same quarter last year. This quarter includes a decline in fair value of shareholdings in Cavendish Hydrogen ASA of NOK -10 million.

First quarter 2025 included NOK 5 million (Q1 2024: 12) in currency exchange loss resulting from revaluing internal loans, caused by a stronger NOK against USD.

## Cash

(Amounts in NOK million)	Q1 2025	Q1 2024	Change	2024
Net cash flow from operating activities	-58	-37		-83
Net cash flow from investing activities	-94	-19		-548
Net cash flow from financing activities	338	-9		-663
Foreign currency effects on cash	-3	1		2
<b>Net change in cash</b>	<b>184</b>	<b>-63</b>		<b>-1 292</b>
<b>Net change in cash discontinued operation</b>	<b>0</b>	<b>-40</b>		<b>-196</b>
Cash and cash equivalents OB	1 876	3 363	-44%	3 363
<b>Cash and cash equivalents</b>	<b>2 059</b>	<b>3 260</b>	<b>-37%</b>	<b>1 876</b>

### Cash and cash equivalents, operating activities and investing activities



Cash flow from operating activities was negative NOK -58 million this quarter (Q1 2024: -37). Changes in net working capital impacted cash by NOK 96 million (Q1 2024: -126) 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 26 million (Q1 2024: 108) in the quarter.

The investing activities in the first quarter 2025 included net NOK 15 million (Q1 2024: -1) in net changes to restricted bank deposits and collateral for bank guarantees with a maturity longer than three months at the date of purchase. Other investment activities in the quarter included capitalised internal development of next generation electrolysers for a total of NOK 33 million (Q1 2024: 26). In addition, the investing activity same quarter last year included the cash collection from the sale of shareholdings in Everfuel of NOK 117 million.

Finance activities are positively impacted this quarter by a successful private placement in Nel on March 11, 2025, raising NOK 353 million in gross proceeds. Financing activities in 2024 includes the cash balance of NOK 625 million of the distributed company Cavendish Hydrogen ASA.

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

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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. The risks and uncertainty factors described in our Annual Report 2024 are still relevant. Since the publication of that report, there are increasing risks that global trade barriers may increase the cost of green hydrogen plants and the risk of already awarded subsidies and incentives being amended.

## Outlook

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Nel's strategy is to deliver reliable and energy-efficient electrolyser stacks and balance of stack systems to projects, initially in Europe and North America and over time in other markets. To handle the scope Nel does not cover, Nel has partnered with world-class EPC companies. This approach allows Nel to focus its efforts and resources on improving its core technology.

The company is well positioned to maintain a leading role among electrolyser manufacturers. A proven track record of delivering working electrolyser systems over several decades, a diverse product portfolio covering both alkaline and PEM solutions, and automated GW-scale production facilities are important differentiating factors. Nel also continues to make significant investments in improving the performance of current technology platforms and maturing next generation technologies, for example a pressurized alkaline system and a new PEM stack developed in collaboration with General Motors.

Delays in announced government incentives, higher interest rates, and higher than expected costs for building and operating hydrogen facilities (outside of Nel's core scope) have led to lower than expected order intake for the industry as a whole and for Nel in the last years, as well as delays and cancellations of already signed projects. The increasing macroeconomic risk mentioned above may lead to a longer market downturn. Nel has a solid cash balance that, in combination with adjustments to the cost base and capacity utilization, allows the company to fund its growth plan.

Following the spin-off of its former Fueling division (now Cavendish Hydrogen), Nel's operational cash burn-rate has been significantly reduced. Investments will come down approximately 50% in 2025 compared to 2024 following the PEM plant expansion program in Wallingford, USA, last year. Nevertheless, to manage its cash balance responsibly and prolong its runway, Nel has downsized its organisation and reduced its manufacturing capacity utilisation. The alkaline production facility in Herøya, Norway, was temporarily shut down in the first quarter of 2025. The length of the shut-down will depend on future order intake.

Several high-quality projects with reputable clients continue to mature and get closer to final investment decisions. In the near- to mid-term, Nel expects projects to be smaller than what was anticipated a few years ago. Nel is well-positioned to capture these near-term opportunities and scale with the market as it grows. The Company's reduced cost base and reduced investment plan in 2025 can be achieved without compromising on technology development and strategic position as the company already has established significant annual production capacity available can harvest prior investments. Higher revenues in combination with more efficient execution is expected to yield profitability over time, as already demonstrated in the alkaline segment in quarters with solid capacity utilisation.

Oslo, 29 April 2025  
The Board of Directors

Arvid Moss  
Chair  
(Electronically signed)

Beatriz Malo de Molina  
Board member  
(Electronically signed)

Charlotta Falvin  
Board member  
(Electronically signed)

Jens Bjørn Staff  
Board member  
(Electronically signed)

Hanne Blume  
Board member  
(Electronically signed)

Tom Røtjer  
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 2025	Q1 2024	2024
<b>Revenue and income</b>				
Revenue from contracts with customers	3	155 341	276 330	1 389 909
Other income		19 564	20 447	105 024
<b>Total revenue and income</b>		<b>174 905</b>	<b>296 777</b>	<b>1 494 933</b>
<b>Operating expenses</b>				
Raw materials		54 944	38 544	503 976
Personnel expenses		154 893	157 385	645 586
Depreciation, amortisation and impairment	4, 5	72 091	44 364	216 486
Other operating expenses		80 062	69 096	518 313
<b>Total operating expenses</b>		<b>361 990</b>	<b>309 389</b>	<b>1 884 361</b>
<b>Operating loss</b>		<b>-187 085</b>	<b>-12 612</b>	<b>-389 428</b>
Finance income		23 354	38 211	132 076
Finance cost		-20 509	11 414	-6 833
Share of income from associates and joint ventures		3 744	0	0
<b>Net financial items</b>		<b>6 589</b>	<b>49 625</b>	<b>125 243</b>
<b>Pre-tax income (loss)</b>		<b>-180 496</b>	<b>37 013</b>	<b>-264 185</b>
Tax expense (income)		-1 132	-2 032	-6 554
<b>Net income (loss) from continuing operation</b>		<b>-179 364</b>	<b>39 045</b>	<b>-257 631</b>
Net income (loss) from discontinued operation		0	-61 068	13 289
<b>Net income (loss) for the period</b>		<b>-179 364</b>	<b>-22 023</b>	<b>-244 342</b>
<b>Items that are or may subsequently be reclassified to income statement:</b>				
Currency translation differences		-88 556	76 612	92 554
Cash flow hedges, effective portion of changes in fair value		5 050	-42 737	-52 108
Cash flow hedges, reclassified		-8 564	11 866	43 244
<b>Other comprehensive income</b>		<b>-92 070</b>	<b>45 741</b>	<b>83 690</b>
<b>Total comprehensive income</b>		<b>-271 434</b>	<b>23 718</b>	<b>-160 652</b>
Basic EPS (figures in NOK) <sup>1)</sup>		-0.10	-0.01	-0.15
Diluted EPS (figures in NOK) <sup>2)</sup>		-0.10	-0.01	-0.15
Weighted average number of outstanding shares (million)		1 708	1 671	1 671

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

2) Diluted earnings per share are computed using the weighted average number of ordinary shares outstanding adjusted for share options. The number of share options outstanding in Q1 was 9.3 as potential million shares.

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	31.03.2025	31.12.2024
<b>ASSETS</b>			
Intangible assets	4	996 843	1 029 173
Property, plant and equipment	5	1 612 782	1 664 079
Restricted cash and cash equivalents		145 711	158 750
Other non-current assets		74 620	44 519
<b>Total non-current assets</b>		<b>2 829 956</b>	<b>2 896 521</b>
Inventories		890 209	531 748
Trade receivables	6	213 826	700 679
Contract assets		42 717	24 155
Other current assets		295 399	273 269
Restricted cash and cash equivalents		0	2 260
Cash and cash equivalents		2 059 465	1 875 580
<b>Total current assets</b>		<b>3 501 616</b>	<b>3 407 691</b>
<b>TOTAL ASSETS</b>		<b>6 331 572</b>	<b>6 304 212</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity		5 056 174	4 977 276
<b>Total equity</b>		<b>5 056 174</b>	<b>4 977 276</b>
Deferred tax liability		31 280	34 813
Long-term debt		0	0
Lease liabilities		213 917	215 523
Other non-current liabilities		72 209	74 542
<b>Total non-current liabilities</b>		<b>317 406</b>	<b>324 878</b>
Trade payables		44 902	110 742
Lease liabilities		43 864	44 479
Contract liabilities		634 942	583 392
Other current liabilities		234 284	263 445
<b>Total current liabilities</b>		<b>957 992</b>	<b>1 002 058</b>
<b>Total liabilities</b>		<b>1 275 398</b>	<b>1 326 936</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6 331 572</b>	<b>6 304 212</b>

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 2025	Q1 2024	2024
<b>Cash flow from operating activities</b>			
Pre-tax income (loss) <sup>1)</sup>	-180 496	37 013	-264 185
Net income (loss) from discontinued operation	0	-61 068	13 289
Discontinued operation	0	36 238	-172 034
Depreciation, amortisation and impairment	72 091	44 364	168 718
Change in net working capital <sup>2)</sup>	95 540	-126 394	-82 318
Other adjustments	-45 057	8 316	94 950
<b>Net cash flow from operating activities</b>	<b>-57 922</b>	<b>-61 532</b>	<b>-241 581</b>
<b>Cash flow from investment activities</b>			
Purchases of property, plant and equipment	-26 273	-108 347	-527 337
Payments for capitalised technology	-33 456	-26 370	-119 241
Cash flows from (used in) decrease (increase) in restricted cash <sup>4)</sup>	15 299	-857	-18 236
Purchase of other investments	-17 952	0	0
Investments in other financial assets	-35 000	0	0
Investments in associates and joint ventures	3 744	0	0
Proceeds from sales of other investments	0	116 632	116 632
Discontinued operation	0	-13 208	-33 728
<b>Net cash flow from investing activities</b>	<b>-93 638</b>	<b>-32 150</b>	<b>-581 910</b>
<b>Cash flow from financing activities</b>			
Interest paid <sup>3)</sup>	-4 387	-3 835	-16 166
Gross cash flow from share issues	353 070	0	0
Transaction costs connected to share issues	-3 200	0	0
Distribution of shares in Cavendish Hydrogen ASA <sup>5)</sup>	0	0	-625 420
Payment of lease liabilities	-7 195	-5 122	-20 943
Discontinued operation	0	-2 087	-3 459
<b>Net cash flow from financing activities</b>	<b>338 288</b>	<b>-11 044</b>	<b>-665 988</b>
Foreign currency effects on cash	-2 843	1 294	1 628
<b>Net change in cash and cash equivalents</b>	<b>183 885</b>	<b>-103 432</b>	<b>-1 487 851</b>
Cash and cash equivalents beginning of period	1 875 580	3 363 431	3 363 431
<b>Cash and cash equivalents</b>	<b>2 059 465</b>	<b>3 259 999</b>	<b>1 875 580</b>

1) Q1 2025 includes interests received of NOK 21 (38) million.

2) Change in net working capital comprises changes in inventories, trade receivables, contract assets, contract liabilities and trade payables.

3) Interest paid includes interest expense on lease liabilities.

4) Cash flow changes in restricted bank deposits and collateral for bank guarantees with a maturity longer than three months at the date of purchase.

5) The line item includes the cash balance distributed as part of the company Cavendish Hydrogen ASA.

## 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 31.12.2023	334 265	8 661 090	-84	134 538	-2 932 073	<b>6 197 736</b>
Net loss					-257 631	<b>-257 631</b>
Result from discontinued operation					13 289	<b>13 289</b>
Currency translation differences				92 554		<b>92 554</b>
Hedging reserve				-8 864		<b>-8 864</b>
Capital increase	0	0				<b>0</b>
Options and share program					2 719	<b>2 719</b>
Distribution of shares in Cavendish Hydrogen ASA		-1 062 527				<b>-1 062 527</b>
<b>Equity as of 31.12.2024</b>	<b>334 265</b>	<b>7 598 563</b>	<b>-84</b>	<b>218 228</b>	<b>-3 173 696</b>	<b>4 977 276</b>
Net loss					-179 364	<b>-179 364</b>
Currency translation differences				-88 556		<b>-88 556</b>
Hedging reserve				-3 514		<b>-3 514</b>
Capital increase	33 427	316 443				<b>349 870</b>
Options and share program					462	<b>462</b>
<b>Equity as of 31.03.2025</b>	<b>367 692</b>	<b>7 915 006</b>	<b>-84</b>	<b>126 158</b>	<b>-3 352 598</b>	<b>5 056 174</b>

## Notes to the interim financial statements

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### Note 1 Organisation and basis for preparation

#### Corporate information

Nel is a global, dedicated hydrogen electrolyser technology company, delivering solutions to efficiently produce hydrogen from renewable energy. The company serves industries, energy, and gas companies with leading technology making it possible to decarbonize various sectors such as transportation, refining, steel and ammonia. The history of the company dates back to 1927, and has since then continuously developed and improved its hydrogen production technology offering. Today, its solutions cover the only industrially relevant and commercially ready electrolyser platforms; alkaline and PEM. The company continues to invest in current offering as well as develop next-generation technologies. Nel currently has two divisions: Nel Alkaline Electrolyser and Nel PEM Electrolyser.

Nel (org. no 979 938 799) was formed in 1998 and is a Norwegian public limited company listed on the Oslo Stock Exchange under the ticker "NEL". 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 2024 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 2024.

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

#### Discontinued operation

A discontinued operation refers to a disposal group of assets and liabilities, together as a group in a single transaction, that has been disposed of or is classified as "held-for-distribution". The disposal group must represent a separate major line of business, a geographical area of operations, or be a subsidiary acquired exclusively with the intent to resell.

The disposal group shall be classified as a discontinued operation at the earlier of the date of disposal or when the disposal becomes highly probable.

The results of the discontinued operation are presented separately in the statement of comprehensive income, with restatement of prior period figures as if the operation had been discontinued from the start of the comparative year.

## 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 2024 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 2024 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. Based on the growth of the company, Nel reevaluated its segment reporting during the first quarter 2024 and is 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 two operating segments, Nel Alkaline Electrolyser and Nel PEM Electrolyser.

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 2025	Q1 2024	Change
<b>Revenue</b>			
Nel Alkaline Electrolyser	70 273	224 463	-69%
Nel PEM Electrolyser	85 068	51 867	64%
<b>Total</b>	<b>155 341</b>	<b>276 330</b>	<b>-44%</b>
<b>EBITDA</b>			
Nel Alkaline Electrolyser	-51 673	106 209	
Nel PEM Electrolyser	-30 859	-43 058	
Corporate <sup>1)</sup>	-32 462	-31 399	
<b>Total</b>	<b>-114 994</b>	<b>31 752</b>	
<b>Investments <sup>2)</sup></b>			
Nel Alkaline Electrolyser	44 840	108 314	-59%
Nel PEM Electrolyser	14 889	26 403	-44%
<b>Total</b>	<b>59 729</b>	<b>134 717</b>	<b>-56%</b>
<b>Total assets <sup>3)</sup></b>			
Nel Alkaline Electrolyser	2 396 109	2 096 663	14%
Nel PEM Electrolyser	1 650 068	1 636 513	1%
Corporate	2 285 395	3 260 512	-30%
<b>Total</b>	<b>6 331 572</b>	<b>6 993 688</b>	<b>-9%</b>

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)	31.03.2025	31.12.2024	Change
Norway	1 131 867	1 147 001	-1%
USA	480 915	517 078	-7%
<b>Total</b>	<b>1 612 782</b>	<b>1 664 079</b>	<b>-3%</b>

## Note 4 Intangible assets

(Amounts in NOK thousands)	Goodwill	Technology	Total
Carrying value of 01.01.2025	411 753	617 420	<b>1 029 173</b>
Additions	0	33 456	<b>33 456</b>
Amortisation	0	-14 930	<b>-14 930</b>
Currency translation differences	-24 705	-26 151	<b>-50 856</b>
<b>Carrying value as of 31.03.2025</b>	<b>387 048</b>	<b>609 795</b>	<b>996 843</b>

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 two Cash Generating Units (CGUs). Goodwill and intangible assets are related to CGU Alkaline Electrolyser and CGU PEM Electrolyser.

## 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 01.01.2025	1 448 417	215 662	<b>1 664 079</b>
Additions	26 273	0	<b>26 273</b>
Remeasurements	0	10 713	<b>10 713</b>
Depreciation	-49 128	-8 033	<b>-57 161</b>
Currency translation differences	-26 948	-4 174	<b>-31 122</b>
<b>Carrying value as of 31.03.2025</b>	<b>1 398 614</b>	<b>214 168</b>	<b>1 612 782</b>

## 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 <sup>1)</sup>	Gross carrying amount	Loss allowance
Current (not past due)	0.1 %	67 075	100
1-30 days past due	0.2 %	53 079	132
31-60 days past due	34.7 %	96 363	33 423
61-90 days past due	5.0 %	4 292	215
91 days to one year past due	34.3 %	40 894	14 007
<b>Carrying value as of 31.03.2025</b>	<b>18.3 %</b>	<b>261 703</b>	<b>47 877</b>

- 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.

## 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. The following table shows details of reported order backlog:

(Amounts in NOK million)	Alkaline	PEM	SUM
Planned delivery 2025	254	405	658
Delivery 2026 or later	418	91	509
Significant risk of delay or cancellation	293	0	293
<b>Order backlog as of 31.03.2025</b>	<b>965</b>	<b>495</b>	<b>1 460</b>

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