



Nel ASA

Q2 and half-year 2025 report

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Highlights

- Revenue from contracts with customers in the second quarter 2025 was NOK 174 million, a 48% reduction compared to the second quarter 2024 (Q2 2024: 332).
- Total revenue and income in the second quarter 2025 was NOK 215 million (Q2 2024: 356)
- EBITDA in the quarter was NOK -86 million (Q2 2024: -79).
- Net loss was NOK -131 million (Q2 2024: -118). The development was mainly explained by decreased operating loss of NOK -27 million, offset by NOK 16 million increased net financial items.
- Order intake in the quarter amounted to NOK 71 million, a 74% decrease from the corresponding quarter last year (Q2 2024: 270).
- Order backlog was NOK 1 249 million at the end of the quarter, down 40% from the second quarter of 2024 and down 14% from the previous quarter.
- Cash balance was NOK 1 928 million at quarter end (Q2 2024: 2 228).

Key figures

(Amounts in NOK million)	Q2 2025	Q2 2024	YTD 2025	YTD 2024	2024
Revenue	174	332	329	608	1 390
EBITDA	-86	-79	-201	-48	-173
Operating loss	-153	-125	-340	-138	-389
Pre-tax income (loss)	-132	-120	-312	-83	-264
Net income (loss)	-131	-118	-310	-79	-258
Net cash flow from operating activities	-53	-24	-111	-60	-83
Cash balance end of period	1 928	2 228	1 928	2 228	1 876
Order intake	71	270	383	668	977
Order backlog	1 249	2 071	1 249	2 071	1 614

Key press releases during the quarter and subsequent events

Nel Alkaline Electrolyser

- Statkraft has cancelled the 40 MW alkaline electrolyser contract published in November 2022.
- Samsung E&A launches its CompassH2 hydrogen plant large-scale solution, utilising Nel's alkaline technology, offering an integrated solution covering every phase of the value chain.

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

[Press releases | Nel Hydrogen](#)

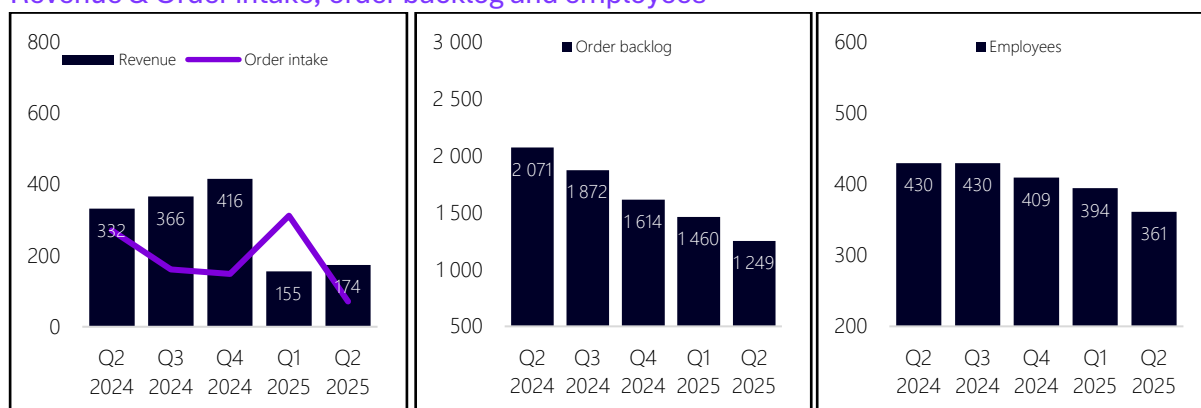
Financial development

Group

Key figures

(Amounts in NOK million)	Q2 2025	Q2 2024	Change	YTD 2025	YTD 2024	Change	2024
Revenue	174	332	-48%	329	608	-46%	1 390
EBITDA	-86	-79		-201	-48		-173
Order intake	71	270	-74%	383	668	-43%	977
Order backlog	1 249	2 071	-40%				1 614
Employees	361	430	-16%				409
Total assets	6 146	6 320	-3%				6 304

Revenue & Order intake, order backlog and employees



Nel reported a decrease of 48% in revenue compared to second quarter last year. Alkaline and PEM revenues declined by 70% and 3%, respectively, quarter on quarter. The alkaline segment had few project milestones in this quarter.

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, cancelled or become at risk of cancellation. Consequently, management has implemented and continues to implement cost reduction and capacity adjustment measures. These measures included temporary shut-down of the Herøya facility. The cost reduction measures have reduced the cost base in the first half 2025.

First half

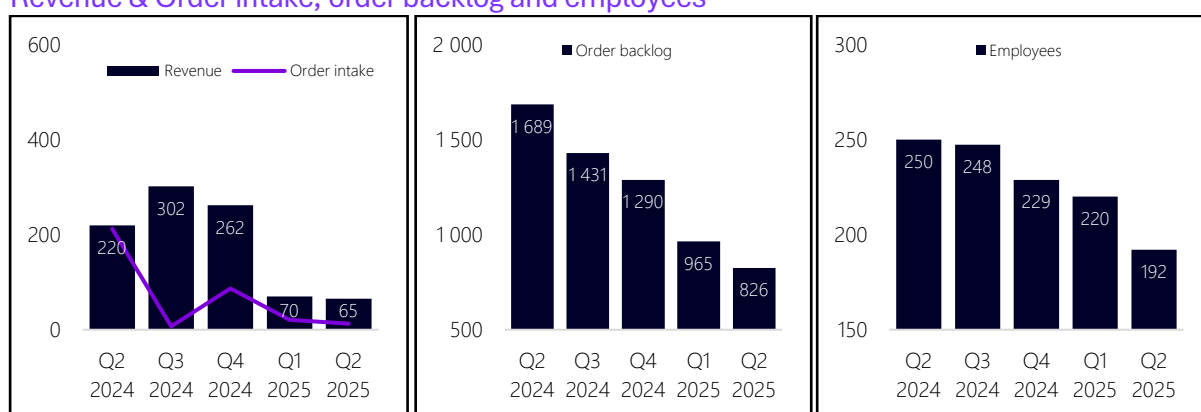
Nel's first half revenue and EBITDA were NOK 279 million and NOK 154 million, respectively, lower than a year earlier. EBITDA last year included NOK 54 million from renegotiation of the Nikola supply agreement. The order intake was 43% lower than a year earlier.

Nel Alkaline Electrolyser

Key figures

(Amounts in NOK million)	Q2 2025	Q2 2024	Change	YTD 2025	YTD 2024	Change	2024
Revenue	65	220	-70%	136	445	-69%	1 009
EBITDA	-26	-3		-78	103		127
Order intake	13	213	-94%	34	483	-93%	577
Order backlog	826	1 689	-51%				1 290
Employees	192	250	-23%				229
Total assets	2 396	2 243	7%				2 508

Revenue & Order intake, order backlog and employees



Nel Alkaline Electrolyser reported a 70% decrease in revenue compared to second quarter last year. In total, EBITDA decreased by NOK 23 million compared to second quarter 2024. This quarter included NOK 18 million in research and development expenses compared to 22 MNOK in Q2 2024.

The order backlog for Alkaline Electrolyser ended at NOK 826 million. This was down NOK 139 million from the end of Q1-25. 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.

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)	Q2 2025	Q2 2024	Change	YTD 2025	YTD 2024	Change	2024
Revenue	108	112	-3%	194	164	18%	381
EBITDA	-38	-43		-69	-86		-165
Order intake	58	57	2%	349	185	89%	400
Order backlog	423	383	11%				324
Employees	146	147	-1%				150
Total assets	1 574	1 680	-6%				1 755

Revenue & Order intake, order backlog and employees



Nel PEM Electrolyser reported revenue in line with the same quarter last year. Revenue in this quarter is driven by containerized electrolyzers.

The reported EBITDA of NOK -38 million has improved by NOK 5 million compared to same quarter last year. This quarter included NOK 33 million in research and development expenses compared to 32 MNOK in Q2 2024. Product and project margins are in general up compared to previous quarters due to better project execution.

The PEM segment reported an order backlog of NOK 423 million, down NOK 72 million from the previous quarter mainly driven by low 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)	Q2 2025	Q2 2024	YTD 2025	YTD 2024	2024
Finance income					
Interest income	26	30	47	69	128
Change in fair value financial instruments	8	0	0	0	0
Other	2	0	4	0	4
Interest income and other finance income	35	31	51	69	132
Finance costs					
Interest expense	-4	-4	-9	-8	-16
Net foreign exchange gain (loss)	-10	-20	-16	-2	14
Change in fair value financial instruments	0	0	-2	-3	-3
Other	0	-1	0	-1	-1
Interest expense and other finance costs	-14	-25	-27	-14	-7
Net finance income (cost)	21	6	24	55	125

Nel reported finance income of NOK 35 million (Q2 2024: 31) in the quarter, mainly driven by interest income of NOK 26 million (Q2 2024: 30) from cash and cash equivalents. The decrease in interest income can be attributed to the lower cash amount in the period. This quarter includes an increase in fair value of shareholdings in Cavendish Hydrogen ASA of NOK 8 million

Finance costs in the quarter were NOK -14 million compared to NOK -25 million in the same quarter last year. Net finance income (cost) YTD 2025 include a net decline in fair value of shareholdings in Cavendish Hydrogen ASA of NOK 2 million.

First half

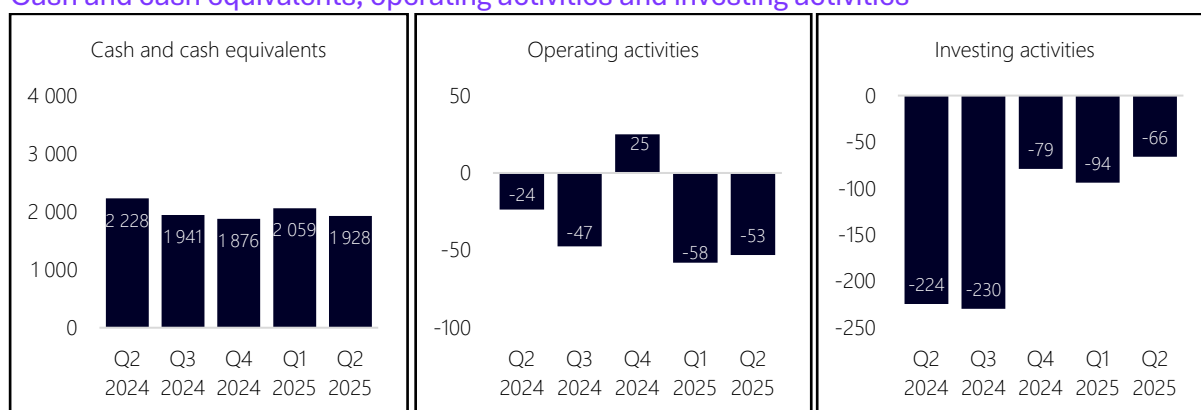
Nel reported net finance income in the first half of 2025 of NOK 24 million (1H 2024: 55). The variance from net finance income in the previous year is mainly explained by the NOK 22 million reduced interest income from a lower cash amount in the period.

Cash

(Amounts in NOK million)	Q2 2025	Q2 2024	Change	YTD 2025	YTD 2024	Change	2024
Net cash flow from operating activities	-53	-24		-111	-60		-83
Net cash flow from investing activities	-66	-224		-160	-239		-548
Net cash flow from financing activities	-12	-632		326	-641		-663
Foreign currency effects on cash	0	0		-3	1		2
Net change in cash	-132	-876		52	-940		-1 292
Net change in cash discontinued operation	0	-152		0	-196		-196

Cash and cash equivalents OB	2 059	3 260	-37%	1 876	3 363	-44%	3 363
Cash and cash equivalents	1 928	2 228	-13%	1 928	2 228	-13%	1 876

Cash and cash equivalents, operating activities and investing activities



Cash flow from operating activities was negative NOK -53 million this quarter (Q2 2024: -24). Changes in net working capital impacted cash by NOK 16 million (Q2 2024: 75) 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 49 million (Q2 2024: 196) in the quarter.

The investing activities in the second quarter 2025 included net NOK 2 million (Q2 2024: 12) 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 electrolyzers for a total of NOK 19 million (Q2 2024: 37).

Financing activities in Q2 and full year 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

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

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. Nel's industrial and technological development is strengthened by its strategic collaborations with partners such as General Motors, Reliance, Samsung E&A and Saipem.

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. Nel has demonstrated segment profitability in quarters with solid capacity utilisation, and expect to achieve profitability for the whole business once the market develops into solid growth.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of interim consolidated financial statements for the first half of 2025, which have been prepared in accordance with IAS 34 Interim Financial Reporting, provide a true and fair view of the company's assets, liabilities, financial position and results of operations. We also confirm that the half-year report provides a fair overview of the information required under Section 5-6, fourth paragraph of the Norwegian Securities Trading Act.

Oslo, 16 July 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)
Gyu Yeon Kang Board member (Electronically signed)	Håkon Volldal CEO (Electronically signed)	

Condensed interim financial statements

Consolidated statement of comprehensive income (unaudited)

(Amounts in NOK thousands)	Note	Q2 2025	Q2 2024	YTD 2025	YTD 2024	2024
Revenue and income						
Revenue from contracts with customers	3	173 917	332 118	329 258	608 448	1 389 909
Other income		41 475	24 274	61 039	44 721	105 024
Total revenue and income		215 392	356 392	390 297	653 169	1 494 933
Operating expenses						
Raw materials		75 648	149 232	130 592	187 776	503 976
Personnel expenses		131 328	158 347	286 221	315 732	645 586
Depreciation, amortisation and impairment	4, 5	66 554	46 101	138 645	90 465	216 486
Other operating expenses		94 781	128 132	174 843	197 228	518 313
Total operating expenses		368 311	481 812	730 301	791 201	1 884 361
Operating loss		-152 919	-125 420	-340 004	-138 032	-389 428
Finance income		35 425	30 595	50 843	68 806	132 076
Finance cost		-14 260	-24 940	-26 833	-13 526	-6 833
Share of loss from associates and joint ventures		0	0	3 744	0	0
Net financial items		21 165	5 655	27 754	55 280	125 243
Pre-tax income (loss)		-131 754	-119 765	-312 250	-82 752	-264 185
Tax expense (income)		-1 053	-2 070	-2 185	-4 102	-6 554
Net income (loss) from continuing operation		-130 701	-117 695	-310 065	-78 650	-257 631
Net income (loss) from discontinued operation		0	74 357	0	13 289	13 289
Net income (loss) for the period		-130 701	-43 338	-310 065	-65 361	-244 342
Items that are or may subsequently be reclassified to income statement:						
Currency translation differences		-44 882	-56 719	-133 438	19 893	92 554
Cash flow hedges, effective portion of changes in fair value		-4 746	26 994	304	-15 743	-52 108
Cash flow hedges, reclassified		12 726	676	4 162	12 542	43 244
Other comprehensive income		-36 902	-29 049	-128 972	16 692	83 690
Total comprehensive income		-167 603	-72 388	-439 037	-48 670	-160 652
Basic EPS (figures in NOK) ¹⁾		-0.07	-0.03	-0.17	-0.04	-0.15
Diluted EPS (figures in NOK) ¹⁾²⁾		-0.07	-0.03	-0.17	-0.04	-0.15
Weighted average number of outstanding shares (million)		1 838	1 671	1 773	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 Q2 was 9.8 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	30.06.2025	31.12.2024
ASSETS			
Intangible assets	4	975 130	1 029 173
Property, plant and equipment	5	1 590 019	1 664 079
Restricted cash and cash equivalents		143 378	158 750
Other non-current assets		74 942	44 519
Total non-current assets		2 783 469	2 896 521
Inventories		905 480	531 748
Trade receivables	6	203 360	700 679
Contract assets		24 673	24 155
Other current assets		300 900	273 269
Restricted cash and cash equivalents		0	2 260
Cash and cash equivalents		1 927 909	1 875 580
Total current assets		3 362 322	3 407 691
TOTAL ASSETS		6 145 791	6 304 212
EQUITY AND LIABILITIES			
Shareholders' equity		4 888 429	4 977 276
Total equity		4 888 429	4 977 276
Deferred tax liability		28 899	34 813
Lease liabilities		204 773	215 523
Other non-current liabilities		74 915	74 542
Total non-current liabilities		308 587	324 878
Trade payables		95 968	110 742
Lease liabilities		43 411	44 479
Contract liabilities		587 110	583 392
Other current liabilities		222 286	263 445
Total current liabilities		948 775	1 002 058
Total liabilities		1 257 362	1 326 936
TOTAL EQUITY AND LIABILITIES		6 145 791	6 304 212

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

Consolidated statement of cash flows (unaudited)

(Amounts in NOK thousands)	Q2 2025	Q2 2024	YTD 2025	YTD 2024	2024
Cash flow from operating activities					
Pre-tax income (loss) ¹⁾	-131 754	-119 765	-312 250	-82 752	-264 185
Net income (loss) from discontinued operation	0	74 357	0	13 289	13 289
Discontinued operation	0	-208 272	0	-172 034	-172 034
Depreciation, amortisation and impairment	66 554	46 101	138 645	90 465	216 486
Change in net working capital ²⁾	16 473	75 189	112 013	-51 206	-82 318
Other adjustments	-4 324	-25 120	-49 381	-16 804	47 182
Net cash flow from operating activities	-53 051	-157 510	-110 973	-219 042	-241 581
Cash flow from investment activities					
Purchases of property, plant and equipment	-49 380	-195 604	-75 653	-303 951	-527 337
Payments for capitalised technology	-18 870	-37 186	-52 326	-63 556	-119 241
Cash flows from (used in) decrease (increase) in restricted cash ⁴⁾	2 333	12 294	17 632	11 437	-18 236
Purchase of other investments	0	0	-17 952	0	0
Investments in other financial assets	0	0	-35 000	0	0
Investments in associates and joint ventures	0	0	3 744	0	0
Proceeds from sales of other investments	0	0	0	116 632	116 632
Discontinued operation	0	-20 520	0	-33 728	-33 728
Net cash flow from investing activities	-65 917	-241 016	-159 555	-273 166	-581 910
Cash flow from financing activities					
Interest paid ³⁾	-4 217	-3 831	-8 604	-7 666	-16 166
Gross cash flow from share issues	0	0	353 070	0	0
Transaction costs connected to share issues	-640	0	-3 840	0	0
Distribution of shares in Cavendish Hydrogen ASA ⁵⁾	0	-625 420	0	-625 420	-625 420
Payment of lease liabilities	-7 241	-3 163	-14 436	-8 285	-20 943
Discontinued operation	0	-1 372	0	-3 459	-3 459
Net cash flow from financing activities	-12 098	-633 786	326 190	-644 830	-665 988
Foreign currency effects on cash	-490	95	-3 333	1 389	1 628
Net change in cash and cash equivalents	-131 556	-1 032 217	52 329	-1 135 649	-1 487 851
Cash and cash equivalents beginning of period	2 059 465	3 259 999	1 875 580	3 363 431	3 363 431
Cash and cash equivalents	1 927 909	2 227 782	1 927 909	2 227 782	1 875 580

1) Q2 2025 includes interests received of NOK 26 (30) 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	6 197 736
Net loss					-257 631	-257 631
Result from discontinued operation					13 289	13 289
Currency translation differences				92 554		92 554
Hedging reserve				-8 864		-8 864
Capital increase						0
Options and share program					2 719	2 719
Distribution of shares in Cavendish Hydrogen ASA		-1 062 527				-1 062 527
Equity as of 31.12.2024	334 265	7 598 563	-84	218 228	-3 173 696	4 977 276
Net loss					-310 065	-310 065
Currency translation differences				-133 438		-133 438
Hedging reserve				4 466		4 466
Capital increase	33 427	315 804				349 231
Options and share program					959	959
Equity as of 30.06.2025	367 692	7 914 367	-84	89 256	-3 482 802	4 888 429

Notes to the interim financial statements

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)	Q2 2025	Q2 2024	Change	YTD 2025	YTD 2024	Change
Revenue						
Nel Alkaline Electrolyser	65 464	220 107	-70%	135 737	444 570	-69%
Nel PEM Electrolyser	108 453	112 011	-3%	193 521	163 878	18%
Total	173 917	332 118	-48%	329 258	608 448	-46%
EBITDA						
Nel Alkaline Electrolyser	-25 959	-2 807		-77 632	103 402	
Nel PEM Electrolyser	-37 962	-42 832		-68 821	-85 890	
Corporate ¹⁾	-22 444	-33 680		-54 906	-65 079	
Total	-86 365	-79 319		-201 359	-47 567	
Investments ²⁾						
Nel Alkaline Electrolyser	37 255	129 331	-71%	82 095	237 645	-65%
Nel PEM Electrolyser	30 995	103 425	-70%	45 884	129 794	-65%
Total	68 250	232 756	-71%	127 979	367 439	-65%
Total assets ³⁾						
Nel Alkaline Electrolyser	2 395 878	2 243 222	7%			
Nel PEM Electrolyser	1 574 027	1 680 306	-6%			
Corporate	2 175 886	2 396 415	-9%			
Total	6 145 791	6 319 943	-3%			

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)	30.06.2025	30.06.2024	Change	31.12.2024	Change
Norway	1 112 553	1 057 825	5%	1 147 001	-3%
USA	477 466	414 038	15%	517 078	-8%
Total	1 590 019	1 471 863	8%	1 664 079	-4%

Note 4 Intangible assets

(Amounts in NOK thousands)	Goodwill	Technology	Total
Carrying value of 01.01.2025	411 753	617 420	1 029 173
Additions	0	52 326	52 326
Amortisation	0	-25 159	-25 159
Currency translation differences	-38 754	-42 456	-81 210
Carrying value as of 30.06.2025	372 999	602 131	975 130

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	1 664 079
Additions	75 653	0	75 653
Remeasurements	0	10 794	10 794
Depreciation	-97 564	-15 922	-113 486
Currency translation differences	-40 702	-6 319	-47 021
Carrying value as of 30.06.2025	1 385 804	204 215	1 590 019

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	Loss allowance
Current (not past due)	0.1 %	97 522	146
1-30 days past due	0.2 %	18 308	46
31-60 days past due	1.0 %	7 130	71
61-90 days past due	5.0 %	1 094	55
91 days to one year past due	38.6 %	129 714	50 089
Carrying value as of 30.06.2025	19.9 %	253 767	50 407

- 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	366	242	608
Delivery 2026 or later	260	181	441
Significant risk of delay or cancellation	200	0	200
Order backlog as of 30.06.2025	826	423	1249

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